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A Study on the Impact of Culture on Organizational Performance with Reference to Automotive Industry

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Abstract

Japan's approach to strategic planning is one of the main wonders of their success in controlling global markets for such a long time. Japanese companies have benefited greatly by Hoshin Kanri (planning), which has been shown to be a methodical, disciplined, and comprehensive approach to strategy implementation. This occurred during a period of intense criticism of Western methods for developing and implementing strategies. The organizational culture is one of the main elements of Hoshin Kanri. The purpose of this research project is to investigate how Hoshin Kanri and culture affect organizational performance in high-tech companies.

Keywords: Attitude – (HK) Strategy Deployment- Organizational Culture – Organizational Performance – Business Turnover

I. INTRODUCTION

Businesses always strive for quality, financial success, market expansion, and leadership in innovation and creativity. In this sense, it is imperative that organizations have a robust research and development department in order to thrive. Particularly in high-tech companies where originality and innovation are prioritized in R&D due to its criticality. Employees with high levels of competence and intelligence are sought after by these organizations. Additionally, these capable workers are assets who should be treated with dignity and respect. For employees' creative brains to work for the good of the company, a supportive and encouraging environment is necessary. For a corporation to get the best results, it is necessary to have a pleasant and good organizational culture. In reference to this, the current research paper focus on selected high technology companies,

with special reference to Automotive sector, their Hoshin-Kanri, culture and its impact on organizational performance and Business Turnover.

Literature Review

Shaik Abdul Khadar Basha (2023). has examined that the retail management of new cars, a solid relationship is a sustained commitment to mutual gain between OEMs and dealers. Dealers and manufacturers have a same goal of making sales, thus working together to market a model car will be advantageous to all parties. This study examines how process integration, cultural sensitivity, and contract flexibility impact the development of trust between the manufacturer and dealer. Utilizing cross-sectional data from the same manufacturing company dyad, the methodology was quantitative in character. The research's conclusions indicate that process integration with cultural sensitivity and contract flexibility are positively correlated, and that these factors taken together have an impact on the trust that develops between the parties.

Dr. Kamaljeet Bhatia (2021). has examined that how organizational culture affects workers' productivity in the Pithampur Dhār district's automotive industry. In order to offer potential solutions that will assist organizations in creating a culture that will positively affect employee productivity, the study's goals were to assess the ways in which organizational culture affects employee productivity performance and the relationship between organizational culture and employee productivity performance. The respondents who provided the research's data were primarily employees of the automotive industry. Only 65 of the 100 questionnaires that were given were collected from the respondents. The "t" ratio was utilized to analyze the data and evaluate the assumptions. According to the results, the majority of respondents concur that employee productivity is influenced by company culture. It was also found that the kind of organizational culture that is used in a company might influence how productively its employees perform.

Gabriela Gliga and Natasha Evers (2010). Marketing challenges for high-tech SMEs. *Innovative Marketing*, 6(3), highlighted the development of successful strategic marketing programs for the commercialisation of new technology represents a challenge for small and medium sized technology-based firm. European Commission Directorate General Environment report (July 2008) on the study on the potential of market pull instruments for promoting innovation in environmental characteristics. Their study is based on in depth investigation of a total of six economic sectors, selected based on their potential for eco-innovation. Whereas Ville Isoherranen, Pekka Kess (July 2011) in their study titled "Strategy Orientation Analysis in the Mobile Phone Case Business" focused on the research to evaluate the characteristics of technology orientation (technology push), market orientation (market pull), customer focus and product focus in the business strategy.

Margherita Corniani (2008) brought out the linkage between Push and pull policies and identifying the different logics that underpin the relationship between a business and its final demand. Push and pull policies identify processes regarding project,

production and distribution activities but also communication flows. These two policies differ for costs, and for their ability to adapt to the various competitive dynamics. In global dynamic markets, in over supply conditions, push and pull policies can be integrated to maximize the advantages of scale and the competitiveness of fast and personalized market reactions.

