CHAPTER – I
INTRODUCTION

1. Introduction

Hotel industry is one of the most rapidly growing industries in India. Keeping in mind the increasing competition the hotel managers are working hard on their strategies and improvisation of services to maintain the competitive edge. Being one of the largest industries in the country Hotel industry also employees’ large number of human resources. Hotel industry is a service industry as most of the facilities provided by the hotel are required to be supported by touch of personalized service which is done by the employees. Directly or indirectly the performance of a hotel organisation depends upon the human resources. Here comes the existence of organisational behaviour as an area of study under the subject of Human Resource Management. The study of organisational behaviour relates to the expected behaviour of individual, group or both within an organisation. The attitude and behaviour of hotel staff (individual, group or both) towards other in the organisation becomes a key factor for the performance of the hotel organisation. The behaviour of the hotel employees is further related to the existing work culture also known as organisational culture of the hotel organisation.

Globalization, technological advancement and desire of hotel managers to perform as best in the field have increased competitiveness and resultant stress. It has become critical and difficult to control human behaviour and channelizing it into correct direction. It is a general ongoing application practiced by managers in hotels to modify organisational structure, utilize motivational theories, use varied leadership styles to facilitate positive working environment which will lead to the formation of strong organisational culture, employee satisfaction and organisational performance and growth. Due to scientific advancement managing human resources is more challenging. It has been identified that every individual (employee) wants to live a well-balanced life, which consist moving towards next higher level life style. The social obligations have multiplied; individuals look for increased purchasing power. The individuals (employees) expect all their wishes to be fulfilled by their employment. This situation has led to designing an appropriate organisational
culture and environment of managing human behaviour in varying conditions. There is no specific study for this purpose in the hotel industry. There are however standard studies of organisational culture that can be utilized for the purpose depending upon the situation and applied in work settings. But it is important to see how organisational culture can help a hotel organisation to fulfill employee satisfaction and at the same time increase the organisational performance.

The problem in the research topic is analyzed as the impact of organisational culture on organisational performance in hotel industry. Hotel industry is one of the few industries in the world that has to depend upon human resources for its full functionality. The performance of the human resource leads to the organisational performance. The organisational culture of the hotel organisation has an effect on the working of human resource. The study is made to find out if organisational culture has any impact on the performance of the hotel organisation.

1.1 Introduction to tourism & hospitality industry

Word ‘travel’ originates from the French word travail, which means ‘toil and labor’. Prehistoric people moved about in search of food and shelter, there travel were by no mean pleasant. But today travel becomes comfortable which provide pleasure and entertainment. French civilization describes the hospitality (Hospitalite) as the practice of being hospitable, the reception and entertainment of guest and visitors with liberty and goodwill. The Latin civilization explains that the hospitality (hospitalitias) implies the generous reception and gracious entertainment of guests.

Webster Dictionary defines tourism “a tour in which one returns to the starting point, a circle trip usually made for business, leisure or education during which many destinations are visited and for which a tour program is actually planned.” Hunziker and Krapt (1942) state that “Tourism is the sum of phenomenon and relationships arising from the travel and stay of non-residents, in so far as they do not lead to permanent residence and are not connected with any earning activity.” According to tourism society of Britain “Tourism is a temporary short term movement of people to a destination outside the place where they normally live, work, and activities during their stay at destinations.”
According to the WTO/United Nations Recommendations on Tourism Statistics, “Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes”. Tourism is the sum total of operations, mainly of an economic nature, which directly relates to entry, stay and movement of foreigners inside and outside a certain country, city or region. Bhatia (1982), defines tourism is a composite phenomenon which embraces the incidence of a mobile population of travelers who are stranger to place they visit.

Hospitality means providing the services which make the customer feel welcome through the ambience, the quality of staff service, warmth, the contribution to the comfort factor. The Oxford Dictionary defines hospitality as reception and entertainment of visitors, strangers and guests with liberality and goodwill. Palmer (1992) defines social hospitality as a “process involving socially described rituals such as invitation, cheerful entertainment, faithful protection and courteous departure.” The Joint Hospitality industry Congress defines hospitality as ‘The provision of food and/or drink and/or accommodation away from home.” Angelo and Vladimir (2001) first of all realized that the question ‘what is hospitality’ is not an easy one. They however found four different sectors that make up the hospitality industry, namely: lodging, food, entertainment and travel. Of late, due to development of commerce, trade, industry, socio-economic growth, transportation, means of communication and subsequently development of tourism and hotel, the concept of hospitality has changed from social to commercial.

Tourism and Hospitality Industry has a wide framework. Tourism doesn’t exist in isolation. It has certain basic component popularly called as 4 A ’swich are namely Attraction, Accessibility, Accommodation and Auxiliary Services.

Tourism and Hospitality Industry includes:

- Travel: Airlines, Cruise ships, Rail coach, Automobile, Ecotourism etc.
- Lodging: Hotels, Motels, Resorts etc.
- Entertainment and Recreation: Attraction, Gaming, Parks, Club, Casino etc.
- Fairs and Festivals
- MICE & others: Meetings, Incentives, Conventions/Conferences, Events/Exhibitions, Banqueting etc.
- Food and Beverage Outlets: Commercial Catering includes Restaurants, Take away, Drive Thru, Pubs etc. and Welfare Catering includes Hospital Catering, Defense Catering, Institutional meal.

1.2 Tourism and hospitality industry in India

The Indian travel and tourism industry has contributed 7,580.9 billion US dollars or 9.8% to the global GDP in the year 2014 and is expected to grow by 3.7% to 7,863.5 billion, 9.9% of global GDP in 2015 (WTTC, 2015). According to Ministry of Tourism (2015) in the annual report states that FTAs in India in 2014 were 7.70 million compared to 6.96 million in 2013 showing a growth of 10.6% which is much higher than 4.7% the global figure. Further the estimates indicate that the foreign exchange earnings (FEE) had a growth of 11.5% from 2010, 12 billion dollars. Total hotel room supply in India till 2011 is 1,63,038 rooms and the country would need additional 1,88,500 hotel rooms by 2021 (HVS, 2012). In another survey (HVS, 2014) stated in the survey that the hotel room supply grew by nearly 17.8% in 2010-14, growth in demand grew by 17.6% during same period. Supply and nationwide occupancy grew by 1.1% over that of 2012/13. The growth in occupancy, despite a double digit growth in supply, signals the strength of the hotel industry in India. However, as hotels focused on improving occupancies, average rates witnessed a slight drop (1.4%) over that of the previous year. The study also expects the number of hotel rooms in India to increase by 102,438 by 2015-16. South Asia, led by India, and the Middle East, were the fastest growing regions globally in terms of Travel & Tourism’s total contribution to GDP. Europe’s growth was weakest but its performance is improving. In terms of visitor exports, Europe out-performed North America in 2014 and is forecasted to continue to do so in the
medium-term given the strength of the US dollar. With the exception of parts of Asia where there has been a notable economic slowdown in recent years, such as in China, and Latin America where domestic economic weaknesses abound, all major regions recorded faster growth in Travel & Tourism’s total contribution to GDP in 2014 compared to 2013 (WTTC, 2015).

The Indian tourism and hospitality industry has materialized as one of the key drivers of growth among the services sectors in India. It contributes to 6.23 percent to the National GDP and 8.78 percent of the total employment in the country. Constant transformation, functional growth and improving standards have gained the hospitality industry of India approval all over the world. Tourism in India has generated immense employment opportunities and is a vital source of foreign exchange for the country. The travel and tourism industry contributed Rs 2.17 trillion (US$ 36 billion) or 2 per cent to the country's gross domestic product (GDP) in 2013. The figures are expected to rise to Rs 4.35 trillion (US$ 72.17 billion) by 2024. The revenue from domestic tourism is likely to grow by 8.2 per cent in 2014 as compared to 5.1 per cent a year ago, according to the World Travel and Tourism Council (WTTC, 2015). The Indian hospitality sector has been growing at a cumulative annual growth rate of 14 per cent every year adding significant amount of foreign exchange to the economy. The Travel and Tourism Competitiveness Report of 2013, published by World Economic Forum (WEF), India, stated that the ranking of India is 11th in the Asia Pacific region and 65th in the World Travel and Tourism Competitiveness Index 2013. As per the Planning Commission, the sector creates more jobs per million rupees of investment than any other sector of the economy. It is capable of providing employment to a wide spectrum of job seekers, from the unskilled to the specialized, even in the remote parts of the country. The sector’s employment-generation potential has also been highlighted by the World Travel & Tourism Council (WTTC), which says India’s travel and tourism sector is expected to be the second-largest employer in the world, employing approximately 50 lakh people, directly or indirectly by 2019.
Foreign Tourist Arrivals (FTAs) in India from 2004-2014 is shown in Table 1.1 which shows that the number of FTAs increased in the country throughout the period except for the year 2009 when the number of FTAs decreased by 2.2% compared to 2008 figure of 5.28 million which was 5.17 in 2009.

Table 1.1 Foreign Tourist Arrivals in India during 2004-2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Number (millions)</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>3.46</td>
<td>26.8</td>
</tr>
<tr>
<td>2005</td>
<td>3.92</td>
<td>13.3</td>
</tr>
<tr>
<td>2006</td>
<td>4.45</td>
<td>13.5</td>
</tr>
<tr>
<td>2007</td>
<td>5.08</td>
<td>14.3</td>
</tr>
<tr>
<td>2008</td>
<td>5.28</td>
<td>4.0</td>
</tr>
<tr>
<td>2009</td>
<td>5.17</td>
<td>-2.2</td>
</tr>
<tr>
<td>2010</td>
<td>5.78</td>
<td>11.8</td>
</tr>
<tr>
<td>2011</td>
<td>6.31</td>
<td>9.2</td>
</tr>
<tr>
<td>2012</td>
<td>6.58</td>
<td>4.3</td>
</tr>
<tr>
<td>2013</td>
<td>6.97</td>
<td>5.9</td>
</tr>
<tr>
<td>2014</td>
<td>7.70</td>
<td>10.6</td>
</tr>
</tbody>
</table>


Foreign Exchange earning in India from 2004-2014 is shown in Table 1.2. In 2009, share of India in International Tourism receipts was 1.24% and India was on 22nd rank in world tourism receipts, while in 2008 India’s share was 1.24% and ranked 23rd.
Table 1.2 Foreign Exchange Earning in India during 2004-2014.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (US$ million)</th>
<th>% change</th>
<th>Amount (crores)</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>6170</td>
<td>38.2</td>
<td>27,944</td>
<td>34.8</td>
</tr>
<tr>
<td>2005</td>
<td>7493</td>
<td>21.4</td>
<td>33,123</td>
<td>18.5</td>
</tr>
<tr>
<td>2006</td>
<td>8634</td>
<td>15.2</td>
<td>39,025</td>
<td>17.8</td>
</tr>
<tr>
<td>2007</td>
<td>10729</td>
<td>24.3</td>
<td>44,360</td>
<td>13.7</td>
</tr>
<tr>
<td>2008</td>
<td>11832</td>
<td>10.3</td>
<td>51,294</td>
<td>15.6</td>
</tr>
<tr>
<td>2009</td>
<td>11136</td>
<td>-5.9</td>
<td>53,700</td>
<td>4.7</td>
</tr>
<tr>
<td>2010</td>
<td>14193</td>
<td>27.5</td>
<td>64,889</td>
<td>20.8</td>
</tr>
<tr>
<td>2011</td>
<td>16564</td>
<td>16.7</td>
<td>77,591</td>
<td>19.6</td>
</tr>
<tr>
<td>2012</td>
<td>17737</td>
<td>7.1</td>
<td>94,487</td>
<td>21.8</td>
</tr>
<tr>
<td>2013</td>
<td>18445</td>
<td>4.0</td>
<td>1,07,671</td>
<td>14.0</td>
</tr>
<tr>
<td>2014</td>
<td>19756</td>
<td>6.6</td>
<td>1,20,083</td>
<td>11.5</td>
</tr>
</tbody>
</table>


Factors Responsible for Growth

- Rising income in households
- Increase in niche tourism such as eco-tourism, luxury tourism and medical tourism
- Tourism and hospitality sector attracted second highest Foreign Direct Investment (FDI) i.e. US $3.2 billion in the year 2013
- 100 percent FDI allowed through automatic route in hotel and tourism sector
• Diversity of the country attracts an ever increasing number of tourists every year
• Government initiatives in improvement of infrastructure like airports, highways, ports and railways
• India is a labor intensive country
• India has been ranked as the fourth most preferred travel destination by Lonely Planet selecting the country among the top five destinations from 167 countries.

