INTERNATIONAL JOURNAL OF APPLIED BUSINESS AND INTERNATIONAL MANAGEMENT

IJABIM

The Effects of Organizational Culture on Employee Performance: A Study of the Edge Newspaper

Thanushrii P.K. Sundararajan[1], Daisy Kee Mui Hung[2], Paul Jason Albert[3], Maniratnam Subramaniam[4], Harichandran Thirupathi[5], Laura Sofia Cuellar Angarita[6], Camilo Pérez-Restrepo[7], Carolina Ardila Lopez[8], Kushal Vashney[9], Kalyani Prem Kumar[10], Rudresh Pandey[11]

Universiti Sains Malaysia[1,2,3,4,5]
Jalan Sungai Dua, 11800 Minden, Pulau Pinang, Malaysia
Universidad Eafit[6,7,8]
Carrera 49 N° 7 Sur - 50, Medellín, Antioquia, Colombia
Abes Engineering College Ghaziabad[9,10,11]
19th KM Stone, NH 24, Ghaziabad, Uttar Pradesh 201009, India
Correspondence Email: daisy@usm.my

ABSTRACT

This research aims to examine the effect of organizational culture on employee performance. The research was conducted by interviewing the Edge Newspaper Sdn Bhd Company's top management and their employees. Apart from that, data collection will be based on observations from surveys and journals. These collected data were used to test our hypothesis that is 'A good employee behaviour will increase business productivity, lower absenteeism, and achieve turnover". It is proven that a positive relationship exists between organizational culture and employee behaviour. These findings provide new insights for the management of the effects of organizational culture on its employee performances. In addition, this research enhances the understanding of employee behaviour, possibly utilized by top management to encourage and manage their employees.

Keywords: Business Productivity, Employee Performance, Management, Newspaper, Organizational Culture

INTRODUCTION

The Edge Newspaper Company is owned by The Edge Communications Sdn Bhd, and is made up of various publications that have eventually complemented each other, thus creating a large branched company with a highly organized structure; to cover and examine all current matters of public interest and also trying to help the decision-making process of its readers. Society of Publishers in Asia (SOPA) has awarded The Edge Newspaper Company as "Excellence in Newspapers 2003".

The company's portfolio consists of eight different publications that cover different topics complementing one another. The Edge Malaysia, founded in 1994, has garnered numerous awards and recognitions for its excellent and significant reports. The Edge Singapore, released in 2002, has built its success on its well-informed analysis. The Edge Markets, introduced in October 2014, was created by the need to unify two of its news websites: The Edge Malaysia and The Edge Singapore. The

INTERNATIONAL JOURNAL OF APPLIED BUSINESS AND INTERNATIONAL MANAGEMENT

IJABIM

main mission of this website is to make the decision-making process for its readers easier and more accessible (via the Internet).

In addition, The Edge Malaysia was recognized as the country's best-performing small and mid-sized companies. To be a member of this elite group, the company must be listed on Bursa Malaysia as at March 31 of 2019. According to Teoh (2019), The Edge Education Foundation (TEEF) enables 13 outstanding students to pursue their studies at local universities from the year 2019 onwards without having to worry about their finances. It has organized "Money & Me: Youth Financial Empowerment Programme". Its target students are those coming from the B40 category (bottom 40% of households with a monthly income of RM 3,900 and below) by equipping them with financial literacy as a life skill. Furthermore, it introduces participants to basic entrepreneurship skills to help them improve their economic prospects.

Additionally, the company has 'The Edge Financial Daily' that shows the latest and the most relevant news from the world's financial markets. The Edge Property, introduced in 2015, aims to present to its readers' modern tools to make better decisions when buying or investing in properties. The Edge Malaysian Insider, informs its readers about topics such as lifestyle, and politics. Finally, The Edge Galerie promotes the artistic skill of Southeast Asia.

Problem Statement

Employee performance is one of the keys to the success of an organization. Low productivity of an employee can be a major problem to the whole organization. An organizational culture consisting of values, behaviours, and shared vision will contribute to the environment of an organization. Members of an organization soon come to sense the culture of an organization. Different people in the same organization may have different perceptions of the culture of the organization. However, how would organizational culture of an organization contribute to quality job satisfaction? The objective of the study is to assess the satisfaction level of employees in The Edge Newspapers and to identify the elements of organizational culture which influence the job satisfaction of employees.

