The Effect of Organizational Performance on the Investment Decision Making of Investors

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Abstract

Organizational environment represents not only many visible characteristics such as layout of corporate headquarter, office design and employee attire but also values, norms, hypotheses, ceremonies, rituals, customs, stories, myths, symbols, attitude, communication and behaviour of employees that shape, but also the relationship with stakeholders and disclosure of pertinent issues related to governance and sustainability. In this context founders, managers, and employees have a significant impact on the building of organizational environment while exogenous factors also have a certain impact on the process. As organisational performance is widely influenced by both endogenous and exogeneous factors of every organisation, it is very likely to influence the investors decision making. Models and approaches developed related to the concept of organization performance as well as existence of numerous criteria, making it difficult to evaluate the performance of an organization. The study tries to use variables of organization environment to understand their influence on variables of Organization performance. It further tries to find out the effect of organization performance on investment decision making of investors. The study observed that organisational performance variables like financial performance, achievement of strategic goal, sales growth & market share and stakeholder satisfaction significantly influence the investment decision making of investors.

Key Words: Organisational Environment, Organisational Performance, Investment Decision Making, etc

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1.0 Introduction:

The global market has opened doors of opportunities on one hand and also created multidimensional challenges on the other hand. Many business managers struggle to survive in a competitive global market as a result of challenging characteristics in business (Bolboli & Reiche, 2014). Organizations world-wide have been facing unprecedented challenges due to Covid-19 in 2020. Keeping business afloat is not without paying a price. It's a difficult balance undoubtedly, to maintain healthy relationship with all stakeholders and to keep the company sustainable. Yet certain things remain constant like reaction to this unpredictable scenario. If organizations intend to remain in business, adaptability to the environment is a sin-quo-non. There have been numerous studies highlighting the role of organizational culture on various aspects of business. Research on organization culture received prominence since last 30 years. According to Hofstede and Bond (1984) Organization Culture refers to values, beliefs and practices that differentiate one company from another. Researchers have thrown light and laid down evidence to prove that organizational culture enhances the organizational performance. Gordon and D Tomaso (1992) define Organization Culture as the shared and constant beliefs and values that are improved within a company across periods. Ravasi and Schultz (2006) define Organizational Culture as a group of shared mental suppositions that direct interpretation and business in companies by determining the proper behaviour for different situations. Objectively speaking, "it is influencing the firm's orientation towards the responsible treatment of stakeholders" (Galbreath, 2010). The Organization Culture is briefly defined as the main suppositions about the world and the values that direct life in companies (Schneider, Ehrhart, Macey ,2013). Organization Culture is believed to be created by the founders and leaders of an organization – their beliefs, values and practices which percolates down through the various echelons of the organization structure and practiced by various means and forms. According to Wu (2006) the work-related cultural values evolve with the changes in the political, social and economic environments as well as with the changes of cultural values of the people with time. In a corporate group, managers have more challenges in establishing an effective organizational culture, which is an essential element to improve performance and productivity (Kenny,2012). It is a known fact that profitability is critical for the existence of any business and expanding the business scope is also essential for business growth (Erdorf, Hartmann – Wendels, Heinrichs & Matz, 2013). Idris et al (2015) pointed out that poor cultural integration within diversified business companies affects the economic performance of the corporate group and share holders' value. Bolboli and Reiche (2014) in an empirical study indicated that 90% of business excellence initiatives fail to succeed because of poor cultural integration among company managers in the corporate group. The cultural difference that exists within the group is a major barrier to corporate performance (Weber & Tarba, 2012). The lack of effective organization culture is a primary cause of poor performance and productivity in the corporate group (Eaton & Kilby,2015). Business managers must understand the importance of effective organizational culture to improve performance and productivity in the corporate group (Viegas-Pires,2013).

There is abundant empirical research to support the relationship between organization culture and corporate progress. The organization culture is one of the dynamic paths which is used to achieve progress in productivity capacity and quality of work life for the workers (Rose, Kumar, Abdullah &Ling ,2008). It nevertheless is one of the intangible resources which plays a vital role in the organization, influencing employees and organizations operating within a company (Sadri

& Lees, 2001). Enhancing Organization Culture through the development of strong relationship with the main stakeholders is one of the tools that can be used by a corporation to be more efficient and competitive. It also contributes towards strengthening the company's competitive advantage (Surroca, Tribo & Waddock,2010). Effective Organizational Culture comprises of many sub-organizational cultures, such as healthy customer service, employee-oriented management, Strong interpersonal relationship, exemplary leadership and ethical decision making process.

