Literature review on the relationship between corporate culture and performance in academic research

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Abstract

Corporate culture is an important factor that improves performance and determines the future success of a business. In today's competitive business environment, differentiation is shifting from products and services to corporate culture and corporate resources. With research data was collected and analyzed from the Google Scholar database on VOSviewer 1.16.19 software with 389 articles for the keywords "corporate culture" and "operational efficiency" to systematize previous research on the influence of corporate culture on performance. The results showed the most influential authors according to the number of citations and number of articles, the keywords that have received the most attention in researching the relationship between corporate culture and performance. At the same time, keyword analysis identifies many contents about corporate culture and performance, thereby guiding important research for future research.

Keywords: Corporate culture; Operational efficiency; Literature review; VOSviewer.

1. Introduction

There are many factors inside and outside a business that affect business performance, especially in a competitive environment. Among them is the corporate culture factor. In today's competitive business environment, differentiation is shifting from products and services to corporate culture and resources. Every business operates in a different corporate culture and is affected differently by performance. Culture determines how people behave, so understanding an organization's culture is essential. Corporate culture is considered an important factor determining the existence of an organization, playing a role in promoting the competitiveness of businesses in the global market. Not only that, the innovation of corporate culture is thanks to the development of values and is positively affected by the incentives of administrators to employees. Further, preserving a lasting corporate culture oriented towards creativity and innovation will open up opportunities for outstanding development of the organization. Corporate culture is an important premise when developing business performance. Many studies in recent years have chosen the relationship between corporate culture and business performance for synthesis and analysis. Providing a comprehensive picture of research on the relationship between corporate culture and performance in the period from 1998 to the present is necessary to learn about the research content of this issue.

Within the scope of the article's research, the authors want to systematize research on the relationship between corporate culture and performance from 1998 to October 2023. This study aims to contribute to the theoretical basis of the relationship between corporate culture and operational efficiency, to compile statistics on the number of works on the relationship between corporate culture and operational efficiency, and on the effects the most influential author with the most articles and citations, and the publication with the highest number of citations on the relationship...
between corporate culture and performance. The research is divided into parts: defining the conceptual foundation, applied methods, research results, and concluding remarks.

2. Literature review

2.1. Organizational culture

Edgar Schein (2000) asserts that organizational culture is a part of social culture and that it is both a step up from and a deep layer of social culture. Organizational culture must take into account connections between employees as well as production and efficiency. Organizational culture, according to Kotter and Heskett (1992), is made up of a variety of values and interdependent connections inside the business and has a propensity to be passed down for a very long time. According to Williams et al. (1993), organizational culture refers to a group of beliefs, attitudes, and values that are shared and stable inside an organization. Organizational culture, according to Truong Thi Huong Xuan and Nguyen Khac Hoan (2019), is the culmination of shared values, beliefs, and perceptions as well as ways of thinking among its members. This culture has a significant impact on how its members behave. Organizational culture can be used to help firms develop their own distinctive identities. The cultural values cultivated throughout the organization's foundation, growth, and existence have become a notion and tradition that have a significant impact on its operations, modes of thought, and conduct.

People's behaviors are influenced by culture, hence it is crucial to understand the culture of a company. Organizational culture has an impact on management and can enhance both financial and non-financial aspects of business success.

2.2. Business performance

The accomplishments of a company or department can be summarized as corporate performance. A system of measurement indicators expresses how well a company is doing financially. Financial and non-financial assessment techniques are frequently employed to assess organizational performance, according to Drury (2018) financial indicators like ROI, EVA, and sales growth rate that are frequently employed. Non-financial indicators are frequently employed as market share indicators, indicators of quality, and measures of stakeholder satisfaction.

According to Kaplan (1998), many studies employ financial results as a proxy for business performance because they are convenient and unbiased. Accounting outcomes are used to provide financial results that adhere to the guiding principles of objectivity, fairness, and validity. Customer pleasure, employee skill, or internal business processes, rather than financial indications, frequently show the presence and growth of an enterprise. As a result, non-financial outcomes are more frequently utilized to assess corporate performance. Combining financial and non-financial performance will enable organizations to function more successfully and steadily over time in a highly competitive environment.

