



A STUDY ON ORGANIZATIONAL CULTURE AND CHANGE AND ITS IMPACT ON EMPLOYEE PRODUCTIVITY IN BENGALURU CITY

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Abstract

Organizational culture and change have become central to employee productivity in knowledge-driven industries. In Bengaluru, India's largest IT and service hub, organizations undergo constant transformation to remain globally competitive. While change initiatives are necessary, their effectiveness depends on alignment with organizational culture and employee engagement. This study investigates the relationship between organizational culture, organizational change, and productivity among employees in selected firms across Bengaluru City.

Primary data were collected from 320 employees in IT, manufacturing, and service firms using a structured questionnaire. Variables included culture dimensions (shared values, communication, innovation, trust, and adaptability), perceptions of organizational change (clarity, leadership support, and employee involvement), and productivity measures (self-reported performance, work efficiency, and goal achievement). Descriptive statistics, correlation, and regression analysis were applied to examine the impact of culture and change on productivity.

Results indicate that organizations with open and adaptive cultures showed significantly higher productivity scores ($r = 0.39$, $p < .01$). Change initiatives that incorporated employee participation correlated positively with higher productivity ($r = 0.28$, $p < .01$). Conversely, poorly managed change, lack of communication, and mismatch between values and change processes were associated with reduced performance. The study also highlights that younger employees (below 35) perceived cultural adaptability and digital transformation more positively, while older employees expressed concerns over increased workloads and skill obsolescence.

The findings affirm that strong organizational culture coupled with well-managed change improves productivity, innovation, and employee morale. Implications include the need for continuous communication, leadership role-modelling, and training programs to align employees with organizational transformation. This study contributes to literature by providing empirical evidence from Bengaluru City, emphasizing that culture and change are not abstract concepts but strategic levers that shape productivity in dynamic industries.

Keywords: *Organizational culture, Organizational change, Employee productivity, Bengaluru, India, Workplace transformation, Change management.*

Introduction

In today's competitive environment, organizations cannot survive without embracing change. Rapid technological developments, globalization, and dynamic customer expectations compel firms to re-engineer processes, adopt digital platforms, and shift to flexible structures. In such contexts, organizational culture—the shared values, beliefs, and practices of an organization—plays a crucial role in shaping employee behavior and productivity. A mismatch between culture and change can result in resistance, stress, and reduced output.

Bengaluru, widely known as the “Silicon Valley of India,” represents a diverse ecosystem of IT, manufacturing, and service organizations undergoing continuous transformation. Mergers, digitalization, hybrid work, and restructuring are common features. However, the success of these changes largely depends on the organizational culture and the extent to which employees feel aligned and motivated.

Productivity is not simply about individual efficiency; it is influenced by the cultural climate (teamwork, communication, innovation) and by how smoothly changes are implemented (clarity, training, leadership). Studies in the Indian context have revealed that employees are more productive when organizational values match personal values and when they are actively involved in transformation processes. However, gaps remain in literature concerning Bengaluru-based employees facing rapid and frequent organizational changes.

This study therefore examines the impact of organizational culture and change on productivity, focusing on Bengaluru City. It provides insights for managers and policymakers to align culture, design effective change strategies, and sustain productivity in fast-changing environments.

Review of Literature (Indian Context)

1. **Rao & Abraham (2019)** found that strong organizational culture based on communication and trust improved employee engagement in Indian IT firms.
2. **Sharma (2020)** studied organizational change management in manufacturing companies in India and observed that resistance to change reduced productivity unless employees were trained and involved.
3. **Kumari & Sinha (2021)** highlighted that cultural adaptability positively influenced productivity in hybrid work models in Bengaluru, where employees valued flexibility and innovation.
4. **Verma & Gupta (2022)** reported that leadership commitment and transparent communication during organizational change improved performance metrics and reduced turnover in service organizations.

Together, these studies suggest that culture and change are intertwined factors shaping productivity, yet more localized studies in Bengaluru are required.

Research Questions

1. What is the relationship between organizational culture and employee productivity?
2. How does organizational change influence employee productivity in Bengaluru firms?
3. What cultural dimensions and change management practices contribute most to productivity?

Objectives of the Study

1. To analyze the relationship between organizational culture and productivity of employees in Bengaluru.
2. To assess the impact of organizational change initiatives on employee performance.
3. To identify cultural dimensions and change practices that enhance productivity.
4. To provide recommendations for aligning culture and change for sustained organizational success.

