

External Factors Affecting Organisational Performance

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Abstract

The function of strategic management in an organization is important because it enables the organization to efficiently and effectively handle its resources. Variables impacting the organization's overall performance today are a concern for all organizations. This research's goal was to identify the variables influencing the effectiveness of organizations. There was the usage of the quantitative research method. To 270 participants who were chosen randomly, surveys were sent out. Twenty of the 250 surveys sent out to responders were not returned. 225 of the 250 questionnaires collected may be used, yielding an 83 percent response rate. According to the study, the variables that affect productivity within the organizations are environmental factors, working conditions, organizational culture, political factors, economic factors, human resource management, organizational structure, as well as leadership. According to the research, it was advised that the organizations should make strategic investments to increase the resources needed to help the staff members effectively carry out their jobs and that the department make sure there are enough people to meet the strategic goals that have been set.

Keywords: External Environmental Factors, Organizational Culture, Leadership, Organizational Performance

I. INTRODUCTION

Many researches on organizational performance have been carried out over a number of years (Al-Tit, 2017). The investigations found numerous elements that significantly impact organizational success. Avdelidou-Fischer (2006), for instance, examined the connection among 500 company performance and organizational structure. The outcome demonstrated that structural kinds have a favorable relationship with financial performance. In their 2014 study, Felcio et al., assessed managers' human resources and human capital as well as the impact of these qualities on the performance of small- and medium-sized businesses. According to the findings of this study, human capital significantly affects the

performance of the organization through the manager's cognitive skills. Stakeholder involvement, the Executive's social network, Perez, Morales, & Sanchez (2012), organizational learning, and others have also been mentioned in the research. HR management, organizational culture, Ukanwah and Ndaguba, (2015), and Morales et al., (2008) Kaya and Yesil (2013). The fact that there is a void in the literature and research on organizational performance from the South African context, despite the fact that many organizational performance-related criteria have been identified in other regions of the world, highlights the need for this study. By analyzing the variables that impact organizational performance, the study specifically aimed to

close this gap. The organization's mission is to build long-lasting, viable human settlements and enhance the household's quality of life. In light of this, the purpose of this study is to evaluate the elements that have an impact on the department's organizational performance. The writers have taken remedial action to help the department meet its mandate since the recommendations will be given to the administration for corrective measures. The research question that served as the study's compass was:

- What are the key elements that influence organizational performance?

II. OBJECTIVES

- The research's objectives include determining the elements that influence organizational performance.
- To identify the function that the planning process serves in companies.
- To determine the connection between organizational performance and strategic strategy.

This research is necessary because it can add to our understanding of organizational performance. It is important because of what it has revealed about the factors influencing the department of human settlements, as well as the suggestions that help organizations cope with a few of these issues within their effort to contribute to the department's performance meaningfully. Additionally, it is important to expose the precise areas where performance falls short for stakeholders, like the government, that directly collaborate with the organizations. The academic community might decide to modify performance management theories and models in light of the information presented in this research, which is why raising awareness of the academic community is crucial. However, there are restrictions related to the population sample and data analysis, just like in every study effort. The findings of this study are based on the opinions of employees, and the elements identified in this investigation are reliable and applicable to organizations. As a result, when evaluating the findings of this study, these constraints must be taken into consideration.

III. LITERATURE REVIEW

A study of the literature on the topics of organizational performance-affecting factors and the impact of strategy development on organizational performance was done in this part.

Performance Planning and Strategy

According to the National Treasury Framework of 2007, all government departments are required to develop plans and strategies, assign resources to their operation, and monitor and analyze the outcomes through strategic planning and its subsequent assessment and monitoring. Organizational performance and long term planning problems are crucial in order for the departments to accomplish this goal. Strategic planning initiatives should, by nature, direct the appropriate measures that'd result in good organizational performance. A growing body of research on organizational performance contends that efficient multivariate metrics are the foundation for measuring an organization's performance. According to Hove and Banjo (2015), organizational effectiveness is a subcategory of organizational performance. However, in order to achieve the required performance, long term planning initiatives should direct the appropriate measures to adapt to the corporate environment. Dobrin et al. (2012) described the performance in organizations as achieving strategic goals; this definition places a strong emphasis on efficiency, which is quantifiably quantified. Gavrea and Stegorean (2011) place a strong emphasis on continual performance and imply that this needs to be the main objective of every organization because growth and success are only possible via performance.

