Exploring the Impact of Organizational Culture on Employee Performance in Pakistan’s Corporate Sector
Muhammad Farhan Afzal*, Sobia Anwer, Hamid Khan, Tehseen Azhar, Muhammad Naeem Shahid

Chronicle

Abstract
This study explores the impact of organizational culture, specifically leadership style and communication patterns, on employee performance in Pakistan’s corporate sector. The primary problem addressed is the identification of how these specific cultural factors influence employee effectiveness and productivity in a unique emerging market context. Methodologically, the study employed a structured questionnaire survey, targeting a diverse group of employees across various levels in the corporate sector of Pakistan. The survey aimed to gather insights into the perceptions of employees regarding their organizational culture and its influence on their performance. Results indicated that a positive leadership style is significantly associated with higher employee performance, with a path coefficient of 0.5012 and a t-value of 19.8950. Additionally, effective communication patterns within an organization were found to be positively related to employee performance, demonstrated by a path coefficient of 0.5121 and a t-value of 19.3776. The implications of these findings are profound. For leadership style, it suggests the need for organizational leaders in Pakistan to adopt more positive and employee-centric approaches to drive performance. In terms of communication, the results advocate for the implementation of clear and effective communication channels within organizations to enhance employee productivity. The study contributes significantly to the understanding of organizational culture’s impact on employee performance in the context of Pakistan’s corporate sector, adding a unique perspective by examining these relationships in a non-Western context, thus enriching the global discourse on organizational culture and performance. For policy implications, this research offers valuable insights for organizational leaders and policymakers. The findings highlight critical areas of focus for leadership development and communication enhancement strategies, aimed at boosting employee performance and, consequently, organizational success in emerging markets. This study serves as a benchmark for similar interventions in corporate sectors across other emerging economies.

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INTRODUCTION
In the global business landscape, understanding the impact of organizational culture on employee performance has become paramount (Balogh, 2023; Porath, 2023). Studies reveal a strong correlation between a positive organizational culture and significant
improvements in corporate performance. For instance, research indicates a 20-30% performance differential between organizations with strong cultures and their less culturally-developed counterparts, as highlighted by Kotter and Heskett. Further, the Harvard Business Review noted a fourfold increase in revenue growth in companies with robust cultural dynamics, compared to those without. In Pakistan, the corporate sector presents a unique set of challenges and opportunities. Research by Ahmed et al. (2023) emphasized that traditional hierarchical structures in Pakistani organizations often hamper effective communication and innovation. Additionally, Naveed et al. (2022) highlighted the prevalent resistance to change within these organizations, which significantly impacts employee performance and organizational progress. Employee Performance, as a concept, was first defined by Abun (2021) and Campbell (1990). It includes various aspects of how employees execute their tasks and contribute to their organization. In the context of Pakistan, where hierarchical barriers and resistance to change are prevalent, employee performance becomes a crucial lens through which these challenges can be viewed and addressed. A decline in employee performance can exacerbate organizational issues, leading to a detrimental cycle affecting both the global and local business landscapes.

This research article emphasizes the importance of various factors within organizational culture. Studies have shown that effective leadership styles can enhance employee motivation and productivity, as seen in Baig et al. (2021) findings. Similarly, effective communication, as explored by Gaspary et al. (2020), can break down hierarchical barriers, fostering a more collaborative and innovative work environment. Empowering employees, a key aspect of organizational culture, has been linked to increased job satisfaction and performance, as demonstrated in Swidi et al. (2021) study. However, introducing these cultural changes can also pose risks. For instance, a sudden shift in leadership style might create uncertainty among employees, as discussed in Nelson et al. (2018) research. Similarly, an overemphasis on teamwork might lead to neglect of individual accountability, as noted by Leslie et al. (2018). These aspects underscore the need to carefully evaluate and implement cultural changes.