Several studies have focused on the relationship between organizational culture and performance, hence causing discussions about the criteria for the evaluation of performance. Research has demonstrated that organizational culture has an impact on evaluated performance. While some researchers evaluated the impact of organizational culture on organizational performance over a certain time period, some others argued that abstract values organizational culture represents could not be evaluated over a certain period of time and suggested that they should be observed over long periods of time. The same question also applies to the organizational environment. *Which dimensions would be employed to measure the impact organizational environment has on performance vis-à-vis investors decision making*? In recent years, due to globalization, there has been increased competition and developments in ICT in business arena and new concepts have been added such as thrust on people, ethical and market dimensions and above all growing demand of stakeholders. Therefore, it requires a comprehensive study to establish a link between organisational environment and its performance and how it is influencing the investors decision making.

Literature Review:

Organization Environment:

E.E.Halmaghi,D.Lancu & N.L.Bacila (2017) in a study stated that most of the research works consider organizational culture to be same with the internal environment of an organization. They further opined, alongside organizational culture, an organization's internal environment also includes other elements within the organization, such as its owners, managers and leadership, employees, material resources. Owners of an organization have considerable influence on the other aspects of the internal environment of an organization. It is mainly because they are the major decision makers, directly or through appointed managers on extremely strategic and major issues like the organization's future direction, profit distribution, growth or closure of the organization. Managers, through their decision-making power exert influence both on the organization's adaptability to the changes, pressures of the external environment, actions and behaviour of the employees in the organization. Organizational culture is commonly used to describe the internal environment of an organization because it is within the control of the decision makers through the policies, values, rituals and practices which are of particular significance in making the organization more efficient and has a long-term influence on it. The distinctive sign of solid organizational identity is the existence of a strong organizational environment.

Genç, (2014) opined in his research that huge and various changes in the market exerts pressure and influences business performance and most processes. Hence it is necessary and clear that organizations operating in different sectors should be vigilant to those variables affecting the performance and the attitudes of those working in them. It is evident through previous research that both internal and external organizational environment factors are important drivers of organizational performance. Internal environment variables are all elements of any given organization that is within its control and therefore, have an obvious impact on the organizational culture, philosophies, policies, human resource, mission and purpose.

Tiwari and Saxena (2012) in another study observed that “External environment variables are those out of organization control and have direct effect on its operations and activities. These include changes in the international economy, changes in technology, changes in the national economy, national culture and traditions, industry/ business characteristics, regulations, actions of unions and actions of competitors”.

C. Niegu and M. Udrescu (2008) observed that the organizational culture of an organization presupposes the existence of a "system of values, ideals, beliefs and common conduct rules that unite members of an organization", which is found in every organization. Each organization has its own set of beliefs, ideals, values and norms of conduct that are reflected in its structures, systems, and strategy approach." These values, ideals, beliefs, rules of conduct are not directly observable. The concrete manifestation of organizational culture is achieved through symbols, stories, rituals, ceremonies and even policies and it stems from the higher echelon of management and perpetuates downward throughout the organization.

Sørensen (2002); O’Reilly et al. (2014) in two different studies have opined that the relationship between corporate culture and firm performance is not merely a direct association and may be contingent upon corporate strategies and environment vicissitudes.

Organization Performance:

Griffin (2003) in his study described organizational performance as to what extent the organization is able to satisfy the expectations of its stakeholders and meet its own needs for survival. Hence, performance should not be wholly equated with certain profit margin, high market share, or having the best products, although they may be the results from fully achieving the description of performance.

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Javier (2002) in his study suggested that performance is equivalent to the famous 3Es (economy, efficiency, and effectiveness) of a certain program or activity. Ricardo (2001) in his research emphasized on difference between performance and productivity. He explained productivity as a ratio depicting the volume of work completed in a given amount of time, whereas performance, being broader concept, includes productivity, effectiveness, efficiency, economy, quality, consistency behaviour and normative measures. Daft (2000) in his study suggested organizational performance as the organization’s ability to attain its goals by using resources in an efficient and effective manner.

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Hansen and Wernerfelt (1989) found in their study that economic factors influenced only 18.5% of variance in business returns, while organizational factors contributed 38 % of organizational performance variance. This research focused more on organizational factors that determine organization’s performance and observed that the organizational factors determine performance to a greater extent than economic factors.

Venkatraman and Ramanujan (1986) in their study mentioned about three aspects of performance, among them are financial performance, business performance and organizational effectiveness and the later have been subsequently known as organizational performance. Hence, using a multiple indicator approach to understand organisation's performance would be more logical than using only a single indicator.

Investment Decision Making:

Nagy and Obenberger, (1994) in their research investigated factors influencing investor behaviour. They concluded that classical wealth – maximization criteria are important to investors, even though investors use various criteria when selecting stocks to invest upon. Factors, such as local or international operations, environmental track record and the firm's ethical posture appear to be given only superficial consideration. Investors many times pay no attention to the recommendations of brokerage houses, individual stock brokers, family members, friends and co-workers.

