

Factors Influencing Organizational Performance: Work Environment, Training-Development, Management and Organizational Culture

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Abstract

Public sector performance has attracted the attention of many researchers, because it is considered as one of the key factors for efficiency and positive results in the public sector. Various studies have identified many variables that influence performance in public organizations. Four of them were considered in this study: organizational culture, work environment, training and development, and management. A sample of 162 local government employees were surveyed to carry out this research. Statistical tests such as Cronbach Alpha, KMO and Bartlett, factor analysis, correlation and regression were used to achieve the results. The study shows that variables as: work environment, training-development and management are important determinants of organizational performance. Meanwhile, organizational culture doesn't correlate positively with organisational performance.

Keywords: organizational performance, organizational culture, work environment, management, training and development

Introduction

Since the end of the 20th century, the research, identification and implementation of effective practices for managing organizational performance in public sector organizations has attracted the attention of researchers and academics of management and public sector professionals (Schiavo-Campo, 1999). Great emphasis has been put on the development of measures (or indicators) that are appropriate for the evaluation of measured organizational performance results (Schiavo-Campo, 1999).

Focus on the organizational performance of public institutions has been highlighted especially after the manifestation of various problems (referred to as "public sector diseases" by some authors) (Schiavo-Campo, 1999; Olson, 1973). Moreover, as the individual performance of smaller units (e.g., a single employee may represent a smaller operative unit in a larger organizational system) has been identified as a relevant determinant of the larger unit's general performance (e.g., a department or another subdivision within the organization as a whole), or the entire organization (Welbourne, 1996), thus it represents a relevant determinant of the public organization's final performance.

The multitude of factors identified as relevant determinants of organizational performance results is extensive. However, this study will take into consideration factors known to exercise considerable influence on the organizational performance of public institutions. Hunnes, Kvaløy, & Mohn (2008) have identified, among others, organizational culture as a major factor affecting performance results in an organizational environment. Studies conducted on the further exploration of such a relationship have shown that determining variables of organizational culture (Brewer & Coleman Selden, 2000; Petty, Beadles, Chapman, Lowery, & Connell, 1995) were related to objective measures of organizational performance. Such studies, albeit few, have generated similar results in public sector organizations as well (Brewer & Coleman Selden, 2000). Nevertheless, specifically addressing public organizations, (Musmuliana & Mustaffa, 2012) have found additional relevant factors affecting organizational performance, i.e., leadership/managerial practices, training and development, as well as working environment (Brewer & Coleman Selden, 2000).

The study focuses on the aforementioned model composed of these four independent variables (hence, organizational culture, work environment, leadership/managerial practices and training and development activities), as well as on the pattern through which such constructs influence organizational performance. Data was collected from a sample composed of local public sector organizations. The absence of studies and research in the local public sector is noteworthy, and hence this study strives to fill such a void identified in the research literature body, by exploring what results are generated by this model in the context of local governance public sector organizations in Albania. Its main aim is to posit whether the observed relationship between variables in other contexts is replicable, based on the construction of this model as tested earlier.

Literature review

Performance and influencing factors

The first factor that should be taken into consideration is that the evaluation of performance and career opportunities is significantly affected by the characteristics of the local work environment and its constituting elements, including organizational culture, its focus on expertise, skills and knowledge flexibility, etc. (Hunnes et al., 2008).

Others have suggested that there are additional factors influencing organizational performance, such as managerial practices (Guest, 1997; Musmuliana & Mustafa, 2012), or the physical spaces, composure and conditions of the work environment (Brewer & Coleman Selden, 2000). Secondly, it is worth mentioning that performance evaluation is one of the most complex and disputed practices in the fields of management and human resource. Critics of such an approach argue that the practice, at the very least, should be revised (Roberts, 2003). Some of the arguments brought include: the creation of a wrong impression that individual performance evaluations are perfectly accurate, the augmentation of conflict in the workplace because of the unhealthy competition it foments between employees, placing much of the burden of poor performance on employees' shoulders without previously assessing contextual factors associated with the work environment or other correlated variables; and thus being usually associated with the "X Theory" of management, which regards employees as undisciplined and untrustworthy, further emphasizing the need of rigour, control and negative critique directed at them (Roberts, 2003).