Literature Review

Currently, the study of organizational culture makes managers and owners of companies around the world feel deep concerns over how to make their companies succeed. Among those concerns are: How should I change my organizational structure to make my employees perform better? What elements should I consider to make my business culture successful among others?

First and foremost, the definition of organizational culture can differ from one book to another, however, the most specific yet simple was made by Schein, E., H. (1992). He describes it as "the construction and negotiation of values and meanings as expressed through organizational artefacts, motivations, and behaviours". Barney, J (1986) added to the original definition the reason for the importance of the culture within a company in which organizational culture is defined as a source of competitive advantage by enabling the business to execute its strategy more efficiently."

INTERNATIONAL JOURNAL OF APPLIED BUSINESS AND INTERNATIONAL MANAGEMENT

IJABIM

Organizational culture becomes one of the key elements to provide job satisfaction to the employers. According to Locke (1969), job satisfaction is a gratifying emotional state resulted from the appraisal of one's job as the achievement of one's values. In our research study, job satisfaction was identified as the dependent variable, while the independent variables were Decision Authority, Co-Worker Support, Supervisor Support, Organizational Rewards, and Working Environment. Those are discussed in the literature review. The diagram below shows how the independent variables correlate with the dependent variable to provide job satisfaction in The Edge Company.
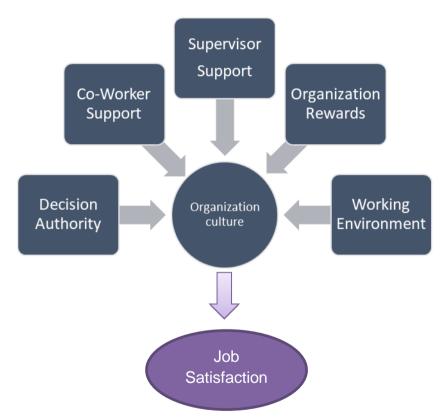
Job satisfaction

Diagram 1: Relationship between dependent variables and independent variables

Decision Authority
Employees' decision-making authority has an important role in the design of managerial control systems (Williamson, 2010). Escalating employee decision making offers employees the opportunity to use their information to make better decisions. Decision-making procedures should include contribution from affected parties, and be consistently applied, fair, open and ethical (Occup Environ Med, 2003). However, the nature of the impact of employee involvement in decision making will depend on the nature of the involvement. Most of the employees were "involved" in the process, but not in the actual decision. This insult had an extremely negative effect on employees' morale.

Co-Worker Support

It is known as the extent to which employees believe their coworkers provide them with work-related assistance to aid them in carrying out their service-related duties (Susskind, Kacmar, and Borchgrevink 2003; Susskind et al. 2000). It helps people feel respected in their organization and improves distributive justice. Co-worker understanding supports each other's strengths and weaknesses which provides a functional work environment. Surprisingly, sometimes a co-worker can also become one of the team members of an organization. Interactions within the team are also critical (Marks, Mathieu & Zaccaro, 2001) in which it is used to measure the managers' motivational influence towards co-workers.

Supervisor Support

Supervisors act as agents of the organization, who have the responsibility for directing and evaluating subordinates' performance. The employees would view their supervisor's favorable or unfavorable orientation toward them as the indicator of the organization's support (Eisenberger et al., 1986; Levinson, 1965). When employees believe that their supervisor appreciates their contributions, this would motivate the supervisor as having an important role in the organization. Employees supported by their peers and the organization are regarded by
their supervisors as more legitimate (Walker et al., 1986; Zelditch & Walker, 1984).

Organizational Rewards

It refers to all the financial and non-financial benefits, that employees obtain through their employment relationship with an organization (Malhotra, N., Budhwar, P., & Prowse, P., 2007). The literature makes a distinction between extrinsic and intrinsic which considered as rewards that an individual seeks from the organization (Williamson et al., 2009). Extrinsic rewards are those provided by the organization, which do not come from the content of the job itself. They include tangible, material benefits such as pay, fringe benefits, and promotional opportunities. On the other hand, intrinsic rewards refer to the intangible benefits that arise from the content of the job itself and have consequences for the psychological development of the employee (Williamson et al., 2009). Snyder, Osland, and Hunter (1996) believed that forty–four specific reward tools are described which can be used for individual or team incentives. Understanding their reward preferences and the implications of these differences are essential in designing incentives to attract and retain managers after their advanced training is completed.

