Full Length Research Paper

Study of organizational socialization and its relationship on employees’ performance

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Today, managers consider several strategies for improving their employee performance. One strategy is to implement socialization for newcomers. The aim of socialization is to teach the organization’s values, norms, and special behavior patterns to newcomers. It is important for individuals to learn and demonstrate the behavior that is desirable for the organization. Despite necessary performance improvement for banks’ survival, many Iranian Banks do not seriously consider socialization as a factor for improving performance. This study surveyed organizational socialization and its relationship to employee performance in banks and financial and credit institutions of Kerman City in Iran. This study used descriptive methods, with sort correlation. The statistical population consisted of two groups. The first group comprised 122 employees of the banks with two years’ seniority. The second group was managers of each employee who conduct performance evaluations. Two questionnaires were used to collect data. The first evaluated organizational socialization and the second evaluated employee performance. Findings show that there is a meaningful relationship between organizational socialization and employee performance. Also, there is a meaningful relationship between elementary rationalization and introduction and employees’ familiarity with organizational culture and employee performance. Due to environmental competition, issues such as service quality, customer satisfaction, and service delivery in the banking industry should improve. To improve, successful organizations design and implement vital plans such as socialization for newcomers. Although socialization is a continuous and ongoing process, it is suggested that bank managers perform socialization at all levels of the organization and for all employees, especially those with high seniority.

Key words: socialization, employees’ performance, banks, financial and credit institutions

INTRODUCTION

Organizations determine goals and achievements, and their success in attaining them depends on their employees’ performance (Abtahi, 2002). To be an effective organization, employees’ performance should align with organizational goals. It is obvious that performance improvement is a vital process that managers face (Syatat, 2006).

Organizations frequently tend to evaluate performance to recognize employees’ efficiency. Because they tend to be positive, many managers are not aware of the value of these evaluations, although the performance evaluation is a valuable process by which individuals could receive the proper feedback for performance improvement and correcting job behavior.

To improve performance employees should learn behaviors that are favorable to the organization. Therefore, organizations have to design schemes for familiarizing newcomers with the organization’s environment,
rules, norms, and custom (Syatat, 2006), that is, socialization in organizations. Socialization could teach individuals how to cooperate with others as effective members within an organization and how to follow organizational norms and rules (Abaspoor, 2008). Although, information about employees' socialization may be of little use for newcomers (Korte, 2010), the organization could increase prospects with their behavior. This prospect could assure that employees will be loyal and productive toward their organization.

Obviously, present and future managers need to aware of the organizational socialization process. Socialization could create opportunities for individuals' job success. According to human resource expertise, organizational socialization leads to active employees, job satisfaction, and productivity. Effective socialization could enhance an organization and provide opportunities to encourage competition against other organizations (Farahi, 2008).

Surveys show that one of the effective strategies for improving employee performance is implementing socialization for newcomers. Successful socialization results in more commitment and performance improvement (Syatat, 2006). Meanwhile, there is little regard for the crucial role of socialization in performance improvement (Cooper, 2006).

Despite the need for performance improvement in banks, many Iranian banks do not seriously consider strategies to improve performance. Managers should consider the human, economic, and physical capital and attend to employees’ socialization as the most important social capital. Also, socialization helps the organization strengthen employee loyalty and decrease absenteeism.

On the other hand, socialization is expected to improve the performance and productivity of the organization by developing the abilities of the staff. Performance improvement is a vital contributor to the bank’s survival. This survey will study organizational socialization and its relationship to employee performance in banks in Kerman City, Iran.

Theoretical framework

Employee performance as the independent variable consists of performance factors and process factors. Socialization is the dependent variable and consists of the elementary rationalization and introduction of employees to the organization’s culture.

Employee performance

This refers to the process and output of a system. It is an activity that occurs to do things and its results is activity (UNCLEAR) (Yamani, 2002). There are two main scales for evaluating employee performance: performance factors and process factors. Performance factors are main duties or job dimensions that every employee is responsible for during the evaluation period. Process factors measure employee behavior and activity. Performance factors consist of four factors:

1. Duties and responsibilities
2. Work quality
3. Work quantity
4. Perseverance and enthusiasm

Process factors consist of ethical behavior and job behavior (Syatat, 2006).

