

EMPLOYEE WORK CULTURE AND ITS IMPACT ON ORGANIZATIONAL PERFORMANCE: A STUDY OF EMPLOYEE PARTICIPATION CULTURE IN PUBLIC ENTERPRISES NEPAL

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Abstract: Nepal government holds major share of Public enterprises in Nepal. Since the public enterprises are directly relates to the interest of public it has important contributory role to the nation therefore smooth operation of these public enterprises is most. However looking to current performance of PEs, majority of public enterprises Nepal face loss. This is because it become financial burden for the country. Several numbers of literature has explained employee participative culture is one that affects organizational performance. Therefore this study is try to explores existing situation of employee work culture and its impact to the performance of public enterprises. Since most of PEs are loss this study is highly relevant. Study includes both successful and unsuccessful public enterprises Nepal. The advantage of this research is broadly defined sets of two variables employee involvement and employee team work and focus interrelationship with PEs performance. The result revealed most of unsuccessful PEs have poor employee involvement and team work culture. The result shows there is strong relationship between employee participative work culture and public enterprises performance in Nepal. The result state both employee involvement and team work culture is important factor of enterprises performance but relatively employee involvement is most influencing factor.

Key words: employee involvement, public enterprise (PE), team work, employee culture

Introduction

Organizational development is largely depends on employee work culture that conclude the effectiveness of organisation (Aycan, Kanungo & Sinha,1999). Culture is arrangement of different attributes that express an organization and differentiate the form others (Yilmaz & Ergun, 2008). Culture is the collective thinking of minds which create a difference between the member of one group from another (Hofstede, 1980). These definition indicates there is correlation between organizational performance and employee work culture. Looking to present performance evaluation of public enterprises Nepal, the majority of PEs are loss. Since the government holds major shares of all PEs in Nepal, the situation is very serious and financially burden to the government of Nepal (K. C., 2005). Only few of public enterprises are giving return to the Govt. from the investment. As several experts viewed that work culture is one important factor that determines the performance of organisation, this study is highly relevant. Considering this due fact this study tried to carried out and explores whether there is any significant relationship between employee work culture and performance of PEs in Nepal or not. In this study the researcher has focused employee participative culture and its impact on performance of Pes Nepal. Therefore the focal point of the study is to exploration of employee participative work culture and its impact on performance Nepalese PEs.



Objective of the study

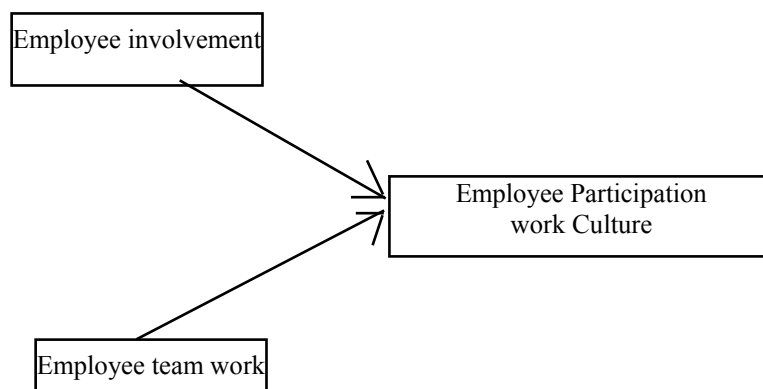
As Oparanma (2010) has explained employee work has significant affect on organizational performance, the single objective of this study is to explore existing situations of employee participative work culture and examine how his culture affects performance of public enterprises Nepal.

Study design

The entire study begins by defining two major variables namely *employee involvement* and *employee team work*. A structure questionnaire has developed based on two major variables that describes employee participative work culture in PEs. These questionnaires has distributed to both successful and unsuccessful PEs. All the sample has selected on convenient basis. At first four successful PEs has selected from the population that provides dividend to the government. Then after these structure questionnaire has distributed to the unsuccessful PEs and obtained the result. Based on 1 to 5 likert scale questionnaire, the questionnaire has developed. 1 indicate strongly disagree and 5 strongly agree. After that a comparative study has made and examined relation between succesful and unssuccessful PEs in terms their employee work culture practices. Second time the same questionnaire has distributed to the successful PEs and measured their performance in connection with employee participative culture. Main purpose of this set of questionnaire has explored employee participation culture and examined the relationship of employee involvement and team work culture. Like wise the study has carried out an exploratory test of hypotheses that examine the linkage between employee participation culture and organizational effectiveness. Based on above analysis, the study has concluded existing situations of employee participative work culture and its cultural affects to the performance of public enterprises Nepal.

Theoretical framework

This study has following theoretical framework



Independent variables

Dependent variable

Performance of Public enterprise Nepal

Above framework has shown that employee involvement and employee team work culture influence the employee participation work culture which consequently affects the performance of public enterprise Nepal. Hence the study has independent variables of employee involvement and employee team work culture and employee participative work culture is dependent variable.

Employee involvement: it refers to regular participation of employees in deciding how their work is done, making suggestions for improvement, monitoring of their performance that encourages employees for their better performance and explore the potentiality (Byles, Aupperle & Arogyaswamy, 1991)

Employee team work: it is the process of working collaboratively with a group of people in order to achieve the common goal (Yilmaz & Ergun, 2008). Team work is often. Teamwork means that people will try to cooperate, using their individual skills and providing constructive feedback, despite any personal conflict between individuals (Denison, 1990).