However, the same study that names the abovementioned problems, concludes that performance evaluation of employees in public agencies is a necessary process that should meet several requirements. It is strongly emphasized that performance evaluation must be dynamic and inclusive (thus, being guaranteed of the participation in it of the subject whose performance is being assessed), for the process to meet two basic criteria, namely transparency and effectiveness. Inclusiveness and participation are of quintessential relevance to such an approach as they address three basic needs: conveying motivational value, enlarging the pool of information sources, and enabling the vocalization of the employee. However, the inclusive approach is not immune to irregularities. A lack of training, the uncertainty or an absence of strategies employed to "assess" evaluators, as well as supervisor resistance to impartial feedback, are elements of an ineffective inclusive performance evaluation system.

More than ever in recent decades, even in developing countries, the quest for identifying and implementing quality managerial practices for managing performance in the public sector and developing indicators that are appropriately-tailored for measuring results has gained academic attention (Schiavo-Campo, 1999). As individual employee performance affects general organizational performance (Welbourne, 1996), and given the focus attained by public sector organizational performance in the second half of the last century; complemented by the perpetual dissatisfaction manifested against increasingly bureaucratic government structures and public sector employees' rigidity, an increase in the size of government pursuant to provisions of Wagner's Law, thus exerting much more pressure on public finance, the implementation of the paradigm dubbed "New Public Management" (Schiavo-Campo, 1999), the perception of public entities as giant and slow elephants that are unnecessarily bureaucratic and inefficient (Olson, 1973); the importance of identifying factors that are of significant interest to performance evaluation in public sector organizations has gained more prominence than ever (West & Blackman, 2015).

Organizational culture

Organizational culture is one of the most relevant components of an organization, despite the ownership status of an organization (i.e., whether it is publicly, privately or co-owned). Organizational culture and its constituent dimensions are issues that occupy a central role in the field's academic debate (Desson & Clouthier, 2010). Per se, culture is concept that

traces its ancestry to the field of anthropology (Tharp, 2009). There is no single exhaustive definition of the term "culture" that is universally acceptable by researchers in the various disciplines that analyze it as a concept. Generally, culture is defined very broadly, simply describing a "social process" (Tharp, 2009). The latter has defined culture as: "a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems" (Tharp, 2009). Similar to definitions of culture itself, those of organizational culture are as well numerous, broad and varied (Tharp, 2009). (Desson & Clouthier, 2010) define culture as "the personality of an organization; capable of guiding the thought and action of its members at work, and central to the values, beliefs, attitudes and interpersonal behavior of crucial actors, which defines the way an organization functions.

Some scholars suggest that organizations that have developed a culture with attributes appropriate to their operational context generate higher financial performance (Barney, 1986; Siehl & Martin, 1989). The influence of organizational culture on the economic activity of organizations has been extensively studied by economists (Martinez, Beaulieu, Gibbons, Pronovost, & Wang, 2015). Martinez et al (Martinez et al., 2015), also describe the process by which organizational culture exerts influence on performance. They argue that aspects of organizational culture, whether broad and large, or slow and gradual, exert influence on large and small scale organizational economic activities, including the determinants of behavior within political and legal institutions. Moreover, they analyzed the influence that four components of organizational culture (namely: adaptability, mission, consistency, and inclusiveness) exhibit on organizational performance (Fisher, 1997; Martinez et al., 2015).