Factors that can impact an Organization's Performance

Some evidence based criteria were identified from the literature reviewed, such as stakeholder involvement, intellectual assets, HR management, individual factors, worker gender and age, organizational features, originality, and innovation. The organizational environment,

governance practices, research and development, a positive organizational environment, and organizational structure are additional elements that have been discussed in the literature. For instance, a recent research study on industrial companies by Al-Tit, (2017) discovered that cultural characteristics, beliefs, and beliefs affect organizational performance. The importance of staff performance in organizational sector was shown in a research (Dobrin et al., 2012). However, this study was condensed and took into account the elements listed in the following categories.

Human Resources Management (HRM)

The literature has extensively studied the topic of human resources management. It relates to how to organize an organization's productivity, more precisely, how to assign the best workers to the best jobs to make the most of their skills and aptitude. In a research Ukanwah and Ndaguba (2015) stated that an organization's effectiveness depends on its staff's capacity to create, process, and use knowledge. This outcome is consistent with HRM experts who view a well-trained and controlled staff as a source of competitive advantages. The method in which HR are controlled in terms of motivation how well organizations function. The extent to which the HR function is managed determines the achievement of strategic management objectives (Ylmaz and Bulut, 2015). Thus, in order to accomplish the required objectives and goals, firms must manage human resources functions efficiently and effectively (Cania, 2014).

Institutional Resources

The organization's resources must be appropriately managed and maintained so that personnel have access to the tools they need to do their jobs. Organizations' planned aims and strategic goals will suffer if they lack the necessary resources to complete the work. The goal of the resource management role, according to Hastings (2010), is to offer knowledge and resources to assist in the purchase, in-service maintenance, as well as disposal of the tangible assets needed by the business. In the public

sector, investment management technologies have lately been put in place to help with the creation and execution of resource management by government.

Organizational Culture

A supportive organizational culture significantly contributes to the elements that improve organizational performance and reflect an organization's effectiveness or failure, particularly in the public sector, where citizens often perceive public employees as uncooperative and unwelcoming to customers. Workers can grasp the organization's history and operation thanks to the understanding of the organization's culture, according to an empirical study by Ahmed & Shafiq (2014). Further studies showed that organizational culture enhances adherence to the company's values, philosophy, or standards. Organizational culture serves as a means of control to drive behavior toward desired behaviors and away from undesired ones.

Leadership

According to empirical data in the literature, executives' style of leadership, as well as their ability to accomplish objectives and goals, is key factors in organizational progress (Mclaggan et al., 2013). According to a study by Hurduzeu (2015), a leader must be capable of fostering creativity and creativity, encouraging followers to question their value systems, and improving organizational performance. In a different study by Randeree and Chaudhry (2012), the construction industry in the United Arab Emirates was determined to use collaborative and consensual leadership approaches. The study found that leadership has a significant impact on job satisfaction and performance, with much more than 50 percent of survey participants saying that leadership has a substantial impact on job satisfaction. Consequently, good leadership is essential as it affects the organization's ultimate victory (Mokgolo et al., 2012).

Workplace Environment

A conducive workplace environment can boost employees' productivity, according to a richness of data from the literature, but a non-conducive atmosphere may put workers in danger. Four kinds of environments, inventive, leadership, as well as service—were discovered to have an impact on workers' performance and public service findings, and also that perceptions of organizational politics mediate these relationships, according to empirical research by Vashdi et al. (2012) that examined different corporate environments as well as their connection with politics and quality of public organizations. The level of satisfaction derived from the workplace environment impacts the level of happiness and productivity of workers, according to a different study by Tiawo and Idunnu (2010). However, the workplace environment offers a platform for staff members to share information throughout the organization.

Organizational Structure

The organizational structure needs to be created and made flexible to accommodate the accomplishment of organizational objectives. The degree of formalization, the degrees of hierarchy, the level of acquisition and merger, the power concentration as well as the communication patterns are all included in the organizational structure. The goal of organizational structure, as per Maduenyi et al. (2015), is to distributing tasks across members of the team as well as coordinating their efforts to keep everyone engaged on the company's objectives. The same authors' research found that organizational structure has an influence on corporate performance, demonstrating the need for businesses to have clearly defined organizational frameworks in place in order to meet goals. If the organizational structure is efficient, this will help with communication between administrative units and could boost business performance overall.

Environmental Factors

A corporation must evaluate its surroundings, whether through PESTEL (Political,

Economical, Social, Technical, Ecological, and Legal) study or SWOT (Strong points, Weak spots, Opportunities, and Threats) analysis, as both internal and external aspects affect organizational effectiveness. Every organization's effectiveness is based on its ability to adapt to the environment in which it functions. The setting within which a business operates has an impact on it (Chitech, 2014). Changes in the external environment have a substantial effect on the company's achievement and success, according to Chitech (2014). The environment is assessed to ascertain the level of opportunity or threat the company must be aware of to influence decision-making.