2.3. The relationship between corporate culture and performance

Denison and Mishra (1995) developed and tested the influence of organizational culture on business performance. The four organizational culture characteristics are participation, consistency, adaptability, and mission. Denison and Mishra (1995) point out that all four characteristics have a close impact on firm performance. Herndon and colleagues (2001) argue that corporate ethical values are an important measure of organizational culture that contributes to improving service quality, product development and customer policies. Research results also show that national culture can impact the organizational culture of businesses when the organizational culture is not strong enough. According to Xenikou & Simosi (2006), corporate culture has a direct impact on the performance of a business, market orientation and also affects performance results. If a business possesses a strong corporate culture, it will create value for customers and improve service quality in the organization's operating results. Based on the exchange process between businesses, many groups will form. The lack or limitation of corporate culture negatively affects operating results and reduces shareholder returns (Idris et al., 2015). About 72% of managers evaluate the role of corporate culture in an important position in business activities, and 25% admit that a corporate culture has a positive effect on the business (Eaton & Kilby, 2015). It can be said that business activities require synthesis and sensitivity of corporate culture. If this factor is lacking, it will lead to poor performance and gradually losing position in the business group.

3. Research method

This study uses the systematic literature review method SLR (Systematic Literature Review) of Tranfield et al. (2003). Sample selection for the study was based on PRISMA (priority items for systematic reviews and meta-analyses)
originally proposed by Liberati et al. (2009) and updated in 2021 by Page et al. (2021). The PRISMA flow diagram is based on three steps: identification, screening, and study inclusion.

Step 1: The authors synthesize previously published overview documents related to the relationship between corporate culture and performance based on data sources on Google Scholar. This collection aims to explain the urgency of the research, overview the research, and point out research gaps. Data was collected on October 10, 2023, with the use of the following keywords “corporate culture” and “performance”. The Boolean operator AND is placed between keywords in the search. A total of 386 results were found from Google Scholar from 1998 to 2023.

Step 2: The author group has screened to remove inappropriate documents through technical screening and content screening. For technical screening, documents of the following types: encyclopedias, editorials, short communications, mini-reviews, and book chapters have been eliminated. For content screening, documents are pre-read to eliminate documents with irrelevant content even though they contain search keywords. The results after filtering showed that 358 results met the filtering conditions for inclusion in the study.

Step 3: The number of remaining documents after the two steps is analyzed by the SLR (systematic literature review) document system and put into VosViewer 1.16.19 software to analyze keywords and co-citation analysis. The results of SLR analysis are presented in tables and graphs. The results of bibliometric analysis will be presented in visual form. From the analysis results, the study finds popular research directions, names the research directions, and suggests future research directions. The data collected in this software is used to analyze and answer the following research questions:

- Q1: What is the number of articles on the relationship between corporate culture and performance from 1998 to 2023?
- Q2: What topics are the keywords used grouped into?
- Q3: Are keywords changed and emphasized over time?
- Q4: Do the authors have many affiliations and do they come together over time?

4. Results

4.1. Statistics on the year of publication

From 1998 to 2023, a total of 386 articles on the relationship between corporate culture and performance were indexed in Google Scholar with a citation count of 8,214. Of the 386 articles, 28 articles did not meet the research content requirements so they were eliminated. The author included 358 articles after screening into the study.

Table 1 shows the highly cited publications as of October 2023. The article is titled “The relationship between multidimensional organizational culture and performance” by author Prajogo, D. I., & McDermott, C. M. (2011) published in the International Journal of Operations & Production Management is currently the article with the highest number of citations with 451 times, an average of 37.58 citations per year. According to statistical results, the articles with the most citations are articles published in the period 2010 - 2015.

<table>
<thead>
<tr>
<th>Title</th>
<th>Year</th>
<th>Cites</th>
<th>Cites Per Year</th>
<th>Cites Per Author</th>
<th>Author Count</th>
</tr>
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<td>The relationship between multidimensional organizational culture and performance</td>
<td>2011</td>
<td>451</td>
<td>37.58</td>
<td>226</td>
<td>2</td>
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<tr>
<td>The globalization of operations in Eastern and Western countries: Unpacking the relationship between national and organizational culture and its impact on manufacturing performance</td>
<td>2010</td>
<td>426</td>
<td>32.77</td>
<td>142</td>
<td>3</td>
</tr>
<tr>
<td>The relationship between organizational culture and performance in acute hospitals</td>
<td>2013</td>
<td>393</td>
<td>39.3</td>
<td>79</td>
<td>5</td>
</tr>
</tbody>
</table>
Role of innovation in the relationship between organizational culture and firm performance: A study of the banking sector in Turkey 2013 379 37.9 95 4

Parsing organizational culture: How the norm for adaptability influences the relationship between culture consensus and financial performance in high-technology firms 2014 327 36.33 82 4

Relationship between organizational culture and performance management practices: A case of university in Pakistan 2011 247 20.58 82 3

The relationship between organizational culture and quality techniques, and its impact on operational performance 2015 185 23.13 46 4

A study on the relationship between nursing organizational culture and organizational performance 2002 174 8.29 174 1

