Impact of Organizational Culture on Organizational Performance: an Empirical Assessment of Banking Sector in Jammu and Kashmir India

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Abstract:
This study proposes a conceptual model of the impact of organizational culture on organizational performance of select banking organizations in Jammu and Kashmir, India. The secondary objective of this research work was to find out which organizational culture type is dominant and mostly prevailing in the concerned banking companies. This study proposes a conceptual mode which was tested on the 290 respondents consisting of branch heads, executive level and senior staff of banking sector organizations in the state of Jammu and Kashmir, (India). All the data analysis was operated through The Statistical Packages for Social Sciences (SPSS) and Analysis of Moment Structures (AMOS) version 20. To find the fit of the conceptual model, the Structural Equation Model (SEM) was used so as to identify the impact of four types of organizational culture types namely; bureaucratic, community, competitive and innovative cultures on organizational performance. The findings reveal that organizational culture affects organizational performance directly and significantly as all cultural styles namely; bureaucratic, community, competitive and innovative cultures have shown significant and direct impact on organizational performance. However, competitive and innovative cultures were dominant form of cultures which have shown more impact than bureaucratic and community cultures.

Keywords: Banking sector, bureaucratic culture, community culture, competitive culture, innovative culture, organizational performance

1. Introduction

1.1. Organizational Culture

Every organization has its own unique culture which is known as organization culture or its sister term corporate culture which makes it distinguished from the other organizations (Tripathi & Reddy, 2008). Organizational culture is that factor that guides and shapes the behaviour and attitude of employees in a particular organization (Burnes *et al.*, 2003;Handy, 1993;Hofstede, 1980; Schein, 1984). Ouchi 1981), was one of the first researchers who focused explicitly on analyzing the culture of a limited group of firms. He studied the organizational culture of three groups of firms belonging to the USA and Japan by strictly making the comparison between the firms of these two countries and found that culture of Japanese firms are very different from those of typical US Firms and Japanese firms outperformed the Typical US firms. Then organizational culture become the indispensable and dynamic concept in the business world and the matter of concern for the researchers that four books were written on culture, namely; (1) "The Art of Japanese Management" by Pascale and Athos (1981), (2)" The Rites and Rituals of Corporate Life" by Deal and Kennedy (1982), (3), "In Search of Excellence" by Peters and Waterman (1984), and then a marked contribution by Schein (1984) in the form of book named as "Coming to a new awareness of Organizational Culture".

The Organizational culture is referred as a set of expected behaviour pattern exhibited by the members of an organization. It is a social phenomenon which consists of basic assumptions, values, beliefs and behavioral patterns (Denison, 1984), which is shared by all the members of an organization (Weick, 1979). Organizational culture prepares members of an organization to work through the basic problems of survival, develop and maintain its internal processes and to cope its external environment which very dynamic and volatile (Martin, 2002). Organizational Culture is described as the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration that have worked well

enough to be considered valid, and therefore to be taught to new members as a correct way to perceive, think and feel in relation to these problems(Schein, 1984). Organizational culture affects the way in which people perceive, think, feel, act and ultimately make decisions(Schein, 1990). According to (Deal & Kennedy, 1982), Organizational culture is the single most factors accounting for success or failure in an organization. They identified four dimensions of organizational culture: (i) Values- the beliefs that lie at the heart of corporate culture, (ii) Heroes – the people who embody values, (iii) Rites and Rituals – routines of interaction that have strong symbolic qualities, and (iv) The cultural network – the informal communication system or hidden hierarchy of power in the organization. One of the important and meaningful definition given by Claver *et al.* (2001) according to which organizational culture is a set of values, symbols and rituals shared by all the members of a specific firm which describes the way things are done in an organization in order to solve both internal management problems and those related to customers, suppliers and environment.

One of the reputed researches conducted by Deshpande and Farely (1999) about organizational culture and leadership in Indian and Japanese firms propounded that culture is the key determinant for the success of an organization. It was found that Japanese firms were more successful than Indian firms having entrepreneurial and competitive organizational cultural types mostly prevailing whereas, most Indian firms were operating under entrepreneurial cultural type. Marcoulides and Heck (1993) stated that organizational cultural affects organizational performance both directly or indirectly and it depends upon the type of culture adopted by the management in a particular organization. Maull, Brown and Cliffe (2001) conducted the research to identify the cultural model fit for the financial organizations of UK to determine an effect Total Quality Management (TQM) programme. They propounded the PCOC (Personal, Customer Orientation, Organizational and Cultural Values) Model which provides a basis for assessing the organizational culture before the formulation and implementation of TQM programmed. It was also found that organizational culture and working environment differ widely from organization to organization. Sorenson (2002) states that organizations with strong organizational cultures exhibit superior performance in a stable business environment. Such organizations with strong organizational cultures are able to maintain coordination within the organization, increase goal alignment between organizations its members and increase employee effort. According to Rashid, Sambasivan and Johari (2003), organizational culture affects financial performance of an organizational to a great extent. Cultural types like bureaucratic, consensual or community, competitive and entrepreneurial affect profitability of an organization. in this study, the findings about bureaucratic culture is totally opposite via other researches which state that bureaucratic culture is unfavorable cultural type having negative impact on organizational culture and thus should be discarded. Rose, Kumar, Abdullah and Ling (2008) observed that organizational culture is one of the basic roots for performance improvement. Martin, Jandaghi, Kanifar and Heydari (2009) identified the relationship between organizational cultural dimensions, customer orientation and performance in South African firms and found that cultural dimensions including customer orientation, justice and professional ethics and participation and cooperative cultures are competent for business organizations having deep impact on customer orientation and organizational performance. Likewise, study by Ojo (2010) states that organizational culture plays an important role in general performance of an organization and there exists a positive correlation between the two variables concerned. Employees would commit organizational goals only if they deeply involve and understand cultural norms of an organization. Similarly, Ehtesham, Masood and Shakil (2011) got the same results and propounded that there exist strong positive correlation between organizational culture and performance management practices and organizational performance is predicted and enhanced through cultural dimensions.