Employment Opportunities

The hospitality industry is a labor intensive one and India has a large concentration of English speaking individuals, which prove as a catalyst in advancement and prosperity of the industry. Besides the regular jobs of a travel agent, tour guide, air hostess, chef, waiter and managers other opportunities await those who are keen on taking up a job in the sector. The new trends that have been emerging off late are as follows:

• Cruise Ship Management
• Club Management and Recreation and Healthcare Management
• Airline Catering and Cabin Service
• Hotel Tourism and Association
• Fast Food Joint Management and Restaurant Management
• Beverage, food and confectionery production
• Institutional and Industrial Catering and
• Government owned catering departments like armed forces mess, ministerial conventions and railways services.

The Indian economy is opening up its horizons as it continues to integrate with the world economy. Therefore, the advantages of conducting business with and in India are many. This has led to the maneuvering of variety of jobs to the shores of India, bringing in its wake transit travellers, business travellers, business meets and holiday seekers. The Government of India and the Ministry of Tourism have contributed significantly to the growth and development of the industry by providing various policy measures, tax incentives and infrastructural support such as:
• Promotion of rural tourism by Ministry of Tourism in collaboration with the 
United Nations Development Program
• Availability of Medical Visa for tourists coming into the country for medical 
treatment
• 100 percent FDI allowed through automatic route in hotel and tourism sector
• Insurance of visa on arrival for tourists from select countries like Finland, 
Japan and New Zealand
• Capital subsidy programs for budget hotels
• Elimination of customs duty for import of raw materials, equipment, liquor 
etc.
• Five-year income tax holidays for 2-4 star hotels established in specified 
districts having UNESCO-declared World Heritage Sites.

1.3 Indian Hotel Industry Performance

Existing Supply: In 2013/14, the overall weighted occupancy across categories 
(58.9%) increased by 1.9% over 2012/13; however, average rate (5,531) dropped by 
4.3% over the previous year resulting in a decline in RevPAR by 2.5% to 3,260 in 
the same time period. Moreover, hotels across all categories witnessed a year-on-
year increase in weighted occupancy, except for the four-star segment, which 
registered a marginal decline of 0.1%. On the other hand, weighted average rate 
across all categories exhibited a decline apart from the two-star segment, which 
grew by 7.7%. Consequently, the nationwide RevPAR decreased in 2013/14 with 
the four-star segment registering the maximum decline (5.9%), followed by the five-
star deluxe segment (1.7%) and three-star segment (1.5%). This downswing could 
be attributed to these three categories adding close to 65% of the new supply in 
2013/14. After registering a drop of approximately 2% in 2012/13 over 2011/12, the 
two-star category registered the highest RevPAR growth in 2013/14 (12.7% over the 
previous year), owing to roundly 8% annual increase in average rates, highlighting 
the acceptance of branded economy and budget hotels across the country. 
Nationwide existing supply recorded 103,855 rooms as of 31 March 2014, an 
increase of around 10.2% (9,600 branded rooms) over the previous year. NOIDA 
(including Greater NOIDA) showed the highest increase in supply in 2012/13 over
the previous year (33.1%). This is primarily owing to the small base of hotels in this market. Furthermore, both Pune and Bengaluru witnessed similar growth in supply (15.8% and 15.7%) followed by Gurgaon (13.8%), Chennai (12.2%) and Ahmedabad (12.1%), while Mumbai (1.7%) saw the least (HVS, 2014).

Table 1.3 Proposed Branded Hotel Rooms across Major Cities (2013/14 – 2018/19)

<table>
<thead>
<tr>
<th>City</th>
<th>Existing supply (2013-14)</th>
<th>Proposed supply</th>
<th>Increase in future supply</th>
<th>Active Development of supply</th>
<th>Luxury</th>
<th>Upscale</th>
<th>Midmarket</th>
<th>Budget</th>
<th>Extended Stay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agra</td>
<td>1293</td>
<td>990</td>
<td>77%</td>
<td>82%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>82.4%</td>
<td>17.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Ahmedabad</td>
<td>2777</td>
<td>1372</td>
<td>49%</td>
<td>86%</td>
<td>0.0%</td>
<td>43.4%</td>
<td>43.5%</td>
<td>0.0%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Bengaluru</td>
<td>9877</td>
<td>6911</td>
<td>70%</td>
<td>66%</td>
<td>18.9%</td>
<td>26.5%</td>
<td>24.9%</td>
<td>17.6%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Chennai</td>
<td>7105</td>
<td>3885</td>
<td>55%</td>
<td>80%</td>
<td>3.9%</td>
<td>5.3%</td>
<td>46.0%</td>
<td>37.9%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Delhi</td>
<td>12025</td>
<td>5355</td>
<td>45%</td>
<td>71%</td>
<td>8.4%</td>
<td>31.6%</td>
<td>37.0%</td>
<td>18.4%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Gurgaon</td>
<td>5190</td>
<td>3268</td>
<td>63%</td>
<td>54%</td>
<td>18.4%</td>
<td>11.8%</td>
<td>44.7%</td>
<td>17.7%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Noida</td>
<td>1119</td>
<td>2406</td>
<td>215%</td>
<td>70%</td>
<td>10.4%</td>
<td>55.4%</td>
<td>10.6%</td>
<td>23.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Goa</td>
<td>4553</td>
<td>2291</td>
<td>50%</td>
<td>68%</td>
<td>13.9%</td>
<td>14.6%</td>
<td>39.5%</td>
<td>32.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Hyderabad</td>
<td>5900</td>
<td>2893</td>
<td>49%</td>
<td>78%</td>
<td>0.0%</td>
<td>6.2%</td>
<td>49.3%</td>
<td>39.0%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Jaipur</td>
<td>4523</td>
<td>1706</td>
<td>38%</td>
<td>82%</td>
<td>3.4%</td>
<td>37.1%</td>
<td>47.4%</td>
<td>12.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Kolkata</td>
<td>2243</td>
<td>2584</td>
<td>115%</td>
<td>72%</td>
<td>17.4%</td>
<td>35.0%</td>
<td>25.3%</td>
<td>22.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Mumbai</td>
<td>13022</td>
<td>7896</td>
<td>61%</td>
<td>49%</td>
<td>23.5%</td>
<td>23.4%</td>
<td>26.7%</td>
<td>22.6%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Pune</td>
<td>6159</td>
<td>2620</td>
<td>43%</td>
<td>72%</td>
<td>21.4%</td>
<td>0.0%</td>
<td>53.1%</td>
<td>25.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other Cities</td>
<td>28069</td>
<td>23873</td>
<td>85%</td>
<td>71%</td>
<td>1.5%</td>
<td>17.8%</td>
<td>46.6%</td>
<td>33.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Total</td>
<td>103855</td>
<td>68050</td>
<td>72%</td>
<td>69%</td>
<td>9.3%</td>
<td>20.8%</td>
<td>39.7%</td>
<td>26.4%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

Industry performance by major cities

As per the report of HVS (2014) overall, Kolkata retained its position as the best performing hotel market in terms of occupancy (72.0%) in 2013/14, while Mumbai (including Navi Mumbai) registered the highest average rate (7,105) and Goa recorded the highest RevPAR (4,778) amongst the 13 major markets being tracked in this report. In 2013/14, most hotel markets witnessed an increase in occupancy with the exception of Chennai and also Jaipur, which displayed muted growth. However, on the other hand, hotel markets other than Goa and Agra witnessed a drop in average rate, a testament to our belief that domestic tourism will be a driving force for the industry going forward. Agra, NOIDA (including Greater NOIDA) and Goa were the only major hotel markets in the country to record notable RevPAR growths in 2013/14. Chennai was the only hotel market to have declined in both occupancy (7.5%) and average rate (9.2%) owing to a notable growth in supply (12.2%). Even though NOIDA (including Greater NOIDA) witnessed the highest growth in supply (33.1%) in 2013/14, it recorded the highest increase in occupancy (21.1%) due to a rise in demand from the MICE segment, consequently resulting in the highest RevPAR growth (7.4%) across the country.

1.4 Hotel industry in National Capital Region (HVS, 2014)

The main focus of the hotel market over the past year has been the impact of hotels in Delhi Aerocity (DA). With four hotels having commenced operations during the course of last year, the impact has, in fact, been positive. The city actually recorded a 2.2% growth in occupancy in 2013/14 over the previous fiscal. The conclusion of the General Elections and its emphatic result is almost certain to have a positive impact on Delhi, which will now attract increased travel to the city and perhaps see increased diplomatic movements. Furthermore, the new ETA Visa scheme for tourists will also likely bode well for hotels in the city.

Delhi’s branded room supply has grown at a CAGR of 10% over the last 5 years of which 42% is spread across the midmarket, budget and economy segment of hotels. The city now provides a healthy mix of high and low positioning branded hotel rooms – a welcome change from previous years where Delhi was dominated by upscale and luxury products. This, however, has led to lowering of market wide
average rates with 2013/14 witnessing a 6% drop over the previous year. Room night demand growth, however, has continued to be healthy, growing by a CAGR of 8% over the last 5 years. Future supply for the city is estimated to be approximately 5,300 hotel rooms of which 71% is being actively developed. A significant portion of this new supply is concentrated in DA and is anticipated to commence operations over the next two years. We, therefore, forecast occupancy and rate pressures in the short term as these new hotels enter the market; however, our medium-to-long term view for Delhi at large remains positive.

Gurgaon has gained prominence as one of the leading commercial hubs in the country as stated in the HVS (2014) report. The growth of its hospitality sector has been loosely linked to the economic health of the city and country on the whole. After having witnessed a decline in market wide parameters in 2012/13, Gurgaon bounced back in 2013/14 exhibiting a 2.9% increase in market wide occupancy over the previous fiscal. This, however, was at the cost of a 7.8% decline in average rate. During this period, owing to economic and political uncertainty coupled with supply pressures, most hotels gave preference to contracted room nights from the relatively low-yielding Airline and MICE segments in order to maintain baseline occupancy levels. Also, to mitigate the occupancy differential between weekdays and weekends, hotels pitched lucrative packages to leisure travellers during the weekend in an attempt to displace demand generated by this segment from hotels in central and south Delhi.

