

ORGANIZATIONAL CULTURE IN SERVICE SECTOR AN EXPLORATION

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ORGANIZATIONAL culture has attained the shape of a critical lever in the success chain for the organizations. Appraisal of culture through the eyes of its own employees enables the company to consolidate the strengths and overcome the weaknesses. The present study tests the variations in the perception of employees at different hierarchical levels towards the prevailing organizational culture. The study has shown that organizations having a strong/open culture performs better than the organizations having a weak/close culture. A significant difference in the perception of role incumbents across strata for all the dimensions has also emerged. The study has revealed that the organizational culture does affect the organizational and the individual performance.

Introduction

In the present scenario, industrial managers are well aware about the need to elicit the best efforts from employees towards the achievement of organizational goals. With the steady increase in the number of multinational corporations, the nature of business in today's global market require people of different nationalities and cultural background to work together. Therefore, to compete in the global market, it is important for the business managers to distinguish among values held in various cultures and imbibe them to stay in the complex corporate culture. Organizational theorists and corporate leader have produced voluminous material on organizational culture and its offspring-symbol, language, ideology, belief, ritual, and myth (Pettigrew, 1979). Organizational culture one of the latest concepts in the field of management and organization theory has derived metaphorically from the idea of "cultivation of soil". As human beings, we are continually activating the process of culturing, that is, producing and reproducing social realities in the ways that are liberating, inhibiting, puzzling, boring or exciting (Smircich, 1983). Kroeber and Kluckhohn (1963) identified 164 different meanings of the term 'culture' that have been used in anthropology and sociology. Business and industrial organizations are human organizations and just as in families, children absorb culture from their parents and/or other elders; employees in organizational settings absorb the culture from their managerial leaders and other seniors and/or peers. This implies that when individuals join an organization, they join the way of life or the culture of that organization. In addition, this organizational culture provides many opportunities for shared assumptions, priorities, meanings and values to the organization members. Top management people and management theorist have come to appreciate the power of organizational culture in guiding employee behaviour on the job within the company.

Organizational performance has been related with the type of culture an organization has such as an open culture/strong culture or a close/weak culture. Some organizational cultures are labeled, 'strong' and others 'weak'. A strong culture is characterised by the organization's core values being both widely shared and intensively held. The more the members accept the core values and the greater the member's

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commitment to those values, the stronger will be the culture. Those core values are expressed as decisions and actions on appropriate occasions. The degree of sharedness is affected by two main factors – ‘orientation’ through training programs, and ‘rewards’ (Pareek, Rao and Pestonjee, 1981). The degree of ‘intensity’ is the result of the reward structure. When organization members realize that they will be rewarded for performing or acting according to the espoused core values of the organization, their desire to do so increases (Luthans, 1989). Also a ‘weak’ culture may exist where important assumptions or values are not widely shared in an organization, but vary from individual to individual or unit to unit. Founders and the policy makers create a culture in the organization where people would be most productive and effective. The leaders and the policy makers form a core group to create the cultural values, norms and the climate needed for the success. All the members of the organization try to maintain an open/strong culture by sharing the core values. Open and close cultures have their impact on employee behaviour. If the employees of the organization accept the core values, they would have greater commitment leading to open/strong culture. It reflects a very high agreement among the members about what the organization stands for. The culture is transmitted through the process of socialization where employees come to know about its structure, processes, system, norms and expected behaviour pattern. Culture is transmitted through stories (narrative events about the founders and success stories), rituals (repetitive sequences of activities expressing the core values), languages, symbols and gestures.

The Concept of Organizational Culture

Efforts to arrive at a perfect definition of organization culture would be akin to the attempts of the blind men in the *Sufi* story, who deciphered the elephant in their own way by touching the different limbs of the animal.

- Kroeber and Parsons (1958) define organizational cultural as the transmitted and created content and patterns of values, ideas and other symbolic meaningful systems which shapes human behaviour.
- Bares and Posterwood (1979) define organizational cultural as a pattern of behavior handed down to members of a group by the previous generation.
- Deal and Kennedy (1982) define it in simplistic fashion, as the way people do things around the organization.