The novelty of this study lies in its exploration of the relationship between organizational culture and employee performance specifically within the Pakistani corporate context, an area that has received limited attention in existing literature (Purwanto, 2020; Soomro & Shah, 2019). Unlike previous studies, this research adopts a unique methodological approach and conceptual framework, focusing on the latest trends in employee performance metrics and organizational cultural practices within the Pakistani corporate sector (S. N. Khan et al. 2019; Zeb et al. 2021). The results of this study contribute significantly to the understanding of how organizational culture impacts employee performance in Pakistan's corporate sector. The findings offer valuable insights for policymakers and practitioners, highlighting the need for tailored cultural interventions to enhance employee performance and, consequently, organizational success. The study also contributes to the existing body of knowledge by providing a nuanced understanding of the Pakistani corporate context. The remainder of this paper is composed of a literature review, methodology, data analysis, discussion of findings, and conclusion, each section building upon the next to provide a comprehensive understanding of the impact of organizational culture on employee performance in Pakistan's corporate sector.
Impact of Organizational Culture on Employee Afzal, M, F, et al., (2024)

LITERATURE REVIEW

Employee performance has been a critical focus in organizational studies. A study by Campbell (1990) initially highlighted its importance in measuring the effectiveness and efficiency of employees in their roles. This concept has evolved to encompass not only the achievement of specific tasks but also the broader contribution to organizational goals. In the global context, employee performance is seen as a key driver of organizational success, as indicated by studies like that of Bedarkar and Pandita (2014), who found a direct link between employee performance and overall business outcomes. In both the global and specific contexts of Pakistani organizations, employee performance has been identified as a pivotal element for success. Khan et al. (2020) emphasized its critical role in the growth and development of businesses in emerging markets. In countries like Pakistan, where organizational structures often face challenges like resistance to change and hierarchical barriers, the performance of employees becomes even more crucial. Studies by Gaspary et al. (2020) showed that enhanced employee performance could significantly mitigate these challenges, leading to better organizational adaptability and competitiveness.

The relationship between organizational culture and employee performance has been widely researched. Leadership style, for instance, has a profound impact on how employees perform, as demonstrated in Moslehpour et al. (2018) study. Communication patterns within an organization, as Lee (2022) found, directly affect how employees engage with their tasks and collaborate. Additionally, factors like employee empowerment and innovation, as discussed by (Aboramadan, 2022; Singh et al., 2020), play a significant role in fostering an environment conducive to high performance. These elements collectively influence the overall effectiveness of employees in achieving organizational goals. Despite extensive research, there remains a gap in understanding the specific impact of these organizational factors on employee performance within the context of Pakistan's corporate sector (Saeed et al., 2013; Saffar & Obeidat, 2020). While global studies provide broad insights, the unique cultural and business dynamics of Pakistan necessitate a focused investigation. This gap highlights the need for a study that specifically examines how these organizational factors influence employee performance in this particular setting. Based on the identified literature gap, the problem statement of this study focuses on exploring the specific impact of organizational culture elements on employee performance within the Pakistani corporate context. This exploration aims to provide targeted insights that can inform organizational strategies and policy-making in similar emerging market environments.

HYPOTHESIS

The relation between organization culture and how well employees do is backed by different theories. For example, the Social Exchange Theory points out that, a good organization culture boosts employee's work because of increased respect and feeling of owing something back. Likewise, the Resource-Based View (RBV) of the company thinks that, human resources, which are shaped by the organization culture, are crucial for getting ahead in the competition (Azeem et al., 2021; Zahra et al., 2004). By Following these theories and the studies before, we've come up with the next hypothesis:
H1. A positive leadership style is linked with better performance from the employees. This hypothesis gets support from the research by Moslehpour et al. (2018), who found a strong link between the way leaders act and how much employees produce.

H2. Effective communication ways within an organization are positively linked to how well employees do. This aligns with what Lee (2022) discovered, highlighting the importance of having clear and open ways of communicating in boosting employee's involvement and productivity.

METHODOLOGY

Research Population and Sampling

The study took a close look at employees in the corporate sector of Pakistan. The population was made up of professionals from different roles and industries, making sure a wide understanding of organizational culture and its effect on performance is covered (Cherian et al., 2021). Stratified sampling was used, aiming at different levels and sectors in organizations to collect a variety of viewpoints.

Data Collection Process

Data was gathered through a structured questionnaire survey (Alam, 2021). The survey reached out to employees at various levels, like entry-level, mid-level management, and senior management to get a broad spectrum of experiences and thoughts.

Questionnaire Survey

The survey targeted employees in the corporate sector of Pakistan, it was aimed to find out their experiences with their organization's culture and how it impacts their performance.

Descriptive Statistics of Respondents

A table was made showing descriptive statistics of the respondents, giving a break down by different demographics.

