

# The Relationship of a Company's Culture on the Performance of the Employees in Selected Quick Service Restaurant in the Province of Pampanga

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**Abstract**— *Businesses are essential in society as they provide various jobs, goods and services to the community. Employees' performance is how they behave in a workplace, and they are essential in operation. Organizational culture is one of the factors that may affect employee performance; these are the practices, attitudes, and beliefs that define one's organization. The researchers conducted this study to determine the impact between employee performance and organizational culture. They selected four fast-food chains as the population and followed Slovin's formula to determine the sample size. Purposive sampling was used in selecting respondents for the study. Based on the study results, the culture in the selected fast-food chains in the City of San Fernando Pampanga has a positive relationship between the company's culture in values, beliefs, norms, customs, and employee performance. They concluded that the improvement of business culture increases employee performance. It has also been shown that the company's culture in values, beliefs, and norms significantly predicted and were all determinants of employee performance. It is recommended that the management of fast-food chains devote time to creating a better structure of their organizational culture, because this has a significant impact on employee performance, which will benefit the company's success.*

**Keywords**— *Company culture, employee performance, values, norms, beliefs, customs.*

## I. INTRODUCTION

Businesses are vitally essential in society because they offer goods and services, create jobs, aid in developing education, scientific, and technology sectors, expand the tax base and stimulate competition and innovation. (Kaur, 2020). Life with businesses in society makes it exciting and less tedious. Organizations try to achieve distinct missions and objectives. Anyone can establish a business, but not everyone can achieve success in the said field. Business is a matter of survival. The twenty-first century has a growing number of businesses competing with one another with the same goal: to serve the people, help society, and gain profit. Why certain businesses succeed while others fail has always been a topic of discussion in the business world. It has been essential for managers to understand which factors impact the company's success to take necessary action.

Customers are the lifeblood of any business, and in today's world, customers have a lot of knowledge about what the

market has to offer and a lot of options for which and where to buy products and avail services. They have a lot of things to consider in choosing which company will give them the satisfaction they want. It is critical to provide high-quality products and services to remain in the business industry. From all the shared aspects, employees' performance and behavior are significant in business operation. An example of this is fast-food chains wherein employees make the product as well as they are the ones interacting with customers.

According to Leonard (2019), Employee performance is crucial to a business's success; therefore, entrepreneurs need people to complete the work. One of the essential aspects of employee performance is goal achievement. Every employee must contribute to the company's vision and objectives (Periyasamy, 2021). Employee performance refers to how well or poorly an employee does their assigned tasks and how quickly they meet deadlines or meet requirements (Periyasamy, 2021).

A business helps people in terms of employment, customer needs, and, in general, corporate social responsibility. Gaining profits is its top priority. Human capital is in any operation of an organization in various aspects. Employees are essential to the success of a firm. An organization results from many individuals working together to accomplish a common purpose. Human resource participation is vital in the activities carried out in the company to achieve the organization's objectives (Raharjo, 2013). Employees are viewed as valuable assets in any firm that wants to function well. Employee performance measures include quality, quantity, efficiency, and work progress (Vulven, 2021).

With the given fact that Employee Performance is significant in an organization, the question is what factor may influence or impact it. From various studies, there are a lot of factors that influence employee performance, and one of these is the company's culture.

## II. LITERATURE REVIEW

A company's culture positively influences employee performance (Periyasamy, 2021). Employee and organizational performance are impacted by an absence of

influential company culture and insufficient cultural integration in a corporate group (Idris et al., 2015).

The overarching business problem was that certain firm executives appeared to lack a suitable organizational culture that often led internal lack of performance and production (Eaton & Kilby, 2015; Viegas-Pires, 2013). Specific company problem was several senior firm managements lacked skills for developing a company culture that effectively improves overall performance (Hirsch, 2015).

According to Awadh and Saad (2013), culture is the set of principles, norms, concepts, messages, and explanations of actions that shape human behaviors.

Culture is all-encompassing and comprehensive. Everything in one's life adds to one's culture, whether economics, work, family, faith, interests, social etiquette, or education. Culture is how people communicate with one another, a collection of values and behaviors that everyone must conform to be considered a part of society (Botz, 2012). According to BusinessBalls (2020), organizational cultures define how people execute tasks and engage with one another. The cultural paradigm comprises many beliefs, attitudes, practices, and representations that govern how individuals act within a company. Business culture connects the employees and provides direction to the company. It can be defined in several other ways, depending on how you look at it. Some describe it as an "organizational climate," others think of it as a "management style," while these are rituals, symbols, and behaviors that characterize the organization (Schein, 2010). The collective beliefs, expectations, and traditions that all team members utilize to guide and influence their activities are referred to as an organization's culture (Wong, 2021).

