

Impact of Positive Organizational Culture on Overall Organizational Performance

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Abstract

Organizational culture is an essential element that determines employee involvement and output as well as performance. When culture is positive, it contributes to cooperation, confidence and inspiration, and as a result can boost individual and organizational performance. The sustainable development requires the clarity on the scope of its influence on the organizational performance. The purpose of the research is to examine the impacts of a positive organizational culture on overall organizational performance and evaluate the strength of the relationship between them and the nature of this connection. The quantitative type of research design was adopted and a primary method of data collection was used. A well-designed questionnaire of 5-point Likert scale involved a set of queries to a randomly selected sample unit of 100 respondents of various demographic and professional backgrounds. Descriptive statistics, regression analysis and Pearson correlation were used in analyzing the data that assessed the relationship between the variables. The analysis indicated significant and positive relationship between positive organisational culture and organisational performance that was much stronger. This discovery has shown great evidence that cultural factors like common value, trust, recognition, and open communication are key factors that increase productivity as well as employee satisfaction and fulfilment of organizational goals. This is confirmed in the results because having a positive organizational culture does not only support but it is a strategic organizational asset that leads to performance. Cultural development within the organization should be given the better priority as a component of the strategic planning to obtain the sustainability of the cooperation advantages.

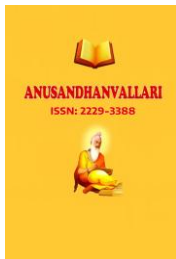
Keywords: Organizational Culture, Organizational Performance, Employee Engagement, Workplace Values, Quantitative Analysis

Introduction

A positive work environment is fostered by a healthy organizational culture, which also significantly increases employee engagement, productivity, and overall corporate health, thereby positively affecting the bottom line. (Radu, 2023), (Siddiqi & Jamal, 2024)

A strong company culture is a strategic imperative that requires continuous attention and integration throughout all aspects of the organization, as various reports also reveal a strong correlation between employee satisfaction and a positive culture. (Jigjiddorj et al., 2021), (Gbenga-Julius et al., 2025)

In the immortal words of management expert Peter Drucker, "Culture eats strategy for breakfast." However, what does this actually entail?.



The behavior of individuals within an organization is influenced by the shared values, beliefs, and norms that constitute organizational culture. It incorporates a wide range of factors, including the environment and ethos of a company, as well as the values that influence the way employees interact, make decisions, and perceive their roles and responsibilities. **(Dewar, 2025)**

The average adult in the United States will spend one-third of their existence at work, according to Harvard DCE Professional & Executive Development. The culture they encounter during those approximately 90,000 hours is of paramount importance to their overall productivity, work engagement, general health and wellness, and emotional well-being.

Employees who evaluate their organization's culture as "good" or "excellent" as opposed to "poor" or "terrible" are 79% more likely to experience job satisfaction, as indicated by SHRM's report, The State of Global Workplace Culture in 2023. Additionally, they are 83% less likely to be actively seeking employment.

These statistics are corroborated by the 2022 Work Wellbeing Insights Report from Indeed and Glassdoor, which indicates that 90% of individuals believe that their work-related emotions are significant. Nevertheless, only 49% of individuals indicate that their organization assesses their contentment and well-being.

This suggests that there is a discrepancy between the perceived significance of culture and the actual measurement and comprehension of employee well-being. Additionally, it is evident that there is a necessity for a greater emphasis on the design, implementation, and support of organizational culture, as 46% of individuals have reported that their expectations regarding work-related satisfaction have increased in the past year. **(Moltke, 2024)**

An organization's success in accomplishing its objectives and goals is illustrated by its organizational performance. This encompasses a variety of business operations, including financial results, productivity levels, customer satisfaction ratings, and employee engagement levels.

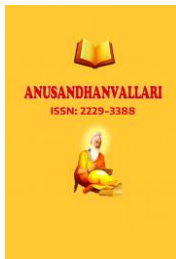
The evaluation extends beyond financial results to assess the extent to which the business meets the expectations of employees and other stakeholders, as well as the needs of customers. High performance levels are achieved through the implementation of effective management practices, a positive work environment, innovation initiatives, and continuous improvement initiatives, in conjunction with strong leadership.

Businesses can identify their strengths and areas that require improvement by gaining a comprehensive comprehension of organizational performance. Firms acquire the requisite insights to implement strategic enhancements, as well as procedural and resource management realignments, by conducting evaluations across multiple dimensions.

