The Influence of Organizing Practices on Organizational Performance of Five Selected Small, Medium and Large Business in the Philippines

Enoch Asuah-Duodu¹, Jeanda P. Gubalane² and Starrie Bloom P. Nudalo³
Adventist University of the Philippines
enochduodu2007@gmail.com

ABSTRACT

The current business environment in the Philippines has become very challenging and competitive. As a result, firms are seeking means to improve their performance in the areas of employee productivity, customer and employee satisfaction. The study examined how organizing practices are used to influence the performance of small, medium, and large businesses in the Philippines. This descriptive-correlation study conveniently sampled 50 respondents from the small, medium, and large companies to answer self-constructed questionnaires. The statistical tools used for analyzing the results were Pearson correlation and standard deviation and the mean for the descriptive study. The results of the study showed that both organizing practices and organizational performance are high. There is also a high positive significant relationship between organizing practices and organizational performance. For businesses to improve their performance, there must be a good organizing structure. This is noted to be affecting customer satisfaction, employee productivity, and satisfaction. The study recommends that businesses pay attention to organizing practices as it is important in business. The study also recommends for other researchers to use other variables in relation to organizational performance.

Keywords: Organizing Practices, Organizational Performance, Business Organizations.

INTRODUCTION

Attaining goal is the objective of an organization, wherein strategic planning is required to meet them. The goal must clearly communicate to the employee to the work deliberately to achieve it. According to Hashem (2015), there is a close relationship between the organizational objective and the concept of organizational performance. As such, organizational performance will assess the area of employee productivity, customers’ satisfaction, and employee satisfaction. Hence, performance must be the main consideration of the organization to evaluate its operation. This is one of the major responsibilities and requirements of various managers in different companies. In other words, Singh, Shailendra,
Gupta, and Vishal. (2016) stated that Organizational performance is the most important dependent variable of interest for researchers working in just about any area of management. Ugulini, ( 2017), asserts that to improve organizational performance, there is a tendency to ‘reorganize’ or ‘restructure’ the reporting relationships between internal functional departments and the associated coordination and linking mechanisms that facilitate the flow of information/resources between and among the business units (Barnett, 2019).

Moreover, Stanford (2015) confirms that Performance management can be appealed to be an important prerequisite for the accomplishment of success in executive managerial tasks. Management is the process of achieving organizational goals, thus to attain the goal there is the need for effective planning, organizing, leading and controlling as major functions of management (Essays, 2018).

According to DiCenzo (2016), one function of management to achieve the organization’s goal is organizing. In which the main focus is determining what activities to be completed to accomplish those goals. It is a function that brings together and establishes a formal relationship among human, physical and financial resources purposely to reach specific goals and objectives. Behnam (Neyestani, and Juanzon, 2017). Organizing also involves the design of individual jobs within the organization and deciding how best to departmentalize, or cluster jobs into departments to effectively coordinate effort (Barnett, 2019). These tasks must regard to run the organization efficiency and effectiveness and to assure productivity and profitability. In fact, it is relevant to ensure that the worker clearly understands the connection between their individual tasks to the overall goal of the organization (Essays, 2018).

Organizing is putting the plan to action by combining resources. In a study done by Bashaer, Singh, and sherine (2016) This paper is a review of literature, a framework has been proposed on the determinants of organizational performance but has not yet been empirically tested. Practical Implications managers can leverage this study's results to enhance their leadership skills to enhance performance at both individual and organizational levels. Likewise, Bacong, and Encio, (2017) in the Philippines on the effect of employee relation to organizational performance in engineering, construction, and manufacturing company. The purpose of the research was to describe employee relationship practices in terms of enhancing employee satisfaction, and building corporate culture, and identifying employee performance in terms of personal management and behavior and productivity leading organizational performance. It
was revealed in the study that employees should be involved in the future plan on how to improve the company's performance. In juxtaposing the study by Bashaer, Singh and Sherine (2016) and Bacong, and Encio, (2017) together, there seems to be a gap on employees involvement in practices that improve organizational performance.

The purpose of this study is to determine the influence of organizing practices on organizational performance. Specifically, the following question was asked

1. What is the extent of how things are organized in the workplace?
2. What is the level of organizational performance in the workplace?
3. Is there a significant relationship between organizing practices and organizational performance?

The below shows null hypotheses developed to foretell the relationship between variables.

