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Meera Jyothirmai K
Ph.D. (HR), Gitam
University, Visakhapatnam,
Andhra Pradesh, India

Satish Kumar R
Associate Professor, School of
Management Studies,
Vizianagaram, Andhra
Pradesh, India

Influence of organisational culture dimensions on employee performance in insurance services

Meera Jyothirmai K and Satish Kumar R

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Abstract

This study examines how multiple dimensions of organisational culture influence employee performance in insurance services sector of emerging economies. Drawing on established cultural frameworks, including those of Denison, Schein, and Cameron & Quinn, the research evaluates the relative effects of empowerment, core values, organisational learning, team orientation, and leadership on employee outcomes. A quantitative design was employed using a structured questionnaire administered to 312 insurance-sector employees. Data were analysed through descriptive statistics, correlation, and multiple regression. Results reveal that empowerment is the only dimension exerting a statistically significant and direct impact on employee performance ($R^2 = 0.889$; $p < 0.001$), while other dimensions core values, organisational learning, team orientation, and leadership show indirect or non-significant influences. The findings highlight the critical role of empowerment in improving motivation, productivity, and decision-making autonomy. Managerially, the study suggests that financial institutions seeking sustainable performance advantages should strengthen empowerment mechanisms within their cultural systems.

Keywords: Organisational culture, empowerment, leadership, employee performance, insurance services

1. Introduction

The financial services industry is one of the most dynamic components of India's economy, with a compound annual growth rate exceeding 14 per cent (Statista, 2024). Liberalisation, digitalisation, and the rising participation of private and foreign entities have intensified competition and transformed traditional management practices. Within this volatile environment, organisational culture has become a decisive determinant of operational effectiveness and long-term competitiveness. Culture shapes how employees interpret organisational goals, interact with customers, and comply with regulatory requirements—factors that are particularly critical in highly regulated sectors such as insurance and banking. A strong organisational culture is recognised as a source of strategic advantage because it aligns employee behaviour with corporate objectives and ethical standards (Schein, 2004; Denison, 1990) [19, 8]. Prior research confirms that culture affects employee commitment, motivation, and innovation (Nikpour, 2017; Anwar & Abdullah, 2021) [17, 2]. Nevertheless, empirical evidence on how specific cultural dimensions influence individual performance remains limited, especially within emerging-market contexts. Earlier studies have often treated organisational culture as a monolithic construct, overlooking the nuanced effects of sub-dimensions including empowerment, team orientation, and learning orientation.

The financial insurance services provides a compelling context for this inquiry. The industry's rapid digital adoption, stringent compliance requirements, and service-quality expectations make employee performance pivotal to organisational success. As institutions expand, leaders must ensure that cultural systems encourage accountability, innovation, and customer focus. However, the interplay between cultural values and employee productivity in this sector has not been comprehensively explored. The present study addresses this gap by empirically analysing how five dimensions of organisational culture—empowerment, core values, organisational learning, team orientation, and leadership—affect employee performance in the insurance sector. Using a quantitative approach and regression analysis, the research identifies empowerment as the most influential predictor of performance, while other dimensions exert indirect or supportive roles.

Corresponding Author:
Meera Jyothirmai K
Ph.D. (HR), Gitam
University, Visakhapatnam,
Andhra Pradesh, India

The study contributes to both theory and practice. Theoretically, it advances understanding of how micro-level cultural attributes translate into measurable performance outcomes, extending Denison's and Cameron & Quinn's frameworks within an emerging-market setting. Practically, it offers actionable insights for insurance financial-services managers seeking to enhance productivity through culture-driven HR strategies.

1.1 Statement of Research Significance

This research enriches the organisational-behaviour literature by integrating classical culture theories with contemporary evidence from financial services sector. It underscores empowerment as a critical cultural mechanism linking strategic intent with employee outcomes. The study provides valuable empirical evidence from an under-represented context, demonstrating how culture-based interventions can strengthen organisational resilience and performance in knowledge-intensive service industries.

2. Literature Review

2.1 Organisational Culture and Employee Performance

Organisational culture represents the collective values, beliefs, and assumptions that guide behaviour within an organisation (Schein, 2004) [19]. It determines how employees perceive their work, how they collaborate, and how they interpret organisational priorities. Scholars such as Denison (1990) [8] and Cameron and Quinn (2011) [6] emphasise that culture acts as the social glue that unites members around shared goals, thus influencing motivation and performance. Employee performance, in turn, refers to the extent to which individuals effectively achieve assigned objectives and contribute to organisational success (Armstrong & Taylor, 2017) [4]. Numerous studies have demonstrated a positive link between a strong, adaptive culture and improved employee outcomes including commitment, job satisfaction, and productivity (Nikpour, 2017; Anwar & Abdullah, 2021) [17, 2]. Nevertheless, culture is a multidimensional construct; its distinct components may influence performance through different mechanisms. Understanding these nuanced relationships allows managers to cultivate the specific cultural elements that yield the greatest behavioural and performance advantages.