Companies are able to achieve long-term success and sustainable growth by conducting regular performance evaluations, which also help them maintain their competitiveness. This metric is significant because it serves as a critical indicator of the organization's overall health and capacity to continue operating efficiently.

Potential issues such as inefficient operations, ineffectual leadership methods, or a lack of employee engagement may be indicated when performance improvement metrics fall below expectations. High performance is a critical factor in the long-term success of an organization, as it is associated with profitability and market leadership, as well as employee satisfaction.

Organizational performance necessitates the development of the capacity for sustained success, in addition to the achievement of imminent objectives. This metric assesses all facets of a company's operations, including internal processes and customer outcomes, and serves as the foundation for the development and expansion of business strategies. **(Bardusova, 2025), (Pires, 2023)**



Aim

To investigate how a positive organizational culture influences overall organizational performance and to assess the nature and strength of the relationship between these two variables.

Objectives

- To examine the impact of a positive organizational culture on overall organizational performance.
- To analyze the relationship between positive organizational culture and organizational performance.

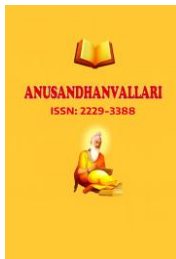
Hypothesis

- There is a significant impact of a positive organizational culture on overall organizational performance.
- There is a significant relationship between positive organizational culture and organizational performance.

Literature review

(Riza et al., 2025) In the constantly changing environment of higher education, it is imperative to comprehend the factors that influence organizational commitment and performance in order to achieve long-term success. This study examines the influence of organizational culture, innovation, and participative leadership on the performance and commitment of Indonesian State Universities with Legal Entity (PTNBH). Data were collected through structured questionnaires from 136 senior officials at 21 PTNBH universities using a quantitative approach. Descriptive statistics were analyzed using SPSS and Structural Equation Modeling via SmartPLS 3.0. The results indicate that participative leadership has a positive and significant impact on both innovation and organizational commitment. Conversely, organizational culture substantially improves innovation and commitment, but it does not have a significant impact on organizational performance. Organizational performance is considerably enhanced by innovation, and organizational commitment has a positive impact on performance. This research has the potential to offer new insights into the collective impact of participative leadership, organizational culture, and innovation on organizational performance and commitment in PTNBH universities by integrating them into a comprehensive model. The results emphasize the significance of cultivating a participative leadership style and a supportive organizational culture in order to improve the performance of higher education institutions by increasing employee commitment and innovation.

(Akpa et al., 2021) Various studies have been conducted to determine and establish the relationship between organizational performance and sustainability and organizational culture, which is an essential component of an organization. It has consistently been regarded as a critical component of the corporate group structure, with a significant impact on the performance of the organization, its employees, and the diversity of organizational processes. The objective of this review article is to determine the correlation between organizational performance and organizational culture. The goal is to ascertain the impact of organizational culture on organizational performance, with a particular emphasis on Schein's theory of organizational culture, the Denison organizational culture model, and the theory of organizational excellence by Thomas Peters and Robert Waterman. Research indicates that employees who are dedicated and adhere to the same standards and values as the organization may enhance their performance in pursuit of the organization's overarching objectives. The review encompasses syntheses of pertinent literature that pertain to the contributions of organizational culture to productivity and performance within the organization. The review suggests that the employees of organizations possess a well-defined work ethic, are congruent in their beliefs and values, and are guided by the principles of adaptability,

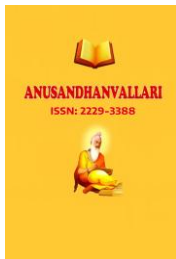


consistency, and an effective communication system. This provides employees with a sense of identity, which in turn enhances their dedication to their work and, as a result, promotes improved performance.

(Pathiranage, 2019) The aim of this paper is to illustrate the conceptualization, measurement, and examination of the numerous dimensions of organizational culture in relation to business performance. The review commences with an analysis of the literature pertaining to the relationship between organizational culture and business performance. This literature review comprises syntheses of pertinent literature that pertains to the role of organizational culture in improving business performance and productivity, which results in organizational excellence. The literature survey includes a variety of published sources on the topic of organizational culture, including journals, periodicals, seminal books, and other published materials. The analysis of a vast body of literature has revealed that organizational culture has a profound influence on the performance, employees, and processes of a variety of organizations. This also delineates the various aspects of organizational culture. Empirical evidence also indicates that the corporate group's failure is primarily caused by a lack of cultural integration among member companies. Additional research can be conducted in this field to gain a better understanding of the nature and capacity of the culture to influence the organization's performance. In order to enhance the overall performance of organizations and employees, it is advised that managers and executives establish a robust organizational culture.