Dimitrios I. M, (2007) conducted a study on investors behavior in the (ASE) and found that individual/retail investors are not very analytical and may not necessarily rely on organized data. They rely more on newspapers/media and noise in the market when making their investment decisions, while professional investors rely more on fundamental and technical analysis and less on portfolio analysis.

Hussein A. H, (2007) in his study found that expected corporate earnings, get rich quickly, stock marketability, past performance of the firm's stock, government holdings, and the creation of the organized financial markets are the factors that investors consider. It is generally believed that investment decisions are a function of several factors such as market characteristics and individual risk profiles, in addition to accounting information (Warneryd, 2001). In his study the disposition error showed that irrespective of accounting information, investors are influenced by sunk cost considerations and asymmetrical risk preferences for gain/loss situations.

Shefrin and Meir (2000); Shleifer (2000) put forth that research in behavioural finance have accelerated and lays evidence that investors' financial decisions are also affected by internal and external behavioural factors.

LeBaron, Farrelly and Gula (1992) added to the debate, by advocating that individuals' risk aversion is largely a function of intuitive rather than rational considerations. Baker, Haargrove and Haslem (1977) went a step further by proposing that investors behave rationally, taking into account the investment's risk/return trade off. Baker and Haslem (1974) contended that dividends, expected returns and the firm's financial stability are critical investment considerations for individual investors.

2.0 Problem Statement:

Business environment is bombarded with many changes, some rapid and some steady. Changes in the Socio-economic –political scenario has affected a series of changes in the business front as well within individual companies and corporations. World had witnessed the chain reactions on economy and business in various countries due to trade laws, wars, corporate and political scams, terrorism, natural disasters, foreign policies, scarcity and abundance of resources, inventions and technology. Today the world has been pushed to economic recession and falling graph in businesses due to a micro-organism like Covid-19. In a corporate group, lack of effective organizational culture, more importantly poor organisational environment and poor cultural integration affect organizational performance and decrease shareholder returns (Idris et al,2015). Eaton and Kilby (2015) indicated that 72% of corporate leaders acknowledged the importance of organizational culture to organizational performance. An astute Organizational performance is a pull factor for investors/shareholders to invest in companies. Investors have their basic interest in getting alluring returns on their investment. That can be ascertained to a large extent by organizational performance which is reflected through profitability, productivity and growth. Changing external environment urges adaptability by the organization and conducive organization culture based on trust and relationship building with important stakeholders like employees and shareholders.The specific business problem that organizations and managers are grappling with is to encompass adaptability, reinforce investor trust, thrust on employees, emphasize on ethical orientation through ESG and other practices and finally, thrust on market needs.

2.1 Research questions

Subsequent to detailed review of the available literatures in the concerned area, the researchers seek answers to the following set of questions;

1) *Is there any link between organizational environment and organisational performance?*
2) *Is there any effect of organizational performance on the investment decision of investors?*

2.2Objective of the Study:

- To study the linkage between organizational environment and organisational performance
- To examine the effect of organizational performance on the investment decision of investors.

2.3 Research Hypothesis:

- There is no significant difference in the perception of respondents regarding different factors of organisational environmentacross managerial levels.
- There is no significant difference in the perception of respondents regarding different factors of organisational performance across managerial levels.
- There is no significant difference in the perception of respondents regarding different factors of investment decision making of investors across managerial levels.
- There is no significant relationship between organizational environment and organisational performance.
- There is no significant effect of organizational performance on the investment decision making of the investors.

3.0 Research Methodology

3.1 The Theoretical Framework:

Organisational Environment → **Organizational Performance** → **Decision Making of Investors**

The variables chosen as constituents of Organizational Environment for the purpose of the study are Leadership, thrust on employees, thrust on market dimension, thrust on ethical dimension, relationship with stakeholders and adaptability. The variables are chosen after extensive qualitative analysis of previous research studies and taking the challenging economic environment into consideration.

Investors decision making is effected by factual data on organizational performance and perception of the organizational culture. Generally, decision is based upon rationality and partly intuitiveness. Consistency and predictability through forecasting on the basis of hard facts and perception effect of investor decisions.

When organization processes and systems are better adaptable to changes and can adopt measures to decrease ambiguity, it enhances predictability and effective forecasting of future organizational performance too. When effective and open communication is maintained throughout the organization and proper information is accessible to the employees and shareholders too, then a climate of trust and healthy interpersonal relationship is built. When the organizations channelize attention towards job clarity, employee development, training, employee satisfaction and respecting employee participation in organizational processes, then these in turn boosts employee motivation and a sense of ownership by the employees gets developed. when organization maintain an effective communication with all stakeholders, then stakeholders trust and faith on the organization increases. Organization respond well to customers and other market changes and the organization is driven by charismatic leadersin all rungs and transformational leadersat the helm of the affairs. All these can supposedly help in decision making of the investors. The decision making of investors can depend upon the two factors like the way of thinking and the tolerance of ambiguities.