Ovidiu-Iliuta (2004) states that organizational culture first influences performance indirectly, through the influence it exerts on the development of managerial practices that are utilized for the evaluation of performance per se. Thus, the organization enhances its performance through culture if it implements managerial practices that promote job security, fair remuneration, appropriate incentives, hence enabling it to attract those employees that are best aligned with existing organizational values (Martinez et al., 2015; Ovidiu-Iliuta, 2004; Siehl & Martin, 1989). Further, other studies point to the profound impact of organizational culture on a multidimensional spectrum of organizational functions (Ovidiu-Iliuta, 2004). The results suggest that if employees share values and respond to shared norms within the organization, they will maximize their work efforts (Luqman, Khan, & Shabbir, 2012), generating higher organizational performance (Ovidiu-Iliuta, 2004; Shahzad et al., 2012). Correspondingly, organizational culture has the potential to enhance organizational performance, increase employee satisfaction and problem-solving capacity (Kotter, 2008). It accomplishes this by enhancing employee organizational commitment to performance of their organizational functions (Nikpour, 2016).

Data on the relationship between organizational culture and performance at the individual and organizational level within public institution units is more limited (Breuer & Coleman Selden, 2000). Only a few empirical studies that seek to identify a link between organizational culture and its performance have been conducted (Breuer & Coleman Selden, 2000; Fisher, 1997). However, studies conducted on the investigation of such a relationship have revealed that culture-defining variables of organizational performance (Breuer & Coleman Selden, 2000; Petty et al., 1995) were related to the objective measuring units of organizational performance. If organizational performance is related to organizational effectiveness, the findings suggest that organizational effectiveness is also influenced by organizational culture. However, another model of organizational culture was developed by Nikpour (Nikpour, 2016), according to which organizational culture exercises a direct positive impact on organizational performance, as well as indirectly through its influence on employees' level of commitment. Indirect impact is greater than direct impact (Nikpour, 2016; Shahzad et al., 2012).

Training and development

On-the-job training is also considered as a set of activities planned by the organization to enhance on-the-job knowledge and skills or modify members' attitudes and behavior in ways that are consistent with the organization's goals and job requirements (Musmuliana & Mustafa, 2012). There are other definitions that are given regarding training and development as a single concept. One defines training and development as the process by which people acquire or absorb skills and knowledge that enhance their effectiveness. They do this in a variety of ways, such as: guidance and leadership, headship, organization, and influencing others (Khan et al., 2011; Musmuliana & Mustafa, 2012).

The effectiveness of training can also be determined based on the amount of training that an individual has achieved. Other important training elements to consider regarding the effectiveness of this practice are the advantages of training and the importance of participating in training. Key training and development objectives include gathering knowledge that is

necessary for staff to accumulate, knowledge that assists in performing work tasks correctly and effectively (Truitt, 2011). For their part, employers may not be sufficiently attentive to staff development needs as they tend to provide training only for those services or work processes that are most valuable to them (Truitt, 2011).

However, other authors have considered training and development practices, on-the-job training, training design and delivery as some of the most important areas in the field of organizational studies (Musmuliana & Mustafa, 2012; Truitt, 2011). Training plays a key role in the development of organizational objectives and accomplishes this by incorporating organizational interests with those of its workforce. Developing training objectives is a very important procedure for the organization and its executives, and there are many reasons for this.

Foremost, it is a major contributor to the development of a society's human capital. This is attained through the impact it exerts on the educational policies of the unit or organization where it is being implemented, through training provided to public officials, and by improving quality of service and productivity. It also enables it (the organization) to influence employers in investing more in training and development of their employees. Secondly, it will provide a very important service to employees, equipping them with an expertise that is necessary and very convenient, especially in the context of developing countries (Musmuliana & Mustafa, 2012). The quality of training is also capable of having a direct impact on the level of income and financial performance of the unit or organization. Another important function is to train employees to improve the expertise that they can provide to subsequent generations of employees. Other important training and development functions are mentioned, among which the most relevant are: improving the relationships within the organizational staff, the overall image of the organization, investing in a higher degree of professionalism, which can lead to an increase in the recruitment capacity and influence of the institution (Khan, Khan, & Khan, 2011).

Managing public organizations requires a certain amount of skills and professionalism for attaining effective and efficient results (Musmuliana & Mustafa, 2012). Worldwide, productivity, performance improvement and competitive advantage have become central issues for scholars studying the organization of work. One of the strongest arguments in favor of employee training is that it helps in the proper and effective development of organizational resources. Other findings point to the direct positive effects of training, such as: job security, increased productivity and, in particular, improved performance outcomes (Shadare, 2010).