One more reputed research put forward by Zhang and Xiancheng (2012) about organizational culture dimensions and performance of financial and marketing firms in China stated that organizational culture affects performance positively or negatively and it depends upon the cultural types opted by the management in an organization. Out of four cultural dimensions, Adhocracy and Market cultural types were positively associated with market and financial performance, however, Clan and Hierarchy cultural types were negatively associated with the same. So they stressed that more the Adhocracy and Market cultures, more will be organizational performance.

But there are some controversial views about the organizational culture and performance relationship. According to Momot and Litvinenko (2012), there are many cultural dimensions adopted by managers of different organizations from time to time and all these cultural dimensions do not affect the organizational performance. For example, among different organizational cultural types like, involvement, consistency, adaptability and mission cultures, it was found that, only mission cultural type correlated with the organizational performance of machine building enterprises in Ukraine, Russia. Therefore, task lies in the hands of management to adopt the appropriate organizational cultural type so as to get superior performance in the market place. The above stated finding is supported by the research conducted by Zakari, Poku and Ansah (2013), according to which, the prevailing of organizational cultural types or dimensions differ widely from organization to organization. The study was conducted in commercial banks of Ghana and it was found that Ghana banks have different organizational cultures. However, a positive correlation was found between organizational cultural types and performance and mission culture was the strongest cultural type affecting organizational performance positively. Further, Zafer and Acar (2014) made a comparative analysis between public and private sector hospitals in Turkey and observed that organizational culture affects financial performance in both the hospitals. Hierarchy culture was the most common culture type prevailing in both public and private hospitals affecting service and financial performance in public sector only, whereas it was market culture affecting service and financial performance in private sector hospitals. The finding related to hierarchy culture is totally different from other stated researches stated above which describe the negative correlation of hierarch culture with the organizational performance.

2. Organizational Performance

Organizational performance has become one of the multi-dimensional and complex phenomenon in the business literature. Although the concept of organizational performance is very common in the academic literature, but there is no unanimous agreement on its

definition and measurement . There are two ways of measuring organizational performance: subjective and objective. Subjective measures are non-financial or non-economical indicators of performance measurement like sales growth, market share, employee satisfaction, customer satisfaction, product development, competitive advantage, customer retention and some other factors. Objective assessment is financial or economic measure of organizational performance by using financial data like profit, revenue, return on investment (ROI), return on equity (ROE), and return on assets (ROA), share price, liquidity and operational efficiency. Subjective measures are based on the opinion of the respondent/ employees in an organization to assess performance (Narver & Slater, 1990). There was an inconsistent measurement of organizational performance-although most researchers measured organizational performance by using quantitative data like ROI, return on sales, return on assets, return on equity, and so forth (Kotter and Heskett, 1992; Marcoulides and Heck, 1993; Sorenson, 2002; Rashid, Sambasivan and Johari, 2003; Puni, Samuel and Okoe, 2013). However, the definition of performance includes both efficiency related measures as well as effectiveness related measures. The best criterion for assessing organizational performance is next to impossible (Snow & Hrebiniak, 1980). However, many studies show a preference for subjective measures during the assessment of business performance due to difficulties in objective financial data. Managers often refuse to provide accurate, objective performance data to researchers. The availability of financial data does not mean its reliability for objective assessment, because the data often do not fully represent firms' actual performance. It is possible that managers may manipulate the data to avoid personal or corporate taxes and even if transparency is there, it will indicate the short term performance of the organization (Dess & Robinson, 1984; Sapiena, Smith, & Gannon, 1988). Further, performance measures such as profitability may not accurately indicate the underlying financial health of a company. Profitability may vary due to reasons such as the level of investment in R & D or marketing activity that might have longer term effects. Last, there have been several studies that show a strong correlation between objective and subjective measures (Dess and Robinson, 1984; Venkatraman and Ramanujam 1986). Some of the past studies which have used the subjective or perceptual assessment of organizational performance are mentioned as below:

- Narver and Slater (1990); subjective assessment of ROA for self and competitors.
- Deshpande et al. (1993) in 50 Japanese firms. Subjective evaluation of profit, size, market share and growth compared to largest competitor.
- Slater and Narver (1994) in 81 SBUs. Subjective evaluation of ROA relative to competitors.
- Despande and Farley (1993) in US. Subjective evaluation of sales growth, customer retention, returns on investment and return on sales.
- Deshpande and Farely (1999); between Indian and Japanese firms- subjective assessment of profitability, business size, growth and market share.
- Ogbonna and Harris (2000); Among 1000 SMEs of UK- subjective assessment of customer satisfaction, sales growth, market share, competitive advantage and sales volume.
- Aziz, Mahmood and Abdullah (2013); among 5138 SMEs of Malaysia- subjective assessment of sales growth, employment growth, market value, profitability overall.

