 **Review Article**

# THE IMPACT OF ORGANIZATIONAL CULTURE WITH DECENTRALIZED AUTHORITY THROUGH MANAGERIAL FUNCTIONS ON HR PRODUCTIVITY

## MANNAVA SUMAJA[1], DR. KOLACHINA SRINIVAS[2]

[1]Research Scholar, K L E F, KL University, Guntur, India.

[2]Associate Professor, K L E F, KL University, Guntur, India.

**ABSTRACT**

The study explains types of organizational culture with the scaling of authority decentralization which impact on HR productivity. Objective of the study is to measure HR Productivity with the parameter of management practices. To examine HR Productivity through changes organizational culture by changing managerial functions as moderate in present scenario. The authority decentralized is the scope for moderation of managerial functions as develop with organizational culture. By these changes which implement to calculate HR Productivity.  As such to conduct survey with 250 responses from employees in various IT sector companies at Hyderabad.  These methods develop with existed research evidences collect for frame hypotheses are meeting with analyses of mediation and moderation methods.  The results are high significant in mediation and significant in moderation are shown one unit change in organizational culture with decentralization of authority are positive effect in HR Productivity. Such that proved the impact of organizational culture, decentralization of authority and managerial functions on HR Productivity. The feature market or customer oriented organizational culture may impact on HR Productivity. The results based develop occur in organization as increase HR productivity such helps to hike in overall performance in positive way.

*Keywords:* Managerial Functions, Organizational Culture, Performance.

## INTRODUCTION

The human resource culture that distinguishing the organization from other organization [1]. The performance of an organization is influenced by the organizational culture, such effect on managerial functions of planning, organizing, staffing, leading and controlling. Organizational effectiveness depends by individual employee performance and role of organizational performance. Developed an international structure is part of effective performance by organize. The organizational structure is the tendency to disperse decision making authority as decentralization [2].The fundamental elements of managerial system are tactics of decentralization affects all areas of management [3].

## THEORETICAL FRAME WORK

Organizational culture is a tool of planning. Adapt culture of the organization changes in the climate in most of the organizations, Changes effecting for developing organization planning as a dedicated implement, possible culture is frame initially [4]. Organizational culture with relationship of planning approaches [5].The linking between the marketer and society and its culture are the component of the marketing climate. In the global era host and home social culture impact on marketing decision making [6]. The decision making authority will decentralized from top level to low level with design strategically. The design the organization's corporate culture to prefer formalization and standardization of organizational structure, policies greater demand ability fit. [7]. The leaders efforts when succeed implement necessity changes as per situational variables of organizational culture [8].

Individual with leadership style of executives, and performance when they conspicuous organizational culture. The norms of the organization established factors impact for all leadership factors. Leadership dimensions were shown to be more responsive on culture [9].

Organizational culture has long been considered as an important means for organizations to integrate internal processes and adapt to external conditions (Tusi et al. 2006). It is well known that organizational culture is related to important outcomes at both the organization and individual levels. Cameron and Quinn (2010) derived four major types of organizational culture through the competing values framework: Regarding clan culture is employee development, motivating for team work, commitment, participation and loyalty Policies making, norms, rules and regulations follow up by political decentralization. Adhocracy culture spotlight on fostering adaptability, flexibility, and creativity and is characterized by uncertainties, ambiguities, and/or information overload link with Administrative decentralization makes planning and implementing policies, norms related. Hierarchy culture is characterized by clear lines of decision-making authority, standardized rules and procedures, and control and accountability mechanisms and tie up Fiscal decentralization because it is resource allocation and pooling from stake holders. Market culture is oriented toward the external environment and is focused on transactions with external constituencies, including suppliers, customers, and regulators, among others. Competitiveness and productivity are achieved by placing great emphasis on external positioning and control. Marketing decentralization is internal and external environment influence with host or home regard decision making power distribution.

The managerial strategy and organizational culture are related, and that a managerial with a well-aligned and implemented managerial strategy exhibits a collectivist or group-oriented organizational culture with coordinated decision making, decentralized authority, and a loyal work force [10].  Decentralizing gives decision making authority from top to low level management [11].