Methodology

1. **Research Design:** Descriptive and analytical.
2. **Sample:** 320 employees from IT, manufacturing, and service firms in Bengaluru.
3. **Data Collection:** Structured questionnaire using Likert scales.

4. Variables

- Culture dimensions: communication, trust, innovation, adaptability.
 - Change management: leadership support, clarity, training, employee involvement.
 - Productivity: self-rated efficiency, goal achievement, quality of output.
5. **Statistical Tools:** Descriptive statistics, Pearson correlation, and regression analysis.
6. **Limitations:** Restricted to Bengaluru; self-reported data.

Important Terms

- Organizational Culture:** Shared beliefs, norms, and values that guide behavior.
- Organizational Change:** Planned shifts in structure, processes, or culture.
- Employee Productivity:** Output achieved relative to input; efficiency and performance.
- Change Resistance:** Employee reluctance to accept transformation.
- Adaptability:** Cultural openness to new practices and technologies.

Data Analysis and Interpretation

Table 1. Culture Dimensions and Correlation with Productivity (N = 320)

Culture Dimension	Mean (out of 5)	SD	Min	Max	Cronbach's	Correlation with Productivity (r)	Significance (p)
Communication	4.1	0.62	2.5	5.0	0.84	0.62***	<.001
Trust	3.9	0.68	2.2	5.0	0.81	0.58***	<.001
Innovation	3.7	0.71	2.0	5.0	0.79	0.55**	.014
Adaptability	4.0	0.66	2.4	5.0	0.85	0.67***	<.001

(*p<.05, **p<.01, ***p<.001)

Interpretation: All four culture dimensions show strong reliability (Cronbach's $\alpha > 0.79$) and statistically significant positive correlations with productivity. Among them, **adaptability** shows the strongest association ($r = 0.67$), followed by communication ($r = 0.62$), suggesting that employees in dynamic environments value flexible, innovative, and communicative cultures most.

Table 2. Multiple Regression Analysis: Impact of Culture and Change on Productivity

Predictor Variable	Beta ()	Std. Error	t-value	Significance (p)
Organizational Culture	0.39	0.05	7.80	<.001
Organizational Change	0.28	0.06	4.66	<.01
Employee Involvement	0.22	0.07	3.14	<.01
Leadership Support	0.19	0.08	2.38	<.05

Model Summary

- $R^2 = 0.61$
- Adjusted $R^2 = 0.59$
- $F(4, 315) = 124.72, p < .001$

Interpretation: The regression model explains 61% of variance in productivity, indicating strong explanatory power. Organizational culture ($\beta = 0.39$) is the most powerful predictor, followed by organizational change ($\beta = 0.28$). Employee involvement and leadership support, though slightly weaker, remain statistically significant. This suggests that cultural alignment combined with participatory change processes drives higher productivity.

Table 3. Culture and Productivity Scores (N=320)

Culture Dimension	Mean Score (out of 5)	Correlation with Productivity (r)
Communication	4.1	0.62***
Trust	3.9	0.58***
Innovation	3.7	0.55**
Adaptability	4.0	0.67***

(*p<.01, **p<.05, ***p<.001)

Interpretation: All culture dimensions correlate positively with productivity, with adaptability showing the strongest link, indicating that employees in dynamic industries value cultures that encourage flexibility and innovation.

Table 4. Regression Analysis: Impact of Culture & Change on Productivity

Predictor Variable	Beta ()	Significance (p)
Organizational Culture	0.39	<.001
Organizational Change	0.28	<.01
Employee Involvement	0.22	<.01
Leadership Support	0.19	<.05

Interpretation: Organizational culture contributes more strongly to productivity than change alone, but when both are managed together, productivity is significantly higher. Employee involvement and leadership support are critical enablers of positive change.

Findings and Conclusion

Findings

1. Strong communication, trust, innovation, and adaptability in culture positively affect productivity.
2. Organizational change influences productivity, but success depends on clarity, training, and involvement.
3. Employees perceive leadership support and open communication as critical for embracing change.
4. Younger employees view cultural adaptability and digital change more positively than older employees.

Conclusion

Organizational culture and change are strategic determinants of productivity in Bengaluru firms. Adaptive cultures foster innovation, while well-managed change enhances efficiency and morale. Firms should align values with transformation, ensure transparent communication, involve employees in decision-making, and build leadership capabilities to sustain productivity in a competitive environment.

References

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