Work environment

The work environment is also a multidimensional variable in terms of how it has been dealt with in the literature. It refers to the physical dimension of the organization in which staff perform relevant functions (Foldspang et al. 2014; Jain & Kaur, 2014), as well as the non-physical context and social dynamics in which individuals interact and exercise their core functions. Another definition describes the work environment as the organizational dimension that encompasses all aspects affecting employees' minds and bodies (Jain & Kaur, 2014). However, there are other defining elements of what constitutes the work environment of an organization, such as patterns of delegation of competencies, authority, roles and control (Musmuliana & Mustafa, 2012). Other determining factors in the work environment include coordinating interactions between key stakeholders in the organizational context (Musmuliana & Mustafa, 2012), communication channels, and dissemination of guidance between employees and their managers (Musmuliana & Mustafa, 2012; Robbins, DeCenzo, & Coulter, 2008).

People work individually but at the same time, they interact with others in the shared work environment, which requires different workplace solutions (Chandrasekar, 2011; Musmuliana & Mustafa, 2012). Thus, the work environment is inevitably linked to employees and the dynamics of relationships created in the shared work environment in which people shape professional and personal interconnections (Chandrasekar, 2011; Musmuliana & Mustafa, 2012; Robbins et al., 2008). Some authors (Chandrasekar, 2011; Robbin et al. al. 2008) describe in their empirical study in detail the process by which relationships at work condition employees' behavior and are influenced by the shared work environment. According to them, the intensity and complexity of relationships formed between individuals in a work environment is crucial in terms of the level of professional involvement and commitment that employees exercise. Robbins et al., (2008) in their study of the psychological and psychosocial effects of the work environment on employee well-being and productivity argue that the work environment, through the so-called "psychological contract", turns out to be determinant of emotional reactions at work, thus becoming responsible for both positive and negative impacts on the employees' professional and psycho-emotional well-being.

The effect of organizational structure and its environment on the behavior of its members has been an important topic of discussion and analysis in the literature for a very long time (Musmuliana & Mustafa, 2012). In the industrial context, the problem of increasing production and transforming the work environment into a more pleasant one has been approached through the introduction of a work environment that favors and supports long-term and sustainable change (Malik et al., 2011; Musmuliana & Mustafa, 2012). As we discussed above, the work organization environment includes components that are further identified with two main categories, namely: physical and psychosocial. During the first decades of research and development in the field of industrial psychology, the physical dimension of the environment and the workplace has been given greater prominence and considered to be dominant in employee productivity. Earlier studies focused on identifying the effects that basic elements of the work environment, such as: lighting, temperature, noise, and atmospheric conditions exercise on worker productivity (Musmuliana & Mustafa, 2012; Srivastava, 2008). Work environments also include tools, materials and equipment, working conditions, employee performance, leader behavior, organization policies and objectives, availability of required information, time availability, and other elements (Srivastava, 2008). Notwithstanding, the working environment in organizations has grown significantly since then (Musmuliana & Mustafa, 2012).

The term workplace performance implies a workspace whose fundamental objective is to clearly support work performance and transform it into an environment that optimizes employee productivity levels (Musmuliana & Mustafa, 2012). Although employee productivity is understandable in a broad economic context, it risks being vague and general in relation to the set of results of the desired behavioral outcomes in the context of work. The lack of a clear definition of what productivity is and how it is measured has made it difficult to identify environmental factors that influence employee performance (Musmuliana & Mustafa, 2012). However, multiple studies have come to conclusions stating that the level of productivity varies depending on the suitability and effectiveness of the work environment of an organization (Musmuliana & Mustafa, 2012; Robbins et al., 2008).

