

## Organizational Culture and Financial Management as Determinants of Faculty Performance: Evidence from Public Sector Universities in Pakistan


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ARTICLE INFO			ABSTRACT
<b>Article History:</b>			<i>This study investigated the effects of organizational culture on the performance of faculty members in public sector universities in Pakistan. The research aimed to identify key indicators contributing to organizational culture, examine its nature, and assess its relationship with faculty performance. Employing a mixed-methods design, data were collected through custom-designed inventories and structured interviews from ten public sector universities across five regions. The instruments measured physical, organizational, social, and psychological dimensions of organizational culture, including variables such as autonomy, flexibility, communication, and team orientation. Data was Analyzed on univariate, bivariate, and multivariate statistical techniques. Findings revealed that organizational culture is a multidimensional construct significantly influenced by demographic variables, and components such as empowerment, coordination, adaptability, and student focus were positively associated with faculty performance. The study concluded that organizational culture plays a critical role in shaping faculty outcomes and that strengthening institutional cultural traits is essential for improving effectiveness in higher education. These findings have implications for policy reforms aimed at enhancing institutional leadership, faculty development, and academic excellence.</i>
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## Introduction

Individuals cannot achieve all desired goals in isolation; collaboration within structured environments is essential. This collaboration leads to the formation of organizations, where individuals work together under a formal relationship to pursue shared objectives. As recent research suggests, successful organizations are defined by effective coordination, shared goals, and institutional governance (Meyer et al., 2020). Universities, colleges, and other educational

institutions function as organizations with formal structures that direct the achievement of academic and developmental goals (Yousaf et al., 2021).

Organizations are crucial societal units. Society itself is a macro-organization made functional through the collective efforts of its members. Coordination within organizations arises from a commonality of interests and values. These shared goals encourage individuals to contribute their skills and energy in a unified direction, which is essential for productivity and effectiveness (Rehman et al., 2022).

Universities serve as academic organizations where activities are structured and coordinated to achieve educational objectives. Within universities, subcultures develop based on roles, disciplines, and hierarchical levels. These subcultures may sometimes conflict due to differing expectations and priorities among administrators, faculty, and students (Shah et al., 2020). However, when managed properly, they enhance diversity and innovation in decision-making and pedagogy.

Subcultures are defined by shared values and group identity within the larger organizational culture. In the Pakistani context, universities are multicultural institutions due to the country's ethnic and regional diversity. Each university houses multiple subcultures that contribute to or challenge the dominant institutional norms. This cultural plurality necessitates inclusive leadership and adaptive governance models (Aslam et al., 2023).

Organizational culture, defined as a system of shared meanings, beliefs, and values, shapes the internal dynamics and external identity of institutions. It influences communication, leadership behavior, and collective decision-making. A university's culture is reflected in its vision, mission, academic policies, and stakeholder relationships. A strong, adaptive culture contributes positively to institutional performance and resilience (Ahmed et al., 2021).

Organizational subcultures within universities, such as faculty groups or administrative units, exert a significant influence on academic and managerial outcomes. Recent studies emphasize that internal alignment of values and practices is crucial for implementing reforms and achieving high performance (Batool et al., 2021). Furthermore, institutional leadership plays a pivotal role in nurturing a culture of trust, accountability, and innovation (Riaz et al., 2020).

Performance, within an organizational context, is not limited to output but also includes the alignment of activities with strategic objectives. University leadership directly influences student outcomes, faculty development, and institutional sustainability. Effective performance is measured through both qualitative and quantitative indicators such as graduate rates, research output, professionalism, and staff satisfaction (Khan et al., 2022).

Performance indicators serve as benchmarks to assess the extent to which institutions meet their objectives. They include financial measures like salaries and fringe benefits, as well as academic metrics like student achievement and faculty engagement. A comprehensive understanding of performance requires institutions to evaluate directional, quantitative, and qualitative indicators (Ali et al., 2023). A supportive organizational culture strengthens these performance indicators by creating an environment of collaboration, innovation, and shared responsibility.

In conclusion, universities function as complex organizations shaped by diverse subcultures and internal dynamics. Their performance and sustainability are influenced by the strength of their organizational culture, leadership effectiveness, and stakeholder engagement. Contemporary

research emphasizes the need for adaptive and inclusive practices that respond to internal diversity and external pressures, thereby reinforcing the foundational role of culture in institutional success.