As Central Business District areas such as Cyber City and Udyog Vihar become congested and less affordable, various companies have started exploring the other peripheral parts of Gurgaon which offer financially lucrative deals. With the majority of new commercial and residential development taking place in these peripheral parts of the city located along Sohna Road, Golf Course Extension, Southern Periphery Road and parts beyond the Kherki Daula Toll Plaza, we expect the creation of multiple secondary feeder markets for room night demand in the medium-to-long term. While supply for room nights in the city is expected to increase by 63% over the next five years, a modest 54% of this pipeline is under active development. This ratio, which is significantly lower than the nationwide
average, is reflective of developer uncertainty regarding the fate of the hospitality industry in Gurgaon in light of the development of quality branded hotels at Aerocity. HVS believes that while the development and commissioning of hotels at Aerocity is expected to put some pressure on hotels in Gurgaon, especially in segments such as Airline and Meeting and Conferences, this impact is expected to be short-lived. With the country's economy on the path to recovery, demand for room nights in Gurgaon is expected to outpace its supply in the medium-to-long term. Also, formation of alternate feeder markets within the city is expected to further insulate the market from any external supply threats. All these factors, coupled with the doubling of office supply over the next five to seven years, indicate Gurgaon's potential of becoming one of India's strongest hotel markets.

Noida (including Greater Noida) suffered the steepest decline in average rate (11.3%) over the previous year, reflecting the trade-off the hotels made in order to record the highest increase in occupancy (21.1%) and RevPAR (7.4%) amongst all the markets tracked by us this year. This can be attributed to the increase in MICE demand within the city, coupled with a decrease in the relatively higher paying commercial demand from the neighboring pockets of Ghaziabad and East Delhi owing to the opening of branded hotel rooms in those areas. Moreover, events such as the Auto Expo, Petrotech and Indian Grand Prix - Formula 1 that contributed to the overall MICE demand in the recent past are unlikely to be hosted this year. This, coupled with approximately 1,700 rooms under active development that are anticipated to open over the next five years is worrying, especially as the proposed hotels have large inventories. Keeping in mind the hotel market's highly price-sensitive nature and lack of any substantial growth in demand, we anticipate hotels to have little choice but to further tap the MICE segment, which includes a limited number of large-format events scheduled to be hosted at the India Exposition Mart and Buddh International Circuit. In the short-to medium term, we expect market wide occupancy and average rate to come under pressure (HVS, 2014).
Table 1.4 Existing supply across NCR (2006/07-2013/14)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Delhi***</td>
<td>7,990</td>
<td>9,019</td>
<td>8,625</td>
<td>8,129</td>
<td>9,111</td>
<td>10,697</td>
<td>11,338</td>
<td>12,025</td>
<td>6.1%</td>
</tr>
<tr>
<td>Gurgaon**</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,980</td>
<td>3,246</td>
<td>3,782</td>
<td>4,559</td>
<td>5,190</td>
<td>13.8%</td>
</tr>
<tr>
<td>NOIDA**</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>300</td>
<td>351</td>
<td>527</td>
<td>841</td>
<td>1,119</td>
<td>33.1%</td>
</tr>
</tbody>
</table>

*Change in 2013/14 expressed as percentage of the figure for 2012/13.
** The 2012/13 data has been modified to include the performance of a larger sample set.
*** Delhi NCR data (shaded portion), rest Delhi (without Gurgaon, NOIDA and Greater NOIDA) data.

Trends affecting the Future of the Hospitality Industry

- Increasing competition
- Emphasis on service
- Customers’ growing value consciousness
- Changes in marketing and management made possible by technology
- Increased responsibility for employees and managers through employment.
- Greater diversity of the workforce.
- Customers’ concerns with security.
- Consumers’ and governments’ concern with sanitation.
- Globalization.

1.5 Human Resource Management (HRM)

The concept of Human Resource Management (HRM) emerged in the early 1980s and continues to evolve as a separate field of study. Extant literature suggests that (Beer et al. 1985) Harvard University and (Fombrun et al. 1984) Michigan University contributed to the initial frameworks on HRM (Truss et al. 1997). According to Schneider and Bowen (1993) effective utilization of human resources
provides a competitive edge for organisations (Chand & Katou 2007). Thus, human resource management practices are important component of the HRM process and it is important to investigate the adoption of human resource management practices in service industry. Since, service industry is mainly driven by efficiency and effectiveness of employees in organisations.

Current HRM literature identifies significant and positive relationship between human resource management and organisational performance. Therefore, managing human resources in an organisation is very important towards achieving organisational goals and objectives. The hotel industry is necessarily labour intensive and this makes HRM practices particularly important and it should develop effective human resource practices and policies to achieve competitive success (Alleyne et al. 2006). Research on HRM practices in the Service industry is relatively few and the hotel sector is a major segment of service industry (Collier & Gregory, 1995). According to Hoque (1999) the hotel industry has typically reported poor practices and a lack of interest in HRM among managers. However interest in HRM within the hotel industry has significantly increased over the years and heterogeneity in the service sector is identified as an obstacle to investigate the sector as whole (Hoque, 1999; Chand & Katou 2007).

1.5.1 Growth and Development of Human Resource

In the past time human resource was not in so much good condition they were treated badly in the factories. Today’s organisations considered the human resource as the most valuable asset which are the definite source of competitive advantage to an organisation. Labor welfare laws, labor marketing conditions, strength of labor unions, labor awareness and the attitude of the employer towards the employees are the several issues which create the Human Resource environment in the organisations in the different phases of history. Every phase of the Human Resource demonstrate the view point of the employers and the employees at the point of time. In table 1.5 we have the brief growth of Human Resource Management.
Table 1.5 Development phases of Human Resource

<table>
<thead>
<tr>
<th>Phases of Development of Human Resource</th>
<th>Time Duration of The Phases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Revolution Era</td>
<td>1780-1830</td>
</tr>
<tr>
<td>First World War Era</td>
<td>1914-18</td>
</tr>
<tr>
<td>Hawthorne Studies Era</td>
<td>1927-32</td>
</tr>
<tr>
<td>Second World War Era</td>
<td>1939-45</td>
</tr>
<tr>
<td>Industrial and Human Relation Movement Era</td>
<td>1950-60</td>
</tr>
<tr>
<td>Formalized HRM Era</td>
<td>1960-80</td>
</tr>
<tr>
<td>Contemporary HRM Era</td>
<td>1980- Onwards</td>
</tr>
</tbody>
</table>


Industrial Revolution Era

Prior to the industrial revolution the first Human Resource (HR) initiative was occurred in England when the craftsman, leather worker, carpenters and masers build their guilds for the betterment of the working conditions. During the industrial revolution factories were the common platform for the workers brought unrelated people together. In this time working conditions and pattern behavior of workers were the burning HR issues in the organisations. The reaction of several nations and organisation was different towards these problems. Britain introduced the Code of Discipline to provide a standard behavior to the workers working in the factories. During this time companies like Cadbury and Rowntree starts hiring the welfare workers for the betterment of their employees. They also construct the model villages for the employees. Thus the growth of HRM was not uniform for all organisation and nations.
The First World War Era

The First World War brought a number of changes in the human resource patterns. Women were recruited on the places of male workers because a number of workers were either killed in the war or were disabled during the war. The factories reform the human resource policies for the women workers. In Europe during this time the factories higher a number of welfare workers for the betterment of their workers. After the war the organisation encounters the shortage of staff. They develop the new HR policies for the better employee co-operation and retention. Finally in the interviewing time of First and Second World War the organisations start hiring a large number of welfare officers to deal with the emplacement aspect like recruitment, training, health and safety of the employees working with the factories.

The Hawthorne Studies Era

These studies were also a milestone in the development. These were conducted by a team led by Elton Mayon a professor from Harward Business School, the key finding of their studies was the presence of informal groups and their influence on the productivity of the organisation. This aspect compels the organisation to look at the social aspect that influences the employees’ behavior. After the finding the firm begins thinking the importance of informal groups and considered the unions as the employees’ representative.

The Second World War Era

The Second World War forced the organisations to establish the full time personal department to undertake the necessary activities to achieve the high level of productivity. During this time the organisations takes the unions to maintain effective labor-management relations. The personal department came under the administration of personal officers. The welfare officers play a dual role of both the line manager and the personal manager to maintain the better relations. The introduction of shift-based working increases the requirement of new staff and their training. As a result the role of personal department becomes more important.
Industrial and Human Relation Movement Era

A number of theories were came in existence during this time, theory X and Y of Douglas Mc Gregor taught the manager about the participative approach of decision making. During this time behavior scientist and management practitioners start working on the aspects of job enlargement and job enrichment to improvement the commitment of employees towards organisation. This development enhances the importance of the personal department for any of the organisation.

The Formalized HRM Era

During this time the organisation starts their own rules and regulations for the personal management and industrial relation activities. As a result several policies were introduced like promotion, grievance and disciplinary actions. On the same hand the organisation start working on the different policies for different functions like recruitment and selection, employee training and managerial development, performance management, wages and salaries, industrial relations and employee benefits. At the late 1970s and early 1980s the organisation starts looking the skilled employees as human resource and works hard to retain them in the organisation. The term Human Resource Management was introduced in this Era.

The Contemporary HRM Era

This era is about the competitive advantage in the market through human resource. To overcome with the competition in the market organisations focuses on contemporary HR management to develop strategies to achieve organisational goals. These policies are total quality management, business process reengineering, global dimensions of HR management, Due to the increased globalization of business international human resource management is gradually gaining importance in the organisations.

1.5.2 HRM Practices in Hotel industry

Hotel industry is the most rapidly and largest growing industry in India (Chand 2010), however the hotel industry in India is facing significant challenges imposed by the quick changes in the environment, in which the industry operates. Chand
(2010) also stated that HRM practices are a possible way for the hotels to remain competitive. In his study (Chand 2010) highlighted the following HRM practices; Recruitment and Selection, Manpower Planning, Job design, training and Development, Quality Circle and Pay system. Studies conducted by Hoque (1999), Alleyne et al. (2006) and Chand and Katou (2007) have examined HRM practices in hotel industry in United Kingdom, Barbados and India respectively. Although the studies have been conducted in different years and there is a significant gap between the studies, comparison of HRM practices in these studies provide significant insights on the adoption of HR practices in three countries. Based on the findings of the above studies it can be stated that HRM in the hotel industry is widely adopted and researches are emerging from developed and emerging markets examining HRM practices. The heterogeneity of HRM practices reported in 2007 is in sharp contrast to the ‘simple management profile’ that prevailed in the 1990s, even among the largest companies, characterized by employer employees relations aimed at short-run goals; infrequently observed formal systems of performance-evaluation; and administrative/bureaucratic HR departments (Labadie, 2005). According to these studies, the most widespread practices, both currently and in the past, are related to recruitment and training, as opposed to the use of monetary premium based on individual/team performance or sophisticated performance evaluation systems. However, the patterns differ among firms depending on several features, such as family, national or corporate ownership; size; sales market; and economic sector; while it also depends on the firm having or not a HR department. A higher degree of formality and professionalism of HRM is found among large corporations, non-family owned firms that have a formal HR division, operating in the service sector and/or oriented to the international market.