Management/leadership

Human resource management is a very broad concept that has been extensively discussed in the academic literature. The term has been given many definitions and connotations in the literature. Some of these definitions are outlined below (Prasad & Gulshan, 2001). Frederick Taylor defines management as "the art of knowing and recognizing what one desires to achieve, and seeing how something can be done effectively and efficiently" (Taylor, 1914). Taylor focused on productivity, as indicated by the definition brought above, which he attached to management in general (Levin-Waldman, 2015; Witzel & Warner, 2015). He emphasized that people should exploit the utilization of human capital, machinery, money and materials for yielding the desired outputs. According to him, having in-depth knowledge of the job and choosing the most rational alternative possible should be of foremost priority. Specifically, one of the harshest criticisms of Taylor's philosophy was its low focus on people's needs and the relationships and bonds formed between them at work, whether formal or informal (Prasad & Gulshan, 2001).

However, Taylor's successor, Henri Fayol viewed management as the ability to generate forecasts, plan, organize, command, coordinate and ensure that maximum control is achieved in all of the processes mentioned above (McDonald, 2010; Prasad & Gulshan, 2001). The novelty in the definition that Fayol brought to the field of management was that for the first time someone mentioned and listed specific management functions that constitute prerequisites for attaining the desired results (Prasad & Gulshan, 2001). Fayol explained that management was a sequence of interrelated processes, including: planning, organizing, directing, coordinating, and controlling (Prasad & Gulshan, 2001; Wren, Bedeian, & Breeze, 2002). In spite of the existence of various other definitions of the concept of management, formulated accordingly to extract the essence of the concept, not only theoretically but empirically as well, they share some common components: the basic managerial functions discussed above (Prasad & Gulshan, 2001).

Management has been considered as one of the key components affecting performance (Aguinis, 2013; Aucoin, 1990; Polidano et al, 1999). Furthermore, scholars in the field, emphasizing the importance of following effective management practices in generating high levels of performance, argue that trust in management is just as important, as a psychological component, in improving effort and achieving higher performance levels. Performance management is a specific term that intrinsically refers to the management process related to performance output. Performance management and financial management systems are the means by which the government achieves its budgetary objectives (Campos & Pradhan, 1996; Pollitt, 2001). In the public sector, the integration of performance management systems with those of financial management is of significant relevance for the establishment of sound human resource practices, given the importance of such practices to the organization's ultimate performance (Pollitt, 2001). (Campos & Pradhan, 1996) have identified a

number of objectives that can serve as guiding benchmarks for performance standards in public organizations. Accordingly, it is argued that: (i) maintaining fiscal discipline, (ii) allocating resources in line with government priorities and (iii) promoting efficiency in using budgetary resources for the efficient delivery of public programs and services; will assist institutions in configuring their organizational management systems, financial and performance management systems, through directing them at developing the necessary tools and building appropriate incentive systems needed to minimize problems and fulfill objectives (Campos & Pradhan, 1996; Pollitt, 2001).

Methodology

Research instrument

The questionnaire was utilized as a research instrument for gathering sample data in this study. It was translated and localized into Albanian for purposes of this study based on models suggested by scholars such as (Brewer & Coleman Selden, 2000; Musmuliana & Mustaffa, 2012). The questionnaire is composed of 6 parts, serving the study's purpose. The first part includes demographic data such as gender, age, education, income, department of employment and job position/qualification.

The second part includes questions regarding organizational culture measured through a Likert scale. The third asks questions regarding the work environment, measured through a 5-point Likert scale (ranging from 1 – fully disagree, to 5 – fully agree). Likert-scale questions measuring variables related to training and development, management/leadership, and organizational performance constituted the fourth, fifth, and sixth parts of the questionnaire, respectively.

