

The Significance of Organizational Commitment in the Connection Between Organizational Culture and Adaptive Performance

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Abstract

The banking industry is undergoing significant and rapid transformation, driven by technological advancements, regulatory changes, digital service integration, and evolving consumer expectations. To effectively navigate these changing workplace demands, employees must exhibit high levels of adaptive performance, which in turn fosters organizational competitiveness and service quality. Organizational culture plays a crucial role in shaping employee behavior and adaptability. This research is based on a sample of 445 respondents from both public and private banks, highlights that organizational culture directly influences employees' adaptive performance. Additionally, the study demonstrates that normative commitment strengthens the positive relationship between organizational culture and adaptive performance. Consequently, these findings provide banks with insights to enhance adaptive performance, enabling them to remain competitive in the current dynamic digital business environment.

Keywords—Organizational culture; adaptive performance; organisational commitment; public and private banks

Introduction

Modern organisations have embraced a world of increasing uncertainty and abrupt changes. Therefore their business environments are erratic and unpredictable Heinze et.al. (2020). Today's business environments are further complicated by ageing demographics, rapid technical advancements, and globalization. The Banking sector is one of those industries that are experiencing drastic transformation in terms of technology, globalization, digital evolution, and changing customer demands Kim et. al, (2016). As a result banks are progressively adopting digital platforms, artificial intelligence, mobile banking solutions to maintain their competitive edge. Therefore, employees must constantly adjust to new processes, technology, and service standards.

There is a growing need for highly skilled and committed human resources who can deliver their best work, especially in today's highly competitive market environment. As a result, it is extremely challenging for businesses to start, expand, endure, stabilize, and succeed in the marketplace. Employee contributions are crucial to the growth of organisations and the success of businesses. The workforce's performance on various jobs must be coordinated for the unit to succeed. Performance refers to the activities and tasks performed by an employee efficiently and effectively. Managers can assess performance using a variety of methods (Saleem and Amin, 2013).

An organization and its employees have a close relationship since the organization offers them both financial and psychological assistance. Additionally, give them chances to grow in their careers. The success of a company is largely dependent on its workforce. Employees like a work environment where they can use their skills and abilities and meet their basic requirements when they join organisations with specific needs, skills, and desires (Dessler, 1999).

The main objective of this paper is to examine the link between organisational culture and employee performance using organisational commitment as moderator—that is, affective, normative, and continuance commitment.

Review of Literature

Organisational Culture

Organisational culture is the behaviour of human beings within an organisation and the meaning that people attach to those behaviours (Tran, 2021). Needle, Yario, Edwards, and Hoeneveld (2019) assert that organisational culture embodies the shared ideals, values, and principles of organizational members and is a result of elements including organisational culture, management style, product, market, technology, strategy, employee type, and history. For instance, when an employee feels appreciated by the company, their dedication and level of satisfaction are likely to rise, which tends to promote the employee's desire to remain with the company (Hanaysha, 2016).

Githui (2015) discovered that while flexibility has a large link with job performance, participation and consistency have a significant moderate relationship.

The performance of Ghanaian banks is positively impacted by organisational culture. According to research done in the US and Ghana, mission is the best indicator of performance (Zakari et al., 2013).

The author studied 34 companies from 25 different industries. They came to the conclusion that there was a significant correlation between financial performance and two indices: "organization of work" and "decision making." Additionally, they discovered that when performance was measured using broad metrics like return on assets, return on investment, and return on sales, the culture's strength was a predictor of short-term performance (Jean Lee & Yu, 2004).

The authors claimed a connection between a specific kind of "strong cultures and superior performance" while describing the cultures of sixty-two financially successful companies (Jean Lee & Yu, 2004).

Denison & Neal (2000) assert that organisational culture is crucial for all leaders because it affects how their companies respond to the shifting needs of the business world. An organization's culture is always highly influenced by its past achievements and lessons learned about surviving and adapting.

Adaptive Performance

Adaptive performance describes a employee's capacity to adjust their behaviors and responses to changing work requirements and environmental conditions (Gorostiaga et al., 2022; Vakola et al., 2022). Employees are expected to be more adaptable and responsive in today's rapid changing workplace, which is characterized by shifting organisational structures, changing job positions, and advancement of technological (Kaltainen & Hakanen, 2022). Consequently, managing human resource effectively is very important, as performance of organization mainly depends on the human resource quality and capabilities (Nasra et al., 2025).

One main component affecting adaptive performance is knowledge competence, which reflects employee's ability to attain, integrate, share, and apply knowledge in order to complete the task (David et al., 2022; Sheng, 2024).

Organisational commitment

Employee job performance is positively and significantly correlated with normative commitment (Memari et al., 2013). Additionally, it showed that four demographic factors, such as respondents' age, have no affect on their work performance in the public and private sectors. Additionally, it was discovered that men performed better than women. Similarly private sector workers reported higher performance levels than those in the public sector.

The enhancement of employees' performance is independent of their competencies. A key factor in raising employee performance is organisational commitment. According to the study, organisational commitment can enhance the effect of organisational culture on performance development by acting as a mediator (Patulak et al. 2013).