1.5.3 HRM and Organisational Performance

The reported evidence (Gerhart, 2005) suggests that labor productivity and/or organisational performance are positively related to diverse features of HR management systems such as recruitment and selection (Koch y McGrath, 1996); training programs (Bartel, 1994); performance evaluation (McDonald and Smith, 1995); compensation and benefits (Gerhart and Trevor, 1996; Gómez-Mejía, 1992);
and innovative practices (Delaney and Huselid, 1996; Huselid, 1995). Similarly, some research has shown that firms characterized by the use of the above practices outperform those that display inflexible HR strategies within the same economic sector (Barton, 2004; Black and Lynch, 2001; 2004; Ichniowski et al., 1997; among others), even in the case of small and medium-size units (Way, 2002). Becker and Gerhart (1996), Boxall and Gerhart (2005; 2007) have made comprehensive reviews of the seminal work on the relationship between HRM practices and firm performance as done by Arthur (1994), MacDuffie (1995), and Ichniowski et al. (1997) in manufacturing and by Batt (2002) in the service sector. Huselid (1995), in turn, conducted an early and influential study that introduced the concept of complementarities as applied to HRM practices (Milgrom and Roberts 1990). The existence of positive linkages between at least one specific dimension of firms’ economic performance and certain HRM practices has also been found in small and medium size units (Way, 2002). From a theoretical point of view, due to its strong emphasis on a subset of these practices that would operate as “best practices”, supposedly superior to more traditional ones (and with a theoretical rationale behind it), much of this literature has been equated with a “universalistic perspective”. The logic posed assumes that the relationship found can be generalized to any context, developing a set of ‘High Performance Human Resources Practices’ (HPP) with a progressive impact on organisational performance (e.g. Delaney and Huselid, 1996). Universalists such as Pfeffer (1995) and Osterman (1994) argue that greater use of “high performance” practices such as participation and empowerment, incentive pay, employment security, promotion from within the firm, and training and skill development result in higher productivity and profits across organisations. The contingency and configurational approaches, instead, argue that firm performance is dependent on the effective combination of some HRM practices and how these practices are “bundled” together in organisations that have distinct characteristics. The literature has examined the impact of different bundles on different levels and dimensions of outcomes (Arthur, 1994; MacDuffie, 1995; Ichniowski et al., 1997; Stavrou and Brewster, 2005), in which selected or specific HRM practices have a consistent configuration that reinforces their impact. These bundles are at times used to define diverse ‘work systems’ (Guthrie, 2001; Guest et al., 2003). In some of this
literature, though, there is still a “normative tone” on what should be the best HR practices (Delery and Doty, 1996; Doty et al. 1993; Martín-Alcázar et al., 2005), as in the preexisting management profiles approach that proposes “ideal types”. In this case, the focus had been set on the characterization of management profiles according to the presence/absence of specific practices within the mentioned categories and on the assumption that they have a differential impact on performance (Druker and White, 1995; Edwards, 1979; Gowler and Legge, 1986; Labadie, 2005; Monks, 1992; Rodríguez et al., 2003). Delery and Doty (1996) compare practices within two configurational systems, namely the internal and the market systems. Huselid, Jackson, and Schuler (1997) cite activities such as compensation systems, team-based job designs, flexible workforces, quality improvement practices, employee empowerment, and planned development of the talent required to implement competitive strategy and achieve operational goals. Ichniowski et al. (1997) explain that when HRM practices are combined in different forms, the effects on organisational performance are much greater than when practices are explored individually. In fact, MacDuffie (1995) argues that the appropriate unit of analysis for studying the strategic link between different HRM practices to performance does not involve individual activities as much as interrelated and internally consistent practices, called “bundles.” He explains that a “bundle” creates the multiple, reinforcing conditions that support employee motivation. Along the same lines of argumentation, Perry-Smith and Blum (2000) suggest that HR bundles capture broader and higher-level effects than those captured by focusing on individual policies and are particularly appropriate for investigating firm-level effects. A strand of this literature has argued that the relevant configurations of practices vary across organisations depending on several dimensions, the focus being mostly set on divergences in management and distinct competitive advantages that are in turn mirrored in different organisational strategies (a brief recent discussion on the topic can be found in Brewster, 2007). Schuler and Jackson (1987) distinguish among organisational strategies founded on either cost reduction, quality improvement or innovation activities. The authors argue that employees are required to play different roles depending on the type of strategy and thus the best HR practices would be those that are most suitable to serve the
purpose. HR managerial strategies displayed by firms seeking to improve organisational performance have been classified in two broad types depending on their intrinsic character being oriented towards the increase of human resources’ skill-levels or else of the degree of involvement of workers in the organisational strategy and the performance of the firm. These two categories are discussed in the literature under different denominations, such as ‘control’ and ‘commitment-oriented’ practices (Walton, 1985); ‘efficiency’ and ‘strategy’ related HRM activities (Fombrun et al., 1984); or ‘calculative’ and ‘collaborative’ HR practices (Gooderham et al., 1999). The subsets of practices with the highest weight in a particular bundle built by Factor Analysis are generally of either one type or the other and thus the corresponding bundle is classified in accordance. However, it is at times the case that the bundle has a mixed and/or ambiguous character due to the fact that efficiency and strategically oriented HRM activities are both key components of the resulting construct. Gooderham et al. (2008) propose to denote these configurations as ‘intermediary’ bundles. Bundles that are usually found to be relevant are: selective recruitment, training and incentive pay, both of a calculative and collaborative nature (e.g., Black et al., 2003; Galia, 2006; Gooderham et al., 2008; Huselid, 1995; Ichinowski et al., 1997; Katou, 2008; Stavrour and Brewster, 2005). Evaluation systems, both aimed at rewarding performance and or training monitoring, are also frequently found to be relevant (e.g., Galia, 2006; Gooderham et al., 2008; Huselid, 1995; MacDuffie, 1995; Stavrour and Brewster, 2005); teamwork (e.g., Galia, 2006; MacDuffie, 1995); as well as management-workforce cooperation, shared values, communication and other features that should improve commitment of workers to the organisation (e.g., Huselid, 1995; Katou, 2008; MacDuffie, 1995). International evidence supports the existence of positive linkages between most of these HRM bundles and organisational performance (Brewster and Mayrhofer, 2012). Research also suggests that improvements in performance are associated to the use of several of the single practices within these bundles, such as those related to skill and cognitive recruitment, training or incentive pay (e.g., Beer et al., 1985; Black and Lynch, 2001; Delaney and Huselid, 1996; Fombrun et al., 1984; Guest et al., 2003; Guthrie, 2001; Jackson and Schuler, 2000; Walton, 1985).2 High-commitment HR practices identified as drivers of performance include
selection and training activities that emphasize values and human relations; behaviour-based promotion and rewarding; contingent pay systems; wages set above their market-level; among others (Lengnick-Hall et al., 2009). However, much of the existing empirical evidence on the actual adoption levels of HRM, as Godard (2004) convincingly argues, shows that many workplaces in effect combine a number of traditional personnel practices coupled with intermediate levels of adoption of High Performance Practices (HPPs) and none of these studies can fully account as to why most employers would settle on the partial adoption of some of these high-level HPPs. It is recognizing that the significant gains they yield could be partially offset by their associated costs, that are rarely reflected in the performance measures used by researchers (Cappelli and Neumark, 2001) that some light can be shed. These costs, in turn, are strongly dependent on certain firm characteristics and its environment as argued in Godard (2004) and in particular in the role played by unions. The degree of influence of unions at the firm has indeed been analyzed as an additional contingent dimension (e.g., Brewster, 1995), that has at times been considered jointly with the organisational strategy (e.g., in Gooderham et al., 2008). The topic is usually examined in the industrial relations literature in terms of either “the union substitution effect” or the “mutual gains” hypotheses, with some consensus within the literature that High Performance HRM practices would operate as a substitute to unions (Kochan, 1980). Under that frame, powerful or militant unions with a poor relationship with management are likely to have a negative impact on the adoption of ‘High Performance Practices’ (HPP), at the extent that organisations characterized by large union militancy might exhibit a significantly lower likelihood of undertaking any HPP (Wells, 1993). However, the assumption has little empirical support except in the case of activities related to pay and communication methods that give direct voice to workers (Godard, 2009; Machin and Wood, 2005), or the use of ‘word of mouth’ as a recruitment source that has become a prominent practice in unionized frameworks, as is the case of India (Budhwar & Khatri, 2002). Some authors have argued that the implementation of some HR practices may in contrast generate a “mutual gain” with unions playing a more partnership-oriented role instead of their traditional adversarial positioning (see the review in Gill, 2009). The contingent character of management has been
also associated to other organisational characteristics, such as the firm's economic activity (e.g., in Bloom and Van Reenen, 2007); sales market (e.g., in Osterman, 1994); societal form (e.g., in Rajan and Wulf, 2006); size (e.g., in Jackson and Schuler, 1995); and ownership (with respect to its family/non-family nature, as in Bertrand and Schoar, 2006, or its national/multinational character, as in Bloom et al., 2009). Further, firm size, industry, the presence of unions, labor-management conflicts, and bureaucratic hiring and termination procedures all appear to have some relationship with external labor arrangements (Masters and Miles, 2002). Small organisations and family businesses are more likely to operate in an informal and flexible manner than larger firms, replicating these patterns in HRM practices (Bacon et al., 1996; Koch and McGrath, 1996).

The national/multinational character of firms is also considered as a differential feature (Kostova and Roth, 2002). Given the above, the Universalist view on the role of HR management and the optimality of specific practices in terms of high performance seems to be strongly questioned as a suitable explanation of actual trends in the United States, Canada, England and some European countries. However, no generalization whatsoever can be made for Latin American countries, for which the lack of knowledge and quantitative studies are critical, even at the basic descriptive level. Very limited valid empirical research has been published, with the exception of Elvira and Davila (2005) and Davila and Elvira (2009), who compile cases and narratives of HRM practices in the region, but no quantitative empirical test.

Adriana and Gaston (2013) introduced a general multivariate model (Fig 1.1) of HRM practices and organisational performance which they used to study the impact of HRM practices on organisational performance in Latin America and to answer various questions related to impact of human resource practices on organisational performance. The findings of the study highlighted the existence of complementarities among HRM activities that involve not only the use of a particular practice with various purposes and/or for workers in diverse occupations, but also different dimensions of management. It is opined that bundled HRM activities are able to magnify the impact of single HRM practices on the economic performance of Uruguayan firms as measured through their comparative level of productivity. However, the significant effects that stem from single HRM practices
would in principle be inconsistent with a strict interpretation of the theoretical predictions of the configurational approach and definitively suggest that the universalistic approach of best practices is not applicable. The results show that the impact of strategies is generally materialized only when these are combined with commitment related practices.