Working Environment

It consists of two broader dimensions such as work and context. Work includes all the different characteristics of the job like the way job is carried out and completed, including task activities training, control on one's job-related activities, a sense of achievement from work, variety in tasks, and the rewards from their contribution. The second dimension of an organizational culture acknowledged as context comprises of the physical working conditions and the social working conditions (Sousa-Poza & Sousa-Poza, 2000; Gazioglu & Tanselb, 2006; Skalli, Theodossiou, & Vasileiou, 2008). Spector (1997) argued that most businesses ignore the working environment within their organization which results as a hostile effect on the employee performance. Therefore, the physical environment of a workplace greatly

affects the positivity within the firm which ultimately enhances productivity and success.

Through all these variables, companies might think that improving the organizational culture in all stages might be tiring and costly, however these kinds of decisions are essential for the company's overall performance. When improving employee performance, managers must understand that this process of changing the organizational culture is slow and not as easy as they might think. Wilkins, A., & Nigel J. Bristow (1987) explained "Managers are overly confident about their ability to plan culture change, but they may handicap rather than facilitate change. This is because such plans artificially simplify the complexity that exists in reality". They explained in their research paper "For Successful Organization Culture, Honor Your Past" that the changes shall not change the roots of the company, and managers should learn to enhance these roots to achieve a successful change.

These types of changes are very important because they can make the difference between a successful company and one that is not. Companies operated by the workforce and managers today cannot ignore the fact that the way of working is changing, and employees must be treated differently than they were in the past. As Slater, S., Olson, E., & Finnegan, C. (2011) said "A strong culture enables employees to understand the business's strategy and stimulates supportive behaviors. Therefore, if the success of a business strategy is hooked on appropriate behavior, then the organization needs to have a supportive culture."

In conclusion, organizational culture is a necessity that helps to materialize the goals of a company and creates a favorable work environment. Culture is coordinated to business strategy as a valuable resource as it sustains both effectiveness and efficiency.

In our research, the proposed method for this research was using both quantitative and qualitative methods. Quantitative data collection involves the use of a survey through multiple choice questionnaires completed by 50 employees of Edge Newspaper Sdn Bhd. The survey research is well-defined as "the collection of information from a sample of individuals through their responses to questions" (Check & Schutt, 2012). Through survey, we manage to understand each employee's mindset regarding organizational culture. Questionnaires are created using Google docs and delivered in an electronic format via email. The questionnaires were only distributed to the employees through email with the help of the manager of the company. Employees who filled the questionnaires are top managers, low-level managers, and all other subordinates in order to get consistent and unbiased results. The email was used because it is widely recognized as an effective means to increase the response rate. We also used many articles based on organizational culture to understand and explore the meaning and specific context for this research.

Quantitative methods emphasize statistical and numerical analysis of the data collected through questionnaires and surveys. The questionnaires are a type of closed-ended questions to ease respective employees in delivering the information they feel comfortable with. Questionnaires offer an effective way where large amounts of information from the employees are collected consistently and easy for

data interpretation. Close-ended questions are more efficient and easier to gather, record, and analyze. Besides, the questions will enable us to measure the sensitivity and behaviour of employees.

In the qualitative phase, data from the closed-ended questions will be derived. The data which are collected will be extracted to eliminate unnecessary data. The data will be recorded using cluster analysis which is a set of a method for grouping similar objects and responses. It is used to reduce and manage the number of variables that belong together. The conclusion will be based on the majority response collected by the researcher.

RESEARCH METHOD

This is a qualitative research conducted by interviewing the respondents (management and employees). Qualitative research is any kind of research pursuing findings without any statistical methods or quantitative means while quantitative research is a research that based on numbers (Creswell, 2007)

RESULTS AND DISCUSSION

Table 1: Demographic Information of 50 Respondents

Response	Frequency	Percentage (%)
Age		
25-30 years old	14	28.0
Less than 25 years old	23	46.0
More than 30 years old	13	26.0
Gender		
Female	30	60.0
Male	20	40.0
Length of Service		
1-2 years	19	38.0
Less than 1 year	18	36.0
More than 2 years	13	26.0

Table 1 displays the demographic profiles of respondents. The study population consisted of 50 respondents who both part-time and full-time employees. They are divided into three groups according to their age including: (a) 25-30 years old, (b) Below 25 years old and (c) Above 30 years old, in which the highest respondents participating in this study are those above 25 years old. We found that female's respondents were more involved more than males with ratio of 30:20. In addition, the employees are being categorized according to their length of their service: (a) 1-2 years, (b) less than a year and (c) More than 2 years. It shows that the majority of employees have worked for less than 2 years. As results, most of the respondents were above 25 years old women with mostly 1 -2 years of job experience.