John Seely Brown (2005) pointed out how companies are shifting “From Push to Pull: The Next Frontier of Innovation” The highlight in the paper showed the preference of some companies of Pull over Push strategy as a means of innovation. Barry J. Witcher, Vinh Sum Chau, Paul Harding (2008) brought out the importance of Top Executive Audits as part of Hoshin-Kanri relating these to the emerging importance of core competencies in the resource-based view of strategy to discuss “nested” sets of dynamic capabilities and superior performance. Charles Tennant & Paul Roberts (2001) in their paper "Hoshin Kanri: Implementing the Catchball Process", brought out the link between the corporate strategy and annual planning cycle of the Hoshin Kanri Quality Principles.

Objectives of the Study

- a. To study organizational culture adopted by Automotive Industry
- b. To study the depth of understanding company strategies (Deployment & Administration – Hoshin Kanri) across Automotive Industry.
- c. To study the interrelationship among Organizational Culture and Organizational Performance across Automotive Industry.
- d. To study the contribution Organizational Culture in organizational success (Performance and turnover)

Scope of the Study

The study helps to analyse the strategy understanding and deployment across different levels of management for organizational success especially in high technology companies. Driven by R & D. This helps in rapid absorption of the strategies and success of implementing the same. This study is conducted among the Automotive industries in the hinterland of Bangalore.

Research Methodology

Respondents Profile: 130 randomly chosen Medium & Small-Scale Companies, who are in the manufacture industry of Automotive Components.

Population size: 150 Automotive Industry Companies

Sampling Techniques and Sample size

Stratified sampling technique (using purposive sampling), personal **interview and structured questionnaires**. **Sample size:** 130: (are qualified on selected criteria for this study). Based on R&D, type of Strategy Adoption either Push (50%) or Pull (50%).

Tabulation, Analysis and Interpretation of Data

All the data thus collected are tabulated for consolidation and analysed using the tools like tables, charts, graphs, correlation, Regression, ANOVA, Non – Parametric tests etc. using SPSS package etc. The analysed data is used to draw final interpretations with the help of the noble guide.

Table 1: Correlation Scores – Organizational culture vs. Organisational performance and Average Turnover

	Org Culture	Org Performance	Turnover
Org Culture	1		
Org Performance	0.707752	1	
Turnover	0.773039	0.807796	1
**. Correlation is significant at the 0.01 level (1-tailed).			
*. Correlation is significant at the 0.05 level (1-tailed).			

The correlation of Organizational culture with Organizational Performance was found to be 0.707 which is showing a positive correlation between the culture and the performance. The correlation of Organizational culture with Average Turnover (Performance) is found to be positive at 0.77. Thus, both the culture and the organizational performance are found to be positively correlated and move in the same direction. Hence, the correlation is positive.

In other words, Higher scores and positive culture for company are good performers and thus, are successful.

Outcome of the Study: Culture, Performance and Turnover

The higher the score, the higher the HK strategy, culture and performance.

A reliability analysis of the questionnaire gave the following output:

Reliability Statistics			
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Based on	N of Items
.946	.959		36

Which implies consistency of responses across the levels of the organization and across industries.

Reliability analysis was also done group wise for each of the HK steps, Culture

Results and Conclusions

The results of this research work support the hypothesis of the researcher that **HK process, Culture implementation and Organizational performance together impact company success.**

Suggestions and Recommendations

- It is evident in this research work that the respondents across managerial levels have scored high on accepting the Hoshin Kanri (HK), Organizational culture which results in organizational performance. It is suggested to continue with the same.
- It is evident from the analysis that Hoshin Kanri, Organizational Culture helps in Organizational Performance.
- Th analysis also highlights on the influence of a good organizational culture and Hoshin Kanri on Organizational Performance.

Directions for future research

- There is a tremendous scope for carrying out another comprehensive research on the impact of the other strategies and their implementation across industries which needs further attention in the direction of research
- The same study can be extended to other industries across the country (including Northern, Western and Eastern India). Future research projects can focus on other Industries like Textile, Defence and others.
- Companies keep modifying their strategy throughout the year as course corrections, but this study concentrates on push – pull strategies conducted during the study period only. The study period of this research study was from 2014 to 2018. The research findings may marginally differ after this period. Trends keep on changing and future trends can be considered for further research.

II. CONCLUSIONS BASED ON THE FINDINGS

Companies should keep more preference to strategy deployment, Organizational Culture and implementation and be in constant touch with their employees for success of strategies. Hence comprehensive training, involvement of all concerned is imperative as, strategies alter the course of businesses and success depends on the fleet footedness of implementation.

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