3.2 Study Design and Sampling Technique

For the purpose of the study, three big steel manufacturing companies of the State of Odisha areconsidered, these are Rourkela Steel Plant, Tata steel and Jindal Iron and Steel and the respondents belonging to managerial levels are selected on the basis of stratified random sampling. A total of 300 sample respondents of steel manufacturing companies are covered which comprisesof managers from junior level, middle level and senior level of management from different departments. A structured questionnaire is used to collect data from the sample respondents.

3.3 Sources of data collection:

The data is collected and compiled both from primary and secondary sources. The primary sources include data collection through the use of structured questionnaire and interaction with key personnel of selected companies. The data from the secondary sources include research journals, websites of companies, internet, etc.

3.4 Instruments Used

The questionnaire was developed on likerts's 5-point scale, average score of 3 and around indicates a moderate tendency on that dimension existing in that organisation. Similarly, the score of 4 and around indicates a fairly good degree of that dimension existing in that organization. Likewise, a score of 5 and around indicates excellent degree of that dimension existing in that department/organization.Thus, a percentage score indicates the degree to which the particular dimension exists in the organization out of the ideal 100. A 60 item survey instrument is used in order to explore the possible relationships among the study variables. The instrument uses the Likert scale on a five-point scale ranging from 5 (strongly agree) to 1 (strongly disagree) in this study.

3.5 Variables Used in the Study and their interpretation

Variables	**Code**	**Interpretation**
Organization Environment		
Leadership	OE1	Leadership of an organization at the top management level is extremely crucial to drive the organization towards achievement of organizational goals through smooth and hard times. It must have the potential to influence people and processes towards achievement of mission and vision of the organization through empowerment of people and expert tactics.
Thrust on people dimension	OE2	Thrust on people dimension refers to laying tremendous importance on human resource of an organization through justifiable and in discriminatory HR policies and processes which can lead to enhancing manpower productivity and boost in employee satisfaction like robust training and development, employee friendly measures, opportunity to grow, empathy, transparent communication etc.
Thrust on ethical dimension	OE3	Thrust on ethical dimension refers to the ethical quality in norms, processes, practices, products, ecology and at every touch point of business.
Thrust on Market dimension	OE4	Thrust on market dimension refers to the focus laid by organization to analyse the market demand and supply, understand the need of customers, know their competitors well, invest time and money on establishing optimum pricing, promotion and distribution strategies as per the changing need.
Relationship with stakeholders	OE5	Relationship with stakeholders refers to the efforts laid by the organization in developing and strengthening relationship with customers, employees, shareholders, community etc.
Adaptability	OE6	Adaptability refers to how quickly the organization adjust their business processes and improvise themselves to achieve their goals. The organization should be ready and willing to embrace change in the form of new products and services, pricing, location, concept, policies and handling unpredictable and unwarranted situations.
Organization Performance		
Financial Performance	OP1	Financial performance refers to the propensity of a company to generate revenues and manages it's assets, liabilities and the financial interest of its stakeholders.
Achievement of strategic	OP2	Achievement of strategic goals refer to the organizations ability

goals		to achieve strategic financial and non-financial goals by aligning the goals to the mission and vision, measuring their progress, breaking long term strategies into short term tactics and taking everyone on board within the set deadline.
Sales growth and market share	OP3	Sales growth and market share refers to the increase in sales and the percentage of an industry or a market's total sales earned by the company over a specified period of time.
Innovation and quality management	OP4	Innovation and quality management refers to the products services and administrative innovation through adoption of new technology, structure, process and practices depending upon the need and contingencies in order to remain competitive.
Image and reputation	OP5	Image of an organization refers to the perception created in the public through visual and emotional and cognitive appeal. It consists of promotion, marketing, branding and customer experience. Organizational reputation consists of the collective ideas that customers, employees, shareholders, partners, communities and regulators hold about the firm.
Stakeholder satisfaction	OP6	Stakeholders satisfaction refers to the extent to which stakeholders are satisfied regarding a programme, project or initiative.
Investment decision making		
Past trend of stock	IDM1	Past trend of stocks refer to analyzing the future movement of stocks on the basis of the past performance of the stock. It includes price, volume and period.Trends may be upward, downward or sideways.
Market Information and search	IDM2	Market information and search refers to the information that investors scan for through websites, newspapers, business and stock news and also investment advisers regarding the economy, stock market and the financial performance of various sectors and companies.
Risk associated with stock	IDM3	Refers to the perceptual calculation that an investor makes regarding the probability and extent of profit or loss due to various factors that may have an impact.
Immediate gain/ profit realization	IDM4	It refers to the cumulative amount of realized gains /profit resulting from the sale of securities. A realized gain is the excess of cost basis (or adjusted cost basis) over the proceeds from the sale.
High degree of safety	IDM5	It refers to investment in those stocks when their market price is significantly below their intrinsic value and investors prefers to buy these kind of stocks.
Economic expectation	IDM6	Economic expectation refers to the long term profit/gain that an investor expects while investing in certain stocks for longer period.