There is no significant relationship between organizing practices and organizational performance.

**LITERATURE REVIEW**

Organizing is the function of management that involves developing an organizational structure and allocating human resources to ensure the accomplishment of objectives. Barnett (2019). Organizing process is to identify activities, grouping the activities, assigning of responsibility, granting the authority and establishing a relationship.

In addition, organizing also encompasses the design of individual jobs within the organization. These are about the duties and responsibilities of individual jobs as well as the way in which the duties should be carried out and it is also called a Job Design. S. Parker (2014) argues that work design can be a powerful vehicle for learning and development, for maintaining and enhancing employees' physical and mental health, and for achieving control and flexibility, all these outcomes are important given the challenges in today's workplaces.

Moreover, the research of Al-Musadieq, et al., (2018) suggests that there is an indirect influence of work design on the performance of human resources through work motivation mediation variables. Nevertheless, Umeozor, S. N. (2018) found out that another motivating factor in the library is job design which includes job rotation, job enlargement, and job enrichment. Job design specifies the contents or methods of any job in such a way that various requirements of a job can be effectively satisfied.
To effectively coordinate the effort, management should determine the best job cluster or department. There are many different ways to departmentalize, including organizing by function, product, geography, or customer.

In the same way task assignment influences the type of skills that individual workers acquire, and these skills then simultaneously become workers’ productive assets and a source of their bargaining power. Moon (2018).

In fact, Steffen (2017) argues that systematic management of functional differentiation makes organizations smarter and more flexible. He validates the claim by demonstrations of how a functional approach to functional differentiation facilitates the design of new or the further development of well-established management tools and research agendas in fields such as entrepreneurship. There must be as proper a division of authority as there is a proper division of responsibility. Thus, Hubler (2001) states that delegating can result in measurable benefits to the company and the individual through greater productivity, lower costs, and improved employee morale. It goes without saying if too much authority is given the result is the person who makes the decisions is too low in the organization to understand the effects of the decisions on the company overall. Protch (2018).

Employee Empowerment is a key to success for today's organizations. Therefore, organizational empowerment was positively related to psychological empowerment, job satisfaction, and affective commitment. Psychological empowerment and affective commitment were found to mediate the impact of organizational empowerment on customer-oriented behavior. Kazlauskaite (2011).

The Benefit of Employee Empowerment is not just limited to achieve the goals of an organization but also assist to shape the mission of the organization. The concept of Employee empowerment started with delegation. After that, the concept was expanded a lot by continuous research in this area and innovative practices adopted by companies to empower their employees. Mohapatra, M., and Mishra, S. (2018). As stated by the Saylor Foundation (2014) organizations in this competitive world believe that employee empowerment will help them in achieving the desired level of productivity in a lesser amount of time.

The structure of the organization is the framework within which effort is coordinated. Ajagbe, et. al, (2016) research found that organizational structure has a significant impact on the performance of business organizations. Hence, the researchers recommend that business
organizations should endeavor to develop a properly defined structure for the organization so as to achieve set objectives.

On the other hand, organizations should anchor on improving organizational performance to gain a competitive advantage. The success of each organization depends on its ability to evaluate its performance and then use the results of performance evaluation to enhance its efficiency Sherafat and Elahi, (2018).

Furthermore, Jameadows (2017) defines the concept of organizational performance as the comparison of an organization's goals and objectives with its actual performance in three distinct areas of financial performance, market performance, and shareholder value.

Operational outcomes are those associated with the goals of the organizational operation, such as productivity, product quality, and quality of service. (Joureih, 2019).

Nowadays, the long-term survival of many manufacturing and service organizations is considered to be inextricably linked to the ability of these organizations to produce goods and services that meet or exceed customers' quality expectations. Therefore, organizations are searching for approaches to managing people and production systems in ways that assure the transformation of inputs into quality outputs that meet or exceed customers' expectations.

According to Ugboro, and Obeng, (2010) cite that the goal of customer satisfaction is achieved through top management commitment to creating an organizational climate that empowers employees and focuses all efforts on the goal of customer satisfaction. They suggest that top management must have leadership strategies and practices for empowering or involving employees in quality-related decision-making processes such as promotion and career development opportunities, equitable reward, and recognition system, working conditions, supportive coworkers, and a challenging job. Empowered employees are satisfied with their job; it may translate into improved product and customer service, which together increase customer satisfaction.