IV. RESEARCH METHODOLOGY

The quantitative method was used in the research. According to Eyisi (2016), quantitative research utilizes numerical data for the study's analysis and descriptions which saves the investigator effort and time that would have been spent explaining his findings. The researchers employed a quantitative analysis for simple data analysis and presentation in the type of numbers, figures, and tables. The strategy was acceptable since the researcher aimed to generalize the findings, as per Rahman (2016), who claims that because a quantitative study includes a larger sample through random selection, its results can be applied to a bigger population.

V. SAMPLING METHOD

Employees working for the organizations made up the research's target group. The small and medium-sized organizations served as the sampling frame, and sample units have been chosen using the simple random approach from the sample selection. Powell (1997) states that the population for this study was carefully chosen while taking into account the inclusion criteria, the intended size, as well as the survey's specifications. Staff who had left the organization was removed, the sample was reviewed and reviewed to make sure that no duplicates were recorded, and freshly hired employees were omitted as this would distort the results. This was carried out to make sure that the sample size was as reflective of the target group

as feasible. 225 workers make up the research sample for this study.

VI. ANALYSIS OF DATA

The data collected during work and then transformed into the appropriate format for subsequent evaluation was checked as part of the data preparation process. Validating, revising, editing, data entering, as well as data cleaning were used to achieve this. IBM SPSS version 22 was utilized for data analysis. Tables were

employed to display the statistical findings, as the study's results were displayed in the form of inferential and descriptive statistics.

VII. RESULTS

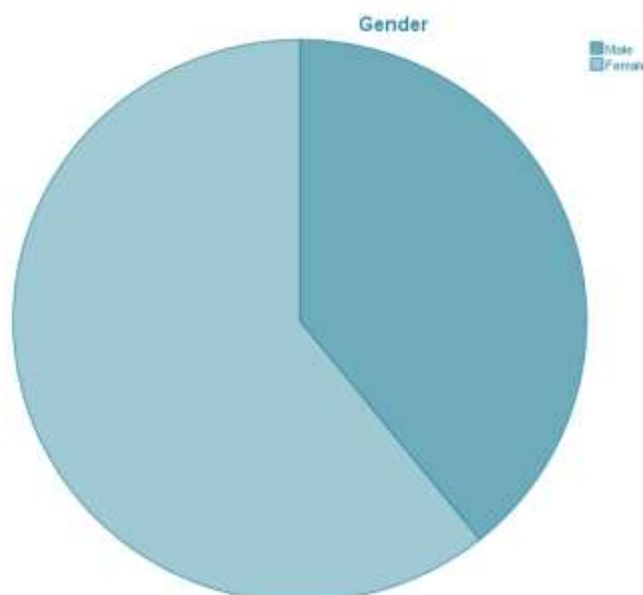
To 270 participants who were chosen at random, surveys were sent out. Twenty of the 250 surveys sent out to responders were not returned. 225 of the 250 questionnaires that were returned may be used, yielding an 83% response rate.

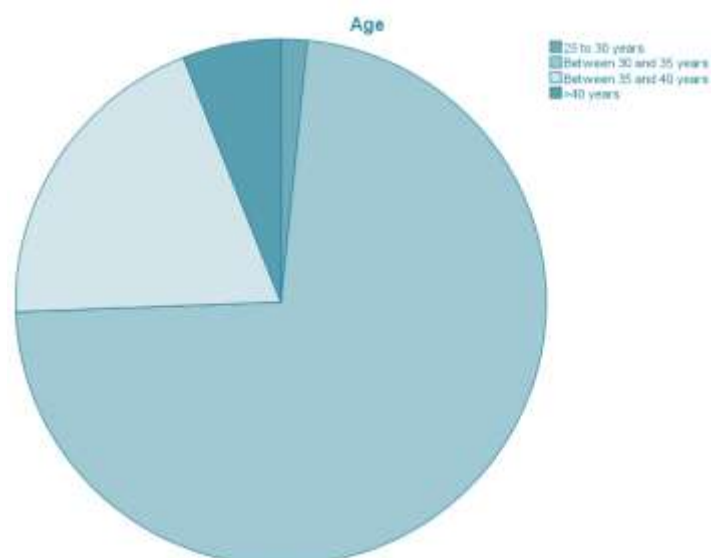
Frequency Tables of Demographic Information