Table 1. Research instrument

Factor	Question	Scale (1 – fully disagree; 5 – fully agree)	Source
<u>Organizational culture</u>	7	5-Likert	(Fisher 1997)
<u>Work environment</u>	5	5-Likert	(Mohapatra & Srivastava, 2003)
<u>Training and development</u>	5	5-likert	(Khan, 2010)
<u>Management/leadership</u>	5	5-Likert	(Bartram, 2005)
<u>Organizational performance</u>	6	5-Likert	(Brewer&Selden, 2000)

Sample

The sample selected for the purpose of this study was composed of employees of four municipalities: Tirana, Kamëz, Kukës and Dibër. Employees have intentionally been allocated to several departments/directorates, namely: Department of Services, IT, Urban Planning, Taxation, Human Resources, Archive, Public Procurement, Legal, Water and Sewerage, Media, Finance, Territory Planning, Social Assistance, and Transportation and Licensing. The whole sample consisted of 162 respondents out of which 85 were males and 77 females. Of these, 21% held leadership positions within the respective departments, whereas 79% were specialists at operational level.

For the conduction of this study, 200 questionnaires were distributed to the respective institutions: 70 to Kamëz, 50 to Tiranë, 40 to Kukës, and 40 to Dibër. Only 162 valid questionnaires were returned back.

Data analysis

Reliability

All variables affecting organizational performance were tested for reliability and validity. To assess the reliability of the data, reliability tests was performed by estimating Cronbach's Alpha for all variables. The minimum acceptable alpha value is 0.5, according to (Nunnally, 1967). Data analysis shows that Alpha is above 0.8 in 4 cases, and 0.799 for training and development. This tells us that the range of reliability values is highly satisfactory, and that the questions examined correlate with each other. Hence, constructs are reliable and appropriate for further scrutiny.

Table 2. Cronbach Alpha

Variable	Cronbach Alpha	Questions per variable
Organizational culture	0.854	This construct was composed of 7 questions utilized for addressing reliability
Work environment	0.805	This construct was composed of 5 questions, of which only 4 have been utilized as B5 was removed to further aid the analysis
Training and development	0.799	This construct was composed of 5 questions utilized for addressing reliability
Management/leadership	0.802	This construct was composed of 5 questions utilized for addressing reliability
Organizational performance	0.802	This construct was composed of 6 questions, of which only 5 have been utilized as K1 was removed to further aid the analysis

Validity

For assessing data validity, the KMO test was applied in which a value higher than 0.6 was reported for each construct, hence being closer to 1, and attesting to the reliability of data collected by the sample.

Table 3. KMO dhe Bartlett

Variables	KMO and Bartlett's Test for variables		
Organizational culture	KMO and Bartlett's Test		
	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.811
	Bartlett's Test of Sphericity	Approx. Chi-Square	459.696
		df	21
		Sig.	.000
Work environment	KMO and Bartlett's Test		
	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.767
	Bartlett's Test of Sphericity	Approx. Chi-Square	211.076
		df	6
		Sig.	.000
Training and development	KMO and Bartlett's Test		
	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.787
	Bartlett's Test of Sphericity	Approx. Chi-Square	200.041
		df	10
		Sig.	.000

Management/leadership	KMO and Bartlett's Test		
	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.748
Bartlett's Test of Sphericity	Approx. Chi-Square	255.320	
	df	10	
	Sig.	.000	

Organizational performance	KMO and Bartlett's Test		
	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.707
Bartlett's Test of Sphericity	Approx. Chi-Square	321.918	
	df	10	
	Sig.	.000	

Factor analysis

According to the factor analysis, for section A, the factor that loads the most of the common component is A3 (0.813), however it should be noted that each of these questions loads to the common component significantly: each above the 0.65 level, as the literature suggests the exclusion level for queries is 0.25-0.3. Following the analysis in section B, the factor that loads the most to the common component is B2 (0.866). Likewise, for section H, the component that loads the most to the component is H1 (0.811) and for section I, we have I4 (0.784) as the factor that loads the most to the component.

In the case of K, factor analysis resulted in the creation of two factors/components. All questions K2 to K6 load both to the first and second component. From the literature we learn that in such cases it should be proceeded as follows: the question that loads to both factors will be considered valid for that factor where it loads more (the exclusion criterion kept in mind). In this case, the factor that loads the most to the component is K5 (0.819).