Customer satisfaction as measures the quality of service and products provided by an organization. It can be experienced in different situations and connected to both goods and services. On the other hand, this is based on the customer’s experience of both contacts with the organization and personal outcomes.

The results of the studies of Jiang (2019) shows that improved planning equations can obtain higher customer satisfaction compared to the unimproved planning equations. Female
customers are comparatively more satisfied with the service quality and they are more loyal to their banks as compared to male customers. (Agrawal, and Gupta, 2019).

Besides, the price/value, service quality, physical environment, and brand personality had a significant positive relationship with customer satisfaction, while interestingly, food quality and convenience did not (McNeil, and Young, 2019).

Another study about customer satisfaction defines both perceived quality and customer satisfaction had a significant effect on customer loyalty, where perceived quality was the stronger predictor. Since perceived quality influenced customer loyalty directly as well as indirectly through customer satisfaction, this study validated the partial mediating role of customer satisfaction in the e-banking context (Prasadh, 2018).

The well-performing organization may view on customer satisfaction. Hence, Suchánek and Králová, (2018) conclude their research that customers are better able to distinguish the high-performing companies from the low-performing ones since the high-performing companies received a better evaluation from customers.

In sustaining and improving the organization’s performance, human resource has a great influence on it. In an organizational context, employees are viewed as significant actors in determining the performance of the organization Kim et al., (2016). Therefore, organizations are increasingly required to focus on improving the job performance of employees to enhance organizational performance.

Employee satisfaction and loyalty had been verified to be critical to a service-oriented organization’s survival and success. Employee satisfaction has traditionally been defined as an important motivator for employee performance (Mak and Sockel, 2010).

According to Chao, et al, (2010) the organization integrates total quality management practices through employee empowerment, employee compensation, teamwork, and management leadership are significant positive predictors of employee satisfaction. In addition, Brown, et al, (2007) cited that organizational practices may have a pessimistic influence on employee’s job satisfaction. However, the research suggests that when firms bundled practices together which is characterized in the literature as high involvement approach to management, it has a big positive impact on employee’s satisfaction.

Past research findings support the fact that an organization’s success depends very much on its employees’ performance Omar et al., (2017). Further, according to Arulrajah et al. (2016),
improving employees’ job performance is a must for every organization. Moreover, some researchers argued that organizational performance depends on the Individual performance of the organization’s employees Arulrajah et al., (2016). To predict the comparative degree which organizational effectiveness factors have in satisfying customers’ needs, performance, adaptability, and mission can be of the highest importance. Milan (2008).

According to Shaukat, et.al, (2015), HRM practices refer to organizational activities/practices directed at managing the group of human resources ensuring that the resources are employed towards the fulfillment of organizational goals. Practices such as the provision of job security, extensive skills training, and promotion from within, results-oriented appraisal, and broad career paths, signal an organization’s intention to establish a long-term exchange relationship with its employees are fundamental and effectual instrument in successful accomplishment of the firm's goals and objectives, resulting in higher productivity. Li-Yun-Sun, et al., (2007).

Organizational cultures or practices generally influence employee’s behaviors. It can determine and reflect values, beliefs, and attitudes. Therefore, organizations expect employees to follow because adherence to such rules because it is critical for productivity and efficiency Ugboro, and Obeng, (2010). Besides, organizations with high performance are characterized by having strong organizational rules that are based on competitive organizational practices Kim, (2010).

In addition, the literature suggests that commitment-based HR practices create an organizational social climate that motivates employees to act in the best interests of their firm rather than only in their individual self-interest (Fulmer, et. al, 2013).

METHODS

This section demonstrates the methodology and processes needed to respond to study issues. The techniques include research design, sample population, tools, information collection, data analysis, and demographics of the respondent. This research is quantitative surveys. The structure of the studies is descriptive-correlative.

The information was gathered in Silang Cavite, the Philippines from five small, medium-sized business organizations. The study participants were made up of 50 workers. The survey questionnaires were grouped into three categories; the first one is organizing practices questionnaires and which had ten questions. The second part of the questionnaire also had 10 questions based on organizational performance. The internal consistency test for organizing
practices had ten items with a Cronbach’s alpha of 0.788; organizational performance had 10 items with 0.779 Cronbach alpha. The Likert scale was used for the questionnaires and on the variables the respondents rated it from 1 – 4 whereas one meant strongly disagree, 2 = disagree, 3 = agree, 4 = strongly agree.

