

# Impact of Organizational Factors, Employee Personal Orientation and Workplace on Employee Performance

P. Lakshmi Narayanamma, D. Sudhirbabu,

**Abstract:** *Employees are the most valuable resources & constitute as core part of the company. Post globalization, we can witness abnormal changes in the markets worldwide moving to search of the talent at the highest level. Floating of expertise doesn't look to have any limits, the talent among the people is enhancing regularly. As a result it is unstoppable to plan, execute and assess the performance to go for highest level on each attempt, for both the parties namely company and its employees. Performance management reflects employee commitment to the company and to their given work. It constitutes a physical environment where employees are allowed to do to the best of their capabilities. This paper is an attempt to test whether the organizational factors, employee personal orientation and work place has any relationship with employee performance. Further, study also checks the impact of the chosen variables on employee performance.*

**Keywords:** *change, competitiveness, human capital, performance*

## I. INTRODUCTION

Performance management is a method through which both employees and managers work collectively to forecast the future, observe and assess career objectives of employees and their overall involvement and contribution to the company. Rather than just an annual performance assessment, performance management is an ongoing method of fixing objectives and goals, measuring progress and offering ongoing instruction and briefing about the performance to see that employees are accomplishing their objectives and career goals. Performance management system not only assesses and acknowledges the employees performance instead it is a complete procedure of a cycle of enhancing the individual employee performances with diversified interests, different capabilities, difficulties, ego and different traits. So, it could be mentioned that performance management attempts to understand and identify employee capability, look into the lack of

performance planning parameters with process to motivate and improve the performance for betterment. When firmly organized and executed, performance management renders benefits for employees, managers, senior leaders and organizations. Macky and Johnson (2000) cleared that the significance of performance management is uniformly enhancing company performance and it is accomplished by enhancing individual performance of an employee. The AMO- AMO-model 7 (Appelbaum et al., 2003) states that performance which is employees function capacity, encouragement and opportunity to participate. It suggests that company will ultimately benefited if it organizes the work procedure in such a manner that non-managerial employees should be given the opportunity to contribute voluntarily and it could be accomplished by delegating authority in decision making by offering in good communication and by membership of employees in individual directed and/or off-line groups.

## II. PERFORMANCE MANAGEMENT MODEL



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### III. LITERATURE REVIEW

In his research Deeprose (2014) mentioned that the existence of money may be a strong influencer, the non-existence of it is a firm discouraging factor. As per Mishra and Dixit (2013), monetary and non-monetary incentives are immensely connected with employees performance. Due to good connectivity between incentives and performance it enhances the job satisfaction of employees. Job satisfaction moves to success and feelings of achievement during the work. Rizwan and Ali, (2010) is of the opinion that when incentives are executed within the company good working conditions are obtained which encourages employees to enhance their performance. Employees consider recognition as the value for their feelings and appreciation consequently it enhances employee's morale which obviously maximizes company's productivity. Rewards contribute significant role in influencing the valuable performance in work and are associated with the motivation process (Rizwan and Ali, 2010). Cook (1994) as cited in Chin-Ju (2010) helps the theoretical forecasting that stores that execute an incentive plan to employees will experience a positive influence on sales, profit and customer satisfaction.

Leadership looks for the employee participation with their dedication and feeling of ownership through organizing power, encouragement and communication in the company (Chandra & Priyono, 2016). Sharma & Jain (2013) mentioned leadership as a procedure through which an individual forces other individuals to complete an objective and administering the path which is more cohesive and coherent. Dalluay & Jalagat (2016) research finding summarized that the companies should uniformly utilize the maximum from the style of leadership which improves employee performance. The outcome of the research conducted by Widayanti & Putranto (2015) proved that transactional and transformational leadership has good association and its influence to employee performance either simultaneously or to some extent. Sakiru, et al. (2013) findings summarized that there is considerable association between employee performance with emotional intelligence and the style of leadership. As a whole researchers are on general agreement that acceptance can positively and significantly forecast the employee job performance. Some of the researchers feel that frankness to experience attribute can forecast the performance in work where communication among the employees is important (45, 46). With less exceptions most of the studies establishes the truth that conscientiousness is logical parameter of performance [9, 27, 28, 31, 32, 33].