Syauta, J. H., Troena, E. A., & Margino Setiawan, S. (2012) examined and found that organisational commitment and organisational culture had a direct or indirect impact on job performance. It implies that highly committed employees will devote all of their thoughts, talents, and abilities to the company's advancement. Job satisfaction can operate as a mediator between organisational commitment and employee performance.

Research Objectives:

The research objective is to investigate the connection between organisational culture and adaptive performance keeping organisational commitment as a moderating variable. Here, organisational culture is an independent variable, organisational commitment is moderating variable and adaptive performance is dependent variable.

Hypothesis Development

H01: Organizational culture has positive impact on adaptive performance.

H02: There is no significant role of organisational commitment (affective, continuance and normative commitment) in the relationship of organisational culture (creating change, customer focus, organisational learning, empowerment, team orientation, capability development, core values, agreement, coordination and integration, strategic intent and direction, goals and objectives and vision) and adaptive performance.

Research Methodology

The target population for this study comprised the employees of public and private banks and the sample size consisted of 445 bank employees with the application of Cochran formula. The sampling is done by using multi stage random sampling. Simple random sampling technique has the main feature of having equal chances of being selected among respondent within the population. This method has also been used to the selection of several bank branches in our study. Data analysis has made use of both descriptive and inferential statistics. Hierarchical regression was used to examine the moderator's impact on the dependent and independent variables' relationship.

The values of Cronbach's alpha which indicates the reliability of instrument as well as of variables. Organizational culture, adaptive performance and organizational commitment are showing the values 0.882, .770 and .694 respectively.

Measurement

Five point Likert scales were used to get the responses from respondents in case of measures regarding all variables. In this scale rating alternatives are categorized as 5= strongly agree, 4= agree, 3= neither agree nor disagree, 2=disagree, and 1= strongly disagree.

Results

In order to analyze the results of the research, we have entered all the data which we collected from our respondents about organizational culture, organisational commitment and adaptive performance SPSS. We have applied multiple tests to elaborate the findings like Descriptive Statistics, Reliability or Cronbach Alpha, Spearman Correlation and Hierarchical Regression. The mean values for the independent variables organisational culture are stated as the lowest ($M=3.762$, $SD=.60$) for coordination & integration and the highest ($M=4.373$, $SD=.46$) for team orientation. The mean value for affective commitment is highest ($M= 4.102$, $SD=.67$).

The descriptive statistics shows the mean, standard deviation, median, mode, and range of the variables used for the study. For example, the mean of 4.38 for commitment shows that responses are more in agreement to the cultural traits survey questions under scale of 1 (strongly disagree) to 5 (strongly agree). The higher score of the mean shows more agreement, while the lower score of the mean shows disagreement.

Table1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Creating Change	445	2.0	5.0	4.300	.4829
Customer Focus	445	2.0	5.0	4.117	.6143
Organizational learning	445	2.3	5.0	4.213	.5014
Empowerment	445	2.5	5.0	4.339	.4359
Team Orientation	445	2.3	5.0	4.373	.4697
Capability development	445	2.0	5.0	4.002	.6051
Core values	445	2.0	5.0	4.179	.5978
Agreement	445	2.0	5.0	4.034	.5905
Coordination and Integration	445	1.8	5.0	3.762	.6026

Strategic direction and intent	445	2.7	5.0	4.261	.4998
Goals and objectives	445	2.3	5.0	4.240	.4953
Vision	445	2.0	5.0	4.285	.5430
Organisational commitment (Affective Commitment)	445	1.3	5.0	4.102	.6742
Continuance commitment	445	1.3	5.0	3.784	.7896
Normative Commitment	445	1.8	5.0	3.802	.6176
Adaptive performance	445	1.0	5.0	4.264	.5182
Valid N (listwise)	445				

H02: There is no significant role of organizational commitment (affective, continuance and normative commitment) in the relationship of organisational culture (creating change, customer focus, organisational learning, empowerment, team orientation, capability development, core values, agreement, coordination and integration, strategic intent and direction, goals and objectives and vision) and adaptive performance.

Table 2: Model Summary^c

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.525 ^a	.275	.255	.4472	.275	13.681	12	432	.000
2	.535 ^b	.286	.261	.4455	.010	2.086	3	429	.101

a. Predictors: (Constant), Vision, Customer Focus, Capability development, Adaptability, Coordination and Integration, Team Orientation, Organizational learning, Goals and objectives, Consistency(Core values), Involvement(Empowerment), Mission(strategic direction and intent), Agreement

b. Predictors: (Constant), Vision, Customer Focus, Capability development, Adaptability, Coordination and Integration, Team Orientation, Organizational learning, Goals and objectives, Consistency(Core values), Involvement(Empowerment), Mission(strategic direction and intent), Agreement, Normative Commitment, Continuance commitment, Organisational commitment (Affective Commitment)

c. Dependent Variable: Adaptive performance

Table 3 :ANOVA^c

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	32.837	12	2.736	13.681	.000 ^a
Residual	86.405	432	.200		
Total	119.242	444			
2 Regression	34.079	15	2.272	11.445	.000 ^b
Residual	85.163	429	.199		
Total	119.242	444			

a. Significant at five percent

Model one and model two showing the level of significance .000 and .000 respectively which is lower than 0.05. This means that organisational commitment has significant relation with organizational culture and adaptive performance.