All these above studies provide sound base and validity of measurement of organizational performance through subjective or perceptual assessment. Keeping in view the nature of study and review of literature, organizational performance was measured on the basis of subjective assessment of 6 factors which are as: (1) Deposit Growth, (2) Profitability, (3) Market Share, (4) Quality o Products and Services, (5) Competitive advantage/ Position and (6) Employee satisfaction

The branch heads, executives and senior staff of J&K bank, SBI, PNB and HDFC bank were asked to rate their organizational performance level regarding these performance parameters in a five point rating scale, ranging from (1) very low to (5) very high.

2.1. Objectives of the research
    i. To identify the impact bureaucratic, community, competitive and innovative organizational culture types on organizational performance in select banking organizations of Jammu and Kashmir, India.
    ii. To find out which type of organizational culture is the dominant and mostly prevailing in the banking organizations of Jammu and Kashmir, India.
    iii. To provide suitable suggestions in terms of appropriate culture type so as to get superior performance if needed.

2.2. Research Hypothesis
Keeping in view the nature and objectives of the study, the following hypotheses have been formulated and will be tested with structural equation model (SEM).
- H_1: Organizational culture affects organizational performance directly and significantly.
  - H_{1a}: Bureaucratic culture affects organizational performance directly and significantly.
  - H_{1b}: Community culture affects organizational performance directly and significantly.
  - H_{1c}: Competitive culture affects organizational performance directly and significantly.
  - H_{1d}: Innovative culture affects organizational performance directly and significantly.
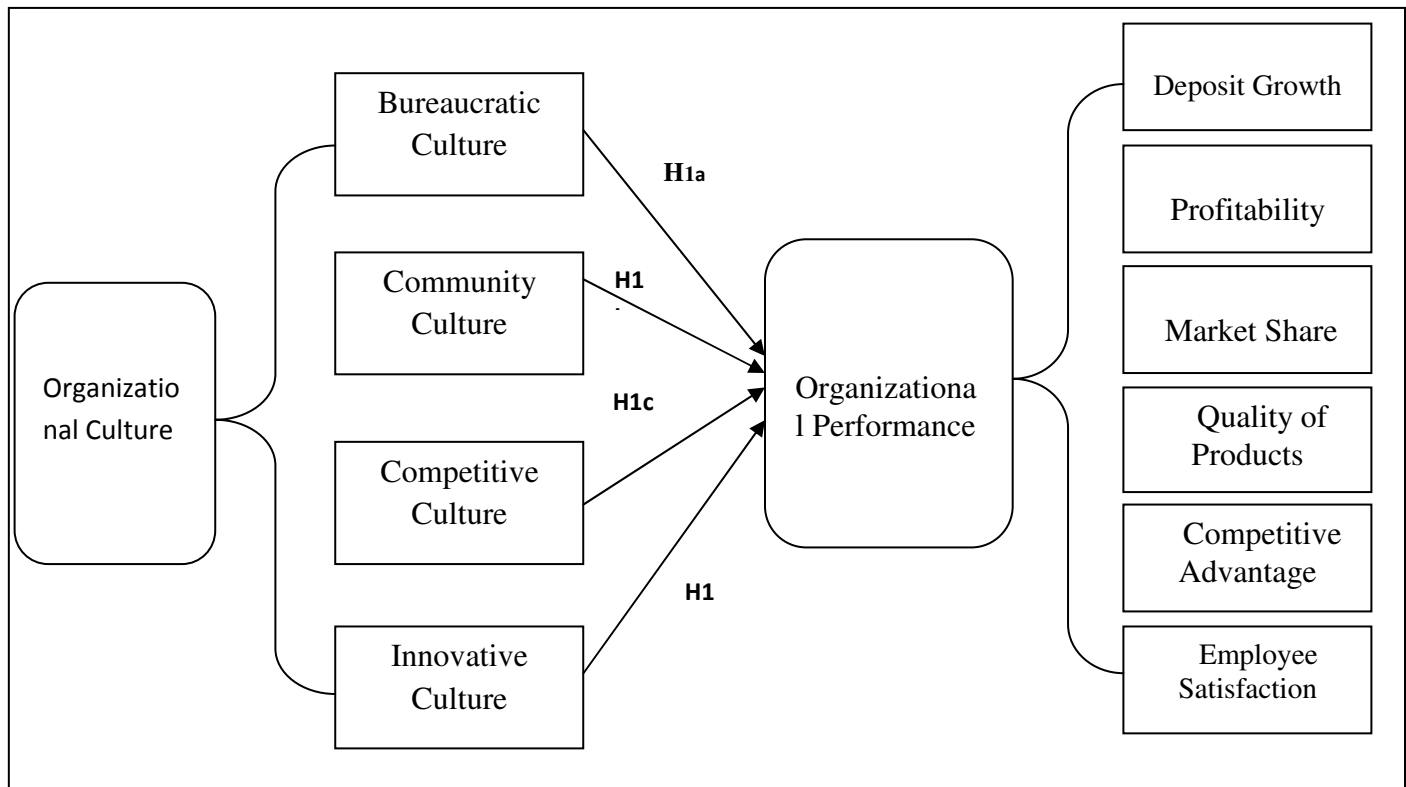
Figure 1: Theoretical/Conceptual model