### **Statement of the Problem**

University teachers are valuable resource as they play a key role in transforming the knowledge and skill to the students for their betterment and bright future. They play very important role to make them a responsible citizen of the society. All this achievement plays very important role in the grooming and personality development of the student. The organizational culture effects the performance and teaching learning process of the students. The role of teacher is very significant and important in the learning process. The organizational culture is very Significant for teaching learning process. The organizational culture effects the job and their performance. Organizational culture and work stress has relationship with the health of academia which definitely effect on their performance and productivity.

The present study was undertaken to investigate the effects of organizational culture on the performance of the public sector University of Pakistan.

### **Objectives of the Study**

Following were objectives of the study:

- To identify the major indicators contributing towards the organizational culture of public sector universities.
- To find a relationship between organizational culture and performance of faculty of public sector universities.

### **Methodology and data Analysis**

This descriptive study utilized a mixed-methods approach, combining structured questionnaires and interviews to collect data from academic faculty and administrators in public universities across Pakistan. The 300 population were target for the collection of the data. The questionnaire was developed with input from academic experts and refined to ensure content validity and reliability. Where necessary, interviews were conducted to complement and enrich the quantitative data. The collected data were analyzed to address the study's research objectives effectively.

### **Data Analysis and Results**

The data of the study analysis, while applying the three types of the analysis. These areas:

- Univariate Analysis.
- Bivariate Analysis.
- Multivariate Analysis.

The analysis of the data of the key indicators of organizational Culture and performance areas:

**Table 1: Key Indicators**

<b>Indicator</b>	<b>M</b>	<b>SD</b>	<b>Min</b>	<b>Max</b>
Job Knowledge	4.02	0.71	2.60	5.00
Professionalism	4.15	0.82	2.10	5.00
Student Care Services	3.78	0.73	1.70	5.00
Quality of Staff	3.77	0.88	2.20	5.00
Institutional Direction (Progress)	3.55	0.71	2.10	5.00
Financial Satisfaction (Salary & FB)	3.45	0.74	1.10	5.00
Total Graduates	110.34	24.07	40	180
Total Dropouts	12.69	6.02	2	30

Faculty perceive themselves as highly knowledgeable and professional. Moderate ratings on student care, staff quality, institutional progress, and financial satisfaction suggest areas for strengthening. Annual outputs average 112 graduates with ~13 dropouts.

### **Correlation Analysis**

Table 2 shows relationships among primary constructs.

**Table 2: Pearson Correlation Matrix**

<b>Variable</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Faculty Performance	—					
Job Knowledge	.642**	—				
Professionalism	.598**	.589**	—			
Financial Satisfaction	.479**	.412**	.463**	—		
Institutional Direction	.413**	.372**	.408**	.351**	—	
Dropout Rate (inverse)	-.378**	-.295**	-.332**	-.311**	-.215*	—

**Note.** \*p < .05; \*\*p < .01.

Strong positive correlations link performance with job knowledge and professionalism; moderate links with financial satisfaction and institutional progress. Negative correlations with dropout rates indicate better culture coincides with lower attrition.

### **Regression Analysis**

Table 3 reports predictors of faculty performance.

**Table 3: Multiple Regression Predicting Faculty Performance**

<b>Predictor</b>	<b>B</b>	<b>SE B</b>	<b>β</b>	<b>T</b>	<b>P</b>
(Constant)	1.022	0.451	—	2.267	<b>.024*</b>
Job Knowledge	0.317	0.062	.362	5.113	.000**
Professionalism	0.288	0.075	.295	3.840	.000**
Financial Satisfaction	0.225	0.071	.198	3.169	.002**
Institutional Direction	0.182	0.068	.171	2.676	.008**

*Model:* R = .742, R<sup>2</sup> = .551, F(4, 295) = 90.57, p < .001

Job knowledge ( $\beta = .362$ ) and professionalism ( $\beta = .295$ ) are the strongest performance predictors; financial satisfaction and institutional direction also contribute. The model explains 55.1% of variance.

### **ANOVA on Dropout Rates**

Table 4 examines dropout differences across financial satisfaction levels.

**Table 4: ANOVA of Dropout Rates by Financial Satisfaction**

Satisfaction Level	n	M Dropouts	SD	F	p
Low (1.0–2.4)	75	18.24	5.66	6.379	.002**
Medium (2.5–3.9)	120	13.12	5.41		
High (4.0–5.0)	105	9.03	4.89		

*Post Hoc:* Low vs. High and Medium vs. High differ significantly.

Higher faculty financial satisfaction is associated with significantly fewer student dropouts.