The attention on well being of employee offers an educative atmosphere for employees, which minimizes the anxiety and improves their happiness and dedication (Baker et al., 2006; Lings and Greenley, 2005). Apart from an employee centric, environment can support cooperative learning and sharing of knowledge (Janz and Prasarnphanich, 2003). Dedicated and satisfied employees are usually very good performers who contribute for productivity of an organization. (Samad, 2007). A study was conducted to understand the influence of employee motivation on employee performance and it was understood that if the employees are highly motivated then their contribution will maximize (Asim, 2013). Employees work

is actually affected by encouragement because if employees are inspired then they will contribute with high effort and by which performance will ultimately enhance. (Azar and Shafiqhi, 2013). When employees are happy then they will work with more passion and will do hardwork leading to high performance. (Mehmod, 2013). A study revealed that employee's performance is directly affected by deep rooted incentives. As the employees will get inherent incentives they will understand their performance and display more efforts to get appreciation. (Edirisooriyaa, 2014). Flexible timings encourage employees to schedule their working hours of the day, they were happier with their contribution. (Kumar and Mohd, 2014). If employees are provided with on-site child care facilities they have a propensity to work more competently and they are the one who work for overtime. As organization is taking care of their during their working hours, they were more happy with their job (Ezra, Deckman, 2006). As mentioned by (Beauregard, 2009), the employees are able to stabilize striving demands if they are permitted to plan their schedule time. Various work summarized that job stress worstly influences employee performance taking the various parameters associated and especially job satisfaction of the employee. This has been accepted by recent works (Ahmed & Ramzan, 2013).

Work associated stress as per Maneze (2005) has been analyzed by most organizations as a low cautious situation but it creates abnormal influence on employee's health and also directly strikes the employee's performance. A work on the influence of job stress initiated by Mead (2000) stated that there exists a worst influence of work stress on employee contribution if the stress is not handled efficiently.

### IV. OBJECTIVES

1. To determine the relationship between organization, employees personal orientation and work place and employee performance.
2. To investigate the influence of the identified determining attributes on employee performance.

### V. HYPOTHESIS

Hypothesis 1: There is no significant relationship between organizational factors, employee's personal orientation, work place and employee performance.

Hypothesis 2: Determinant attributes (role of organization, employee's personal orientation and work place) have no significant influence on employee performance.

### VI. METHODOLOGY

The method used for conducting the study is survey method and the population chosen for the study comprises of 1000 employees from IT sector. The technique adopted is simple random sample technique and the sample size is 387 and the data was collected by distribution of questionnaire. Questionnaire consists of two parts. Part I deals with demographic details of the respondents and Part II deals with organizational factors, employee personal orientation and work place items.



Scale of items are measured by using five point scale which includes Strongly Agree (SA) representing 5, Agree (A), Neutral (N), Disagree (DA), and Strongly Disagree (SD) representing 1. The respondents have to express opinion on the five point scale. The scale

comprises of 14 items. Cronbach alpha coefficient was used to determine the internal consistency, homogeneity and unidimensionality of the instrument used for measuring (Clark & Watson, 1995). Coefficient alpha contains significant information concerning the percentage of deviation of the scale of items in terms of the total difference explained by the particular scale. Cronbach's alpha for the instrument is 0.718 which ensures the reliability of the instrument. The collected data is analyzed using factor analysis, mean, standard deviation, correlation and regression analysis.

**Table 1: Demographic Details of the Students**

S. NO	Variable	Sub-Category	Sample Size	Percent
1	Gender	Male	257	66.4
		Female	130	33.6
2	Age	25-35	281	72.6
		35-45	81	20.9
		45-55	18	4.7
		>55	7	1.8
3	Education	UG	219	56.6
		PG	168	43.4
4	Occupation	BM	264	68.2
		MM	89	23.0

		TM	34	8.8
5	Years of experience	1-5 yrs	159	41.1
		5-10 yrs	121	31.3
		10-15yrs	81	20.9
		15-20yrs	26	6.7
<b>TOTAL</b>			387	100

**VII. ANALYSIS & RESULTS**

The sampling sufficiency of the statistics is analyzed on the basis of the results of Kaiser-Meyer-Olkin(KMO) measures of sampling adequacy and Bartlett's test of Sphericity (homogeneity of variance). The KMO measure of sampling adequacy is 0.695, reflecting that the present data is appropriate for Factor Analysis. Likewise, Bartlett's test sphericity is significant (p<0.001), representing that significant correlation exists among the variables to continue further with the analysis. The Bartlett's test statistic is roughly scattered and it can be accepted when it is significant at p<0.05 (Table2).