Organizational culture is an organization's personality - the "how things are done." It is defined as informal principles, conventions, and beliefs that govern how individuals and groups behave internally and externally (Basu, 2019).

Based on the GradesFixer (2019), Understanding this can be vital to the accomplishment and survival of an organization, as it can be both an advantage and a disadvantage. It should be known that it also affects the overall financial performance of an institution and employee performance. Based on Indeed Editorial Team (2021), Organizational cultures are more effective than less structured firms because they have procedures to enhance employee performance, productivity, and engagement. An excellent business culture inspires everyone to do their best work. Successful organizations must have a culture founded on a set of held and shared ideas reinforced by structure and strategy (S, 2021). Organizational culture is the internal integration of an organization's activities and workers. Employees may be negatively affected, duties will not be performed satisfactorily, and a supportive culture supports adaptability and improves employee performance.

Organizational culture might not be the most significant factor to consider, but at some level, it still influences the production and output of a company. It also doesn't guarantee optimistic feedback but can affect the business destructively. The study objective is to determine the impact of the Company's Culture in terms of Values, Beliefs, Norms, and

Customs on the Performance of the Employees in Selected Fast-Food Chains in the City of San Fernando, Pampanga.

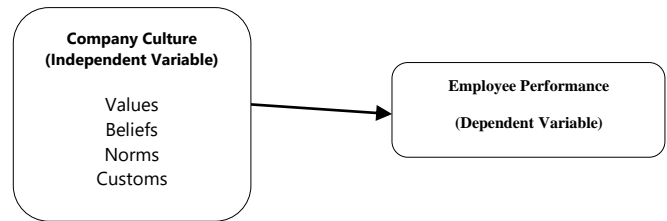


Fig. 1. Conceptual Framework

### III. METHODOLOGY

Quantitative research will be used in this study. This study utilized the descriptive method of research to assess the organizational culture of quick service restaurant in the Province of Pampanga.

For this study, the respondents were chosen using purposive sampling, a non-probability sampling technique. This is a suitable and simple method to choose respondents, especially given the current circumstances, where researchers' mobility was restricted due to the pandemic. For the study, the respondents have been chosen by the researchers.

Four quick service restaurants were chosen by the researcher as the sample. The participants of the study were 100 employees, including the top management and the rank-in-file employees from different quick service restaurants in the City of San Fernando and Mexico Pampanga. The researcher included both the non-franchise and franchise type of restaurant in the City of San Fernando and Mexico Pampanga only.

#### Research Instrument

The researcher used an adapted research questionnaire based from the study of Ronah Arinanye Tugume in 2015 entitled: "Organizational Factors Affecting Employee Performance."

There were closed-ended questions on the survey. There are 32 questions on a Likert scale. There are 32 statements in the questionnaire. The scale will range from 1 to 4. (1) as Never, (2) as Sometimes, (3) as Often, and (4) as Always. The frequency of occurrence on the provisions is described using a scale of 1 to 4, with 4 being the highest frequency.

#### Data Processing and Statistical Treatment

The statistical tool that was used in this study Correlation analysis was the statistical method used in this study. It is a statistical measurement of the degree to which two variables are predictably related. Fundamental connections can be expressed in a variety of ways without explicitly stating a cause and effect relationship. To determine how strong the connection is, the sample correlation coefficient, or *r*, is used. It is also established how statistically significant correlations are.

In order to examine how company culture affects employee performance at particular fast-food chains in San Fernando, Pampanga, the study employed a quantitative correlational research design. The variables' relationship to one another, as well as its strength and direction, were

examined using correlational design. Utilizing statistical analysis, the relationship between the variables was calculated. Descriptive statistics like percentages and frequency distribution were used to quantify and describe the respondents' age, sex, and fast food preferences. To examine the relationship between corporate culture and employee performance and its effects, researchers used Pearson's correlation coefficient. It would provide details regarding the nature, scope, and trajectory of the relationship (Statistics Solutions, 2021). To test the hypothesis, researchers used a statistical significance test with a 95% confidence level or an alpha value of 0.05 ( $\alpha=0.05$ ).

#### IV. RESULTS AND DISCUSSION

*Ho:* Company's Culture has a significant relationship or impact on the Performance of the Employees in Selected Fast-Food Chains in the City of San Fernando Pampanga.

*Ha:* Company's Culture does not have a significant relationship or impact on Performance of the Employees in Selected Fast-Food Chains in City of San Fernando Pampanga.

*Age.* The majority of the respondents are between 18-25 years old, with 68% of distribution or frequency of 68. Second are aged between 26-35 years old, with 28% of the issuance or a frequency of 28 respondents. The least age of respondents was between 18-25 years old, with only 4% of the distribution, or equivalent to 4 respondent.

*Sex.* The respondents were mostly females, with 53% of the distribution, or a total of 53 people, while the rest were males, with 37% of the distribution, or a total of 37 people.