Employee participative work culture: it is known as employee involvement or participative decision making, encourages the involvement of stakeholders at all levels of an organization in the analysis of problems, development of strategies, and implementation solutions (Robbins, 2003).

Population and sample

Population of this study comprises 38 public enterprises currently running in Nepal and sample size is 8. Out of 8, four were selected from successful PEs and 4 from unsuccessful. Major part of data were collected through structure questionnaires which is primary source of data. Secondary source and interview also incorporated for data collection process. The questionnaire has tested with reliability and validity test using SPSS software. The basis of reliability is Cronbach alpha result. In this study the questionnaire has finalized when Cronbach alpha result reach to 0.72.

Data analysis and presentation.

Current position of employee involvement and team work culture of successful and unsuccessful PEs: At first the study shows the employee participative work culture through mean and standard deviation using SPSS software. The mean and SD of each variable has calculated and compared with successful and unsuccessful PEs. The descriptive statistics shows that mean value of both variables in unsuccessful PEs fall in between lower values. The highest mean value is 1.19 and lowest mean is 1.01. Looking to the result of SD it shows around 1 and most of the cases it is less than 1. This result revealed there is lack of employee participative culture in unsuccessful PEs in Nepal. Where as, in the case of successful PEs it is developed just opposite relation. The highest mean value is 4.01 and SD fall under 1. This two result initially shows that successful PEs have good employee participative culture than unsuccessful PEs in Nepal. Looking to mean and SD of successful and unsuccessful PEs in Nepal, it shows opposite relation of employee participative culture between successful and unsuccessful PEs in Nepal. Both mean and SD result shows that there is significantly different relationship between successful and unsuccessful PEs with employee participative culture and performance. This result is also supported by interview result and diary note. During the interview with



employees in the unsuccessful PEs, it has observed that there is less team work and employee participative culture. Looking to mean and SD of successful and unsuccessful PEs in Nepal, it shows there is significantly different. Almost all individual variables mean and SD result shows there is significant difference. In order to prove it statistically, t statistic has applied with setting of null hypothesis "there is no significant difference between mean and SD between successful and unsuccessful PEs to employee participation". The result shows null hypothesis reject with sig value 0.000. The result again analyzed by chi square test and explores the relationship between successful and unsuccessful PEs. The chi square result shows that there is significant different between successful and unsuccessful PEs employee participative culture. This again crossed with one way ANOVA at 5% level of significance and result shows there is no strong evidence to support null hypothesis i.e. there is no significant different between successful and unsuccessful PEs towards employee participative culture.

Regression result: With reference of SPSS software two variables (employee involvement and employee team work) were regressed and interpreted on their coefficient value. Each individual independent variable's influence level to the employee participative culture has analysed. The result has interpreted on the basis of coefficient value carried by each variable. Higher the coefficient value, highest level of employee participation culture and good performance and vice versa. The following regression result has observed.

Regression analysis

Case wise sample	α	EI (β_1)	TW (β_2)	R ²	Sig value
Overall case (N = 178)	-1.01	0.75	0.511	0.9	0.00
Successful (N = 95)	-1.43	0.953	0.765	0.83	0.00
Unsuccessful (N = 83)	-0.1.10	0.842	0.584	0.78	0.00

Note:
culture

EI = Employee Involvement

Y = Employee participative

TW = Team Work

α = Constant

The regression output of overall sample case explained overall influencing level of employee participative culture. This includes both successful and unsuccessful PEs in Nepal. The result states among two variable employee involvement factor is most influencing factor. It can be shown by following regression equation.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \text{error}$$

The output shows employee involvement is relatively significant factor of employee participative culture. Looking to the R² value, it is 0.90 which also denotes that the model is fit. This is also supported by sig value 0.0000. Since the R² and sig value supports the regression output, the model is highly reliable hence output come from this model also reliable. Therefore this analysis concludes relatively employee involvement is major influencing factor and another factor (employee team work) too have significant that affects performance of public enterprises Nepal. It can be shown by following expression.

$$Y = 1.01 + 0.75 X_1 + 0.511 X_2$$

Case wise regression analysis: The above analysis has crossed with individual case that is regressed of successful and unsuccessful PEs individually. After regressed following result has observed

Successful PEs

$$Y = 1.43 + .953X_1 + 0.765X_2$$

Unsuccessful PEs

$$Y = 1.10 + 0.842X_1 + 0.584X_2$$

This result too explained employee involvement is relatively highest influencing factor for both cases in regards to employee participative culture. Looking to the R² value of both PEs, it is 0.83 and 0.78 respectively which denotes the models are fit. For both cases, employee involvement carry relatively higher beta coefficient which also indicates EI is most influencing factor. This result too is almost similar to previous one. Therefore the study conclude that both two factors have significant impact on organizational performance among them EI carry relatively strong impact.

Findings

The result revealed there is significant impact of employee participative culture to the performance of public enterprises Nepal. Both employee involvement and team work culture is better to successful public enterprises and vice versa to unsuccessful public enterprises Nepal. One major factor of getting success of public enterprises Nepal is favourable employee work culture adopted by enterprises. Because of employee work culture, there is significantly different result between successful and unsuccessful public enterprise. Likewise, employee involvement culture is relatively significant for employee participative culture however employee team work culture too have impact to the performance of public enterprises Nepal.

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