(Oncioiu et al., 2017) The future of organizational performance is the integration of the components of organizational structure, the leadership influence, and performance management strategies with the elements of a successful corporate culture. The challenge is to establish a corporate culture that yields significant results in the face of the threat of globalization and the weak labor market that is associated with the economic decline. The entities will be required to align business units and subsidiaries in accordance with a shared strategic vision and corporate culture. E-commerce may not be far from becoming e-everything. The objective of this paper is to examine the influence of an effective corporate culture on the performance of 51 small firms in Romania. The database structure was established by designating variables in Variable View, and responses were collected using questionnaires processed with the Scientific Package for Social Sciences (SPSS) 17.0. Nevertheless, the findings indicate that the corporate culture is not merely a byproduct of exceptional performance; it is also a decisive factor that contributes to the organization's success.

(Ahmed & Shafiq, 2014) "The sole significant task that leaders undertake is the establishment and supervision of culture." "If you do not manage culture, it manages you, and you may not even be aware of the extent to which this is occurring." (Edgar Schein). One of the most critical constructs in management research is organizational culture. This exploratory study provides a detailed examination of the influence of organizational culture on organizational performance. This research is executed in various Bahawalpur-based franchises of telecommunications companies. This study aims to ascertain the influence of organizational culture on organizational performance in order to understand how the culture of an organization contributes to the improvement of organizational performance. The organizational performance is evaluated using a balance scorecard. The data is collected using a questionnaire in a quantitative approach. The questionnaire was adapted from a predecessor study. A total of 22 questionnaires has been distributed to the research participants, of which 15 have been returned to the researchers with comprehensive information. The results suggest that the various perspectives of organizational performance are influenced by all of the culture's dimensions.



Research Methodology

Research Design

The current research takes a quantitative research design, which seeks to provide a step-by-step procedure in terms of understanding the influence that positive organizational culture has on the organization in general. Quantitative approach was identified as appropriate since it has the potential to quantitatively measure the variables and analyze them statistically as well as objectively assess the relationship between them. The study is based on the structured instruments and statistical tools, which make it reliable, replicable, and valid in the meaning that the results clearly indicate the kind and the intensity of the relationship in question.

Research Approach

The study will rely on the primary data collection method where the first hand research information is obtained by directly asking the respondents. This method is confirmed to provide reflective data of the present organizational climate and perception held by the workers without the dependency of secondary interpretations. Primary research will ensure that the study captures accurate, specific and contextually relevant insights that can in turn be used in analysing how positive organizational culture can affect performance.

Proposed Method

The research instrument will be a structured questionnaire which shall be structured in the 5-point Likert scale format with the response to the various statements pegged at 1 = Strongly Disagree to 5 = Strongly Agree. The Likert-scale has been used to measure attitudes, perceptions, and opinions hence it is appropriate when we want to measure subjective assessment concerning organizational culture and performance. Quantitative analysis is also possible under this method since the ordinal data can be subjected to statistical analysis to determine the trend, patterns and correlation.

Sample Size

The 100 respondents were sampled using random sampling to have a diverse sample and reduce biasness. Randomization gave every member of the target population an equal chance of being selected and thus increasing sample representativeness. The selected sample size is sufficient to conduct powerful statistical tests, so the results of the research could be considered to be reliable and they could be extrapolated to a larger organizational setting.

Data Collection

The secondary sources of data were used; a self-administered questionnaire sent to the targeted respondents was utilized to collect the primary data. There were three parts of the question, namely demographic data, organizational culture specifications, and performance markers. Clear guidelines were provided to all the respondents with the aim of achieving uniformity of understanding of the items. All that was done to obtain current organizational conditions and the given data collection process stretched over the definite period of time to achieve the high response rate.