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	98	36.3	39.2	39.2
	Female	152	56.3	60.8	100.0
	Total	250	92.6	100.0	
Total		270	100.0		

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25 to 30 years	4	1.5	1.6	1.6
	Between 30 and 35 years	182	67.4	72.8	74.4
	Between 35 and 40 years	49	18.1	19.6	94.0
	>40 years	15	5.6	6.0	100.0
	Total	250	92.6	100.0	
Total		270	100.0		

Pie Charts of Demographic Information





The number of respondents was determined to be higher as compared to the several response rates of the similar sort published in the research, making it acceptable. For instance, the response rate of 51.58 percent obtained by Greenlaw and Brown-Wetty, (2009) was satisfactory for that

study. The gender makeup of the respondents was predominately female (56.3 percent), showing that women have accepted the value of professional and academic qualification attainment, which has improved their career prospects.

Variables Affecting Organizational Performance	N	Min	Max	Mean	Standard Deviation
Human Resources	225	5	25	11.36	5.215
Political	225	10	25	17.8	3.625
Organizational Culture	225	5	25	15.55	5.245
Leadership	225	5	20	11.9	4.03
External Factors	225	5	25	17	5.475
Organizational Structure	225	5	20	12.8	4.335
Economic Factors	225	10	25	18.65	3.755
Technological Factors	225	5	20	12.75	4.72
Factors that Affect Organizational Performance Average	225	50	185	117.81	36.4

Factors that can Impact Organizational Performance

The findings of an examination of the variables influencing organizational effectiveness are shown in the table. The aggregate mean of 117.81, as well as the associated standard deviation of 36.4 in Table, show the participants' opinions. The respondents analyzed statistically economic factors as one of the variables influencing the department's performance, with

a mean of 18.65 and an associated std. dev. of 3.755. The next thing was political factors. With a mean of 17.8 and a matching standard deviation of 3.635, Valid N 225 was assessed. Human resources were evaluated as the 3rd factor, with a mean score of 11.36 and a comparable standard deviation of 5.215. Leadership, scored with a mean of 11.9 and a matching standard deviation of 4.03, was the 4th factor. External factors, ranked as the 5th

component, had a mean score of 17, along with a related standard deviation of 5.475. Economic factors came next, with an economic factors rating of 18.65 and a matching standard deviation of 3.755. The technical factor was scored with a mean of 12.75 and a matching standard deviation of 4.72.

VIII. DISCUSSION

Factors That Affect Organizational Performance

Factors that can Impact Organizational Performance

Many of the responders agreed with the findings that economic factors have a detrimental impact on the department. Positive confirmation of improvements to political policies has helped the department function better. These results support Chitech's (2014) claim that changes in the external environment significantly impact organizations' ability to survive and thrive. Though the department operated in a highly politicized atmosphere, it was fascinating to observe that the organizational culture was recognized as encouraging staff to perform properly and positively contribute to the operation of the department. This finding is consistent with Ahmed and Shafiq's (2014) observation that workers can grasp the organization's history and operation by being aware of its culture. Instead, the participants' conservative and indifferent attitude about the department's proper funding was cause for alarm, as shown by their relatively low means as well as high standard deviations. There was doubt over the organizational resources that would allow the staff to carry out their responsibilities effectively, as well as whether the department would have the human resources to meet its goals. Concern was also expressed regarding the organizational setup and its capacity to meet organizational needs. Technology usage also seems to be a source of worry. The accessibility of cutting-edge technology would logically have a beneficial impact on employee performance in firms. Still, its absence or non-use might have an adverse influence on that performance. It seems that

using technology presented a hurdle for the department. There was doubt about whether a change in departmental leadership produced highly driven employees and management as well as improved organizational performance.

IX. RECOMMENDATIONS

The recommendations below were made depending on the findings of the study:

- Organizations need to proactively invest in resources to assist employees in performing their jobs more successfully;
- The administration needs to make sure that there are adequate people to meet a set of long-term goals.
- The organization must reconsider its organizational structure as well as simplify it in order to react to administrative requirements better and effectively.
- The organization should embrace and follow the use of technology in department processes as new tech has the potential to improve the performance of employees.

X. CONCLUSION AND FUTURE DIRECTIONS OF RESEARCH

The goal of the research was to investigate the variables influencing organizational success. According to the study, the factors that influence performance in the organization are external environmental factors, working conditions, organizational culture, organizational assets, HR management, organizational structure, political, economic, and technological factors, as well as leadership. It was also noted that strategic planning serves as a framework for coordinating political strategy with organizational significant matters.

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