Thus the meanings of organizational culture as viewed by the different scholars suggest that organizational cultural is a pattern of basic assumptions, invented, discovered, or developed by a given group wherein the members learn to cope with its problems of external adaptation and internal integration. It has worked well enough for validity and therefore need to be taught to new members. In fine the Culture can be expressed better by “OCTAPACE”.

O – Openness (communication channel open in nature, free authority)

C – Co-operation (cooperation between employer and employees)

T – Trust (mutual trust among shareholders, management, & employees)

P – Proactiveness (“Thinking ahead of times”)

A – Authensity (exchange of ideas, thoughts, information)

C – Collaboration (team collaborations)

E – Exploration (explore continuously)

From the above explanation, we can conclude that the organizational culture as an outcome of perception, is the result of interaction between the individuals and the environment, and hence is influenced by the nature of people involved as well as the setting. In this study, the main elements, which constitute the culture of an organization, are the following:

- **Organizational Philosophy** - It is defined as the manifested core values practised in the industry as received by its employees.
- **Group Norms** – These are the set standards of behavior to be adhered to by the employees within their department.
- **Team Work** – It refers to the degree the employees perceive practices of mutual dependency between poor group members of the organization.
- **Management Support** – It refers to the extent to which superiors are accessible to their subordinates, to the extent superiors provide clear communication to their subordinates and to the extent to which superior accommodate new ideas of their subordinates.
- **Organization of Work** – It is defined as the degree to which superiors creates job objectives and performance expectations for their subordinates and provides challenging jobs to them.
- **Reward System** – It refers to the benefits that flow from the work including pay, promotion, status and other visible perquisites.
- **Decision Making** – It is defined as the degree to which decisions related to employee’s jobs are taken, after wider consultation with employees across the strata within the organization/department.
- **Conflict Management** – It refers to the degree to which employees are encouraged to speak up conflicts related to their life within the organization, without undue fear of being punished by superiors and to the extent to which superiors resolve conflicts within the organizations.

Hence keeping in view the above-mentioned elements of organizational culture the present study has been carried out by applying a well thought methodology as detailed in the ensuing section of the study.

Objectives of the Study

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1. To explore the exact nature of prevailing organizational cultural.
2. To examine the variations in employees’ perception regarding the organizational cultural in their respective institutes.
3. To make a comparative analysis of organizational cultural in the public and private corporate sector.
4. To suggest workable suggestions for a healthy organizational culture to enhance competitiveness.

Research Design and Methodology

The present examination has been conducted in eight organization operating in Northern India comprising of an equal number of public and private sector organizations. These organizations, which would presumably cause the evolution of different types of culture, are operating in the industrial sectors as shown in the Exhibit-I:

Exhibit-I: The Sample Organisations

Sector	Service Organisations	
	Banking	Insurance
Public Sector	Indian Overseas Bank Syndicate Bank	Oriental Insurance Corporation of India Ltd. New India Assurance Limited
Private Sector	IDBI Bank ICICI Bank	ING Vyasa Insurance Ltd. Max New York Insurance Ltd.

Because the aim of this research has been to present an exploratory study of different kind of culture prevalent in organizations hence to witness the present state of organizational culture, the authors visited all units selected for this study and collected the necessary information about the employees in the organization. A stratified random sampling has been applied by separating the universe into non-overlapping strata viz. the workers, the supervisors and the managers. A sample of 430 employees across the three strata has been surveyed in the ratio of approximately 3:2:1 respectively. The sample size of each stratum has been workers–208, supervisors-150, and managers–72. It would be worth mentioning here that the clerical or operative level staff has been taken as the workers in order to differentiate the three strata of employees.

Tools and Data Analysis

The questionnaire method has been adopted consisting of a pool of 41 items that measures the eight dimensions of organizational culture. All the items of the questionnaire were worded in behaviorally – observable statements. The Likert’s five point scale, with (1) being strongly disagree and (5) being strongly agree is used for 41 items of organizational culture. The Likert scoring system has been applied to each item. If all these items were rated positively, a high score would result indicating a ‘open/strong’ culture and *vice a versa*. The Likert’s scoring system weights for each items range from one to five.