Data Analysis

Comprehensive information was coded and fed into the software of statistical performance. Descriptive statistics were employed to draw up demographic profile and general trends of response. Other inferential statistical tools such as regression analysis and Pearson correlation were used to test the hypotheses of this study and establish the nature and relevance of relationship between positive organizational culture and organizational performance. Numerical evidence was presented in the analysis to validate the conclusions and make the results correlate with the purpose of the study.

Result

Table: 1 Age of the respondents.

Age Group		
	Frequency	Percent
20–29 years	28	28.0
30–39 years	36	36.0
40–49 years	28	28.0
50 years and above	8	8.0
Total	100	100.0

The age group distribution indicates that the maximum proportion of respondents are between the ages of 30 and 39 (36%), after which the 20–29 and 40–49 age groups each account for 28% of the sample. Respondents aged 50 years and older constitute the smallest segment, accounting for only 8% of the total.

Graph: 1 Graphical representation of Age of the respondents.

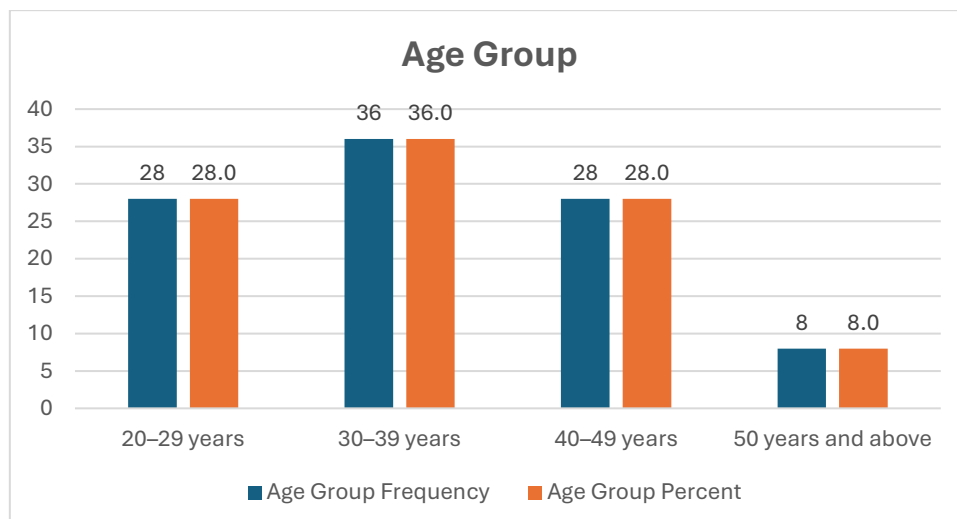


Table: 2 Gender of the respondents.

Gender		
	Frequency	Percent
Male	74	74.0
Female	26	26.0
Total	100	100.0

Of the 100 responders in the sample, 74% are men and 26% are women.

Graph: 2 Graphical representations of Gender of the respondents.

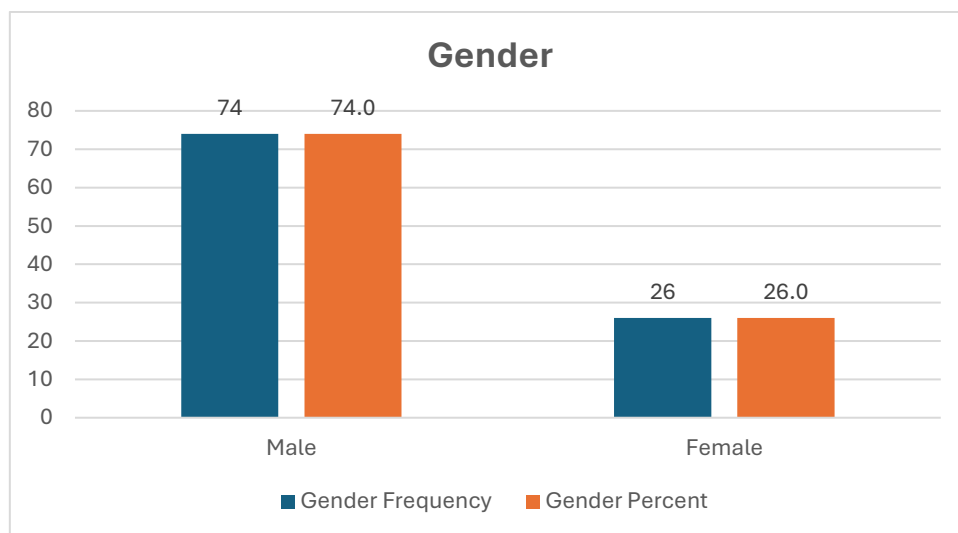


Table: 3 Educational Qualification of the respondents.