3. Research Methodology

3.1. Research Instrument
The main purpose of this study is to determine the relationship between Organizational Culture and Organizational Performance.. For this purpose, a relevant and well established structured questionnaire was designed for measuring organizational culture and organizational performance in the sample organizations. The formulation and implementation of standard and effective survey influence significantly the overall success of data collection and achievement of satisfactory responses (Churchill, 1991; Dillman, 1978; Faria & Dickinson, 1992). To ensure the high content validity and reasonable response rates the survey was designed, formulated and implemented in a particular manner after taking into consideration the recommendations of many authors. The method of formulating questionnaire design, pilot surveying and pre-notifications and post- survey follow-ups was followed after taking into consideration the research works of (Churchill, 1991; Conant, Mokwa, & Varadarajan, 1990; Dillman, 1978). One of the crucial aspects of survey design is the development of questionnaire (Churchill, 1991).

4. Measurement of Organizational Culture
 For the measurement of organizational culture, scholars/theorists have put forward several measures of organizational culture like, (Hofstede, 1980; Wallach, 1983; Cooke and Rousseau, 1988; Dension, 1990; Hofstede et al. 1990: Kotter and Heskett, 1992: Deshpande, Farely and Webster 1993; Van der Post *et al.* 1997; Cameron and Quinn (1999). However, the questionnaire used in the present study is Competing Values Framework (CVF) which has been adopted from Ogbonna and Harris (2000) which in turn is largely based on the earlier work of Deshpande, Farely and Webster (1993) and Quinn (1988). Compared with the above models and scales, the CVF is the most succinct, easy to administer and respondent friendly. The questionnaire includes 4 dimensions and 16 items and each dimension is based on four observable items, thus very convenient for practical operations. The questionnaire has been validated in cross-cultural researches. Among various organizational culture models, the CVF is the only model that has been used extensively worldwide and especially with Asian samples (Deshpande and Farley 1999; Ogbonna and Harris, 2000). Further, CVF has been named as one of the most important models in the history of business.

5. Data Collection Method
The data collection method used in this research work is questionnaire method. A well structured questionnaire was designed and distributed through face to face interaction with banking sector employees of Jammu and Kashmir.

6. Sampling Dsign
Sample survey was undertaken by identifying the total number of banks operating in the state of Jammu and Kashmir. The Jammu and Kashmir state has been divided geographically in two parts; 1) Jammu and 2) Kashmir as name indicates itself and each part has been

divided into eleven districts. So in total there are twenty two districts in the state of Jammu and Kashmir (eleven in Jammu and eleven in Kashmir). The banks having the highest business in terms of market share and network of branches, and were selected for the sample. it was found that J&K bank, State Bank of India (SBI), Punjab National Bank (PNB) and HDFC banks have the highest network of businesses and branches in the concerned state and thus were selected as sample for the present study.

7. Sample Population
Sample population means the population from which the sample for the present research study is drawn. The population for this study consists of the branch heads, executives and the senior staff of J&K bank, SBI, PNB and HDFC banks operating in the state of Jammu and Kashmir.

8. Sampling Technique
 The sampling technique used in this study is cluster sampling technique which is probability sampling method. The population for this study has been divided into north, central and south zones as already mention that the Jammu and Kashmir state is dived to two broad regions namely Jammu region and Kashmir region and each region is divided into eleven districts which make it a total of twenty two districts. So, both Jammu and Kashmir region has been divided into north, central and south zones which makes it six zones and from each zone one main district as the main town having the highest number of bank branches has been chosen for sample collection. From Kashmir region, the Baramulla, Srinagar and Anantnag districts and from Jammu region, Jammu, Udhampur and Kathua districts have been taken for data collection.

9. Data Analysis
All the data analysis was operated through The Statistical Packages for Social Sciences (SPSS) and Analysis of Moment Structures (AMOS) version 20. To find the fit of the conceptual model, the (Structure Equation Model) SEM analysis was used incorporated by relevant statistical tools for checking some statistical assumptions.