Major Findings

Nature of Organizational Culture

Analysing the nature of organizational culture calls for studying the mean scores attained by the organizations on different statements of culture and the Table 1 throws light on the nature of the culture in these organizations. The Max New York Insurance Ltd. secured highest mean score on culture while the New India Assurance Ltd. secured the lowest mean score on culture. It shows that those organization having highest score, have open/strong culture. While comparing the man scores within the insurance sector, private sector insurance companies have witnessed a much open culture in contrast to public sector insurance companies. In comparison to insurance sector, banking sector behold open culture. Hence, the organizations having lower mean score on culture requires further improvement for making their culture more open to challenge the stiff competition posed by the globalisation process.

Table 1: Mean Score on Culture in Sample Organizations

S. No.	Organisations	Mean Score
1.	Indian Overseas Bank	3.02
2.	Syndicate Bank	3.29
3.	IDBI Bank	3.33
4.	ICICI Bank	3.42
5.	Oriental Insurance Corporation of India Ltd.	2.99
6.	New India Assurance Ltd.	2.96
7.	ING Vyasa Insurance Ltd.	3.22
8.	Max New York Insurance Ltd.	3.90

Employees’ Perception of Organizational Culture

Employees’ perception of organizational culture depicts the variations in their views while working at different managerial levels. It is foregone that the perception of a senior may not match the perception of a subordinate due to the exercise of different authorities and varied type of accountability.

To what extent their views varies from each along with its organizational implications has been shown as per Table 2.

Table 2: Strata-wise Perception of Organisational Culture

S. No.	Dimensions of Culture	Managers (n=72)		Supervisors (n=150)		Workers (n=208)	
		Mean	SD	Mean	SD	Mean	SD
1.	Organizational Philosophy	58.33	6.97	49.27	4.10	53.83	3.74
2.	Group Norms	52.64	6.29	55.45	4.62	50.24	3.49
3.	Team Work	53.92	6.44	52.64	4.38	52.48	3.65
4.	Management Support	53.28	6.37	49.25	4.00	51.20	3.56
5.	Organization of Work	52.64	6.29	52.41	4.36	53.60	3.73
6.	Reward System	55.68	6.66	50.55	4.21	53.12	3.69
7.	Decision Making	50.56	6.04	48.20	4.01	48.32	3.36
8.	Conflict Management	48.80	5.83	51.06	4.24	49.92	3.47

Table 2 elucidates dimension-wise clear picture of the perceived organizational cultural scores of the respondents. The workers and the supervisor have been found agreeing to the management practices based upon the organizational philosophy. They are supportive of seniority based promotion practices of the organizations. They also appreciate the approach the superiors recognize their contribution towards organizational growth. On the contrary, the managers have registered lower amount of satisfaction with the prevailing promotion policy, as they allege the ignorance of meritorious work performance in favour of seniority in job tenure. In addition, the managers feel aggrieved that they have no forum to voice their work life grievances, since they are not permitted to form employees' union. A common concern of all the three strata of employees is directed towards the dismal management of conflicts prevalent in the organizations. The employees across the strata perceive that the management mostly disregards their suggestions pertaining to work, during decision-making. The top men of the organizations take most of the decisions whether they are serious or trivial, and all the employees irrespective of their seniority are expected the strict implementation the decisions made at the top. Because of this centralized system of decision-making, the managers are not willing to take even work related decision; due to their apprehension of less or no support from the top management for their decisions. Group norms are often adhered to by the workers, whereas, they are not the strong points of the supervisors and the managers. The managers agree that they would earn disapproval of their group members if they do their work sloppily. However, the group norms forbid the workers from producing more units of work than the already accepted quantum. We cannot conclude that the workers do not produce more than the required units of work; rather many times, they do produce more units of work on conditional basis.