3.5 Statistical tools used in the Study

The data collected from both from primary and secondary sources will beanalysed by using both qualitative and quantitative methods.Inferential statistics like correlation analysis, multiple regression models with F and t-test is used for data analysis and testing of the hypotheses.

Reliability Test for the Instrument Used

To check the reliability of the instrument used, Cronbach's Alpha test was applied and the results for all the dimensions bifurcated were tested and are exhibited in Table-1.Each of the item measuring theperception of respondents towards organisation environment, organisation performance and decision making of investors has reliability score above .781 and the

Cronbach's alpha value for all the items taken together is 0.870, the variables are considered to have good internal consistency reliabilities for examining the relationship between different variables of organisational environment and organisation performance and secondly the effect of organisational performance on the investment decision making of investors.

Table-1: Result of Reliability Test for the Instrument Used

Variables	No.of Items	Cronbach's Alpha value
Organization Environment	20	0.8198
Organization Performance	18	0.7908
Investment Decision Making	22	0.8601
Overall		0.8236

Normality test

The normality test was conducted by dividing the sample skewness and kurtosis by their standard error to get the test statistic, which measures how many standard errors separate the sample skewness or Kurtosis from zero: If Z values for skewness and kurtosis are between −2 and +2 for large sample, it can be concluded that the sample might be symmetric (Andy Field, 2009, Bulmer, 1979, Rose, Spinks and Canhoto, 2015). For skewness, the test statistic is -0.171/0.106 =-1.61 and for kurtosis the test statistic is -0.241/.212 =-1.13. Therefore, it can be concluded that the deviation from normality is not extreme and the data distribution is nearly normal.

4.0 Result and Discussion

A total of 400 questionnaires were administered to different level of managers of four selected companies, out of which 314 responses were received and 12 responses were discarded on the grounds of inadequate response. After the scrutiny, 302 responses were considered suitable for this study andthe response rate was 76 per cent. Table -2 presents the respondent characteristics. The sample consists of males (88 per cent) and females (12 per cent). Majority of the respondents are between the ages of 30 and 50 (62 per cent) and only 14 per cent of respondents are found to be below 30 years of age. Majority of these respondents (63 per cent) have either a Post Graduate degree or a technical and professional degree like B. Tech/ M. Tech/ MBA/ LL.B. The distribution of respondents by managerial level reveals that 70 per cent of respondents belong to middle and senior level of management.

Table -2: A brief Account of Respondents' Profile (*n*=302)

	Category	No.	Percentage (%)
Rourkela Steel Plant (Total samples-142)	Male	124	87.32
	Female	18	12.67
Tata steel (Total samples- 106)	Male	90	84.90
	Female	16	15.09
Jindal Iron and Steel (Total samples-54)	Male	48	88.88
	Female	06	11.11
Age-Group (Total sample-302)	Below 30	42	13.90
	30 -40	84	27.81

	40 - 50	102	33.77
	50 and Above	72	23.84
Levels of Management	Junior Level	92	30.46
	Middle level	140	46.35
	Senior Level	68	22.51
Educational level	Diploma	44	14.56
	Graduate	68	22.51
	P.G.	80	26.49
	Technical & Professional (B.Tech, M.Tech, MBA, Law, etc),)	108	35.76

4.1 Relationship between Organizational environment and Organisation Performance.

Table-2 depicts the descriptive statistics results of identified variables of Organizational Environment, Organisation Performance and Investment Decision Making

Table-3: Descriptive Statistics of Variables Used in the Study

Variables	Mean	Std. Deviation	Percentage (%)
Organizational Environment (OE)			
Leadership (OE1)	4.27	0.5473	85.4
Thrust on People Dimension (OE2)	3.97	1.0710	79.4
Thrust on Ethical Dimension (OE3)	4.44	0.6328	88.8
Thrust on Market Dimension (OE4)	4.09	0.8002	81.8
Relationship with Stakeholders (OE5)	3.79	0.8377	75.8
Adaptability (OE6)	3.37	0.6583	67.4
Organisational Performance (PO)			
Financial Performance (OP1)	4.08	0.5927	81.6
Achievement of strategic goal(OP2)	3.28	1.1805	65.6
Sales growth and market share(OP3)	4.26	0.6680	85.3
Innovation &Quality Improvement (OP4)	4.32	0.5836	86.4
Image and reputation (OP5)	3.47	0.7500	69.4
Stakeholder satisfaction (OP6)	3.38	0.7811	67.6
Investment Decision Making (IDM)			
Past trends of stock (IDM1)	4.39	0.8354	87.8
Market information and search (IDM2)	4.26	0.5626	85.2
Risk associated with stock (IDM3)	3.93	0.8182	78.6
Immediate gain/ profit realisation (IDM4)	3.66	0.8018	73.2
High degree of safety (IDM5)	3.55	0.9125	71
Economic expectation (IDM6)	4.32	0.6960	86.4