Decentralization of managerial authority looks at the nature of authority and its relationship to organizations; factors which indicate a basis for greater decentralization of managerial authority; The human relations aspects of decentralization of authority [12].

The managerial functions of planning, organizing, staffing, directing, and controlling sort of relationship was an almost complete tool of

decentralization of authority [13]. Decentralization appears as a means for increasing the efficiency and equity of development activities and services delivery, and also for promoting local participation [14]. Decentralize policies and its shifts in the planning articulate with the global trend state restructuring [15].

## OBJECTIVE OF THE STUDY

The study deals with two major objectives.
1. To examine HR Productivity through changes organizational culture by changing managerial functions as moderate in present scenario.
2. To measure HR Productivity with the parameter of managerial functions (management practices) as mediator between organizational culture.
3. To measure HR Productivity with the parameter of managerial functions (management practices) as moderator between organizational culture.

## HYPOTHESES

Based on the literature review and study of available research works, the researcher framed two hypotheses in this connection for the purpose of testing. The hypotheses are presented below:
**H₁:** There is a significantly positiveimpact of organizational culture (inclusive of decentralization of authority) on HR productivity.

**H₂:**Role of Managerial functions as mediator influence organizational culture (inclusive of decentralization of authority) on HR productivity.
**H₃:**Role of Managerial functions as moderator influence organizational culture (inclusive of decentralization of authority) on HR productivity.

## METHODOLOGY

The conducted exploratory research survey from employees in IT companies at Hyderabad. The 1:5 ratio of statements : population are determine as the sample size, that is 250 responses with 50 statements about organizational culture, decentralization of authority, managerial functions and HR Productivity. To meet hypotheses with the data analyses run in SPSS Version 3.3. The mediation analysis is the basis model 4 and the moderate variable is the basis model 1 in SPSS PROCESS. The first step is run the regression between Organizational culture and HR Productivity.

## RESULT ANALYSES

6.1.To examine HR Productivity through changes organizational culture by changing managerial functions as moderate in present scenario.

### *Direct Causality*



*Regression depicting the impact of Organizational Culture on HR Productivity*

| Model Summary | | | | |
|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .537ª | .288 | .281 | 3.55405 |
| a. Predictors: (Constant), Organizational Culture | | | | |

| ANOVAª | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 546.877 | 1 | 546.877 | 43.296 | .000ᵇ |
| | Residual | 1351.545 | 107 | 12.631 | | |
| | Total | 1898.422 | 108 | | | |
| a. Dependent Variable: HR productivity | | | | | | |
| b. Predictors: (Constant), Organizational Culture | | | | | | |

| Coefficientsª | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 6.775 | 2.702 | | 2.507 | .014 |
| | Organizational Culture | .182 | .028 | .537 | 6.580 | .000 |
| a. Dependent Variable: HR productivity | | | | | | |

$$Y = a + b(x)$$

### *Interpretation:*
R= 0.537
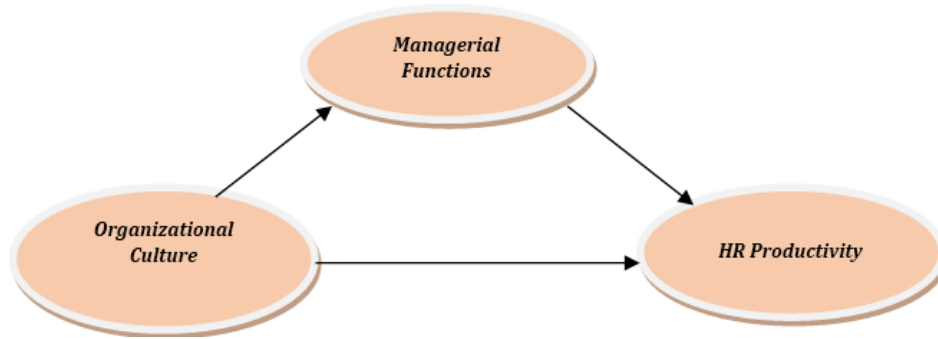The result indicate that the moderate correlation between independent variable and dependent variables.
R² = 0.288
The result sated that 28.8% of variance in dependent variable is explained by the independent variable.
As p=0.001 is less than 0.005 the regression model is highly significant. From the coefficient table it is evident that intersect and independent variable are highly significant. As there p values are 0.014 and 0.001 respectively.
Regression line:

Therefore, HR Productivity = 6.775 + 0.182 (Organizational Culture)
From the above regression line it can be stated that 1 unit change in organizational culture leads to 0.183 times rise in HR Productivity.