Fig 1.1 General Model of HRM Practices and Organisational Performance (Adriana and Gaston 2013)
1.6 Organisational Behaviour

Organisational behavior is the study and application of knowledge about human behavior in organisations as it relates to other system elements, such as structure, technology and the external social system. Organisational behavior is the study and application of knowledge about human behavior in organisations as it relates to other system elements, such as structure, technology and the external social system. Today Organisation Behaviour is a specialized field of study; it is basically the study of why people behave as they do in different situations in an organisation. In the hospitality industry the employees of various personality join together in performing various jobs, the organisational behavior emerges as informal or formal behavior of the individual and groups. Here all employees work towards improving organisational behavior. Certainly there are differences between individuals, placed in similar situations- all people do not act alike. There are certain fundamental consistencies underlying the behavior of all individuals that can be identified and then modified to reflect individual differences. The responsibility of the Human Resource Development (HRD) Department have increased since organisational behavior has never been as important as it is in today’s employment world which is changing dramatically. The study of organisational behaviour relates to the study of attitude, learning, perception, values at individual level and it is pertaining to managing stress, conflicts, decision making at group level and inter group behaviour. In the hospitality industry today competitive economy and negative job attitude is not good for organisation. Job-related attitudes such as work ethic and customer service orientation play significant role in hotel industry. Hospitality employees are expected to be hospitable with a great attitude towards the guests. They also need to have team working skills. Most important is that perception in hospitality industry is linked to the organisational commitment, quality and turnover.

1.6.1 Disciplines contributing to organisational behaviour

Organisational behaviour is a form of applied behavioral science assembled on participations from various behavioral disciplines namely, psychology, social psychology, sociology and anthropology. Psychology contributes at understanding of individual or micro level analysis and other disciplines contribute to the
understanding of macro level concepts like group processes and organisation. Fig. 1.2 demonstrates major contributions to the study of organisational behaviour.

Psychology tries to measure describe and at times change the behaviour of humans and other animals. Psychologists studying organisations have identified the problems of fatigue, boredom, and other working conditions that could impede efficient work performance. The current contribution of psychologists has also included learning, perception, personality, emotions, training, leadership effectiveness, needs and motivational forces, job satisfaction, decision-making processes, performance appraisals, attitude measurement, employee-selection techniques, work design, and job stress.

Commonly accepted as a branch of psychology, it is a blend of concepts from sociology and psychology to understand human behaviour. Social psychology has contributed to the areas of change management, measuring, understanding and changing attitudes and to conclude it has made contributions to study of communication patterns, group behaviour, power and conflict management.

Sociology rather than focusing on individuals studies people in contrast with their social environment or culture. It has contributed to the organisation by focused studies of concepts like group behaviour, formal and complex organisation, most important contribution has been the study of organisational culture.

Anthropology studies about the humans and their activities by the study of societies. The scientists of anthropology have done significant contribution in understanding organisational concepts like organisational environment, organisational culture and differences among national cultures.

The contribution of various applied behavioral sciences has helped the organisations in better understanding of concepts that affect the efficiency and performance. The concepts are namely leadership, work environment, group dynamics, communication patterns, motivation, job satisfaction and organisational culture.
1.7 Organisational Culture

Social researchers have identified the concept of organisational culture as a viewpoint in theory of organisation over decades. The current studies on organisational culture are routed from different bases namely national cultures, human resource management, climate research and conviction approaches which highlight the coherent and basic nature of the organisation to be incapable to offer a full justification of organisational behaviour (Brown 1998). Various surveys done on
organisational climate in 1970’s suggested that organisational culture is sophisticated concept which enables to understand the beliefs and attitudes of every single employee towards the organisation they are working for. Deal and Kennedy (1982) presented this view that organisational culture is central to an organisation when compared to other factors like structure, strategy or politics which shifted the attention from national culture to organisational culture. Brown (1998) stated that the interest in organisational culture from human resource management and performance point of view is based on the fact that organisational culture was observed to offer a flexible, non-automatous and imaginative approach for understanding the working of an organisation.

Other academic development about the concept of organisational culture consists of studies carried out in the field of organisational theory. These studies concentrated the understating and generalization of the concept of organisational culture by classifying it, which includes the following:

- Deal and Kennedy (1982) explored four basic types of cultures to describe organisational culture which are the macho culture, the work-hard culture, the bet-your company culture and the process culture.
- Handy (1985) explained organisational culture by using four types namely power, role, task and person culture.
- Schein (1985) explained organisational culture by these three levels artifacts, values and basic underlying assumptions.
- Hampden-Turner (1990) discussed four types of culture to explain organisational culture role, power, task and atomistic cultures.
- Hofstede (1991) stated that cultures differ based on five dimensions power distance, individualism/collectivism, uncertainty avoidance, masculinity/femininity and confusion dynamism.

The typologies discussed above provide a wider vision of variations that reflect amongst the researchers about the understanding of the concept of organisational culture which evolved over time.
1.7.1 Definition of organisational culture

A generic definition of organisational culture is required to provide a point of start in the search for an understanding of the concept. The general definition of organisational culture is “a system of shared meaning held by members, distinguishing the organisation from other organisations” (Martins and Martins, 2003). In relation to this definition, Arnold (2005) expresses that “organisational culture is the distinctive norms, beliefs, principles and ways of behaving that combine to give each organisation its distinct character”. These definitions suggest that organisational culture makes a distinction of one organisation from another organisation. Therefore, organisational culture is to an organisation what personality is to an individual (Johnson, 1990).

In connection with the above definitions, Schein (1985) describes organisational culture as “a pattern of basic assumptions invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems”. This definition highpoints that organisational culture is created assumptions, which are recognized as a way of doing things and are delivered on to new members of an organisation.

New employees conceive organisational culture as an adaptive behaviour within the organisation that leads to new belief systems. This new and adaptive behaviour inspired through organisational values and beliefs are linked with rituals, myths and symbols to strengthen the core assumptions of organisational culture (Hofstede, 1991).

Linking with the above definition, Brown (1998) explains organisational culture as “the pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organisation’s history, and which tend to be manifested in its material arrangements and in the behaviors of its members”. This recommends that organisational culture is conveyed in the organisation, in order to shape the way in which organisational members should behave. However, this pattern of values, norms, beliefs, attitudes, principles and assumptions may be
unrecorded or unspoken behaviour that defines the way in which things get done; to give the organisation its unique character.

The different definitions of organisational culture discussed here the adopted and relevant definition for this study is stated by Harrison (1993) as the “distinctive constellation of beliefs, values, work styles, and relationships that distinguish one organisation from another”. In other words, organisational culture includes specific qualities of the organisation that gives a specific work environment or feel. As a result the distinct qualities of an organisation may be visible through four dimensions, namely power, role, achievement and support (Harrison, 1993).

1.7.2 Organisational culture model

A number of expressive models attempt to analyze organisational culture in the vision of organisational development that how organisational culture forms within an organisation. The model discussed here in fig.1.3 is the model representing how organisational culture forms in an organisation.

![Organisational Culture Model Diagram](image)

**Fig. 1.3 How organisational culture forms, Kondalkar 2007.**

The model in fig 1.3 demonstrates that organisational culture starts with the philosophical values, beliefs and attitude of the founder of organisation and further proceeds with his understanding of whether the members he is fitting into the organisation as top managers have the same values, beliefs and attitude or will adopt the same values, beliefs and attitude. The next step in framing of culture in an
organisation is how the top management passes on these values, beliefs and attitude to the new employees who keep on joining the organisation through the times. When the values, beliefs and attitude of the founder, top management and employees merge together in an organisation organisational culture is formed for that particular organisation. Another model for organisational culture is given by Harrison(1993) which is describes four dimensions of culture namely power, role, achievement and support which is discussed with the medium of fig. 1.4

Harrison (1993) highlights that the model presented here in fig.1.4 is proposed to be expressive rather than evaluative. This elaborative model creates an awareness of the culture gap between the existing and preferred cultures in an organisation. Furthermore, this model continues that organisational culture can be analyzed in four cultural dimensions, namely power-oriented culture; role-oriented culture;
achievement-oriented culture; and support-oriented culture. The four dimensions of culture orientation are identified within two modes of operation, which are formalization and centralization. Both modes of operation can be measured on a scale of low or high levels. It was stated by Martins and Martins (2003) that high formalization in an organisation creates certainty, orderliness and consistency”. Putting it differently, a strong culture can work as a substitute for formalization. This recommends that the organisation’s formal rules and regulations which act to control its members’ behaviour can be internalized by organisational members when they adopt the organisation’s culture; this takes place without the need for written procedures. Therefore, low formalization of rules and regulations could reflect a weak organisational culture.

Power-oriented culture is a dimension of the organisational culture model. In any given organisation there is a requirement to use power in order to implement control and inspire behaviour. Harrison and Stokes (1992) define power-oriented culture as “organisational culture that is based on inequality of access to resources”. Organisational culture model indicates that a power-oriented culture organisation is characterized by high centralization and low formalization modes of operation. Brown (1998) defines that “a power culture has a single source of power from which influence spread throughout the organisation”. This means that power is centralized and organisational members are connected to the center by functional and specialist strings (Harrison, 1993). The power organisational culture can also be viewed as being rule oriented in the logic that it focuses on esteem of authority, rationality in procedures, division of work and normalization (Hampden-Turner, 1990). The center is formal authority and holds the power to control and influence activities within the organisation. In power organisational culture a governing head sits in the center surrounded by intimates and juniors who are the dependents (Harrison, 1993). In this regard a personal, informal and power management style becomes valued. Normally the organisational structure is a web structure that is hierarchical in nature (Brown, 1998). The web structure implies that the whole structural system connects to the central power while being hierarchical in nature means power is shared from top to bottom. Power-oriented culture is found in both small and larger organisations. In small organisations run by power-oriented leaders, leadership resides in a few and rests on their ability (Brown, 1998). Those exercising power
strive to maintain absolute control over subordinates. In such systems, the size of the organisation is a problem because if the web links to too many activities it can break. Harrison and Stokes (1992) indicate that in larger organisation “at its worst power-oriented organisational cultures tends towards a rule by fear, with abuse of power for personal advantage on the part of the leaders, their friends and their protégés”. This would imply that in a larger organisation there is the tendency to impart fear in the employees and to abuse power. This can lead to nepotism and favoritism. In general, a power-oriented culture organisation often has a top down communication approach (Harrison, 1993). Such an organisation may be politically oriented in the sense that decisions are taken largely on the bases of influence rather than on procedural or purely logical grounds. The management may be threatened by new changes imposed by internal and external environments (Hampden-Turner, 1990). Organisations try to rule their environment by exercising absolute power to dominate and control. As a result, some managers may experience the new managerial role of sharing power as losing power because their authority used to come from hierarchical positions.

| Table 1.6 Advantage and disadvantage of power dimensions (Harrison, 1993, p 32-33) |
|---------------------------------|---------------------------------|
| **Advantages**                  | **Disadvantages**               |
| • Unifies individual effort behind the vision of the leader. | • People give the boss's wishes the highest priority, even when it interferes with important work. |
| • Can move quickly in the market and make rapid internal changes. | • People are afraid to give bad news to the boss. |
| • Leverages the knowledge, wisdom and talent of the leader. | • People do not question the leaders even when they are seen to be wrong. |
| • Can provide direction and certainty; reduce conflict and confusion in times of emergency. | • People with power break rules with impunity and take special privileges. |
|                               | • Information is a source of personal power and is restricted to friends and allies. |
|                               | • People are promoted by being loyal to those in power even when they are not especially competent. |
Table 1.6 presents the disadvantages and advantages of the power-oriented culture dimension, which reflect the positive and negative effects of this type of culture in an organisation.