The F – Ratio for the ANOVA model one is 13.681, the observed p-.000, which is less than 0.05. Similarly F- Ratio for the ANOVA model two is 11.445, the observed p-.000, which is less than 0.05. That means the null hypothesis is rejected. The model one highlights that there is significant impact of organizational culture traits on adaptive performance and model two exhibit significant impacts of organizational culture traits on adaptive performance in the presence of moderators (Affective, normative and continuance commitment).

Table 4: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.985	.271		.000		
	Creating Change	.025	.049	.026	.512	.609	1.422
	Customer Focus	.011	.037	.015	.296	.768	1.334
	Organizational learning	-.007	.047	-.008	-.149	.881	1.400
	Empowerment	.158	.058	.150	2.744	.006	1.623
	Team Orientation	.091	.051	.093	1.765	.078	1.497
	Capability development	.049	.038	.065	1.314	.190	1.327
	Core values	.082	.041	.107	1.997	.046	1.554
	Agreement	.012	.044	.016	.273	.785	1.759
	Coordination and Integration	.134	.040	.175	3.330	.001	1.500
	Strategic direction and intent	.091	.050	.099	1.824	.069	1.596
	Goals and objectives	-.053	.050	-.057	-1.059	.290	1.551
	Vision	-.029	.043	-.034	-.669	.504	1.405
2	(Constant)	1.946	.268		.000		
	Creating Change	-.027	.049	-.028	-.551	.582	1.504
	Customer Focus	.000	.037	.000	-.004	.997	1.355
	Organizational learning	-.006	.046	-.006	-.125	.900	1.403
	Empowerment	.152	.056	.144	2.688	.007	1.631
	Team Orientation	.110	.051	.113	2.159	.031	1.553
	Capability development	.040	.037	.052	1.070	.285	1.352
	Core values	.089	.040	.115	2.198	.028	1.572
	Agreement	-.009	.044	-.012	-.208	.835	1.806
	Coordination and Integration	.102	.040	.134	2.575	.010	1.548
	strategic direction and intent	.069	.049	.075	1.411	.159	1.611

Goals and objectives	-.089	.050	-.096	-1.804	.072	.615	1.627
Vision	-.069	.043	-.082	-1.616	.107	.683	1.463

Organisational commitment (Affective Commitment)	.152	.035	.223	4.350	.000	.667	1.500
Continuance commitment	.013	.028	.023	.465	.642	.750	1.332
Normative Commitment	.055	.035	.074	1.561	.119	.774	1.292

a. Dependent variable : Adaptive Performance

b. $p < .05$, b = unstandardized coefficient

To test the hypothesis that there is significant impact of organisational culture on adaptive performance regression analysis was conducted. In the first step two variables were included organizational culture and adaptive performance. These variables accounted for a significant amount of variance, $R^2 = .275$, $F(12, 432) = 13.6$, $p < 0.05$. Customer focus, capability development and strategic direction and intent have positive significant impact on adaptive performance.

There is no significant impact of creating change, organizational learning, team orientation, empowerment, capability development, agreement, coordination & integration, strategic direction & intent, goals & objectives, vision on adaptive performance.

In the next step of hierarchical regression continuance, affective and normative commitment was added in the regression model as moderators. Examination of the moderators shows that only normative commitment increases the impact of core values and strategic direction & intent on adaptive performance. These variables accounted for a significant amount of variance, $R^2 = (28.6)$, $F(15, 429) = 11.4$.

There was no significant impact of affective and continuance commitment on the linkage of organizational culture trait and adaptive performance.

Discussion and Conclusion

In this paper the linkage among variables of organisational culture and adaptive performance and organisational commitment were explained theoretically, and then they were investigated. The findings showed that if organization focuses more on customer and make strategy and provide right direction to employees' adaptability performance in organisation improves. Therefore, every organization must create and maintain a culture that motivates employees to adjust their behavior and responses to changing work demand and business environment. Further results indicate that normative commitment improves the relationship between core values and strategic direction and intent influence adaptive performance.

The proposed framework provides valuable insights for public and private banks seeking to improve employee adaptability and organizational effectiveness in a rapidly evolving financial landscape.

Limitations and future directions

Following are the limitations of the study:

- This study has been conducted in public and private banks in Jaipur, Rajasthan. Further research could be conducted in different sectors.
- This study is conducted in Jaipur city, additional cities may be taken into consideration in the future.

- iii. Denison model could also be compared with other existing approaches such as Harrison's culture model (1972) and Deal and Kennedy's culture model (2000).
- iv. Future research can use other moderating and mediating variables rather than the organizational commitment to grasp the relationship with more diversity.
- v. This research can be done in other industry such as manufacturing, IT that will make the results more generalize.

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