Measuring the effect of Organizational Culture on Organizational Performance:

A case study at B.M.Nagano Industries Sdn. Bhd. (Pasir Gudang, Johor).

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A Thesis submitted to the Faculty of Business management and University Utara Malaysia
In partial fulfillment of the requirement for the degree of

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Keywords: culture, performance.

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ABSTRAK

Tujuan kajian ini adalah untuk mengukur kesan budaya organisasi terhadap prestasi organisasi. Turut dikaji juga adalah pengaruh budaya organisasi terhadap faktor-faktor demografik seperti umur, jantina, status perkahwinan, kelayakan akademik, tempoh perkhidmatan, tempat asal, jawatan dan bangsa...

Soal selidik mengandungi tiga bahagian iaitu faktor demografik, budaya organisasi dan prestasi organisasi digunakan untuk mengumpul data. Di dalam bahagian demografik, data dikumpul melibatkan item-item seperti umur, tempat asal, jantina, status perkahwinan, kelayakan akademik, tempoh perkhidmatan, jawatan dan bangsa. Pengumpulan data bahagian budaya organisasi menggunakan instrument Denison. Manakala pengukuran untuk prestatsi organisasi pula menggunakan instrument yang dibangunkan oleh Watskin dan Marsick.

Data-data dianalisa menggunakan program SPSS 11.5. Lima hipotesis utama diuji menggunakan , ANOVA sehala dan pekali korelasi Pearson's. Hasil dapatan kajian menunjukkan tidak terdapat perkaitan yang positif antara budaya organisasi dan prestasi organisasi.

ABSTRACT

The purpose of this case study was to measure the effect of organizational culture on organizational performance. Demographic characteristics such as age, gender, place of origin, role, race, length of service and education qualification were also measured to examine the relation of organizational culture and organizational performance.

Questionnaires contain of three sections which are demographic characteristics, organizational culture and organizational performance were used to collect data. In the demographic section, data gathered include age, gender, place of origin, marital status, education qualification, position, length of service and race. Denison Organizational Culture Questionnaire was used to measure organizational culture. Meanwhile for third section, organizational performance developed by Watskin and Marsick were used for the purpose of this study.

The data were analyzed using SPSS 11.5. Five main hypotheses were tested using One-way ANOVA and Pearson's Correlation Coefficient. From the result it was found that there are no positive relationship between organizational culture and organizational performance.

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CHAPTER I

INTRODUCTION

BACKGROUND OF THE STUDY

Over the last 20 years, organizational culture has been a topic of significant interest in the organizational studies literature. Researchers have used various definitions of organizational culture including a shared belief system within an organization (Spender, 1983); widely shared core values (Peters and Waterman, 1982; O'Reilly, 1989); collective understandings (Van Maanen and Barley, 1984); and the pattern of basic assumptions within an organization (Schein, 1985). In sum, these definitions all revolve around shared values regarding the character of the work environment. Although the culture literature has at times focused on the culture of an organization as a reflection of its founder and top managers (Peters and Waterman, 1992; Hofstede *et al.*, 1990) demonstrated that at the heart of culture are shared beliefs about the common practices within organizations.

Interestingly, most research on organizational culture has worked from the foundation that culture is nearly universally shared within organizations. It is thought to be consistent across an organization at both a specific point in time (Schein, 1985) and across time (Harrison and Carroll, 1991). There has been limited examination of the factors that affect how consistent employees' beliefs are regarding the culture of the organization. The few studies that have addressed this issue have found that organizations' cultures are not monolithic. Hofstede *et al.*

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