In order to test the first three hypothesis (hypothesis 1,2 and 3), the analysis of variance (one-way ANOVA) test was conducted to examine whether there exists significant difference in the perception of respondents regarding organisation environment, organisation performance and investment decision making of investors. The result of one-way ANOVA is presented in Table-3. Firstly. in case of organizational environment, it was found that with p=0.017 which is below 0.05 (p<0.05) indicates that there is significant difference in the perceptions of respondents across managerial levels regarding organizational environment. Hence the null hypothesis is rejected. Secondly, in case of organisational performance, it was found that with p=0.044 which is below 0.05 ($p<0.05$) indicates that there is significant difference in the perceptions of respondents across managerial levels regarding organizational performance. Hence the null hypothesis is rejected. Finally, in case of investment decision making of investors, it was found that with p=0.000 which is below 0.05 ($p<0.05$) indicates that there is significant difference in the perceptions of respondents across managerial levels regarding investment decision making. Hence the null hypothesis is rejected.

Table-4: Result of One -Way ANOVA analysis

Variables		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Organisational Environment	Between Groups	.935	2	.468	4.136*	.017
	Within Groups	33.811	299	.113		
	Total	34.747	301			
Organisational Performance	Between Groups	1.781	2	.891	4.621*	.044
	Within Groups	57.408	299	.192		
	Total	59.189	301			
Investment Decision making	Between Groups	7.385	2	3.692	12.117*	.000
	Within Groups	91.114	299	.305		
	Total	98.499	301			

4.2 Relationship between Organisation environment and Organisation Performance

A Correlation analysis was conducted to find out the relationship between the six variables of organization environment with the variables of organization performance. The correlation matrix represented in Table-4 shows the linkage between organization environment and organization performance in a correlation matrix.

Table-5: Correlation between Different Variables of Organisational Environment and Organisational Performance

	OE1	OE2	OE3	OE4	OE5	OE6	OP1	OP2	OP3	OP4	OP5	OP6
OE1	1											
OE2	.487**	1										
	.000											
OE3	.578	.435*	1									
	.174	.000	000									
OE4	.546	.074**	.180*	1								
	.000	.000	.002									
OE5	.422	.443	.410	.309*	1							
	.703	.000	.000	.882								
OE6	.596	.404	.082	.555**	.253	1						
	.001	.000	.154	.000	.000							
OP1	.529*	.393*	.102	.421*	.537	.324	1					
	.000	.000	.078	.035	.000	.000						
OP2	.642	.490	.081	.404	.251**	.267	.611	1				
	.000	.000	.162	.000	.000	.004	.000					
OP3	.466	.333	.440**	.545	.463	.375	.362*	.081**	1			

	.000	.000	.000	.043	.000	.000	.000	.000			
OP4	.414	.280*	.297	.651	.444	.366*	.564	.175	.330**	1	
	.000	.000	.000	.377	.000	.000	.000	.000	.000		
OP5	.536	.365**	.254**	.474	.537	.516**	.542.	.330	.493	.423	1	
	.000	.004	.270	.000	.000	.000	.469	.000	.000	.064		
OP6	.462	.327	.202	.412*	.382**	.215	.251	.442	.575	.237*	.431**	1
	.005	.643	.000	.000	.000	.000	.000	.000	.000	.000	.000	

***. Correlation is significant at the 0.01 level (2-tailed), *. Correlation is significant at the 0.05 level (2-tailed)*

A perusal of the Table-5 reveals that there is a positive and strong relationship between many factors of organization environment and organization performance. Leadership of the organization has a strong relationship with thrust on people dimension (r=0.487) and is significant at one per cent level of significance. Thrust on people dimension has moderate and positive relationship with relationship with stakeholders (r=0.74) at one per cent level of significance. Similarly, achievement of strategic goals has a moderate and positive correlation with sales growth and market share (r=0.81) at one per cent level of significance. In six cases of relationship between variables of organization environment and organization performance, the relationship is strong and positive at one per cent level, such as thrust on people dimension and mage and reputation of an organization are strongly and positively correlated with a coefficient of 0.365. The other correlated variables at one per cent level are thrust on ethical dimension having a strong and positive correlation with image and reputation of a company (r= 0.254), relationship with stake stakeholders and achievement of strategic goals (r=0.251), correlation between relationship with stakeholders and stakeholder satisfaction (r=0.382), adaptability has a strong and positive relationship with image and reputation of a company (r= 0.516) at one per cent level of significance.