Socialization

It is important that individuals learn the customs and act in ways that are right and desirable for organization. But this does not happen by itself and managers are responsible for achieving this. One primary step is socialization (Syatat, 2006). As noted above, socialization consists of elementary rationalization and introduction of employees and teaching new employees about the organization’s culture.

Some believe that elementary rationalization and introduction of employees are equivalent to socialization because the individual must adapt to a new work environment and job. But note that elementary rationalization and introduction of employees is a part of a socialization process that includes activities related to introducing newcomers, familiarity with related departments and organizational atmosphere and culture, familiarity with HR policies, and so on (Syed, 2009). In general, the goals for newcomers in their first days are:

1. Learning the goals, rules, and procedures of the organization
2. Becoming familiar with some regulations such as payroll, recruitment, benefits, and overtime pay
3. Learning new duties and responsibilities
4. Visiting different units in the organization
5. Meeting fellow employees (Syatat, 2006).

Awareness of the organizational culture is the second factor. When organizational culture stabilizes, it is necessary to preserve it – and socialization does this (Robins, 2008). To align behavior with organizational culture and norms, it is crucial that newcomers have clear understanding of the values, customs, and norms of the organization (Syed, 2009).

Two assumptions about socialization include the idea that socialization strongly influences employee performance and that organizational stability expands via socialization (Abaspoor, 2008).

Thomas and Reio (1997) studied the effects of socialization on job performance. They found that socialization
could influence an employee’s job performance.

According to theoretical framework, the early model (Figure 1) and research hypothesis are:

1. There is a meaningful relationship between organizational socialization and employee performance in Iranian banks.
2. There is a meaningful relationship between elementary rationalization and introduction of employees and employee performance in Iranian banks.
3. There is a meaningful relationship between an employee’s knowledge of organizational culture and that employee’s performance in Iranian banks.
4. There is a meaningful relationship between organizational socialization and employee performance in Iranian banks according to intermediate variables (sex, age, seniority, education, and organizational position).

**MATERIALS AND METHODS**

This study used the descriptive method with sort correlation in 2010. The statistical population consisted of two groups. The first group is all 122 employees of banks with two years of seniority and less than it (UNCLEAR), because socialization usually occurs with new employees. The second group is manager of each employee who conducts the performance evaluations.

Banks in Iran can be categorized in four groups: state banks, private banks, semiprivate banks, and financial and credit institutions under surveillance of the central bank. To collect data, we used two questionnaires. The first evaluated was completed by employees and evaluated organizational socialization. This questionnaire consisted of two types of questions: demographic variables (sex, age, seniority, education, and organizational position) and questions about socialization that evaluated elementary rationalization and introduction of employees and familiarity of employees with the organizational culture. The second questionnaire was completed by the new employees’ managers (according to evaluation forms from Iran’s Melat Bank). This questionnaire had four questions about performance factors and eight questions regarding process factors (job behavior and ethical behavior).

Score from the performance evaluation form were based on a scale of 30 (20 process factors and 10 performance factors). The validity of the organizational socialization questionnaire was estimated to be 0.92 and its reliability was estimated 0.92. We did not estimate the validity or reliability of the standard employee performance questionnaire. To analyze the data, we used frequency tables, Pearson and Spearman correlation, log linear analysis, and regression analysis using SPSS Software.

**RESULTS**

The demographic variables showed that, among 122 employees, 66% were men and 34% were women. Most employees (58%) had a bachelor’s degree, and 80% were between the ages of 31- 40. 53% of respondents had 18-24 months of seniority in their position. Also, 21% worked in Kar-Afarin Bank.

Using the Pearson and Spearman test, the correlation coefficient showed a calculated –P value and sample size (n=122) is less than 0.05. Therefore, there is a meaningful relationship between organizational socialization and employee performance (Table 1). The Pearson and Spearman correlation coefficients for the second hypothesis are 0.179 and 0.216, respectively. Therefore, there is a meaningful relationship between elementary rationalization and introduction and employee performance. The Pearson and Spearman correlation coefficients for the third hypothesis are 0.151 and 0.183, respectively.
Therefore, there is a meaningful relationship between familiarity of employees with organizational culture and employee performance. Finally, log linear analysis showed a meaningful relationship between organizational socialization and employee performance according to intermediate variables such as sex, seniority, and education. However there was no meaningful relationship between organizational socialization and employee performance according to intermediate variables such as age and organizational position.