<table>
<thead>
<tr>
<th>Numeric Scale</th>
<th>Scale Average Weight</th>
<th>Scaled Responses</th>
<th>Verbal Interpretations</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>3.2-4.0</td>
<td>Strongly Agree</td>
<td>Very High</td>
</tr>
<tr>
<td>3</td>
<td>2.4-3.2</td>
<td>Agree</td>
<td>High</td>
</tr>
<tr>
<td>2</td>
<td>1.6-2.4</td>
<td>Disagree</td>
<td>Low</td>
</tr>
<tr>
<td>1</td>
<td>1.0-1.6</td>
<td>Strongly Disagree</td>
<td>Very Low</td>
</tr>
</tbody>
</table>

The research questionnaires were conveniently distributed to the respondents of the employees from five small, medium and large business organizations. The questionnaire had two sections, and they were all tested for their internal consistency. The research is Question one, and two is answered by using descriptive statistics and correlation on SPSS 22 to was used to determine the relationship in question three. Question four is answered by using t-test. The fifth question, ANOVA was used to find out the difference in terms of age and lastly, the sixth question was finding the difference of years of service to organizational performance

**RESULTS**

In the first research question, ten items were used to measure the extent of organizing practices. The respondents scaled response was agreed to mean that organizing practices are high on the scoring table. (M=3.149, SD=0.3694). In a detailed analysis, the highest item was on the question, Our organization ensures that tasks are clearly identified among employees, which had a mean (M=3.36, SD=.631), and it had a scaled response of strongly agree meaning very high. This is a clear indication that the employees of the small, medium and large scale business organizations are good in how things are done and organized. The lowest item was on the question I make things work in my company had a mean (M=3.02, SD=0.589) and also with a scaled response of agreeing corresponding to high as verbal interpretation. This might mean that the business and its organization does not really depend on one person since it had the lowest mean indicates that how tasks are organized is not dependent on one person. The overall
responses from the respondents on organizing practices are high and this is why the five selected small, medium and large business organizations selected for this study are attracting more customers and are doing well in the market.

Table 2. Organizing Practices N=50

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Scale Response</th>
<th>Verbal Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization ensures that tasks are clearly identified among employees</td>
<td>3.36</td>
<td>.631</td>
<td>Strongly Agree</td>
<td>Very High</td>
</tr>
<tr>
<td>I used tools and equipment (e.g laptop, etc) to complete my task</td>
<td>3.14</td>
<td>.783</td>
<td>Agree</td>
<td>High</td>
</tr>
<tr>
<td>Our organization classifies specific responsibilities into respective departments</td>
<td>3.20</td>
<td>.833</td>
<td>Agree</td>
<td>High</td>
</tr>
<tr>
<td>I understand my responsibilities and accountabilities of the task assigned to me</td>
<td>3.24</td>
<td>.657</td>
<td>Strongly Agree</td>
<td>Very High</td>
</tr>
<tr>
<td>I am effective with the task assigned in accomplishing the company’s goal</td>
<td>3.06</td>
<td>.712</td>
<td>Agree</td>
<td>High</td>
</tr>
<tr>
<td>There is a clear reporting relationship with stated responsibilities</td>
<td>2.96</td>
<td>.605</td>
<td>Agree</td>
<td>High</td>
</tr>
<tr>
<td>I take initiative and make decisions on my own for my department</td>
<td>3.08</td>
<td>.601</td>
<td>Agree</td>
<td>High</td>
</tr>
<tr>
<td>I make things work in my company</td>
<td>3.02</td>
<td>.589</td>
<td>Agree</td>
<td>High</td>
</tr>
<tr>
<td>The Supervisors translates the organization's objectives into meaningful work assignments for their employees</td>
<td>3.30</td>
<td>.614</td>
<td>Strongly Agree</td>
<td>Very High</td>
</tr>
<tr>
<td>The organization structure is strictly followed</td>
<td>3.32</td>
<td>.653</td>
<td>Strongly Agree</td>
<td>Very High</td>
</tr>
<tr>
<td>ORGANIZING PRACTICES</td>
<td>3.168</td>
<td>.3684</td>
<td>Agree</td>
<td>High</td>
</tr>
</tbody>
</table>

In the second research question, ten items were used to measure the extent of organizational performance. The respondents scaled response was agreed to mean that organizational performance is high. (M=3.075, SD=0.3512). In a detailed analysis, the highest item was on the question, Our relations with customers is excellent because we maintain genuine partnerships with them., which had a mean (M=3.30, SD=.541), and it had a scaled response of strongly agree meaning very high. This is a clear indication that the employees have a quality relationship of the customers, thereby leading to good customer relations and productivity.