**Table 2: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		69.5
Bartlett's Test of Sphericity	Approx. Chi-Square	197.822
	D.f.	6
	Significance	0.000

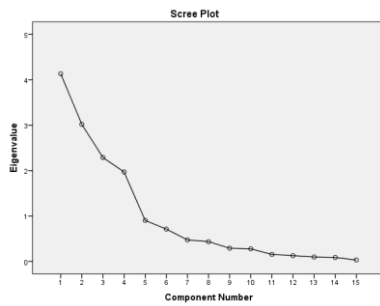
A simple factor analysis was done and 4 factors are extracted (with eigen values higher than 1) explaining 61.441% of the variance.

**Table 3: Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.133	27.553	27.553	4.133	27.553	27.553	3.479	23.194	23.194
2	3.018	20.123	47.676	3.018	20.123	47.676	3.083	20.554	43.748
3	2.288	15.255	62.931	2.288	15.255	62.931	2.493	16.618	60.366
4	1.970	13.136	76.067	1.970	13.136	76.067	2.355	15.702	76.067
5	.903	6.019	82.087						
6	.711	4.743	86.829						
7	.475	3.165	89.994						
8	.435	2.903	92.897						
9	.290	1.935	94.832						
10	.278	1.851	96.683						
11	.154	1.029	97.712						
12	.128	.851	98.564						
13	.097	.648	99.211						
14	.087	.581	99.792						
15	.031	.208	100.000						

Extraction Method: Principal Component Analysis.

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**Figure 1: Screen plot**

Screen plot involves scheming each of the Eigen values of the factor and inspecting the plot to find a point at which the shape of the curve changes direction and become horizontal. Figure 1 shows a sharp break in sizes of eigenvalues which results in a change in the slope of the plot from steep to shallow. The screen plot shows the main point of inflexion after one component and another point of inflexion after

four factors. Based on Eigen values four factors are considered but the screen plot shows the point of inflexion after one and five factors. The factor analysis is run with four factors and the results are presented in Table 3

**Table 4: Rotated Component Matrix**

Rotated Component Matrix <sup>a</sup>				
	Component			
	1	2	3	4
ORGP1				0.888
ORGP2				0.830
ORGP3				0.829
EPO1	0.974			
EPO2	0.938			
EPO3	0.921			
EPO4	0.802			
WP1		0.898		
WP2		0.921		
WP3		0.742		
WP4		0.872		
EP1			0.924	
EP2			0.908	
EP3			0.800	

Extraction Method: Principal Component Analysis.  
Rotation Method: Varimax with Kaiser Normalization.  
a. Rotation converged in 5 iterations.

**Table 5: Coefficient of Correlation**

Correlation					
		MORGP	MEPO	MWP	MEP
MORGP	Pearson Correlation	1	0.300**	0.178**	0.201**
	Sig. (2-tailed)		0.000	0.000	0.000
	N	387	387	387	387
MEPO	Pearson Correlation	0.300**	1	0.369**	0.430**
	Sig. (2-tailed)	0.000		0.000	0.000
	N	387	387	387	387
MWP	Pearson Correlation	0.178**	0.369**	1	0.360**
	Sig. (2-tailed)	0.000	0.000		0.000
	N	387	387	387	387

MEP	Pearson Correlation	0.201**	0.430**	0.360**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	387	387	387	387

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

From Table 5 the p-values for the correlation among employee performance and organizational factors, employee personal orientation and work place are less than the significance level of 0.05, which indicates that the correlation coefficients are significant.

**Table 6: ANOVA**

ANOVA <sup>a</sup>						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	10.041	3	3.347	39.378	0.000 <sup>b</sup>
	Residual	32.555	383	.085		
	Total	42.597	386			

a. Dependent Variable: MEP  
b. Predictors: (Constant), MWP, MORGP, MEPO

**Table 7: Regression Coefficients**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.507	0.271		5.552	0.000
	MORGP	0.048	0.037	0.062	1.322	0.187
	MEPO	0.406	0.062	0.328	6.589	0.000
	MWP	0.209	0.044	0.228	4.735	0.000

a. Dependent Variable: MEP

From the output, it is observed that the interpreter variables of employee personal orientation and workplace are significant because both of their p-values are 0.000. However, the p-value for organizational factors (0.187) is greater than the alpha 0.05, which indicates that it is not statistically significant. Hence, the determinant attributes employee's personal orientation and work place have a significant influence on employee performance whereas organizational factors have significant effect.

## VIII. CONCLUSION

This study concludes that the variables employee personal orientation and workplace do simultaneously affect the employees' performance. It also states that the regression analysis shows that both organizational factors do not affect the employee performance. Although these findings may not be generalized, it does offer some recommendations to management to put attention on various factors that influence employee performance.

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