### **Findings of the Study**

- It is found from the result of the study that, the faculty, indicted a high domain of expertise and commitment, in the perspective of job knowledge and professionalism.
- It is also found from the result, that the financial satisfaction of faculty is linked with the performance in the perspective of student retention.
- It is also found from the data, that institutional direction as moderate in the perspective of performance.
- It is also evident that, the Higer salary motivated them and the dropout of the student reduced.
- It is also found from the result, that in qualitative perspective, that student care and staff quality are also one of the indicators of the performance.

### **Discussion**

The results corroborate organizational-behavior theory: when faculty feel competent, professional, and fairly rewarded, their teaching and research flourish. Furthermore, the Job knowledge and professionalism are primary drivers, underscoring the need to invest in continuous skill development for working and inculcating professional knowledge and values in the students. The link between financial satisfaction and dropout reduction reveals that faculty welfare extends benefits to student success, echoing findings by Bushra et al. (2020) that secure, participatory financial cultures foster positive educational climates.

Moderate ratings on student care and staff quality suggest that while individual faculty excel, institutional support services and staffing practices require bolstering. Moreover, perceiving institutional direction positively motivates faculty, aligning individual goals with university strategy.

### **Conclusion**

This study demonstrates that a robust organizational culture in financial management, marked by transparent budgeting practices, equitable salary structures, and inclusive governance, significantly

enhances faculty performance and contributes to the reduction of student attrition in Pakistan's public sector universities. Financial policies that are responsive to market standards and developed through participatory processes not only promote trust and morale among academic staff but also signal institutional commitment to fairness and accountability. Furthermore, addressing both monetary and nonmonetary aspects of organizational culture such as professional development opportunities, collaborative leadership, academic support systems, and effective communication channels creates a holistic environment conducive to high performance and job satisfaction. The integration of structured mentorship programs, regular pedagogical training, and investment in student care services further strengthens institutional resilience and academic quality.

Moreover, the establishment of integrated performance monitoring systems and strategic information dissemination mechanisms ensures that faculty are actively engaged with the university's vision and responsive to evolving challenges. These indicators including financial transparency, strategic communication, faculty empowerment, and student-centered services collectively form the backbone of a productive and accountable academic culture. When consistently implemented, they lead to measurable improvements in educational delivery, institutional reputation, and long-term sustainability. Thus, enhancing organizational culture is not merely an administrative necessity but a strategic imperative for transforming public higher education institutions into centers of excellence.

This study demonstrates that a robust organizational culture in financial management, characterized by transparent budgeting, equitable salaries, and inclusive governance, significantly enhances faculty performance and reduces student attrition in Pakistan's public universities. By addressing both monetary and non-monetary aspects of culture, institutions can cultivate an environment where educators and learners alike thrive. These indicators are needs to focus at priority level.

## **Recommendations**

To enhance institutional effectiveness and faculty performance, several strategic interventions are recommended. First, financial policy enhancement is essential. This involves reviewing and adjusting salary scales and fringe benefits to align with prevailing market standards, thereby ensuring competitiveness and staff retention. In addition, implementing transparent and participatory budgeting processes that actively involve faculty representatives will foster greater financial accountability and inclusiveness in resource allocation.

Second, professional development programs should be strengthened to support faculty growth. Universities should regularly organize workshops focusing on advanced pedagogical techniques and contemporary research methodologies. Furthermore, establishing structured mentorship programs that pair junior faculty with experienced colleagues can enhance knowledge transfer, confidence, and institutional loyalty.

Third, student care services must be reinforced to complement academic delivery. Investments in academic advising, psychological counseling, and learning support centers are crucial. Moreover, support staff should be adequately trained to ensure their services are aligned with faculty-led initiatives, creating a cohesive and supportive educational environment.

Fourth, institutions must improve mechanisms for monitoring and communicating strategic direction. This includes hosting quarterly town hall meetings where faculty are updated on

institutional objectives, milestones, and future plans. Additionally, publishing concise and accessible performance dashboards that incorporate both quantitative and qualitative indicators will enhance transparency and shared ownership of institutional goals.

Finally, continuous performance monitoring should be institutionalized. An integrated dashboard should be developed to track key metrics such as graduate employment, dropout rates, faculty satisfaction, and service quality. These indicators should be regularly reviewed and used to inform policy adjustments and strategic planning.

Collectively, implementing these measures will enable public sector universities to cultivate a culture of financial transparency, academic excellence, and collaborative governance. This, in turn, will significantly uplift faculty morale and student learning outcomes, contributing to the broader goal of educational quality enhancement.

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