Measures
We have distributed questionnaires to analyze and measure the variables engaged in our research. The variables, except for working environment, have 4-point scale

in which the respondents were required to specify to what extent they agree and disagree with each statement (1 = strongly disagree; 4 = strongly agree).

We used an 18-item scale to determine and gain data about the Culture of the Organizations. The scale includes areas such as Decision Authority, Co-worker Support, Supervisor Support, Organizational Rewards and Working Environment based on Organizational Culture. To analyze content such as validation ratio and factor analysis, we have used a series of psychometric analysis.

Five Interpretable dimensions identified are: Decision Authority (4 items), Co-worker Support (4 items), Supervisor Support (3 items), Organizational Rewards (5 items) and Working Environment (2 items). Sample items were: "Power to make decision among employees are considered poor in this organization" (Decision Authority); "There is job satisfaction among employees as they are surrounded by altruistic colleagues and their top management (Co-worker Support and Supervisor Support); "The employees are so highly motivated that their performance are lead to rewards (Organizational Rewards); and "There exists unsatisfactory working condition on productivity in the organization" (Working Environment).

Table 2: Descriptive Statistics, Scale characteristics, and Inter-Item Covariance Matrix

	Decision Authority	Co-Worker Support	Supervisor Support	Organizational Rewards	Working Environment	Mean	Std. Deviation
Decision Authority	**0.49**					2.72	0.523
Co-Worker Support	0.159**	**0.85**				3.02	0.672
Supervisor Support	0.117*	0.266***	**0.85**			2.97	0.652
Organizational rewards	0.068	0.164**	0.193**	**0.89**		2.09	0.499
Working Environment	0.036	0.041	0.013	0.045	**0.59**	2.32	0.447

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Table 2 and 3 show descriptive statistics, scale characteristics, and inter-item Covariance Relationships between the variables. As shown, the 1st-factor (Decision Authority) and the 4th-factor (Working Environment) are unacceptable and the internal consistency is questionable where the range of alpha is between 0.49 and 0.59. Whereas, the second-factor (Co-Worker and Supervisor Support and

INTERNATIONAL JOURNAL OF APPLIED BUSINESS AND INTERNATIONAL MANAGEMENT

IJABIM

Organizational Rewards) are good and the internal consistency is acceptable where the range of alpha is 0.85 to 0.89.

We have surveyed 50 employees from Edge Newspaper to analyze the impact of organizational culture on employee performance and satisfaction in their workplace. The scale consisted of four factors including Decision Authority, Co-worker and Supervisor Support, Organizational Rewards, and Working Environment. Certain principal component analysis and varimax rotation were taken. Authority Decision, Co-worker and Supervisor Support, Organizational Rewards, and Working Environment explain the variance of 0.274, 0.451, 0.426, 0.249, of 0.249, 0.20 accordingly. The factors indicated that the data values are almost inter-correlated.

Table 3: Summary Regression Analysis

No	Variable Entered	Standardized Coefficients (Beta)
1	Co-Worker Support	-0.039
2	Supervisor Support	0.265
3	Organizational Rewards	0.477***
4	Working Environment	0.025
5	Decision Authority	.240*

*$p<0.05$; **<0.01; ***$p<0.001$

Table 3 shows that the Absence of Co-Worker Support will discourage employee performance by -0.039. This assumes the other variable is held constant. This model also portrays that with every increase of one standard deviation of Supervisor Support, an employee performance rises by 0.265. With an increase of one standard deviation for each Organizational Reward, Working Environment, and Decision Authority factors, each employee performance will increase by 0.477, 0.025, and 0.240 assuming that other factors are held constant. All the factors, except Co-Worker Support, have positive relations towards employee performance.

CONCLUSIONS

This research is to discuss the culture of Edge Newspaper and their impact on the employees' job performances. This study shows that Co-workers' support has a negative correlation with job performance while Supervisor Support, Working Environment, And Decision Authority have a positive correlation.