Harrison and Stokes (1992) define role-oriented culture as “substituting a system of structures and procedures for the naked power of the leader”. This type of culture focuses mainly on job description and specialization. In other words, work is controlled by procedures and rules that spell out the job description, which is more important than the person who fills the position (Harrison, 1993). Fig. 1.3 displays the role-oriented culture as being high in both formalization and centralization on modes of operation. The figure further depicts this type of culture like a Greek temple with pillars (Harrison, 1993). Brown (1998) states that “the strength of a role culture lies in its functions or specialties (finance, purchasing, production and so forth) which can be thought of as a series of pillars which are coordinated and controlled by a small group of senior executives (the pediment)”. This implies that the foundation and pillars of such an organisation are the formalized and centralized functions; which are controlled by role and communication procedures (Hampden-Turner, 1990). Such an organisation is often stereotyped as bureaucratic because of its mechanistic procedures. Organisations with this type of culture are characterized by a set of roles or job boxes joined together in a logical fashion (Harrison, 1993). These roles or job descriptions are coordinated at the top by a narrow band of senior management. The common link between the power-oriented and the role-oriented organisational cultures is that they depend on the use of external rewards and punishments to motivate organisational members (Harrison & Stokes, 1992).

Table 1.7 describes the disadvantages and advantages of the role-oriented culture dimension reflect the positive and negative effects of this type of culture in an organisation. According to Harrison and Stokes (1992) role-oriented organisations "operate on the assumption that people are not to be trusted, so they do not give individual autonomy or discretion to members at lower levels". This culture results in a hierarchical chain of command which creates stability and predictability.
Table 1.7 Advantages and disadvantages of Role culture dimension
(Harrison, 1993)

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Well-designed structures and systems make room for efficient operations and reduce the time for learning jobs.</td>
<td>• People follow the rules even when these rules get in the way of doing the work.</td>
</tr>
<tr>
<td>• Clear lines of authority and responsibility reduce conflict, turf battles, confusion and indecision.</td>
<td>• It is considered a sin to exceed one's authority or deviate from accepted procedures.</td>
</tr>
<tr>
<td>• Clear, fair rules and guidelines protect individuals from exploitation and abusive use of power.</td>
<td>• It is more important to avoid deviating from the norm that it is to do the right thing.</td>
</tr>
<tr>
<td>• Having good systems, procedures and organisational memory prevents having to &quot;reinvent the wheel&quot;.</td>
<td>• Jobs are so tightly defined that there is little room to contribute one's unique talents and abilities.</td>
</tr>
<tr>
<td>• Structure, routine and predictability provide security and reduce stress.</td>
<td>• People are treated as interchangeable parts of a machine rather than as individual human beings.</td>
</tr>
<tr>
<td></td>
<td>• It is difficult to get approval for changes that people give up on making needed improvements.</td>
</tr>
</tbody>
</table>

It can offer security for organisational members by offering a predictable rate of climbing up a pillar and a chance to acquire specialist skill without risk (Brown, 1998). In essence, this role culture exists to ensure that organisational members do not make mistakes, while emphasizing legality, legitimacy and responsibility. Role clarification is crucial in an organisation with a role culture. The emphasis of role clarification is based on technical expertise and specialization more than product innovation or product cost (Harrison, 1993). This presents a limitation to an organisation with a role-oriented culture. Brown (1998) states that “role cultures are
likely to be most successful in stable and predictable environments over which the organisation is able to exert some control or where product life spans are long”. Therefore, an organisation with this type of culture can find it difficult to survive in an environment that requires the ability to be adaptive and responsive to dynamic changes.

Harrison and Stokes (1992) define achievement-oriented culture as “the aligned culture which lines people up behind a common vision or purpose”. Achievement culture is often referred to as task culture, which entails that organisational member’s focus on realizing the set purpose and goals of the organisation. Brown (1998) states that “a task culture is one in which power is somewhat diffuse, being based on expertise rather that position or charisma”. Fig.1.4 illustrates that achievement-oriented culture’s mode of operation is high in formalization and low in centralization. This implies that there is a natural balance between formality and centrality of power, which is shared within the organisations. The organisational structure is like a net, with some of the strands of the net thicker and stronger than others (Harrison, 1993). Power is allocated based on short-term horizon, such as projects classifications. The completion of a task is important as team work rather than the promotion of individual positions or work (Hampden-Turner, 1990). Unlike role-oriented culture, where positional or personal power plays an important role, skills, competencies and expert power form the core of achievement-oriented culture. Therefore, authority is based on appropriate knowledge and competence. The main strategic objective of this culture is to bring the right people together, in order to achieve the organisational goals (Brown, 1998). This suggests that the achievement-oriented culture is similar to team orientation as a characteristic of organisational culture. Martins and Martins (2003) describe team orientation as “the degree to which work activities are organised around teams rather than the individuals”. By bringing together a spectrum of people who are specialists in their fields; the organisation is able to meet its market demand. According to Brown (1998) the strength of achievement culture is that “in those environments where the market is competitive, product life spans are short and constant innovation is a necessity; this culture can be highly successful”. This is due to functions and activities that are team structured and evaluated in terms of their contribution to
organisational goals. Teams of talented people and resources are brought together to focus only on specific projects or tasks. The advantage of team, rather than individual, jobs is “creating the high-performance, high-flexibility, and high-commitment organisation”. This is due to the fact that teams generate positive synergy through coordinated efforts. While using teams is an advantage, the main weakness of the achievement culture in this regard is that it overshadows individual performance (Harrison, 1993). The below-mentioned disadvantages and advantages of the achievement- oriented culture dimension reflect the positive and negative effect of this type of culture in an organisation.

Table 1.8 Advantages and disadvantages of achievement culture dimension (Harrison, 1993)

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Unity of effort toward mutually valued goals.</td>
<td>• People believe so much in what they are doing that the end comes to justify the means.</td>
</tr>
<tr>
<td>• Reduced need for controls on individuals.</td>
<td>• People become intolerant of personal needs, and they sacrifice family, social life and health for work.</td>
</tr>
<tr>
<td>• High internal motivation.</td>
<td>• The group members talk only to themselves and become isolated from others and from reality.</td>
</tr>
<tr>
<td>• Maximum utilization of members’ talents.</td>
<td>• The group only cooperates internally, which others see as arrogant and competitive.</td>
</tr>
<tr>
<td>• High self-esteem for organisational members.</td>
<td>• Because dissent and criticism are stifled, the group has difficulty correcting its own errors. The commitment to excellence at any cost leads to waste and inefficiency.</td>
</tr>
<tr>
<td>• Rapid learning and problem solving.</td>
<td></td>
</tr>
<tr>
<td>• Rapid adaptation to change.</td>
<td></td>
</tr>
</tbody>
</table>
Support-oriented culture dimension differ from the achievement-oriented culture which emphasizes teams, because promotes individuals as the central point in the organisation. Harrison and Stokes (1992) define support-oriented culture as an “organisational climate that is based on mutual trust between the individual and the organisation”. Thus, support-oriented organisational culture is often referred to as a person-oriented culture. Brown (1998), states that a support-oriented organisation exists solely for the individuals who compromise it. Fig. 1.4 depicts the mode of operation of this culture as being low in formalization and centralization. The organisational structure is a benevolent cluster structure with minimal hierarchy, which implies less power control of employees (Harrison, 1993). Authority is assigned on the basis of task competence; this is similar to the role-oriented culture organisation. Power sharing and the influence of power can only be exercised where there is a need for expert or task competence (Brown, 1998). As a result individuals influence each other through example and helpfulness. The support-oriented culture resembles the people orientation characteristic of organisational culture. Martins and Martins (2003) describe people orientation culture as “the degree which management decisions take into consideration the effect of outcomes on people”. This implies that the wellbeing of employees is important to managers in this type of organisation. These organisations are normally small in size and people have worked together for a long time and have managed to build up personal relationships (Harrison, 1993). The relationships are characterized by mutuality and trust which binds people to one another. Therefore, the relationship exists to serve the needs of the members. In this type of culture there is minimum formal and central power that replaces management control with consensus decision making (Harrison & Stokes, 1992). Communication is often verbal or informal, and usually flows in all directions. Subsequently, decision-making occurs through informal communication networks.
### Table 1.9 Advantages and disadvantages of support culture dimension (Harrison, 1993)

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Good internal communication and integration.</td>
<td>• People may focus on relationships and neglect the work.</td>
</tr>
<tr>
<td>• High levels of commitment to decision.</td>
<td>• Out of kindness difficult personnel decisions may be avoided.</td>
</tr>
<tr>
<td>• Sophisticated process skills manage people issues well.</td>
<td>• When consensus cannot be reached the group may become indecisive and lose direction.</td>
</tr>
<tr>
<td>• High levels of cooperative, effective group work.</td>
<td>• Disagreement may be avoided, there is surface harmony and covert conflict</td>
</tr>
<tr>
<td>• Good at sensing environment.</td>
<td>• Changes may take a long time because of the need to get everyone on board.</td>
</tr>
<tr>
<td>• Providing caring, responsive service.</td>
<td>• People are rewarded in the same way although they might not have contributed in the same way. This could create frustrations.</td>
</tr>
<tr>
<td>• High trust between individuals and the organisation.</td>
<td></td>
</tr>
<tr>
<td>• Nurturing members for good health.</td>
<td></td>
</tr>
<tr>
<td>• Good balance for achievement culture.</td>
<td></td>
</tr>
</tbody>
</table>

The above-mentioned disadvantages and advantages of support-oriented culture dimension reflect the positive and negative effects of this type of culture in an organisation. According to Brown (1998) in the person culture the individuals themselves decide on their own work allocation, with rules and co-coordinative mechanisms of minimal significance. In other words, work roles are assigned on the basis of personal preference normally based on the need for learning and development. Support-oriented culture creates a workplace environment that encourages proactive, experimentation and openness to change (Harrison, 1993).
This suggests that the organisation values the talents of individual employees who also value their own work. Thus the organisation sees its role as resourcing talented individuals and the latter are allowed to make decisions.

1.7.3 Creating and sustaining organisational culture

The following discussion focus on how an organisation is able to create and sustain its culture.

1.7.3.1 Creating organisational culture

The main source of organisational culture is the organisation’s leadership. Leadership in this context refers to the influential individuals, often the founders who have a major impact on the creation of the organisation’s early culture (Schein, 1985). According to Brown (1998) “in building their organisations founders tend to impose their beliefs and values about the nature of the world, organisations and human nature on other organisational participants”. This suggests that the founders of the organisation, created the organisational culture.

Martins and Martins (2003) indicate that the founders of an organisation follow the following ways in their process of culture-creation:

- Firstly, founders only appoint and keep employees who think and feel the way they do.
- Secondly, they indoctrinate and socialize these individuals to their way of thinking.
- Finally, the founders’ own behaviour act as role model that encourages employees to identify with them, thereby internalizing their beliefs, values and assumptions.
- Organisational culture is therefore, not created accidentally or spontaneously but through founders who have specific values and beliefs in their endeavor to realize their vision and goals.