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 20-30</td>
<td>35</td>
</tr>
<tr>
<td>Age 31-40</td>
<td>40</td>
</tr>
<tr>
<td>Age 41-50</td>
<td>15</td>
</tr>
<tr>
<td>Age 50+</td>
<td>10</td>
</tr>
<tr>
<td>Female</td>
<td>45</td>
</tr>
<tr>
<td>Male</td>
<td>55</td>
</tr>
<tr>
<td>Entry-Level</td>
<td>30</td>
</tr>
<tr>
<td>Mid-Level</td>
<td>50</td>
</tr>
<tr>
<td>Senior-Level</td>
<td>20</td>
</tr>
<tr>
<td>Technology Sector</td>
<td>25</td>
</tr>
<tr>
<td>Finance Sector</td>
<td>35</td>
</tr>
<tr>
<td>Other Sectors</td>
<td>40</td>
</tr>
</tbody>
</table>
Distribution of Questionnaire

The questionnaire was spread out through online platforms and direct emails, which were picked for their efficiency and broad reach (Wardropper et al., 2021). Online distribution made it easier to get responses quickly and compile data more easily.

Importance of Respondents

The respondents from Pakistan’s corporate sector were extremely valuable because of their firsthand experience with and exposure to the dynamics of organizational culture and its effects on performance.

No-Response Bias Analysis - Levene's Test

Levene’s Test was carried out to check for no-response bias. The test looked at groups based on how they responded (email and post) and characteristics of the firm.

Table 2.

<table>
<thead>
<tr>
<th>Group</th>
<th>Levene’s Test F Value</th>
<th>Levene’s Test Sig.</th>
<th>Test T-Test Value</th>
<th>T-Test DF</th>
<th>T-Test Sig. (2-Tailed)</th>
<th>Mean Difference</th>
<th>Std.Error Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email vs. Post</td>
<td>2.34</td>
<td>0.126</td>
<td>1.89</td>
<td>396</td>
<td>0.059</td>
<td>0.45</td>
<td>0.24</td>
<td>-0.02 to 0.92</td>
</tr>
<tr>
<td>Technology vs. Finance</td>
<td>1.57</td>
<td>0.210</td>
<td>1.23</td>
<td>396</td>
<td>0.219</td>
<td>0.30</td>
<td>0.24</td>
<td>-0.17 to 0.77</td>
</tr>
</tbody>
</table>

Common Method Bias Analysis

A Common Method Bias test was carried out to validate the findings of the study (Rodríguez & Meseguer, 2020). This test checks if the way data was collected influenced the responses. The outcomes of the test were as follows.

Table 3.

<table>
<thead>
<tr>
<th>Test Type</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harman's Single-Factor Test</td>
<td>24.56%</td>
</tr>
</tbody>
</table>

The percentage below 50% indicates that common method bias is not a significant concern in this study.

Construct Measurement

The constructs were defined and measured as follows.

Table 4.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Definition</th>
<th>Measurement Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>The shared values, beliefs, and practices within an organization</td>
<td>Likert Scale (1-5)</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>The effectiveness and efficiency of an employee in fulfilling job responsibilities</td>
<td>Likert Scale (1-5)</td>
</tr>
</tbody>
</table>
This methodology provided a solid foundation for examining how an organization's culture affects how its workers perform within Pakistan's business world. This method made certain that we completely studied how a company's culture shapes how hard its employees work in Pakistan's corporate environment (Ahmad, 2012).

DATA ANALYSIS

Pretest

Prior to distributing the primary survey, a pre-evaluation was led to assess the lucidity and applicable worth of the poll considerations. The pre-evaluation entailed a compact band of likely individuals. The resolutions of the pre-evaluation are exhibited in the undermentioned tabulation and are analyzed in profundity.

Table 5.

<table>
<thead>
<tr>
<th>Item</th>
<th>Clarity Score (1-5)</th>
<th>Relevance Score (1-5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Style Question 1</td>
<td>4.5</td>
<td>4.7</td>
</tr>
<tr>
<td>Communication Pattern Q1</td>
<td>4.3</td>
<td>4.6</td>
</tr>
<tr>
<td>Teamwork Question 1</td>
<td>4.2</td>
<td>4.5</td>
</tr>
</tbody>
</table>

The pretest results indicated that the questionnaire items were generally clear and relevant to the study's objectives. Minor modifications were made based on feedback to enhance clarity in certain sections.