Items		Factor (Dimensions)Loadings			
		Bureaucratic Culture	Community Culture	Competitive Culture	Innovative Culture
OC6	B	0.690	-	0.276	-
OC7	B	0.785	–	_	–
OC11	C	0.870	_	_	0.258
OC15	D	0.752	_	_	–
OC4	A	_	0.638	0.286	–
OC8	B	0.273	0.740	_	–
OC12	C	_	0.867	_	–
OC16	D	_	0.614	_	0.307
OC2	A	_	_	0.590	–
OC3	A	0.282	_	0.742	–
OC10	C	_	_	0.805	0.251
OC14	D	0.305	_	0.610	–
OC5	B	_	_	–	0.713
OC9	C	_	_	_	0.684
OC13	D	_	0.298	_	0.802
Eigen Values		3.613	2.852	2.248	1.375
% variance explained		24.880	19.524	14.268	10.268
Cumulative % variance		26.880	44.404	58.672	68.940

Table 1: principal Component Analysis of Organizational Culture after deletion of items

Notes: Extraction Method: Principal Component Analysis; Rotation Method: Varimax with Kaiser Normalization (Rotation converged in 5 iterations); cross factor loadings less than .25 have been suppressed

The above table represents the principal component analysis of measures or dimensions of organizational culture. The factor analysis of all included (after deletion of one item) items leads to the extraction of four factors which cumulatively explain nearly 69 percent of the variance. The first factor with four items loads heavily on a vector generating an Eigen value of 3.613 and accounts for over 24 percent of the variance. As expected, these items appear to be gauging the extent to which the organizational culture is bureaucratic and as such the result is accepted that describe the label as bureaucratic culture. The second factor solution with also four items loads on a vector generating an Eigen value of 2.852 and accounts for nearly 20 percent of the total variance. All these four items appear to gauge the degree to which an organizational culture is community in nature and as a result, the solution is accepted and the factor is labeled as community culture. The third factor with four items loads on the vector and generating an Eigen value of 2.248 with the variance of above 14 percent and as a result, these factors within this factor gauge the degree to which culture is competitive in nature and consequently labeling the factor as competitive culture. The fourth and final factor loads on to the vector and generating an Eigen value of 1.375 with the variance of over 10 percent. This factor is based on three items focusing on generating innovation in an organization and as a result, the factor is approved and is labeled as innovative culture. One of the important points to be noted is that, these four organizational culture factors correspond with clan culture, adhocracy culture, market and hierarchy cultures of the earlier work of Deshpande, Farely and Webster (1993), and Quinn (1988). However, the present construct of organizational culture has been borrowed from the work of Ogbonna and Harris (2000) which itself is based on these previous researches as mentioned in the research methodology chapter.

Dimension	Items		
Bureaucratic Culture			
	OC6	B	This company is production oriented. The major concern is with getting the job done. People are not very personally involved.
	OC7	B:	This company is very formalized and structured. Established procedures generally govern what people do.
	OC11	C:	Formal rules and policies. Maintaining a smooth running company is important here.
	OC15	D:	Coordinators, organizers or administrators.
Community Culture			
	OC4	A:	Human resources. High cohesion and morale in the firm are important.
	OC8	B:	This company is personal. It is like an extended family.
	OC12	C:	Commitment to this firm runs high. Loyalty and traditions are important here.
	OC16	D:	Mentors, sages or father/ mother figures.
Competitive Culture			
	OC2	A:	Competitive actions and achievement. Measurable goals are important.
	OC3	A:	Performance and stability. Efficient, smooth operations are important.
	OC10	C:	An emphasis on tasks and goal accomplishment. A production orientation is shared.
	OC14	D:	Producers, technicians or hard-drivers.
Innovative Culture			
	OC 5	B:	This company is dynamic and entrepreneurial. People are willing to take risks.
	OC9	C:	A commitment to innovation and development. There is an emphasis on being first.
	OC13	D:	Entrepreneurs, innovators, risk takers.

Table 2: Refinement scale of Organizational Culture after deletion of certain items

Note: A,B,C and D denote categories of questions where; A- question wording was "this company emphasizes on" measured on five-point scale respectively anchored by (1) Strongly Disagree to (5) Strongly Agree ; B- question wording was "To what extent does your company place a high priority" measured on five point scale respectively anchored by (1) Strongly Disagree to (5) Strongly Agree; C-Question word was "The glue which holds this company together is" also measured on five point scale respectively anchored by (1) Very False to (5) Very True and D- question wording was "In this company the best managers are considered to be" measured on a 5-point Likert-type scale anchored by (1) Not at all to (5) To a very great extent

10. Measurement of Reliability and Validity

 Prior to exploring and identifying the relationship between organizational culture and organizational performance, it was deemed necessary to gauge the extent of reliability and validity for each of the constructs used in the study. Reliability can be defined as the ability of a measuring instrument to give accurate and consistent results. The question of reliability arises only for the psychometric items or questions used to measure perception which cannot be measured with perfect accuracy. In this research study, statements are used to measure organizational culture as independent variables and organizational performance as dependent variable in the banking organizational of Jammu and Kashmir. For all the statements five points scale is used.