1.7.3.2 Sustaining organisational culture

In order to keep the organisational culture alive, the organisation has to ensure that its culture is transmitted to organisational members (Martins & Martins, 2003).
Brown (1998) presents the following three basic stages in which organisational culture can be sustained in the organisation:

The first stage of sustaining organisational culture is the pre-selection stage. The pre-selection stage is characterized by potential recruits who aspire to become members of an organisation, who may make great efforts to learn about its history and culture (Brown, 1998). The selection process is also used by the organisation to appoint individuals who will fit into the organisation’s culture; the values of such individuals should be consistent with those of the organisation (Martins & Martins, 2003).

The socialization stage follows the pre-selection stage of sustaining organisational culture. According to Brown (1998) this stage can be described as the “enculturation process by which participants learns the culturally accepted beliefs, values and behaviors, so that they are able to act as effective members of the group”. This suggests that during the socialization stage, the organisation helps new organisational members to adapt to its culture (Martins & Martins, 2003).

Martins and Martins (2003) conceptualize the socialization process as consisting of the following three stages:

- The pre-arrival stage encompasses all the learning that occurs before a new employee joins the organisation.
- The encounter stage is when the new member sees what the organisation is really like and confronts the possibility that expectations and reality may diverge.
- The metamorphosis stage is when long-term changes take place and the new members must work out any problems discovered during the encounter stage.

The incorporation or rejection stage is the final stage of sustaining organisational culture. It is through the socialization process that organisational members may be incorporated or rejected (Brown, 1998). Indicators that the individual member has reached full incorporation includes acceptance by the work group, understanding and acceptance of the organisation’s culture (Martins & Martins, 2003). On the other hand rejection may lead to loss of key goals, values and assumptions; which ultimately create a crisis of identity for organisational members (Schein, 1985).
1.7.4 Functions of organisational culture

The main function of organisational culture is to define the way of doing things in order to give meaning to organisational life (Arnold, 2005). Making meaning is an issue of organisational culture, because organisational members need to benefit from the lessons of previous members. As a result, organisational members are able to profit from whatever trials and errors regarding knowledge others have been able to accumulate (Johnson, 1990). Organisational culture also determines organisational behaviour, by identifying principal goals; work methods; how members should interact and address each other; and how to conduct personal relationships (Harrison, 1993).

Brown (1998) states the following functions of organisational culture:

- A common culture promotes consistency of perception, problem definition, evaluation of issues and opinions, and preferences for action.
- Largely because culture promotes consistency of outlook it also facilitates organisational processes of co-ordination and control.
- Adopting of the cultural mind frame is an anxiety reducing device which simplifies the world of work, makes choices easier and rational action seem possible.
- An appropriate and cohesive culture can offer employees a focus of identification and loyalty, foster beliefs and values that encourage employees to perform.
- Strong culture improves the organisation’s chances of being successful in the marketplace.

In addition to the above functions, Martins and Martins (2003) also mention the following as functions of organisational culture:

- It has a boundary-defining role, that is, it creates distinctions between one organisation and the other organisations.
- It conveys a sense of identity to organisational members.
- It facilitates commitment to something larger than individual self-interests.
- It enhances social system stability as the social glue that helps to bind the
organisation by providing appropriate standards for what employees should say and do.

- It serves as a meaningful control mechanism that guides or shapes the attitudes and behaviors of employees.

These functions of organisational culture suggest that an organisation cannot operate without a culture, because it assists the organisation to achieve its goals. In general terms, organisational culture gives organisational members direction towards achieving organisational goals (Hampden-Turner, 1990).

1.7.5 Strong and weak organisational cultures

Organisational culture can be either weak or strong. Martins and Martins (2003) highlight that “in a strong culture, the organisation’s core values are held strongly and shared widely”. This suggests that when organisational members accept the shared values, they become more committed to them. A strong organisational culture therefore refers to organisations in which beliefs and values are shared relatively consistently throughout an organisation (Deal & Kennedy, 1982). Strong organisational cultures have a great influence on the behaviour of organisational members (Martins & Martins, 2003). In other words, a strong culture is a powerful lever for guiding behaviour (Deal & Kennedy, 1982).

Brown (1998) also believes that strong organisational culture can enable an organisation to achieve high performance based on the following reasons:

- A strong organisational culture facilitates goal alignment.
- A strong organisational culture leads to high levels of employee motivation.
- A strong organisational culture is better able to learn from its past.

In relation to the above benefits of a strong organisational culture, Martins and Martins (2003) states that “one specific result of a strong culture should be a lower employee turnover”. This is due to the fact that when organisational members agree about what the organisation stands for, the end results are cohesiveness, loyalty and organisational commitment (Martins & Martins, 2003).
A weak culture, on the other hand, means the opposite of a strong culture, in other words, organisational members do not subscribe to the shared beliefs, values and norms (O’Reilly et al, 1991). Organisational members in a weak culture find it difficult to identify with the organisation’s core values and goals (Wilson, 1992). As a result components or different departments within such an organisation uphold different beliefs that do not necessarily address the core goals of the organisation. Weak cultures have a negative impact on employees because they are directly linked to increased turnover (Harrison, 1993). In essence, the fundamental strength of the organisation’s culture is determined by how weak or strong it is.

1.7.6 Artifacts, Values, Assumptions and Organisational Culture

Artifacts, values and assumptions are noticed as the three different levels of culture are artifacts. Artifacts are the detectable level of culture, and comprises of behavior designs and outward appearances of culture: perquisites gave to officials, clothing regulations, level of innovation used (and where it is used), and the physical format of workplaces. The main and generally obvious level Schein terms "artifacts" incorporates structural planning, innovation, office, formats, clothing regulations, composed correspondences, commercials, and the gathering that guests get are all included. Artifacts are the surface level of culture, simple to recognize however hard to decipher without a comprehension of the fundamental rationale.

At the following level of culture are values. Values underlie and to an extensive degree focus conduct, however they are not specifically detectable, as practices seem to be. There may be a contrast in the middle of expressed and working qualities. Individuals will ascribe their behavior to values. Values speak to a feeling of 'what should be' taking into account feelings held by certain key individuals. For instance if an association has an issue such as abnormal state of dismissals underway or low deals, choices may be made to utilize top notch yet more extravagant crude materials or to publicize all more forcefully. These are seen initially as the leader's qualities, which can be bantered about or addressed. A considerable lot of the procedures utilized by associations begin along these lines, and numerous will reflect values held by the vital pioneer.
To truly comprehend culture, we have to get to the most profound level, the level of Assumptions. Schein fights that basic assumptions develop out of values, until they gotten to be underestimated and drop out of mindfulness. In the event that the option is worthy and fruitful it may well be attempted over and over until it gets to be normal practice. Thusly the value turns into a belief and inevitably a supposition about behavior honed by the association.

These essential fundamental assumptions are Schein's third level, and they speak to the 'underestimated methods for doing things or answers for issues'. These assumptions decide how amass individuals see, think and feel. Schein recommends that social ideal models are shaped which focus show association individuals see, consider, and feel about, also, judge circumstances and connections' and these are shaped on a number of underlying assumptions. The underlying assumptions which allude to the association's relationship to its surroundings, the nature of truth and reality, the nature of human instinct, movement and connections are, in Schein's perspective, the embodiment of organisational culture; the artifacts and values being only signs of that culture. Whilst others, for example, (Smircich, 1983) bolster comparable covered up qualities of "beliefs and values" others would stress behavior. Thompson & Luthans (1990) highlight the behavioral perspective of organisational culture, as characterized for occurrence in the Social Learning Hypothesis proposed by Bandura, (1975, 1977), which is adapting through both immediate and vicarious (backhanded) implies. In this hypothesis, behavior has two segments: the norms, which are, disguised perspectives of how one ought to act and the patterns, which are outer noticeable signs of the interior perspectives. This noticeable/ undetectable qualification applies to other non-behavior traits of culture which numerous analysts have a tendency to underline. Case in point, Deal and Kennedy, (1982) accentuate the more noticeable "heroes, rites and rituals, legends, and ceremonies" on the grounds that it is these traits they accept form behavior. Smircich (1983), endeavors to resolve the perplexity encompassing the meaning of culture by arranging three ways to deal with culture. Culture can be seen as a free variable (or external variable) brought into the association, as an internal variable inside an association, or as a root metaphor for conceptualizing associations. (Thompson & Luthans, 1990) proposed that Smircich favors the last significance.
These three perspectives are shown beneath:

![Diagram of Culture Layers]

Rousseau (1990) in his study of analysts, who concentrate on one or a couple of characteristics, proposes a multi-layered model, which he organised as a ring. Rousseau's rings were sorted out from promptly available (outer layers) to hard-to-access (inner layers). Rousseau's model is re-created beneath. Rousseau's model seems to catch all the key components of culture: a continuum from oblivious to cognizant, from interpretative to conduct, from out of reach to open.

![Diagram of Culture Layers]

Various definitions of organisational culture have been proposed in the writing (Bowditch and Buono, 2001). Armstrong,(1990) shows organisational culture as the example of imparted demeanour, convictions, presumptions and desires which will likely not have been recorded, but rather will shape the route in which individuals
act and interface in an organisation and support the way things accomplish. It will incorporate the association’s prevailing belief systems and may be communicated through its myths, saints, stories, language, rituals and legends. Relating the idea of culture with organisational culture, Kramer and Foy (1974) that culture may be seen as a paste that shows hold association together - a methods by which member impart furthermore, arrange their endeavors and by the way a ring wall differentiating members from outcasts. Morgan (1986) depicts culture as imparted significance, imparted understanding and imparted sense making. He contends that culture must be seen as a dynamic, living marvel through which individuals make and reproduce their universes. Robbins (1998) shows, organisational culture as arrangement of imparted importance held by hierarchical individuals that recognizes the organisation from different organisations. Organisational culture is often defined in terms of shared meanings, patterns of beliefs, rituals, symbols, and myths that evolve over time, serving to reduce human variability and control and shape employee behavior in organisations,' (Peters & Waterman, 1982; Wilkins & Ouchi, 1983; Weick, 1987; Denison, 1990).

1.8 Organisational Performance

Performance, in the context of organisation, is not only a broad concept which has been used synonymously with productivity, efficiency, effectiveness, and more recently competitiveness; it has also been a subject of study for social scientists from a wide range of disciplinary perspectives. Labour productivity, for example, has long been the concern of (labour) economists ever since Marx and Smith. Within this perspective, how to extract labour from labour power, one of Marx’s most fundamental insights, is seen as a basic problem of management (Harrison, 1997). More recently efforts have been made by HRM theorists to try to establish a causal link between HRM and performance. This has led to a growing number of studies which examine the potential contribution that good human resource policy can make to improving organisational performance, so much so that ‘the impact of human resource management on performance has become the dominant research issue in the field’ (Guest, 1997). The studies of HRM and performance are mostly cross-sectional and quantitative in nature, and contained in differing theoretical
frameworks. While these studies provide us with colourful opposing findings and rich competing theoretical perspectives, the emerging field of HRM on performance suffers from a lack of unity in theory and in consistency in research methodology. As Wood notes, ‘The studies vary so markedly between each other that there is not even a pair of studies that differs simply on one or two dimensions’. Accordingly, ‘A consistent picture does not emerge from the studies’ (Wood, 1999). As Guest pointed out, ‘statistical sophistication appears to have been emphasized at the expense of theoretical rigor’ and ‘if we are to improve our understanding of the impact of HRM on performance, we need a theory about HRM, a theory about performance and a theory about how they are linked’ (Guest, 1997).