Co-worker Support influences role perception and individual effectiveness in such a way that co-workers can often let them to know what to do and how to do such things when they are unsure about their job scope and the organization cultures. It has been found to reduce unwanted and less productive workplace behaviour like coming work late and purposefully working slow. The absence of Co-Worker Support makes employee performance low.

Supervisor Support is the one that enables employees feel appreciated in the organizational chain and show the importance of being productive. Organizational

INTERNATIONAL JOURNAL OF APPLIED BUSINESS AND INTERNATIONAL MANAGEMENT

IJABIM

Reward enables the employees' felt motivated and satisfied to stick around and to work harder to give their best efforts. Furthermore, Work Environment like temperature, air quality, lighting in the office promote the work concentration and productivity. Decision Authority serves an important factor to motivate employees which ultimately leads to improved efficiency in the organization. Thus, the presence of Supervisor Support, Organizational Reward, Working Environment, And Decision Authority will increase the job performance of employees.

REFERENCES

Barney, J. (1986). Organizational culture: Can it be a source of sustained competitive advantage? *Academy of Management Review*, *7(3)*, 656-665. doi:10.5465/amr.1986.4306261

Creswell, J.W. (2007). Qualitative inquiry and research design (2nd ed.). SAGE Publications

Eisenberger, R., Huntington, R., Hutchison, S., & Sowa, D. (1986). Perceived organizational support. *Journal of Applied Psychology, 71(3),* 500-507. doi:10.1037/0021-9010.71.3.500

Levinson, H. (1965). Reciprocation: The relationship between man and organization. *Administrative Science Quarterly, 9(4),* 370-390. doi:10.2307/2391032

Locke, E. A. (1969). What is job satisfaction? *Organizational Behavior and Human Performance*, *4(4)*, 309-336. doi: 10.1016/0030-5073(69)90013-0

Malhotra, N., Budhwar, P., & Prowse, P. (2007). Linking rewards to commitment: An empirical investigation of four UK call centres. *The International Journal of Human Resource Management, 18(12),* 2095-2128. doi:10.1080/09585190701695267

Marks, M. A., Mathieu, J. E., & Zaccaro, S. J. (2001). A temporally based framework and taxonomy of team processes. *The Academy of Management Review, 26(3),* 356-376. doi:10.2307/259182

Schein, E. (1992). *Organizational Culture and Leaderships* (2nd Ed). Jossey- Bass.

Skalli, A., Theodossiou, I., & Vasileiou, E. (2008). Jobs as Lancaster goods: Facets of job satisfaction and overall job satisfaction. *The Journal of Socioeconomics, 37(5),* 1906-1920. doi:10.1016/j.socec.2008.04.003

Slater, S. F., Olson, E. M., & Finnegan, C. (2011). Business strategy, marketing organization culture, and performance. *Marketing Letters, 22(3),* 227-242. doi:10.1007/s11002-010-9122-1

Snyder, M. M., Osland, J., & Hunter, L. (1996). Public and private organizations in Latin America: A comparison of reward preferences. *International Journal of Public Sector Management, 9(2),* 15-27. doi:10.1108/09513559610119528

Sousa-Poza, A., & Sousa-Poza, A. A. (2000). Taking another look at the gender/job-satisfaction Paradox. *Kyklos: International Review of Social Science, 53(2),* 135-152. doi:10.1111/1467-6435.00114

Spector, P. (1997). Job satisfaction : Application, assessment,causes and consequesnces. *Thousand Oaks, CA, Inc (Vol. 3).* Sage Publications. http://dx.doi.org/10.4135/9781452231549

Susskind, A. M., Kacmar, K. M., & Borchgrevink, C. P. (2003). Customer service providers' attitudes relating to customer service and customer satisfaction in the customer-server exchange. *Journal of Applied Psychology, 88(1),* 179-187. doi:10.1037/0021-9010.88.1.179

Teoh, D. (2019). *Helping to make youth financially savvy.* https://www.theedgemarkets.com/article/helping-make-youth-financially-savvy

Wilkins, A. L., & Bristow, N. J. (1987). For successful organization culture, honor your past. *Academy of Management Perspectives, 1(3),* 221-228. doi:10.5465/ame.1987.4275745

Williamson, I. O., Burnett, M. F., & Bartol, K. M. (2009). The interactive effect of collectivism and organizational rewards on affective organizational commitment. *Cross Cultural Management: An International Journal, 16(1),* 28-43. doi:10.1108/13527600910930022