The lowest item was on the question Productivity of employees in my company is much higher and had a mean (M=2.78, SD=0.561) and also with a scaled response of agreeing to correspond to high as verbal interpretation. This might mean that though the response had a low mean yet
employees accepted that their productivity is not high which can be looked at as a recommendation. The overall responses from the respondents on organizational performance is high and this is why the businesses are doing well in terms of performance.

| Work organization is efficient in achieving the target | 3.18 | 0.72 | Agree | High |
| Trust among employees is strong | 3.18 | 0.691 | Agree | High |
| Employees’ trust in leadership is high. | 3 | 0.7 | Agree | High |
| The productivity of employees in my company is much higher. | 2.8 | 0.571 | Agree | High |
| There are no cases in our company of people leaving for internal reasons. | 2.96 | 0.538 | Agree | High |
| The instability of employees due to internal reasons is very high within our company | 3.08 | 0.702 | Agree | High |
| Our company strongly involve suppliers in decision-making and development processes. | 3.16 | 0.738 | Agree | High |
| Our company has long-term partner relationships with our suppliers. | 3.22 | 0.679 | Strongly Agree | Very High |
| Our relations with customers is excellent because we maintain genuine partnerships with them. | 3.3 | 0.544 | Strongly Agree | Very High |
| We change suppliers very often | 3.08 | 0.488 | Agree | High |

There is a significant relationship between organizing practices and organizational performance, (F=.821. p=.000, p<.01). The results show that we reject the null hypothesis that states that there is no significant relationship between organizing practices and organizational performance.
Table 4. **Independent Samples Test**

<table>
<thead>
<tr>
<th>Levene’s Test for Equality of Variances</th>
<th>t-test for Equality of Means</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>F</td>
<td>Sig.</td>
<td>t</td>
</tr>
<tr>
<td>---</td>
<td>------</td>
<td>----</td>
</tr>
<tr>
<td>ORGANIZATIONAL PERFORMANCE</td>
<td>Equal variances assumed</td>
<td>.016</td>
</tr>
<tr>
<td></td>
<td>Equal variances not assumed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 5. **Correlations**

<table>
<thead>
<tr>
<th></th>
<th>ORGANIZING PRACTICES</th>
<th>ORGANIZATIONAL PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.821**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.821**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

**DISCUSSION**

This research is designed to determine the relationship between organizing performance practices in small, medium, and big company organizations. The results of this research showed that the respondents’ general reactions to organizational outcomes are high and that is why the companies are doing well.

The study also looked at the extent to which small, medium and large enterprises organize practices and a greater number of employees strongly agree that the organizing practices are good and help the enterprises in their day-to-day activities.

The level of workplace organization procedures is very high. In an account that reflects the improvement of interactions between staff and management as well as clients.
The research shows that there is a significant positive connection between organizing methods and organizational performance, leading to the rejection of the hypothesis. The research disclosed that it is vital to organize procedures in an organization. This is due to the beneficial effect on organizational performance of efficient organizing methods. It is also useful to the managers who are seeking to improve their employees as well as organizational performance. Employees in the five chosen tiny, medium and large company organizations recognize that it supports the company in its day-to-day operations when organizational procedures become the priority of any company. When respondents' demographics were deemed to be the organizational performance, age, years of service, and gender, there was no distinction in their organizational performance relationship. Effective organizational culture or procedures is therefore crucial to the fulfillment of the connection between staff and customers.

**Conclusion**

The first recommendation is that organizational methods are a significant asset that has helped company organizations improve the relationship between employees and clients as well as the flow of job and therefore an organization that aspires to excellence should make use of it to adopt efficient productivity.

**Recommendation**

Also, future in studies moderators and other variables can be used to predict organizational performance. The research also showed that more attention should be paid to organizing methods in order to train and develop abilities in organizing employees. Other factors can be regarded in future studies aside from organizing methods.

**REFERENCES**


Engagement and Time Management on Employees’ Job Performance”, Advanced Science Letters, 23(4), 3009-3012