Dimensions	Number of items Eigen Value		Cronbach's Alpha coefficient	Inter-item Correlation		Item-to total correlation	
				Lowest	Highest	Lowest	Highest
Organizational Culture							
Bureaucratic Culture	4	4	0.862	0.335-0.617		0.534-0.710	
Community Culture	4	4	0.684	0.386-0.679		0.645-0.817	
Competitive Culture	4	4	0.796	0.446-0.716		0.509-0.785	
Innovative Culture	4	3	0.884	0.350-0.642		0.638-0.829	
Organizational Performance	6	6	0.886	0.337-0.614		0.563-0.792	

Table 3: Showing Reliability and Validity after Deletion of Items for Organizational Culture and Performance

 The table 5 represents the reliability and validity of the constructs used in the study both item and dimension wise. Reliability of the constructs was judged through the measurement of the Cronbach alpha coefficient (Cronbach, 1951) which is a widely used measurement of the internal consistency of a multi-items scale in which the average of all possible split-half coefficients is taken. Normally, reliable coefficient alpha of above 0.70 is a good measure for reliability (Nunnally, 1978). But, the criteria of Cronbach alpha coefficient of 0.60 is also considered as a reliable coefficient measure (Peterson, 1994; Slater, 1995). The value of Cronbach's Alpha coefficient above 0.70 is considered to be 'acceptable' reliability, above 0.80 'good' reliability, and above 0.90 'excellent' reliability (Hair, Blake, Babin, & Anderson, 2010). Even the criteria of Cronbach alpha coefficient of 0.60 is a reliable coefficient measure (Peterson, 1994; Slater, 1995). The coefficient alpha values of bureaucratic, community, competitive and innovative cultures are 0.862, 0.684, 0.796 and 0.884 respectively represent a sound base for the consistency in the measurement of organizational culture in the present research work. The Cronbach alpha coefficient of reliability for the measurement of subjective organizational performance is 0.886 which indicates good criteria for its measurement.

Validity testing means testing the instrument whether it has ability to measure what it intends to measure. The two forms of validity testing are 1) Convergent validity and 2) Discriminant validity. For evaluation of the convergent validity of constructs, measurement of inter-item correlations and item-to-total correlations are sound base for it (Hair, Blake, Babin, & Anderson, 2010). The acceptable criteria value of inter-item correlation and item-to-total correlation is above 0.30 and 0.50, respectively (Hair, Black, Babin, & Anderson, 2010). This analysis indicated significant bivariate relationships in the anticipated directions, indicating convergent validity. If the correlation is moderately high (above 0.40), then the item will make a good valid component of the scale (Leech, Barrett, & Morgan, 2005). To check the sound convergent validity of organizational culture and organizational performance, inter-item and item-to-total correlation was operated in the scale. As it is evident from the table that all values i.e. inter-item correlations and item-to-total correlations organizational culture and organizational performance are greater than criterion value, thus fulfilling the acceptance criteria and indicating the sound convergent validity of the scale and as a result, no further items were dropped.

Discriminant validity on the other hand, measures the extent to which all the latent variables concerned in the study are discriminating each other i.e. Discriminant validity denotes the independence of the constructs used for the study. It indicates the degree to which the constructs used in the study are different among themselves. Constructs studied shall be having Discriminant validity if the Average Variance Explained (AVE) value of any two constructs exceeds the square of the correlation among the two constructs. To test the Discriminant validity for the proposed measurement model, the average variance extracted and the square correlation for every possible pair of factors were calculated. Consequently, the results obtained from the tables below showed that average variance extracted for each pair of latent variables were greater than the square correlation for the same pair thus indicating discrimination among the variables

	Bureaucratic Culture	Community Culture	Competitive Culture	Innovative Culture
Bureaucratic Culture		0.876	0.921	0.908
Community Culture	0.246		0.885	0.792
Competitive Culture	0.339	0.291		0.930
Innovative Culture	0.140	0.408	0.265	

Table 4: Discriminant Validity Test of Measures of organizational Culture

Note: Figures in bold form represent the Average Variance Extracted while others represent the square of correlations for each pair

11. Measurement of Model Fit

The measurement of the fit model is statistically necessary so as to ensure that all possible factors present in the model are nested perfectly and are appropriate for the model. The overall fit of the measurement model was identified by conducting the confirmatory factor analysis (CFA). To evaluate the measurement model in this research, it was deemed necessary to use multiple goodness of fit indices (Bagozzi & Foxall, 1996; Byrne, 2001); likelihood ratio Chi-square (χ^2) statistics or χ^2/ df ratio which is called normed chi-square and is the widely used fit test that estimates variation among the observed data covariance matrix with estimated or fitted covariance matrix, P>0.05 or $\chi^2 \geq 3$ indicating good fit, Root Mean Square Error of Approximation (RMSEA) < 0.05 indicates good fit, an adequate fit if RMSEA ≤ 0.08 and from 0.08 to 0.10 indicates mediocre fit and that of above 0.10 indicates poor fit. Comparative fit index (CFI) ≥ 0.9 indicates good fit, Goodness of fit index (GFI) ≥ 0.9 indicates good fit, Tucker-Lewis fit index (TLF) also known as non-Normed fit index (NNFI) ≥ 0.9, Incremental fit index (IFI) ≥ 0.9 indicates good fit and Relative fit index (RFI) ≥ 0.9 indicates good fit (Hair, Blake, Babin, & Anderson, 2010).