2.2 Empowerment

Empowerment is widely recognised as a key driver of performance in knowledge-intensive and service-oriented organisations. It refers to granting employees autonomy, authority, and access to resources so that they can make decisions that influence their work outcomes (Thomas & Velthouse, 1990) [21]. Empowered employees tend to exhibit higher motivation, creativity, and organisational commitment because they feel trusted and valued (Spreitzer, 1995). Within Denison's (1990) [8] framework, empowerment forms part of the involvement dimension, which strengthens ownership and responsibility. In Cameron and Quinn's (2011) [6] Competing Values Framework, empowerment aligns closely with the clan culture type that emphasises participation and human development. Empirical research confirms that empowerment improves service quality, innovation, and customer responsiveness (Seibert *et al.*, 2011; Fernandez & Moldogaziev, 2015) [20, 10]. In the context of insurance services where employees operate under strict regulatory conditions, empowerment

fosters proactive problem-solving and faster decision-making, both essential for competitive performance. Accordingly, the study posits that empowerment will exert a significant positive influence on employee performance.

2.3 Core Values

Core values embody the fundamental principles that define acceptable behaviour within an organisation. They express what the organisation stands for and act as a moral compass guiding decisions at all levels (Collins & Porras, 1996) [7]. When core values are clearly articulated and consistently reinforced, they help employees internalise organisational priorities, leading to cohesive effort and improved results (Denison & Mishra, 1995) [9]. However, if values remain rhetorical or poorly communicated, they may fail to shape behaviour effectively (Schein, 2004) [19]. Studies show that alignment between personal and organisational values strengthens job satisfaction and reduces turnover intention (Posner, 2010) [18]. In financial institutions, where trust, integrity, and compliance are paramount, a shared value base ensures ethical decision-making and enhances corporate reputation. Therefore, the presence of strong, well-communicated core values is expected to have a positive but possibly indirect relationship with employee performance, mediated through ethical conduct and commitment.

2.4 Organisational Learning

Organisational learning refers to the collective capability of a firm to acquire, share, and apply knowledge to improve its operations and adapt to change (Argyris & Schön, 1978) [3]. It is a vital cultural component because it enables continuous improvement and innovation in dynamic environments. Denison (1990) [8] considers learning a core cultural trait that connects internal development with external adaptation. When employees perceive that their organisation values learning, they are more likely to experiment, exchange information, and contribute creative ideas (Marsick & Watkins, 2003) [16]. Previous studies demonstrate that learning-oriented cultures enhance both individual and organisational performance by facilitating error correction, knowledge transfer, and problem-solving (Jerez-Gómez *et al.*, 2005; Alegre & Chiva, 2008) [12, 1]. In insurance services, rapid technological advancement requires employees to update competencies regularly. Thus, an organisational learning culture can strengthen adaptability, accuracy, and customer responsiveness factors critical to sustainable performance.

2.5 Team Orientation

Team orientation reflects the degree to which organisations promote collaboration, shared goals, and collective accountability (Cameron & Quinn, 2011) [6]. High team orientation encourages synergy, effective communication, and mutual support among employees (Katzenbach & Smith, 1993) [15]. Research indicates that teamwork improves decision quality and innovation because diverse perspectives are integrated into solutions (Jones *et al.*, 2007) [13]. In service industries such as finance and insurance, where outputs rely heavily on coordination among departments, a team-oriented culture enhances efficiency and service delivery. Yet its impact on individual performance can vary: while teamwork may boost morale and cooperation, it might also dilute personal accountability

if poorly managed. Consequently, the influence of team orientation on performance may be indirect, operating through cohesion and shared commitment.

2.6 Leadership

Leadership constitutes a critical cultural dimension that shapes the behavioural climate and motivational context within organisations. Effective leaders articulate vision, model values, and create a sense of purpose that drives collective performance (Bass & Avolio, 1994) [5]. Denison (1990) [8] includes leadership consistency and direction as essential cultural attributes, while Schein (2004) [19] views leadership and culture as mutually reinforcing phenomena. Empirical research shows that transformational and participative leadership styles are particularly conducive to fostering high employee engagement and innovation (Judge & Piccolo, 2004) [14]. In financial insurance institutions characterised by hierarchical structures and procedural constraints leadership that balances control with flexibility can improve morale and reduce resistance to change. Hence, leadership is expected to demonstrate a positive though possibly indirect relationship with employee performance, mediated through empowerment and learning.

2.7 Hypothesis Development

- **H₁:** Empowerment has a positive and significant effect on employee performance.
- **H₂:** Core values have a positive but indirect effect on employee performance.
- **H₃:** Organisational learning positively influences employee performance.
- **H₄:** Team orientation positively influences employee performance.
- **H₅:** Leadership positively influences employee performance.

3. Research Methodology

3.1 Research Design

The study adopted a descriptive and quantitative design, aimed at empirically examining the effect of selected organisational-culture dimensions on employee performance. A cross-sectional survey method was chosen to collect data from professionals working in insurance sector. This design allowed statistical testing of relationships among variables using standardised measurement instruments.