### DISCUSSION

Socialization is the main part of organizational reality (UNCLEAR) and the entire organization is affected by it (Czarniawaska, 2010). This study found a meaningful relation-ship between organizational socialization and employee performance. According to Farahi (2008), organizational socialization has a positive relationship to organizational effectiveness, team performance, and employee retention. Syatat (2006) believes that socialization causes individuals to stay and commit to performance improve-ment. Also, Chao (1994) found that employees play a main role in the socialization learning process, and socialization affects their performance (Yu and Lin, 2010). Therefore, organizations that have implemented so-cialization for newcomers can expect stronger employee performance.

Other results show that elementary rationalization and introduction affects performance. Chao (1994) noted that information obtained by newcomer’s increases performance. Syed (2008) concluded that training is the first action for elementary rationalization and introduction. Training requires to prospected plans that reinforce the current capabilities of individuals and lead them to learn new skills and develop abilities so that facilitate better job performance.

One can safely assert that providing such activities, such as showing elementary rationalization and introd-uction, the organization promotes employee performance. So, making employees familiar with organizational culture affects performance. Robins (2006) believes it is not important how organizations select people as long as they fit into the organizational culture. Otherwise, newcomers reject the beliefs and customs of organization. Studies show organizational cultures are different and these different cultures could affect organizational perfor-mance (Griffin, 2003). Robins (2008) believes that when newcomers learn necessary skills to successfully execute their duties and roles, they respect organizational values and standards. Therefore, one can expect that when employees are familiar with organizational culture, it improves employee performance and organizational success.

Socialization affects the efficiency, performance, and commitment of individuals in pursuing organizational goals (Saremi, 2003). Also, Chao (1994) found employees play a vital role in the learning process of organizational socialization and socialization affects their performance (Yu and Lee, 2010).

Other results about intermediate variables show a meaningful relationship between organizational sociali-ization and employee performance according to sex, seniority, and education. Regarding gender, the findings showed this correlation is stronger among the men in the study. It is assumed that men usually try to accept organi-zational norms and rules and they were responsible to their duties, in contrast to women. Regarding seniority, the findings showed this relationship is strongest among employees with about two years of seniority rather than those with just a few months of seniority (As mentioned earlier, all employees in the study had two years or less of seniority), this is due to customize these groups to organizational culture and norms.

Regarding the education variable, the findings showed the strongest correlation is among employees with higher levels of education. These groups accepted the values, norms, and expected behaviors easily and due to higher knowledge, they had better performance. Other results showed that there wasn’t a meaningful relationship between organizational socialization and employee performance according to age and organizational position. On other hand, employee ages and organizational positions had no effect on the relationship between organizational socialization and employee performance.

### Conclusion

The results of this study and similar studies show that there are some reasons that socialization is vital to both employees and organizations. First, it can decrease negative outcomes such as inappropriate behavior, turn-over, and absenteeism. Second, it enables newcomers to better participate to attain individual, team, and organi-zational goals. Third, it can create a learning environment for familiarizing oneself with the organization’s values.
norms, and policies. Finally, whereas results of socialization are consistent and its effects are immediate, the newcomers are more likely to successfully adapt to the new environment.

Generally, issues such as service quality, customer satisfaction, and service delivery in banking should improve as a result of competition. To achieve success, winning organizations design and implement strategic plans, such as socialization for newcomers. It ensures that employees are more loyal and productive.

Managers should focus on employee socialization as one of the most important elements of success. Socialization helps the organization strengthen employee loyalty and decrease turnover rates. Since socialization is an ongoing process, bank managers should perform socialization at all levels for all employees, especially for those with high seniority. Also, managers should consider individual differences and respect them during the socialization process. They should create a healthy climate within organization for better socialization. In addition, it is suggested that new employees receive more flexibility in their activities and duties so that they display the desired behaviors in workplace. Finally, it is desirable for organizations to appropriately align their employees’ work lives with their private lives to achieve a proper work-life balance.

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REFERENCES