A further probe into the correlation matrix reveals that in six cases of relationship between variables of organization environment and organization performance, it is found to be strong. positive and significant and in few cases moderate, positive and significant at five per cent level of significance. Those six cases are between leadership and financial performance of the organization (r=0.529), thrust on people dimension and financial performance (r=0.393),thrust on people dimension and innovation and quality improvement (r=0.280) thrust on market dimension and financial performance, thrust on market dimension and financial performance of the organization (r= 0.421) thrust on market dimension and stakeholder satisfaction (r= 0.412), adaptability and innovation and quality improvement (r=0.366). In rest of the variables, there is a positive relationship between variables of organization environment and organization performance.

4.2 Effect of organizational performance on the investment decision of investors

The raw data was subjected to correlation analysis in SPSS. The following table represents the relationship between variables of Organization performance and factors of Investment decision making of investors through a correlation matrix.

Table-6: Correlation between Different Variables of Organisational Performance and Investment Decision Making

	OP1	OP2	OP3	OP4	OP5	OP6	IDM1	IDM2	IDM3	IDM4	IDM5	IDM6
OP1	1											
OP2	.411**	1										
	.000											
OP3	.362**	.701*	1									
	.000	.000										
OP4	.264	.775*	.730*	1								
	.088	.000	.000									
OP5	.342	.330*	.493*	.523	1							
	.469	.000	.000	.054								
OP6	.251**	.442	.575	.537*	.431**	1						
	.000	.056	.051	.000	.000							
IDM1	.372*	.080	.279**	.163	.558*	.544**	1					
	.021	.163	.000	.054	.041	.010						
IDM2	.310	.460*	.588*	.334	.549	.209	.401	1				
	.047	.000	.000	.057	.055	.088	.073					
IDM3	.232*	.251	.507	.451	.414	.278	.458**	.459	1			
	.000	.072	.055	.071	.124	.120	.000	.062				
IDM4	.257*	.130	.490	.138	.262	.138	.606**	.363*	-.521*	1		
	.000	.064	.092	.056	.086	.072	.000	.045	.008			
IDM5	.147	.210*	.245	.224	.555*	.461*	.262*	.216	-.643*	.229	1	
	.418	.000	.061	.077	.008	.024	.012	.098	.021	.134		
IDM6	.512*	.066	.362**	.402**	.465*	.345*	.536*	.466*	.436	.106	.403	1
	.000	.251	.000	.000	.033	.010	.047	.026	.059	.067	.051	

***. Correlation is significant at the 0.01 level (2-tailed), *. Correlation is significant at the 0.05 level (2-tailed)*

From Table 6, it is obvious that there is moderate, positive and significant relationship between sales growth and market share and past trend of the stocks with a coefficient of 0.279 at 0.01 level of significance. There is a strong, positive and significant relationship at 0.01 level of significance in three cases of relationship between variables of organization performance and Investment decision making of investors, such as between sales growth and market share of an organization and economic expectation of investors (r=0.362), Innovation and quality improvement and economic expectation of investors (r= 0.402), stakeholder satisfaction and past trend of stocks (r=0.544).Taking into account, the relationship between sub variables of Organizational performance, it is clear from the table that there is strong, positive and significant co-relationship at 0.01 level of significance between financial performance of an organization and achievement of strategic goal (r=0.411), financial performance and sales growth and market share (r= 0.362), innovation and quality improvement and stakeholder satisfaction (r =0.402), image and reputation of a company and Stakeholder satisfaction (r= 0.431).It is further found that the relationship between sub variables of Investor decision making at 0.01 level of significance is strong, positive and significant between past trend of stocks and risk associated with stock (r=0.458), as well as between past trend of stocks and immediate gain/profit realization (r=0.606). Considering the relationship between variables of organization performance and variables of investment decision making of investors at 0.05 level of significance, it is evident from the matrix that financial performance of the organization has strong, positive, significant relationship with past trend of stocks (r=0.372) and economic expectation of investors (r=0.512). Financial performance has moderate, positive, significant relationship with risk associated with stock (r=0.232) as well as with immediate gain/profit realization (r=0.257). Achievement of strategic goals at 0.05 level of significance has strong, positive and significant relationship with market information and search (r=0.460) and moderate, positive and significant relationship with high degree of safety (r=0.210). Sales growth and market share has strong, positive , significant relationship with market information and search (r= 0.588).Similarly image and reputation of an organization has strong, positive and significant relationship with past trend of the stock (r= 0.558) ,with high degree of safety (r= 0.555) and also with economic expectation of investors (r=0.465).Stakeholder satisfaction has strong, positive and significant relationship with high degree of safety of stocks (r=0.461) and economic expectation of investors (r=0.345). Analysing the relationship of the sub variables of Investment decision making, it is evident from the matrix that at 0.05 level of significance, the past trend of stocks as moderated, positive and significant relationship with degree of safety of stocks (r=0.262) and strong, positive, significant relationship with economic expectation of investors (r=0.536). Market information and search as strong, positive and significant relationship with economic expectation of investors (r= 0.466). Similarly, risk associated with stock as a strong, negative and significant co-relationship with immediate gain /profit realization (coefficient being -0.521) and also with high degree of safety (coefficient being -0.643) at 0.05 level of significance.