Table 4. Analiza Faktoriale

Variablat	Factor analysis	
Organizational culture	Component Matrix ^a	
		Comp.1
	My opinion matters in the workplace	.683
	In my workplace, there is a sense of cooperation and team work	.704
	My organization promotes a high level of ethical standard and public interest	.813
	My organization ensures the safety of its employees from arbitrary decisions	.778
	My organization does not discriminate against its employees and protects them from preferential treatment	.743
	My organization has a mechanism to protect its employees from active political pressure	.733
	My organization protects employees in case of revealing confidential informaton	.658
Work environment	Component Matrix ^a	
		Comp.1
	How satisfied are you with the environment and spaces in your office/workplace (e.g., meeting room, hall, etc.)?	.784
	How satisfied are you with equipment and tools provided by your organization?	.866
	Your organization has provided you with the necessary tools for performing adequately	.812
	Noise level in your workplace is tolerable	.715

Training and development	Component Matrix ^a		
		Comp.1	
	You are satisfied with the training provided by your organization	.711	
	Training has positively affected your performance by demonstrating higher levels of it	.814	
	I have the opportunity to practice my knowledge and skills at work	.775	
	Training is important and provides me with numerous benefits	.731	
	I am always involved in training sessions offered by my organization	.704	
Management/leadership	Component Matrix ^a		
		Component	
		1	
	I am free to voice my opinion on the management of the organization	.679	
	Leadership demonstrates high performance	.779	
	I am on good terms with my leader	.781	
	My leader offers positive feedback to me for each issue raised	.787	
	You are generally satisfied with the leadership in your organization	.697	
Organizational performance	Component Matrix ^a		
		Component	
		1	2
	In the last 2 years, productivity has increased in my operating unit	.681	.609
	Improvements made by my operating unit offer reasonable return on taxes to the public	.710	.576
	Generally, people belonging to the same ethnic/religious group as me are respected in the organization	.773	.190
	You are satisfied with the performance of your colleagues within your team	.819	.398
My organization treats employees and applicants with respect, in spite of differences in political opinion/affiliation, ethnicity, faith, gender, civil status, age or physical properties	.749	.468	

Correlation

Correlation assists in understand the relationship between two variables. Hence, through correlation the causality link is discovered. Based on the correlation coefficient analysis, we conclude that:

Table 5. Korrelacionet

		Organizational culture	Work environment	Training and development	Management/leadership	Organizational performance
Organizational culture	Pearson Correlation	1				
Work environment	Pearson Correlation	.549**	1			
Training and development	Pearson Correlation	.406**	.373**	1		
Management/leadership	Pearson Correlation	.556**	.497**	.406**	1	

Organizational performance	Pearson Correlation	.500**	.429**	.564**	.513**	1
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** . Correlation is significant at the 0.01 level (2-tailed).

First, **organizational culture** positively relates (0.500) to organizational performance. This implies that as organizational culture grows, then we expect organizational performance to increase, or vice versa.

Second, the **work environment** positively relates (0.549) to the organizational performance factor.

Third, **training and development** resulted in a positive relation (0.406) to organizational performance factor and, finally, **management/leadership** positively relates to (0.556) organizational performance.

Regression

Table 6. Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.097	.065		1.500	.136
	Management/leadership	.562	.068	.585	8.229	.000
2	(Constant)	.106	.062		1.721	.088
	Management/leadership	.372	.082	.387	4.517	.000
	Training and development	.295	.078	.324	3.781	.000
3	(Constant)	.101	.061		1.661	.099
	Management/leadership	.327	.083	.341	3.923	.000
	Traning and development	.265	.078	.291	3.396	.001
	Work environment	.160	.072	.165	2.232	.027
	Organizational culture	.116 ^c	1.312	.192	.116	.566

Dependent Variable: Organizational performance

The regression conducted suggests that the relationship between the dependent variable and the independent variable is linear, meaning that this relation is characterized by a proportional ratio: increasing the independent variable by one unit yields a *b*-unit growth for the dependent variable. For our case, 3 different models were constructed to test and highlight relevant factors affecting the independent variable of the approach being studied. Regression results show that **management/leadership** (0.00), **training and development** (0.001) as well as **work environment** (0.27), are important factors in determining **organizational performance**. On the other hand, **organizational culture** (0.566) does not fit into this frame. The significance of the first three factors exceeds the 95% confidence level, a parameter that is tested by the student statistic criterion.