Sectoral Comparison of Organizational Culture

This section of the study unravels the sectoral comparison of organizational culture. On different dimensions of organizational culture how do the service organizations operating in public and private sector differ from each other has been shown as per the Table 3. The table shows the scores for each dimension of culture with respect to the public and private sector organizations. For computing these dimensional scores, the mean scores of the organizations like IDBI, ICICI, ING Vyasa Insurance and Max New York Insurance Ltd. are taken to obtain the mean score in the Private Sector. Same procedure is carried out to obtain the mean scores of each dimension for the

Table 3: Sector-wise Mean Score on the Dimensions of Organisational Culture

S. No.	Dimensions of Culture	Public Sector (n=4)	Private Sector (n=4)
1.	Organisational Philosophy	3.19	3.54
2.	Group Norms	3.14	3.25
3.	Team Work	3.16	3.43
4.	Management Support	3.01	3.24
5.	Organisation of Work	3.20	3.41
6.	Reward System	2.88	3.24
7.	Decision Making	3.20	3.41
8.	Conflict Management	2.89	3.13

public sector organizations i.e. Indian Overseas Bank, Syndicate Bank, New India Assurance Ltd., and Oriental Insurance Corporation of India Ltd.

The Table 3 reveals that on the dimensions of the culture though the differences do not seem to be much significant yet the data speak of reasonably performing culture in private sector. On all the eight dimensions of culture, score of the public sector organizations are lower when compared with the private sector organization, which reveals that in the private sector the culture is more open/strong than in the public sector service organization. However, the overall organizational culture in the service sector can be considered more open/strong except the dimensions of reward and conflict management more particularly in the public sector.

Suggestions

Based upon the findings of the study, we offer the following suggestions for ensuring a continued and open/strong organizational culture in the service sector organizations:

- It is rightly observed that no matter how good the idea of a person may be, there is always a better one for the organizational decision-making. This comment is particularly important for service sector as the optimum utilization of human resources is the crux of organizational and individual excellence. Effective management implies that superiors develop and empower their subordinates, by providing them with relevant information, training, support and feedback and by giving them adequate space to make decisions related to problems that come under their jurisdiction.
- The top management or the managers should never encourage inter-group rivalry within the employees union rather the top management should encourage the employees to bring out their conflicts into the open forum. It should give assurance to the employees that the conflicts will be resolved with their participation. The top management should also required to pay special attention to hold regular meetings with the office bearers and the committee member of the employees' union, so as to find out effective ways of checking indiscipline among the employees within the organization. The implementation of this suggestion is of vital importance to the survival and growth of the organizations.
- The employees ought to identify themselves with the purpose and philosophy of their organization. It may be seen that "celebration of significant events" could inspire the employees to be conscious and proud of the contributions they make to the organization.

A few productive celebrations are mentioned there:

- (a) The employees recognize 'Quality Circles' celebrations as symbolic acts of management support for

innovative ideas and activities. The top management could distribute prizes to encourage and innovative quality circles members, in a public function within the organization.

- (b) Whenever some significant events such as the achievement of high sales target takes place, congratulatory celebration could be held in the organization. Such celebrations are seen as conveying a powerful message to the employees that the company recognizes and appreciates the contribution of its employees. Once this message passes around, the employees are likely to develop a great amount emotional sensitivity towards the organization.
- Organizational culture is an important predictor of employees' job performance, success, and organizational performance. Organizations having strong/open culture show better financial performance, and people share a set of core values created and nurtured by its leaders. Therefore, organizations should try to develop and maintain a strong/open culture by following certain practices such as recognition and promotion of individuals who perform their job well.
 - The custom of awarding those employees who have put in 15 years and 25 years of service in the organizations and conducting celebration for the retired employees could be organized meaningfully as a mark to recognize the contribution and loyalty of the employees.
 - To sustain in the competitive environment, to overcome the technological complexities and to develop a performing organizational culture for present and future suitable Organizational Development programmes specifically tailored to the organizational needs and requirements should be organized on continuing basis.

Conclusion

The business milieu of future seem to witness mounting instability and to balance the local demands and global challenges the economies will have to rely more on the service sector due to its being the fastest growing sector witnessing an annual growth of 8% per year. In such a precarious, situation to sustain and be competitive the organizations will have to have performing organizational culture. As the interactive aggregate of common characteristics that influence a human group's response to its environment, culture has strong links with organizational performance. However, the managers and the consultants should find it feasible to diagnose organizational culture through standardized survey procedure and effect appropriate culture changes to bring about the survival and growth of the organization as the organizational culture has been increasingly thought of as a variable solution for many complex problems that beset organizations. The service sector organizations aspiring to be market leader must endeavour to improve and enhance their positive and performing culture.

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