Educational Qualification		
	Frequency	Percent
High School/Diploma	22	22.0
Bachelor's Degree	23	23.0
Master's Degree	28	28.0
Other	27	27.0
Total	100	100.0

The sample reveals that the 100 respondents have a range of educational backgrounds. The biggest percentage, 28%, with a Master's degree, followed by 27% with other credentials, 23% with a Bachelor's degree, and 22% with a high school or diploma.

Graph: 3 Graphical representation of Educational Qualification of the respondents.

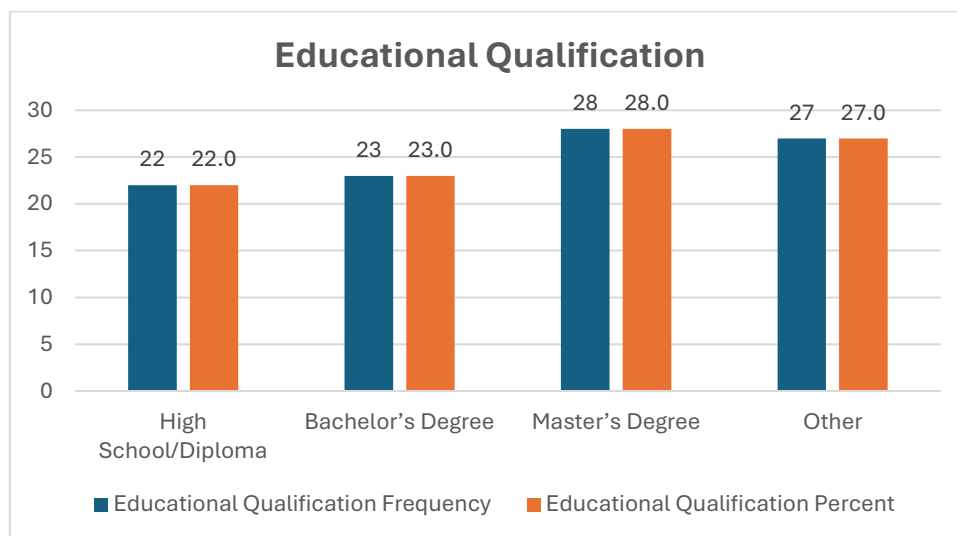


Table: 4 Years of work Experience.

Years of Work Experience		
	Frequency	Percent
Less than 1 year	27	27.0
1–5 years	30	30.0
6–10 years	22	22.0
More than 10 years	21	21.0
Total	100	100.0

The respondents' employment experience is distributed fairly. The largest group (30%) has between one and five years of experience, followed by those with less than one year (27%), six to ten years (22%), and more than ten years (21%).

Graph: 4 Graphical representation of Years of work Experience.

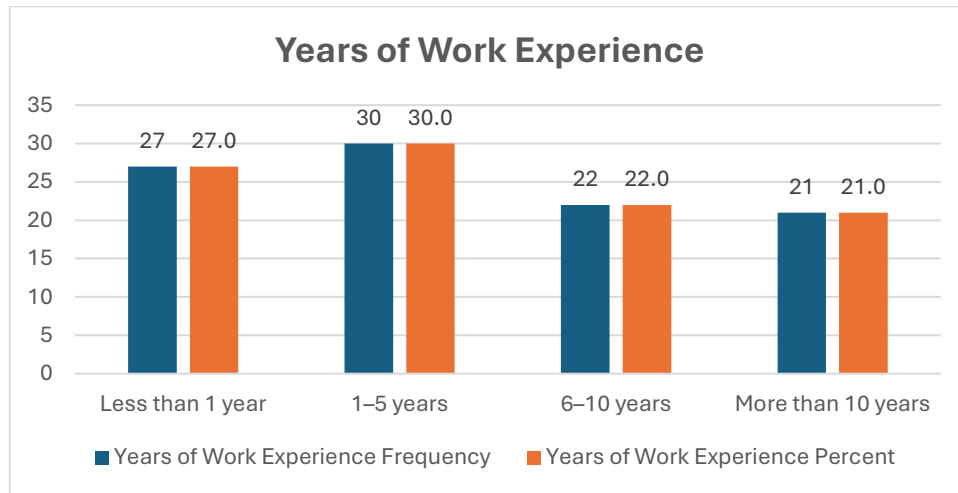


Table: 5 Regression analysis on the Impact of Positive Organizational Culture on Organizational Performance.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.678 ^a	.459	.454	4.17400
a. Predictors: (Constant), Positive Organizational Culture				