This result is supported by the conclusions of Fisher's statistic test ($R^2 = 0.42$, $F = 32.2$; $Prob_F = 0.000$). This means that management/leadership, training and development, and the work environment are factors that explain and determine the performance of the organization.

Coefficient 0.327 indicates that when *management* increases by one unit, then expected performance shall increase by 0.327 units. It can be emphasized that all three variables express a positive relationship with organizational performance and only organizational culture is rejected as a defining variable of the organizational performance construct.

Discussion

One of the main factors influencing organizational performance in the public sector is organizational culture. From studies conducted to investigate this relationship, it has been found that the determining variables of organizational culture (Breuer

& Coleman Selden, 2000; Petty et al., 1995). were related to objective measurement units of organizational performance. Other authors have also argued in favor of such a link: some scholars suggest that organizations that have developed a culture with attributes appropriate to their operational context generate higher organizational performance (Barney, 1986; Siehl & Martin, 1989). However, such a relationship is controversial in this study. Although a positive relationship between organizational culture construct and organizational performance has been identified, this link is not as sufficiently significant based on the regression analysis as to consider organizational culture a significant determinant of organizational performance. The level of statistical significance is 0.566 which contradicts the results derived by Brewer & Coleman Selden, (2000). However, despite the authors indicating that there is a relationship between these variables, there are also authors such as Gordon & DiTomaso (1992) who point out that culture has a short-term impact on organizational performance, as long-term organizational strategies affect the performance of the organization.

However, the findings for other constructs: namely (work environment, training and development and management/leadership) exhibit links with above-average strength and high statistical significance, implying that these constructs are important determinants of organizational performance in the context. The growth of each of the above constructs is associated with an increase in organizational performance. These findings are also supported by the arguments of numerous researchers in the literature that have identified the work environment, training and development activities, and management/leadership to be important determinants of organizational performance Musmuliana & Mustafa, 2012; Breuer & Coleman Selden, 2000).

Conclusions and recommendations

Performance of public organizations has become an area of major interest and research for scholars, whose main aim is to provide public services as adequately and cost-efficiently as possible. The focus has particularly shifted towards organizational performance in public institutions after the identification of several public sector issues, that have collectively been described as "public sector diseases". To generate empirical data from this study, several statistical tests were applied. Initially, a Cronbach Alpha validity test was utilized, which in four cases was above 0.8 and in one case 0.799, values that are considered adequate enough to proceed with the conduction of reliability tests. Reliability tests such as the KMO and the Bartlett test were used, which have shown satisfactory levels of validity. Factor analysis, correlation and regression were also employed by the study to generate statistically valid conclusions.

Regression analysis showed management (0.00), training and development (0.001), and work environment (0.27) to be important factors in determining organizational performance. On the other hand, organizational culture (0.566) was not representative. The significance of the first three factors exceeds the 95% confidence level which indicates the validity of the factors analyzed. This highlights the fact that with improved working conditions, leadership, and skill flexibility, organizational performance is positively affected. However, the study has also encountered several limitations in sampling, which are further reflected into the difficulty of generalizing our findings. As the sample was chosen conveniently and no probability sampling technique was employed, we cannot generalise findings into the wider Albanian context, hence outside the institutions chosen. Furthermore, limitations are exacerbated by a pronounced gap in research and literature in the organizational performance of public sector institutions in Albania.

In the current context of general structural reforms that the country is undergoing under the frame of prospective EU integration, public sector reform is of particular relevance. We recommend further studies be conducted to explore the relationship between the constructs studied in this paper and organizational performance in public institutional settings, as well as the exploration of further latent constructs and causality relationships, otherwise not identified by this study.

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