An investigation of the relationship between organizational culture and the performance of construction organizations 2012 167 15.18 56 3

How does organizational culture shape the relationship between entrepreneurial orientation and the organizational performance of banks? 2011 111 9.25 56 2

During the research period from 1998 to 2023, the number of articles on the relationship between corporate culture and performance increased over time. This shows that, in a highly competitive environment, researchers are more interested in factors that affect performance, including corporate cultural factors. The lowest number of articles was in 1998 (1 article published), in 2000 (3 articles published). 2018 and 2022 are the years with the highest number of articles published (29 articles). Over the past 10 years, the number of publications related to the relationship between corporate culture and performance has increased significantly. Articles published in 2012, 2018, 2020 and 2021 have the most citations. Articles in the period 1998 - 2006 have the lowest number of citations. The number of citations increases over time, and content about corporate culture and performance is an area of concern over time.

4.2. Keyword analysis results

In the keyword analysis section, research and select keywords that appear 40 times or more. Keywords are evaluated by the software based on the number of occurrences and total link strength. There are a total of 17 keywords that appear 40 times or more, including the keywords organizational culture, job performance, relationship, financial performance, performance, firm performance, employee performance, organizational performance, moderating effect, study, employee, culture, impact, mediating role, effect, leadership, role. The keyword “Organizational culture” appears the
most with 679 times. The keyword “performance” appears the second most with 570 times. These are important keywords in research on the relationship between corporate culture and business performance.

Figure 2 Frequency of keyword appearance

The keyword network is shown in Figure 3. Related keywords are grouped into groups, each group is a separate color. Looking at the image, it can be seen that the keywords are divided into 6 groups with 17 items and 119 links and the total link strength is 6,104. Group 1 is represented by red links with 6 items, including employee, employee performance, job performance, leadership, relationship, organizational culture. Group 2 is represented by green links with 3 items, including effect, moderating effect, firm performance. Group 3 is represented by green links with 3 items, including impact, mediating role, performance. Group 4 is represented by yellow links with 3 items, including financial performance, role. Group 5 is represented by purple links with 2 items, including culture, organizational performance. Group 6 is represented by blue links with 1 item, including study. With 6 research directions and 17 popular keywords, the results show that research content on the relationship between organizational culture and performance has received a lot of attention in recent years.
In addition, the results from the VOSviewer tool have shown the time of keywords appearing. Dark colors represent keywords that were researched in the early years; in recent studies, keywords have appeared in brighter colors. The keyword appearance time chart shows that relationships and corporate culture are the most interesting keywords with the largest circle size, and this keyword is the content of interest in 2015 - 2016. In recent years, the yellow keywords in Figure 4 have received more attention, such as role, and employee performance.

**Figure 3 Co-occurrence networks**
4.3. Co-authorship analysis

Of the total 358 publications reviewed, 722 authors contributed to the article. Among them, 10 authors have participated in writing 3 or more articles. Author AH Gorondute is the author of 5 corporate culture and performance publications. Ranked second in the number of publications is author H Hilman. Both of these authors co-authored many articles.
To understand the trend of collaboration in digital transformation research in the tax field, this study conducted an analysis of co-authorship relationships between individual authors. According to Benoit et al. (2018), the analysis results help improve understanding of research collaboration and help discover influential researchers. Figure 6 shows the collaboration between authors in articles on the relationship between corporate culture and performance. The authors in the big and bright dots are the authors with the highest level of collaboration, such as B Tunas, W Sunaryo.

5. Conclusion

Based on statistical data of global publications on the relationship between corporate culture and performance indexed in the Google Scholar database published from 1998 to October 2023, authors use analytics to provide insights into publication count, citation count, keyword network, and co-authorship network. This study used the bibliometric method with the help of a number of statistical and data visualization applications to explore research trends in the content of the relationship between corporate culture and operational efficiency.

Publication statistics show that research on the relationship between corporate culture and performance tends to increase over time, and peaked in 2018 and 2022 with 29 articles per year. This shows that the authors are paying great attention to the issue of the relationship between corporate culture and performance. Publications published in the period 2010 - 2015 have the highest number of citations. In published publications, the keywords organizational culture, job performance, relationship, financial performance, performance, firm performance, employee performance, organizational performance, moderating effect, study, employee, culture, impact, mediating role, effect, leadership, the role that authors are most interested in. Research results have shown that 722 authors are interested in the relationship between corporate culture and performance, have researched and published articles related to this content.
The research results have contributed to the general theoretical basis, creating statistical data as a basis for reference studies on the relationship between corporate culture and performance. Data collected from richer sources such as Scopus or Web of Science are suggestions for further research on the relationship between corporate culture and performance.

References