Thus the analysis reject Null hypothesis and accept H₁ as P value is less than 0.05 indicates a positive impact of organizational culture (inclusive of decentralization of authority) on HR productivity.

### *Result for Mediation Analysis*
To measure HR Productivity with the parameters of managerial functions (management practices) as mediator between organizational culture.

***Indirect Causality:***



The mediation analyses run in PROCESS procedure for SPSS version 3.3 Model 4 with sample size 247
Y: HR Productivity
X: Organizational Culture
M: Managerial Functions
Managerial Functions

### Model Summary

| R | R-sq | MSE | F | df1 | df2 | p |
|---|---|---|---|---|---|---|
| 0.5082 | 0.2583 | 138.374 | 85.326 | 1.000 | 245.000 | .000 |

### Model

| | coeff | se | t | p | LLCI | ULCI |
|---|---|---|---|---|---|---|
| constant | 23.3533 | 5.9170 | 3.9468 | .0001 | 11.6987 | 35.0080 |
| Organizational Culture | .5626 | .0609 | 9.2372 | .0000 | .4426 | .6826 |

### HR Productivity
Model Summary

| R | R-sq | MSE | F | df1 | df2 | p |
|---|---|---|---|---|---|---|
| .6747 | .4553 | 8.9820 | 101.9697 | 2.000 | 244.000 | .0000 |

### Model

| | coeff | e | t | p | LLCI | ULCI |
|---|---|---|---|---|---|---|
| constant | 4.9033 | 1.5547 | 3.1539 | .0018 | 1.8410 | 7.9657 |
| Organizational Culture | .0785 | .0180 | 4.3575 | .0000 | .0430 | .1140 |
| Managerial Functions | .1546 | .0163 | 9.4976 | .0000 | .1225 | .1867 |

***Direct and Indirect effects of X on Y***
Direct effect of X on Y:

| Effect | se | t | P | LLCI | ULCI |
|---|---|---|---|---|---|
| .0785 | .0180 | 4.3575 | .0000 | .0430 | .1140 |

Indirect effect(s) of X on Y:
Effect    BootSEBootLLCIBootULCI
Managerial Functions  .0870    .0165    .0548    .1199

***Analysis***
Level of confidence for all confidence intervals in output:
95.0000

***Interpretation***
From the above analysis the clearly stated the following steps:
1. Organizational culture impacts on Managerial functions with values of
   R= 0.5082,
   $R^2$= 0.2582,
   ρ= 0.001
   at 25.82% variance
2. Influence of managerial functions as mediating variable between organizational culture (inclusive of decentralization of authority) on HR productivity with values of
   R= 0.6747,
   $R^2$= 0.4553,
   ρ= 0.001
   at 45.53% variance

***From 1 and 2 steps:***
The result of R indicates that there is a moderate correlation between Organizational Culture (independent variable) and HR Productivity (dependent variables). And $R^2$ are the result of variances in HR Productivity (dependent variable) is explained by the Organizational culture (independent variable). As p=0.001 is less than 0.005 the regression model is highly significant. The result areevident that mediation is significant of the organizational culture impact on managerial functions which affect the HR Productivity with high significant.
The result is evidence to Managerial functions as mediator influence organizational culture (inclusive of decentralization of authority) on HR productivity with highly significant.