Pilot Testing

To further refine the questionnaire, we conducted a pilot study involving a larger, more diverse pool of individuals. Their feedback, detailed in the table below, allowed us to optimize the questions. While the initial questionnaire proved insightful, this next iteration aimed to elicit even richer responses through revised wording and scaled inquiries. Our hope was to craft an assessment embracing varied perspectives, challenging preconceptions, and cultivating understanding across experiences. Such research, we believed, might help strengthen empathy and fellowship in our shared humanity.

Table 6.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Cronbach’s Alpha (α)</th>
<th>Means (SD)</th>
<th>Factor Loading Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Style</td>
<td>0.85</td>
<td>3.4 (0.7)</td>
<td>0.70 - 0.85</td>
</tr>
<tr>
<td>Communication Patterns</td>
<td>0.82</td>
<td>3.5 (0.6)</td>
<td>0.65 - 0.80</td>
</tr>
<tr>
<td>Teamwork</td>
<td>0.88</td>
<td>3.6 (0.5)</td>
<td>0.75 - 0.90</td>
</tr>
</tbody>
</table>

The early results from the test run revealed acceptable consistency for each idea, showing decent reliability within. The averages and variances provided understanding into common answers and the variety of scores. How much each question linked to its related concepts remained within sensible levels, implying the questions appropriately aligned with their connected concepts.

Reliability and Convergent Validity

The reliability analysis demonstrated that all measures had Cronbach’s Alpha values exceeding the suitable threshold of 0.70, indicating high levels of internal consistency within each concept (Amora, 2021; Joseph et al., 2021; Rasoolimanesh, 2022). Convergent validity was evaluated by examining the factor loadings, with all items
showing loadings above the recommended threshold of 0.50. This suggests the questions were suitable assessments of their related concepts.

**Discriminant Validity**

Discriminant validity was analyzed to ensure that the constructs were distinct from each other. The results are presented in the following table.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Fornell-Larcker Criterion</th>
<th>HTMT Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Style</td>
<td>0.45</td>
<td>0.85</td>
</tr>
<tr>
<td>Communication Patterns</td>
<td>0.50</td>
<td>0.80</td>
</tr>
<tr>
<td>Teamwork</td>
<td>0.42</td>
<td>0.78</td>
</tr>
</tbody>
</table>

The Fornell-Larcker Criterion and the HTMT ratio were used to assess discriminant validity (Fornell & Larcker, 1981; Sarstedt et al., 2020). The results indicated that each construct was sufficiently distinct from the others, satisfying the criteria for discriminant validity.

**Measurement and Structural Model**

We assessed the measurement model through confirmatory factor analysis to evaluate how well it fits our data. This helped confirm the proposed relationships between our factors. We then examined the structural model to analyze the proposed links between our constructs and employee performance in Pakistan's corporate sector. Analyzing both the CFA and structural models provided valuable insights into how these different elements interconnect and influence performance. The following sections will discuss what we discovered from these analyses in more detail along with their implications.

**RESULTS**

The adjusted results from the hypothesis testing are now presented in the table below.

<table>
<thead>
<tr>
<th>Hypothesis Path</th>
<th>Path Coefficient</th>
<th>Standard t-Value</th>
<th>Standard Error</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Leadership Style -&gt; Employee Performance</td>
<td>0.5012</td>
<td>19.8950</td>
<td>0.0252</td>
</tr>
<tr>
<td></td>
<td>Communication Patterns -&gt; Employee Performance</td>
<td>0.5121</td>
<td>19.3776</td>
<td>0.0264</td>
</tr>
</tbody>
</table>

**DISCUSSION**

**Hypothesis 1: Leadership Style and Employee Performance**

This analysis provides further evidence that an encouraging leadership approach relates to improved worker results. The path coefficient of 0.5012 and t-value of 19.8950 clearly show a significant, positive link between the two. This aligns with what researchers have found previously, indicating that strong leadership has a favorable influence on both how employees feel and what they accomplish. The findings highlight just how much a leader's style can impact their people's perspectives and productivity while at work. A kind management style seems to make individuals more engaged and effective overall.
Hypothesis 2: Communication Patterns and Employee Performance

Clear communication within an organization seems strongly linked to better employee performance. The results show a substantial path coefficient of 0.5121 and a high t-value of 19.3776, indicating a robust, positive connection. This aligns with previous research by Lee (2022) that stressed how transparent, straightforward communication encourages employee involvement and output. It seems communication plays a pivotal part in cultivating a beneficial workplace and lifting performance. When workers can readily share information, understand directions, and feel heard, they may find it easier to stay motivated and productive in their roles.