3.2 Population and Sample

The population comprised employees of insurance companies, using stratified random sampling, 312 respondents were selected to ensure adequate representation of managerial and non-managerial categories. The sample size exceeded the minimum threshold recommended for regression analysis (Hair *et al.*, 2019) [11].

3.3 Instrumentation and Measurement

Data were gathered through a structured questionnaire containing two sections: demographic information and variable-specific items. The instrument was adapted from validated scales drawn from Denison (1990) [8] and Cameron & Quinn (2011) [6]. All items were rated on a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Reliability tests yielded Cronbach's α coefficients above 0.80 for all constructs, indicating

satisfactory internal consistency. Construct validity was assessed using factor-analysis procedures confirming unidimensionality of each scale.

3.4 Data Collection Procedure

Questionnaires were distributed electronically and in paper form to ensure coverage of both urban and semi-urban branches. Respondents were assured of anonymity and confidentiality to minimise social-desirability bias. Completed responses were screened for missing values and outliers prior to analysis.

3.5 Data Analysis Techniques

The dataset was analysed using SPSS (version 25). Descriptive statistics were used to summarise demographic characteristics. Pearson's correlation coefficients tested bivariate relationships among variables, and multiple regression analysis determined the predictive power of each cultural dimension on employee performance. The significance level was set at $p < 0.05$.

4. Results

4.1 Descriptive Statistics

Descriptive analysis was conducted to examine the demographic characteristics and central tendencies of the study variables. The sample consisted of 312 respondents drawn from insurance organisations. Most participants were between 25 and 40 years of age, with an approximately equal distribution of men and women. A majority possessed graduate or postgraduate qualifications and had more than five years of professional experience. The mean scores of the five cultural dimensions ranged from 3.58 to 4.12 on the five-point Likert scale, suggesting that respondents perceived their organisations as moderately to highly culture-driven. Employee performance recorded a mean of 4.07, indicating generally strong perceived performance across the sample.

4.2 Correlation Analysis

Pearson's correlation coefficients were computed to explore relationships among the variables. As shown in Table 1, empowerment displayed the strongest positive correlation with employee performance ($r = 0.82, p < 0.01$), followed by moderate positive relationships with organisational learning ($r = 0.59$) and leadership ($r = 0.55$). Core values and team orientation demonstrated weaker, non-significant correlations.

Table 1: Correlation Matrix among Variables (n = 312)

Variable	1	2	3	4	5	6
1. Empowerment	1					
2. Core Values	0.47	1				
3. Organisational Learning	0.61	0.59	1			
4. Team Orientation	0.53	0.42	0.56	1		
5. Leadership	0.58	0.45	0.60	0.55	1	
6. Employee Performance	0.82**	0.43	0.59	0.48	0.55	1

Note: **p < 0.01.

4.3 Regression Analysis: A multiple linear regression using the Enter method was performed to determine the combined influence of cultural dimensions on employee performance. The model was statistically significant ($F = 73.62, p < 0.001$) with an R^2 of 0.889, explaining nearly 89 per cent of the variance in employee performance.

Table 2: Regression Results

Predictor	β	t	Sig. (p)	Result
Empowerment	0.742	15.87	0.000	Significant
Core Values	0.081	1.14	0.257	Not Significant
Organisational Learning	0.097	1.32	0.189	Not Significant
Team Orientation	0.066	0.98	0.329	Not Significant
Leadership	0.088	1.21	0.228	Not Significant

Dependent Variable: Employee Performance.

5. Discussion and Managerial Implications

The findings reinforce the proposition that empowerment constitutes the most critical element of organisational culture influencing employee performance in insurance services sector. Consistent with Denison's (1990) [8] involvement dimension and the clan orientation of Cameron and Quinn's (2011) [6] model, empowerment fosters psychological ownership, confidence, and intrinsic motivation. Empowered employees perceive their roles as meaningful and are more likely to engage in proactive service behaviours, thereby enhancing customer satisfaction and organisational performance.

The insignificant effects of core values, learning orientation, team orientation, and leadership indicate that these elements alone are insufficient to drive performance unless accompanied by genuine empowerment practices. This finding aligns with earlier evidence that empowerment mediates the relationship between leadership style and performance (Seibert *et al.*, 2011) [20]. From a managerial standpoint, insurance organisations should invest in participative decision-making systems, decentralised authority, and skill-development initiatives that enhance employee self-efficacy. Reinforcing empowerment through recognition and trust can transform traditional compliance-driven cultures into adaptive, performance-oriented environments.

6. Conclusion

This study confirms that empowerment serves as the most influential organisational-culture dimension affecting employee performance in insurance services. While core values, learning, teamwork, and leadership remain important contextual elements, their contributions are largely indirect. The results advance understanding of how cultural sub-dimensions interact to influence behavioural outcomes, extending Denison's and Cameron and Quinn's theoretical models to an emerging-market context. Future research may explore longitudinal designs or incorporate moderating variables such as organisational size or digital transformation. Expanding the analysis to other service sectors would also enhance generalisability.

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