***Result for Moderation Analysis***
Role of Managerial functions as moderator influence organizational culture (inclusive of decentralization of authority) on HR productivity.
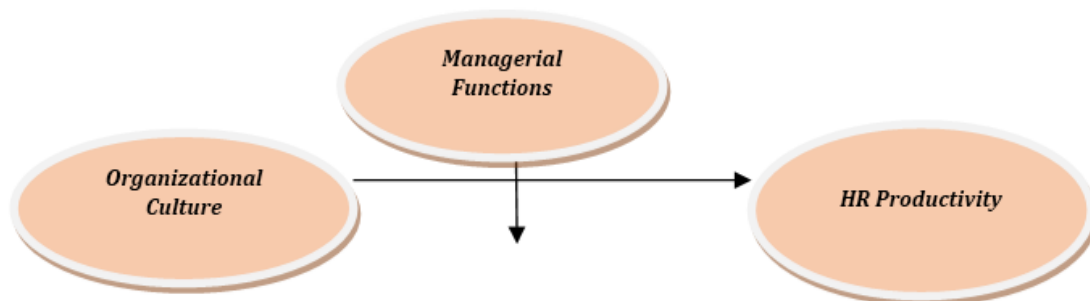
***Model:***

The moderate analysis runs in PROCESS procedure for SPSS version 3.3 Model 4 with sample size 247

Y: HR Productivity
X: Organizational Culture
M: Managerial Functions

### HR Productivity

Model Summary

| R | R-sq | MSE | F | df1 | df2 | p |
|---|---|---|---|---|---|---|
| .7112 | .5057 | 8.1835 | 82.8820 | 243.0000 | 3.0000 | .001 |

Model

| | coeff | se | t | p | LLCI | ULCI |
|---|---|---|---|---|---|---|
| constant | -24.8582 | 6.1569 | -4.0375 | .0001 | -36.9858 | -12.7306 |
| Organizational Culture | .4125 | .0692 | 5.9589 | .0000 | .2761 | .5488 |
| Managerial Functions | .5358 | .0781 | 6.8607 | .0000 | .3820 | .6896 |
| Int_1 | -.0042 | .0008 | -4.9807 | .0000 | -.0059 | -.0026 |

### Product terms key

Int_1 : Organizational Culture x Managerial Functions

Test(s) of highest order unconditional interaction(s):

| | R2-chng | F | df1 | df2 | p |
|---|---|---|---|---|---|
| X*W | .0505 | 24.8077 | 1.0000 | 243.0000 | .001 |

Focal predict: Organizational Culture (X)
Mod var: Managerial Functions (W)

Conditional effects of the focal predictor at values of the moderator(s):

| Managerial Functions | Effect | se | t | p | LLCI | ULCI |
|---|---|---|---|---|---|---|
| 64.0000 | .1416 | .0214 | 6.6299 | .0000 | .0996 | .1837 |
| 80.0000 | .0739 | .0172 | 4.2936 | .0000 | .0400 | .1079 |
| 92.0000 | .0232 | .0205 | 1.1317 | .2589 | -.0172 | .0635 |

### Analysis:

Level of confidence for all confidence intervals in output: 95.0000

### 6.3.3. Interpretation

The impact between organizational culture and Managerial functions accounted for significantly more variance than just organizational culture and Managerial functions by themselves, $R^2$ change = 0.0505, p = 0.001, indicating that there is potentially significant moderation between organizational culture and Managerial functions on HR productivity. From the above analyses it is evident that moderation is significant. These stated the organizational culture and HR Productivity moderate with Managerial Functions.

### MAJOR FINDINGS

1. Organizational culture is positive influence on HR Productivity to increase.
2. Managerial functions play a better role as moderator than mediator between organizational culture (inclusive of decentralization of authority)and HR Productivity.

### SUGGESTIONS

Organizational culture (inclusive of decentralization of authority) and managerial functions should be considered and operated properly to increase HR Productivity.

### FUTURE SCOPE OF THE RESEARCH

Other than managerial functions from the literature may play mediate or moderate variables those influence HR Productivity for further studies. The feature market or customer oriented organizational culture may impact on HR Productivity.

### CONCLUSION

This paper argues impact of type's in organizational culture on managerial functions such as planning, organizing, staffing, leading and controlling. The link between organizational culture and managerial functions with decentralize authorities. It has proven with theoretical aspects and survey analysis. The results of regression, mediation and moderation analysis had high significant between organizational culture with decentralization of authority, managerial functions and HR Productivity. These effects are overall organizational performance. In global era the decentralized authority with organizational culture performs managerial functions implementation gives profitable performance of HR productivity to the organizations.

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