Dimensions	χ^2 /df	RMSEA	CFI	GFI	TLI/ NNFI	IFI	RFI
Justified Index	**FC≤ 3**	**FC≤0.08**	**FC≥0.9**	**FC≥0.9**	**FC≥0.9**	**FC≥0.9**	**FC≥0.9**
Organizational Culture							
Bureaucratic	5.24	0.049	0.94	0.98	0.93	0.92	0.95
Community	3.76	0.092	0.96	0.99	0.95	0.98	0.96
Competitive	3.83	0.081	0.92	0.93	0.92	0.90	0.92
Innovative	2.68	0.066	0.91	0.96	0.90	0.93	0.90
Organizational Performance	3.91	0.078	0.93	0.89	0.90	0.94	0.97

Table 5: CFA Tests of Model fit for Organizational Culture and Performance

Note: FC= Fit Criteria; χ2 = chi-square value; RAMSA=Root Mean Square Error of Approximation; CFI=Comparative Fit Index;

GFI=Goodness of Fit Index; TLF=Tucker-Lewis fit index; NNFI= Non-Normed Fit Index; IFI=Incremental Fit Index and RFI=Relative Fit Index

As the result from the above table shows that χ^2/df values for all dimensions of organizational culture except innovative culture and organizational performance exceeds the acceptable criteria of 0.3, thus indicates a poor fit of the model. It is to be mentioned that problems with Chi-square goodness of fit are evident in case of model fit, this is because one big limitation with Chi-square is that it is sensitive to the sample size which means as the sample size increases, it becomes more likely to reject the null hypothesis. However, Chi-square value in case of organizational performance is greater than 3 and thus shows good fit. Overall, the Chi- square value shows poor model fit for this research work. However, this is not the only model fit indicator and fitness of the model can be evaluated through the other indices included in the table. One corroborating test index of model fit is Root Mean Square of Approximation (RMSEA) statistic which is propounded by Steiger and Lind in 1980. RMSEA is different from the Chi-square test in the sense that it is sensitive to the number of parameters estimated rather than sensitive to sample size. As it evident that the value of RMSEA for all the constructs is less than or equal to 0.08 (except one construct which exceeds the acceptable criteria) thus indicates the fitness of the model. The other measurement indices like, CFI, GFI, TFI, IFI and RFI are more than or equal to 0.9 which fall within the acceptable fit criteria for all the constructs of organizational culture and organizational performance except very few values in case of GFI. Overall, the values of the concerned indices of the measurement model show fitness of the model statistically and indicate that model fitted well in representing and analysis of the data.

12. Results and Discussions

Figure 2 illustrates the AMOS (path) representation of the hypothesized model portraying the influence of organizational culture on organizational performance. It presents the four organizational types namely bureaucratic, community, competitive and innovative cultural types as explanatory variables and their impact on the organizational performance as criterion or outcome variable. It is observed that measurement of latent variables (unmeasured, hypothetically- exiting constructs) which are enclosed in the oval shapes are measure on the basis of observable variables which are enclosed in squares and the measurement errors and residuals are enclosed in circles. As can be seen that bureaucratic culture is measured on the basis of three observable variables whereas community, competitive and innovative cultures are constituted by four observable variables each. It can be inferred that all the four cultural types affect organizational performance significantly as explained in table below.
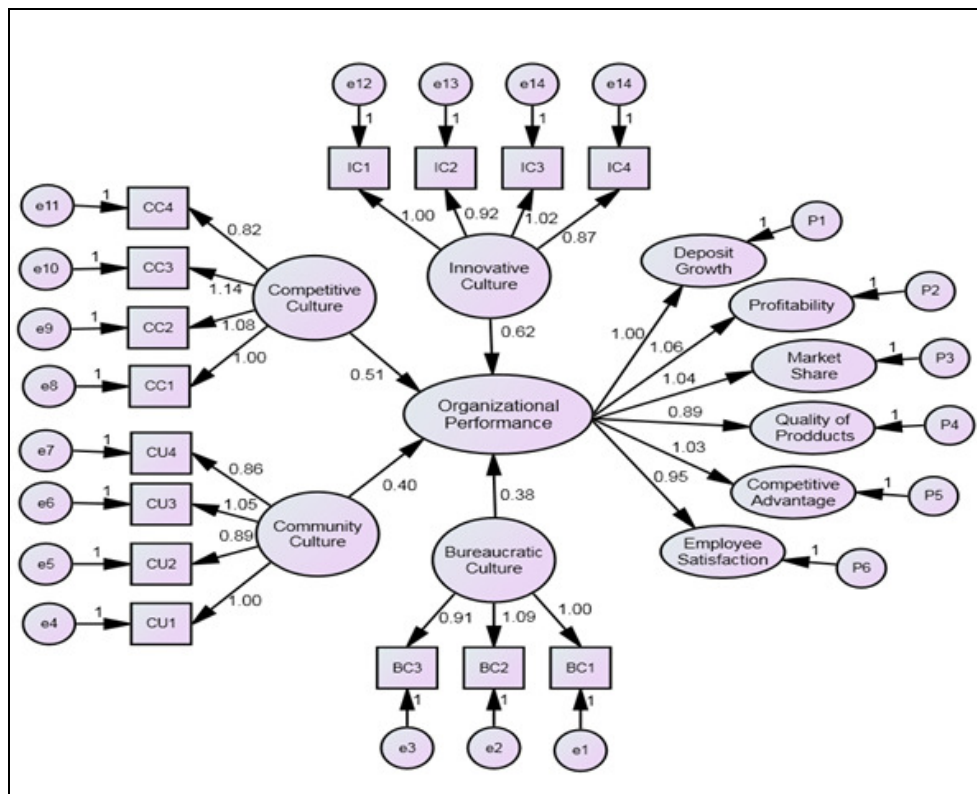
Figure 2