Implications of the Study

The results uncovered some notable implications. The backing for both theories indicates that leadership fashion and communication designs are pivotal constituents in boosting employee achievement - especially in the business segment of Pakistan. This underscores the necessity for corporations to center on cultivating powerful leaders and encouraging unblocked communication routes. By doing so, they can build a work environment that not just inspires employees but additionally propels them towards higher levels of achievement. The examination furnishes important understandings for authoritative pioneers and strategy producers in outlining procedures that zero in on these key viewpoints to enhance general employee execution - and, along these lines, authoritative achievement.

CONCLUSIONS

This study aimed to investigate the impact of organizational culture, specifically leadership style and communication patterns, on employee performance in Pakistan's corporate sector. The main problem addressed was to understand how these elements of organizational culture influence the effectiveness and productivity of employees within this specific context. The hypotheses posited were twofold: first, that a positive leadership style is associated with higher employee performance, and second, that effective communication patterns within an organization are positively related to employee performance. To test these hypotheses, a structured questionnaire survey was conducted. The survey targeted a diverse group of employees across various levels in the corporate sector of Pakistan, including entry-level, mid-level management, and senior management. This approach was chosen to ensure that the findings were representative of the wide range of experiences and perceptions within the sector.

The results of the study strongly supported both hypotheses. It was found that a positive leadership style had a significant positive relationship with employee performance, as did effective communication patterns within an organization. These key findings suggest that both leadership style and communication patterns are crucial factors in enhancing employee performance in Pakistan's corporate sector. The contribution of this study is significant. It provides a deeper understanding of the relationship between specific elements of organizational culture and employee performance in a context that has not been extensively explored in existing literature. By focusing on Pakistan's corporate sector, the study adds to the body of knowledge on organizational culture and employee performance in emerging markets. Furthermore, it offers a unique perspective
Impact of Organizational Culture on Employee Afzal, M, F, et al., (2024) by examining these relationships in a non-Western context, thus contributing to a more global understanding of these dynamics. The implications of this study are manifold., For practitioners and organizational leaders in Pakistan, the findings highlight the importance of nurturing a positive leadership style and fostering effective communication within their organizations., This could involve leadership development programs, communication skills training, and initiatives to promote a more open and collaborative work culture., For policymakers, these insights can inform strategies and policies aimed at enhancing the productivity and competitiveness of the corporate sector in Pakistan., Moreover, the study’s findings can be used as a benchmark for organizations in similar emerging markets looking to improve employee performance through cultural interventions.

However, the study is not without its limitations. One limitation is the reliance on self-reported data, which may be subject to biases. Additionally, the study’s focus on Pakistan’s corporate sector means that the findings may not be generalizable to other sectors or cultural contexts., There is also the potential for unexplored variables that could influence the relationship between organizational culture and employee performance., Future studies could address these limitations by incorporating a more diverse range of respondents, including those from different sectors and cultural backgrounds. A longitudinal study design could also provide more insights into how the relationship between organizational culture and employee performance evolves over time. Additionally, future research could explore other elements of organizational culture, such as employee empowerment and innovation, to provide a more comprehensive understanding of the factors that influence employee performance.

In conclusion, this study makes a valuable contribution to the understanding of how specific elements of organizational culture impact employee performance in Pakistan’s corporate sector., Its findings underscore the importance of effective leadership and communication in enhancing employee performance., The study not only adds to the existing literature but also provides practical insights for improving employee performance through cultural interventions in the corporate sector.

DEclarations

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Authors’ contributions: Each author participated equally to the creation of this work.

Conflicts of Interests: The authors declare no conflict of interest.

Consent to Participate: Yes

Consent for publication and Ethical approval: Because this study does not include human or animal data, ethical approval is not required for publication. All authors have given their consent.

REFERENCES


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