1. *How do you describe the company culture of the respondents in terms of:*

1.1 *Values*

1.2 *Beliefs*

1.3 *Norms*

1.4 *Customs*

*Values.* The description of respondents' perception of their company's culture in terms of values has a grand mean of 3.63, which is described as ALWAYS. "Employees in this company believe they should do what they are told." has the highest mean, which was 3.69 among the statements in the values.

*Beliefs.* The respondents' perception of their company's beliefs was described as ALWAYS, with a grand mean of 3.65. The highest mean, which was 3.74 among the statements in this category, was "Employees believe in teamwork." The "What's in it for us" approach rather than the "What's in it for me" approach.

*Norms.* Regarding the company's norms, the respondents perceived and described them as ALWAYS, which has a grand mean of 3.77. The statement that has the highest standard is "My company emphasizes meeting the customer's needs as results are more important than correct organizational procedures," which has a mean of 3.84.

*Customs.* The respondents described their perception of their company's customs as ALWAYS, with a grand mean of 3.78. 3.82 means the highest statement, which is that

"Managers at all levels work together as a team to achieve results for their company."

2. *How do you describe the performance of employees?*

The respondent's perception of their performances has a grand mean of 3.77, described as ALWAYS. The statements that have the highest mean were "I complete my work within the time allocated." (3.85) and "My job was in line with my interests, skills, and attitudes." (3.85).

3. *Is there a significant relationship or impact between the respondents' company culture regarding values, beliefs, norms, customs, and their performance?*

There was a relationship of .515 (highest degree of correlation) between the company's values and employee performances; a relationship of .394 (moderate degree of correlation) between the company's beliefs and the independent variable; a relationship of .655 (high degree of correlation) between the company's norms and employee performances; and lastly, a relationship of .534 (high degree of correlation) between the company's customs and employee performances.

4. *Does the company culture in terms of values, beliefs, norms, customs significantly influence employees' performance?*

The findings of the influence of the four variables under the company's culture on employee performance were sig. of .049 on values, .035 on beliefs, .000 on norms, and .951 on customs.

#### V. CONCLUSION

Most of the employees responded were females and with ages ranging from 18-25 years old. With the data gathered and the findings drawn, the researchers then concluded the following:

1. The study's findings led the researcher to the conclusion that the employees had a positive perception of their work, which suggested that they consistently delivered quality work. They always finish their work by the deadline.
2. The researchers came to the conclusion that employees thought their company's culture in terms of values, beliefs, customs, and norms was positive.
3. The study's findings were that the values, beliefs, and norms of the organization all significantly predicted and affected employee performance.
4. According to the data, there is a statistically significant link between employee performance in terms of values, beliefs, customs, and norms and the culture of the company. The workers give it their all to provide services of a high caliber while maintaining a positive attitude and encouraging one another. They create a pleasant personality for everyone, especially since they do a good job working in a group.
5. The researcher came to the additional conclusion that the hypothesis—that a company's culture has a significant relationship with or impact on the performance of the employees in a selected quick service restaurants in the City of San Fernando and Mexico Pampanga—was

acknowledged and accepted, and that improvements in corporate culture boost employee performance.

*Recommendation*

With the data gathered, the interpretation and conclusion of the researcher in this study, the researcher then wants to recommend the following:

1. The employees should be consistent or be more passionate during work hours and may use alternative work tasks to be more flexible to be strong problem-solvers so that the job will get done well always.
2. The researchers would like to recommend to policymakers or management of fast-food chains that they should maintain their current company’s culture or create even better as it was perceived by employees as good in which it helped them to performed better.
3. The researchers also would like to recommend to policymakers or management of fast-food chains that they should maintain or make their company’s culture, in terms of values, beliefs, and norms, even better as it is a determinant of employee performance. On the other hand, even though custom was not shown to be a determinant of employee performance, they should still make a better one because it might have an impact on other factors.
4. The researchers would like to recommend to policymakers or management of fast-food chains that they devote time to creating a better structure of their organizational culture, improving it further, or maintaining a good one, as it has a significant impact on employee performance, which will benefit the company's success.
5. Researchers would also like to recommend this study for all fast chains but not that much for other type of companies as this study was carried out and focused only to the fast-food chain selected in San Fernando Pampanga.
6. Lastly, the researchers would like to recommend to future researchers who plan to conduct a study comparable to this to include a more significant number of respondents to provide a more accurate representation. And to other future researchers who want to tackle issues linked to this study, the researchers propose looking for additional organizational factors that may affect employee performance because this study just focused on the company's culture. Another research you might want to look at is the performance of the two sexes in an organization, it could be about the impact or something else. Finally, the researchers suggest that future researchers fix the gaps they

may find and note in this study. This research can potentially be used as a resource.

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