Criteria Variable		Explanatory Variable	SRW	URW	SE	CR	Decision
Organizational Performance	←	Bureaucratic Culture	0.690	0.382	0.069	5.53**	H₂ₐ Supported
Organizational Performance	←	Community Culture	0.586	0.402	0.085	4.72**	H₂ᵦ Supported
Organizational Performance	←	Competitive Culture	0.745	0.510	0.096	5.31**	H₂ᵧ Supported
Organizational Performance	←	Innovative Culture	0.576	0.625	0.098	6.37**	H₂ᵩ Supported
Bureaucratic Culture	←	Organizational Culture	0.708	1.000			
Community Culture	←	Organizational Culture	0.841	0.803	0.059	13.61***	
Competitive Culture	←	Organizational Culture	0.659	0.885	0.071	12.46***	
Innovative Culture	←	Organizational Culture	0.782	0.927	0.065	14.69***	
Deposit Growth	←	Organizational Performance	0.882	1.000			
Profitability	←	Organizational Performance	0.906	1.065	0.046	23.15***	
Market Share	←	Organizational Performance	0.854	0.840	0.044	19.09***	
Quality of Products and Services	←	Organizational Performance	0.938	0.895	0.051	17.54***	
Competitive Advantage/Position	←	Organizational Performance	0.885	1.035	0.039	26.53***	
Employee Satisfaction	←	Organizational Performance	0.893	0.947	0.055	17.21***	

Table 6: Hypothesized model of Organizational Culture and Organizational Performance

Note: SRW= standardized regression weights; URW= unstandardized regression; SE =standard error; CR= critical ratio; [**] P< 0.01; [***]P<0.001

The table portrays the relationships between organizational culture types as the independent or explanatory variable and the organizational performance as outcome or dependent variable. The standardized and unstandardized values of coefficients are provided which are in the form of the regression weights to identify whether coefficients are significant. It can be inferred that organizational cultures affect organizational performance directly and significantly. As it is evident that all the organizational culture types namely, bureaucratic, community, competitive and innovative cultures affect the organizational performance significantly as such the unstandardized regression weights (URWs) and critical ratios (CRs) of all the four cultural types are 0.38 (5.53), 0.40 (4.72), 0.51(5.31) and 0.62 (6.37) respectively, thus provide statistical support to accept hypothesis H_{2a}, H_{2b}, H_{2c} and H_{2d}. At the same time, it is observed that the innovative and competitive cultures have shown the higher significant effect on organizational performance than other cultural types and the bureaucratic culture has shown the lower significant effect than all cultures. Therefore, it is inferred that more and more competitive and innovative cultures prevailing in business organizations, more will be the organizational performances. Further, it is also observed from the table that all the four cultural types, namely bureaucratic, community, competitive and innovative cultures affect significantly the overall organizational culture and thus statistically constitute it very well as the unstandardized regression weights being 1.00, 0.80, 0.88, and 0.92 respectively.

13. Conclusions
This paper presents the results of research work on the impact of organizational culture on organizational performance of banking sector organizations in Jammu and Kashmir, India. The paper comprised of two research questions viz. to investigate empirically the impact of organizational culture on organizational performance. And secondly; to find which organizational culture type is dominantly prevailing in the concerned banking companies in Jammu and Kashmir, India. The findings reveal that all organizational culture types namely; bureaucratic, community, competitive and innovative affect organizational performance directly and significantly which is supported by some previous researches as well like (Deshpandey & Farely, 1999; Sorenson, 2002; Rashid, Sambasivan, & Johari, 2003; Ogbonna & Harris, 2000; Ojo, 2010; Zhang & Zhu, 2012; Zakari, Poku, & Ansah, 2013). The most dominant forms of organizational culture affecting organizational performance were competitive and innovative cultures and in some other researches named with market and entrepreneurial culture. So it is suggested to the manager not only working in banking organization of Jammu and Kashmir but in other types of business organizations to recognize the real importance of organizational culture and its direct impact on organizational performance and at the same time create appropriate organizational culture especially competitive (market) and innovative (entrepreneurial) cultural types so as to get better performance.

14. Implications
The results of the present study may have a number of implications for the managers of banking companies, both public and private sectors in Jammu and Kashmir. First of all, this research work may highlight the theoretical framework, giving an indication to the managers regarding the importance of organizational culture and its direct impact on performance of the organization. Secondly, creating and adoption of the appropriate organizational culture type is of indispensable phenomenon in achieving and maintaining employees' high commitment in an organization. Organizational culture is considered as one o the most important factors for the creation of organizational commitment in an organization. Still, this research work was an attempt to bring some value addition to the existing literature in the business management scenario, especially for the banking companies, both public and private sector in Jammu and Kashmir which are under tuff competition, Moreover, the results from the study may help managers in identifying the areas to be improved so as to achieve high employee commitment with the help of organizational culture mostly by competitive and innovative culture types which is very important for the success of an organization.

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