4.3 Effect of Organization performance on Investment decision making of investors:

Table -6 exhibits the regression results analysing the effect of organisational performance on investment decision making (IDM) of investors. The result of the analysis indicating the variation caused by explanatory variables in IDM value is statistically significant and cannot be left to chance. It is also worth mentioning that there is no serial correlation as shown by the Durbin-Watson test. The value of "F" in the regression model is 104.097, which is significant at five percent level reflecting a relevant model appeared from the regression analysis. The value of the adjusted R-Squared is 0.673, which point to that the total deviation in IDM is explicated by six explanatory variables taken together. The remaining 32.7 percent deviation in the response variable is on account of other factors. It is interesting to observe that financial performance, achievement of strategic goal, sales growth & market share and stakeholder satisfaction have positive regression coefficients that shows that there is a direct and significant relationship between these set of independent variables with the dependent variable i.e., investment decision making. This means the investment decision making of investors are significantly influenced by these four variables of organisational performance. On the other hand, two remaining variables such as innovation and quality improvement; image and reputation; although have positive regression coefficients, but do not seems to significantly influence the investment decision making behaviour of investors.

Table-6: Effect of Organisational Performance on Investment Decision Making

	Coefficients		Standardized Coefficients	't'value	Significance	Collinearity Statistics	
	B	Std.Error	Beta			Tolerance	VIF

(Constant)	1.294	.314		4.116	.000		
Financial Performance (OP1)	.258	.049	.318	3.17*	.043	.414	1.418
Achievement of strategic goal (OP2)	.136	.028	.220	3.80*	.000	.320	1.121
Sales growth and market share (OP3)	.223	.096	.176	3.34*	.001	.086	1.623
Innovation & Quality Improvement (OP4)	.102	.123	.104	.824	.411	.069	1.543
Image and reputation (OP5)	.167	.095	.058	.706	.481	.070	1.217
Stakeholder satisfaction (OP6)	.403	.094	.151	2.89*	.000	.066	1.168
R Squared=0.679, Adj. R Squared=0.673, 'F' Value =104.097* at p-value=0.000, D-W test=1.804							

5.0 Conclusion

The research finding highlights that there is significant difference in the perception of respondents regarding Organization environment, Organization performance and Investment decision making. The difference in perception may be due to various factors which the study has not looked into. It was found that there exists strong to moderate and positive correlation between the variable of organization environment and organization performance. In other words, it can be said with assertion that a firm's Leadership can steer the firm in the right direction. The intent, belief can help in shaping policies and practices. Every major policy or initiative is shaped by the will of the top management. Hence if the leadership lays emphasis on development and growth of employees, maintaining an open communication climate, displays empathy towards their challenges, devices employee friendly measure and involves employees in decision making, it can help to augment employee productivity and create better corporate image too. Similarly laying emphasis on market dimensions like the need of customers, quality of products and service, communication and building good relationship with customers, optimal pricing and promotion can help the organization to improve sales. Taking care of environmental sustainability measures, ethical practices in production and people management assists organization to improve stakeholder satisfaction and increase sales and reputation too. Conscientious and consistent efforts to interact, communicate, take all stakeholders on board are fruitful for enhancing the organisational performance. To counter and adapt to unpredictable situations in the external environment, it is necessary for Leadership, people and processes to be flexible to accommodate the changing needs. It was further found in the research that there exists a positive relationship between various factors of organization performance and investment decision making. An organizations financial factors, sales and market share, extent of stakeholder satisfaction, plays credible roles in shaping the perception of the retail investors to invest in its stocks. However, it is found that investors are vigilant about the past trend of stocks, try to find out information regarding the companies from various sources like annual report, their peers, websites, stock market, newspapers and also stock brokerage firms before deciding to invest. The research brought out the fact that there is tremendous effect of organizational performance on investment decision making of retail investors.

6.0 Scope for future research:

The present study has only taken retail investors from the executives of steel industry in Odisha. There is ample scope for future research to delve into other sectors. The research has employed certain factors that was felt relevant on the basis of previous studies and present contingency. Future research may look into areas which may be more diverse and the elements of contingency may be different. Future research may further try to find out through other research instruments the differences in the perception across various sectors and across various parts of India or across countries as well. There can be scope for research in finding out the difference in investment decision making based on different demographic factors too.

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