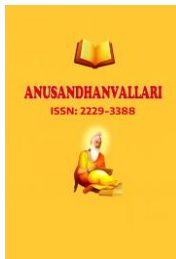
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1449.654	1	1449.654	83.207	.000 ^b
	Residual	1707.386	98	17.422		
	Total	3157.040	99			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Positive Organizational Culture						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.463	1.792		4.722	.000
	Positive Organizational Culture	.669	.073	.678	9.122	.000
a. Dependent Variable: Organizational Performance						

An R value of .678 indicates a significant correlation, demonstrating a strong positive association between organizational performance and a positive organizational culture. According to the R Square of .459, a favorable organizational culture accounts for 45.9% of the variation in organizational performance. ANOVA findings show that the model is statistically significant ($F = 83.207$, $p < .001$). The equations show that organizational performance rises by 0.669 units for every unit increase in good organizational culture, underscoring the importance and benefits of this factor. This illustrates how performance can significantly improve when a business cultivates a favorable culture.

Table: 6 Pearson correlation on relationship between positive organizational culture and organizational performance.

Correlations			
		Positive Organizational Culture	Organizational Performance
Positive Organizational Culture	Pearson Correlation	1	.678**
	Sig. (2-tailed)		.000
	N	100	100
Organizational Performance	Pearson Correlation	.678**	1
	Sig. (2-tailed)	.000	
	N	100	100
**. Correlation is significant at the 0.01 level (2-tailed).			



The Pearson correlation coefficient between positive organizational culture and organizational performance is 0.678, indicating a strong positive relationship. The significance value ($p = .000$) confirms that this correlation is statistically significant at the 0.01 level (2-tailed). This means that as positive organizational culture increases, organizational performance also tends to improve. The strength and significance of this relationship suggest that cultivating a positive work culture can be an important driver of better organizational outcomes.

Discussion

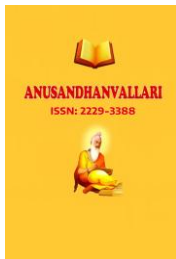
This study makes it clear that positive organizational culture contributes immensely to a positive overall performance of an organization. The regression analysis authorizes that 45.9 percent of the variance in organizational performance is discernable by way of positive cultural practices, noting that shared values, favorable conditions, and alignment in the working spirits have an influential effect. The fact that the correlation is statistically significant and high R value (.678) accentuate the idea even more that the groups of organizations, which have a good culture, tend to be more closely associated with the higher productivity, engagement, and goal attainment. Such findings correspond with results of other studies that never fail to associate powerful and changing cultures with perpetuated success in business. A strong positive correlation indicates that as organizations develop positive attitudes towards respect, trust, open communication and recognition, employees are better motivated and oriented towards the goals of the company, thus leading to enhancement of individual as well as group performance. Moreover, the demographics of respondents (based on age, gender, education and experience levels) show the universality of such cultural influence, which implies that good culture yields benefits in terms of benefiting varied workforce groups equally. The evidence supports the strategic relevance of integrating cultural values in the organizational policies and leadership model since failure to develop cultures may result in limitations of growth opportunities despite other strengths in operations. Finally, this paper establishes that culture does not operate as a supplemental element but as a main contributor to the performance of an organization and its optimization must be regarded as a priority to sustainable competitive advantage.

Conclusion

The study concludes that one of the main factors influencing overall organizational success is a positive organizational culture. The two variables' strong and statistically significant link demonstrates that companies see meaningful gains in productivity, employee engagement, and goal attainment when they cultivate an atmosphere based on shared values, trust, cooperation, and recognition. Given that cultural elements account for 45.9% of performance variation, it is clear that culture is a strategic asset that directly affects results rather than just being a supportive component. These results are consistent with previous research, demonstrating that making investments in cultural development can result in sustained competitive advantages. Consequently, as a key element of their strategic management practices, companies aiming for long-term growth and excellence should give top priority to the development of a positive, inclusive, and inspiring workplace culture.

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