Critiques (often backed by the more academically orientated research findings) have suggested that some HR policies (e.g. performance-related-pay) may be ideologically flawed, difficult to implement and with negative outcomes for various reasons. However, the drawback in relating ‘HRM and performance’ both in theory and in practice is by no means because the assumption of using HRM to improve organisational performance per se is flawed. Rather, the problem lies in the simplistic perception of the link, which is often discussed without contemplating the organisational context. Assuming HR policies have a positive effect on performance (arguably a long-term one as well), then why do so many United Kingdom firms fail to take to these HR policies? Is it because they are not aware of the effect or because they are not convinced of such an effect? Even if they are convinced of such an effect, why do they still hesitate to adopt the approach? To what extent is such a rejection of high-road HR policy to improve performance a deliberate strategy or an un-informed decision? In asocial and economic system such as that in Britain in which competitive strategy is often not based on high-road HRM and quality enhancement and in which firms tend to operate on a relatively short-term horizon, an equally beneficial approach may be to assume/acknowledge that HR activities and organisational performance are linked but such a relationship may be a two-way one instead of a one-way cause and effect relation. Moreover, such a two-way effect may be positive or negative. In short, we need to explore empirically the character of the HR policies firms adopt; whether they contribute positively to or affect adversely the organisational performance; to what extent the choices are
conditioned by internal and external factors; and whether there is a specific approach.

Organisational performance is "the way in which an organisation tries to be effective" (Griffin, 1991). An organisation's performance can be measured in many different ways. The most common ways are in terms of efficiency or effectiveness. "Performance is the attainment of organisational goals by using resources in an efficient and effective manner" (Daft, 2012). Effectiveness and efficiency is viewed as sub components of performance. As Peter Drucker has stated, efficiency means "doing things right," and effectiveness means "doing the right things." The more complete definitions are that: "organisational efficiency refers to the amount of resources used to achieve an organisational goal", and "organisational effectiveness is the degree to which organisation achieves a stated objective" (Daft, 2012). The more resources wasted during the production process, the more inefficient the manager. If organisations are using their resources to attain their goals, the managers are effective. Finally, "productivity is the level of output of goods and services achieved by the resources of an organisation" (Griffin, 1991) Effectiveness, efficiency, performance, and productivity are all important concepts for managers and organisations. Managers must be both effective and efficient. Particularly, effectiveness is the secret of success for any organisation. For managers "The pertinent questions is not how to do things right, but how to find the right things to do and, to concentrate resources and efforts on them" (Griffin, 1991).

Andrew D. Szilagyi (1981) developed a framework for performance for managers to carefully consider it attempting to achieve organisational goals:

Performance is no single standard, but consists of multiple criteria. The level of analysis of performance ranges from the individual employee to the user of the organisation's products and services, and on to society in general. The focus of performance can concern maintenance, improvement, and developmental goals. The time frame for performance, from short term to long term, must be established. How performance will be measured, ranging from quantitative/objective to qualitative/subjective measures should be considered.

Ricky W. Griffin proposed a more detailed model that related performance, effectiveness and productivity. This framework can help managers monitor all of
their activities and successfully carry out the control function at the organisational level.

Szilagyi (1981) said management books are full of phrases such as organisational effectiveness, organisational efficiency, organisational alignment, and numerous others. So when we speak of ‘organisational performance’, what is it that we are speaking about? First, we’ll refer to the Oxford dictionary which defines ‘organisation’ as “an organised group of people with a particular purpose”. ‘Performance’ is defined to include “the action or process of performing a task or function seen in terms of how successfully it is performed”. When these definitions are put together, we can say organisation performance relates to how successfully an organised group of people with a particular purpose perform a function. Essentially, this is what we are speaking about when we refer to organisational performance and achievement of successful outcomes (Griffin, 1991).

We now have a definition but what does it really mean? High organisational performance is when all the parts of an organisation work together to achieve great results with results being measured in terms of the value we deliver to customers. These parts are:

Strategic objectives – provide the direction in which everyone within the organisation should head. They provide focus and ensure we are all working towards the same end.

Organisational structure – this represents the form in which the organisation will deliver its services. The structure must support the strategy just as the strategy must have regard to the structure. For instance, an on-line delivery strategy will not be successfully executed unless the organisation has on-line capabilities.

Business performance measures – represent the measures by which each area of the organisation will be assessed. There is no single set of measures that may be applied across all organisations. In order to be relevant and of use to the organisation, the measures must be determined in light of the organisation’s goals and the strategies put in place to achieve those goals. It is this measurement process that will direct behaviour more than any other system that may be put in place. Further, the
information must be easily obtainable - in a timely manner. This requires the management information systems to be developed to collect the right data in an efficient way. Allocation of resources and processes – relates to the decision making approach that takes place within the organisation. It is how the organisation goes about deciding where to apply its scarce resources – including money, time and effort - in order to achieve its objectives (Griffin, 1991).

Values, culture and guiding principles – this part is unique to the organisation. If the organisation was human, this would be its DNA. The culture must support the achievement of the strategic objectives in order to draw out the “best” of people. The values and guiding principles must support the purpose (remembering from our earlier definition that an organisation is an organised group of people with a particular purpose) for achievement of desired outcomes.

Reward structures – must reinforce the culture and direct efforts to support the achievement of strategic objectives. Reward structures may include various forms – monetary (for example, bonus on achievement of short term goals), promotion (recognition of having acquired certain skills), celebration event (recognizing and congratulating team efforts), leave of absence / day off (recognition and ‘thank you’ for a job well done), and so on.

As per Szilagyi (1981) all these parts are inter-related and a change to one will impact one or more of the others. Similarly, one poor performing part will potentially negatively impact the others and lead to less than successful results. So, what is organisational performance? It’s getting all of these parts to work in harmony in order to achieve great results. Organisational performance encompasses three specific areas of firm outcomes: (a) financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.). The term organisational effectiveness is broader.

Specialists in many fields are concerned with organisational performance including strategic planners, operations, finance, legal, and organisational development. In recent years, many organisations have attempted to manage organisational performance using the balanced scorecard methodology where performance is
tracked and measured in multiple dimensions. Chand (2010) studied the aforementioned organisational performance variables which are Sales Growth, Profitability within Unit, Profitability within Industry, Sales Volume and ROI (return on investment).

1.9 Relationship between organisational culture and organisational performance

Denison (1984) used data from 34 American firms on cultural performance over a period of five years and scrutinized the characteristics of organisational culture and tracked the performance over time in these firms. As per Reichers and Schneider (1990), stated that culture researchers have committed various studies to the definitions of culture, relatively few researchers have been contributed in culture and performance research. Only reason for doing this was the complexity in operational concept of the culture construct. According to Kotter and Heskett (1992), investigate the relationship between long-term organisational performance and economic performance across more than 200 organisations. More ever, being one of the most important and most conscientious research efforts on this subject, the study has arranged three vital contributions.

First, relationship between culture and performance established in their research is forceful. Second, the writer gives an important combination of theoretical point of view regarding the nature & scope of culture.

Third, they sketch strong associations between culture, management practices and performance. The claim that organisational culture is attached to performance is initiated on the apparent role that culture can play in caused competitive advantage. Rousseau (1990) studied to overcome some of the limitations in measuring the culture of organisation. At the end the results shows that there is no positive correlations between culture and employees performance. After critically reviewed the methodologies and findings of recent researches, it is assumed that there is a link between culture and performance (Lim, 1995). Theorists also argue that sustainable competitive advantage arises from the formation of organisational competencies which are both superior and incorrectly imitable by competitors (Saa-Pe’re and Garcia-Falcon, 2002). Practitioners and academics suggested that the performance of an organisation is dependent on the degree to which the values of the culture are comprehensively shared (Denison, 1990).
Learning of organisations as a style of management and fresh demands in the environment is to some level up to date, which could guide us to assume that elder firms have less cultural orientation towards learning. If elder organisations made organisational learning culture, do hard work to alter their culture then it is not a very easy task, not linear or quick process. At same level, not anything better than quoting an ironic expression (Schein, 1997). According to Saffold (1998), firstly, culture can give a shape to the organisational processes which again helps to create and modify culture. Secondly, it is likely that culture’s contributes to performance is significantly less undemanding than many studies involve. Most of writers and successful managers suggest that strong organisation culture is very essential for business because of three important functions:

First, organisational culture is extremely fixed with the social control that may cause to make influence on the employee’s decisions and behavior.

Second, organisational culture works as social glue to bond the employees together and make them feel a strong part of the corporate experience, which is useful to attract new staff and retain the best performers.

Third, organisational culture is very useful to assist the sense making process, helps the employees to understand the organisational events and objectives, which enhance the efficiency and effectiveness of the employees.

Strong culture has almost considered as a driven force to improve the performance of the employees. It enhances self-confidence and commitment of employees and reduces job stress and improves the ethical behavior of the employees (Saffold, 1998). Further he states that mostly studies on culture tend to emphasize on a single organisational culture. But in the Deal and Kennedy’s (1982), point of view both strong and weak culture have a great impaction the organisational behavior but in the strong culture, employee’s goals are side with the goal of management and helpful to increase the overall organisational performance. According to Barney (1991), organisational provide sustainable aggressive advantage. He introduced three conditions; first, he suggests that culture must be viable, second the culture must be rare and have attributes and third culture must be imperfectly imitable. These can provide assistance to superior organisational performance that can be
temporary or continue for long term. Long term increase in organisational performance may cause to get the competitive advantage under long run. Kotter and Heskett (1992), conduct a study and fine that organisational performance increasing culture or strong culture raised the income of the organisations up 765% between 1977 and 1988, and only 1% increase in a same period of time firms without performance enhancing culture (Gallagher, 2008).

According to Ogbonna and Harris (2000) there has been a lot of literature defining the link between culture and performance of an organisation. Despite the fact that some authors have written against the link between the two, most of the theorists have come up with sufficient evidences describing the link between the organisation’s culture and performance of the company. For instance, Brown (1998) suggested that one of the important consequences of the strong organisational culture is its impact on the performance of the company. Also, Denison (1984) conducted the research on performance-culture link using the data from 34 companies of America in a period of 5 years. Based on the quantitative studies, the author, constantly, examined the cultural characteristics and performance of these companies throughout the period of 5 years. He used the data of ‘return on investment and sales to measure performance. Although there were variances among some of the measurement indicators’ strength to find the relation between the two, he was successful in finding out a link between the culture and organisational performance. He found that long term financial performance is linked with the decision making and work design of an organisation. Despite the encouraging results of the study, it had its limitations too. Lim (1995) came up with a strong criticism of Denison’s studies and stated that the study was based on the measurement of organisational climate rather than measuring organisational culture.

Rousseau (1990) researched into the link between organisation culture and performance of an organisation. In order to overcome the limitations present in the study of Denison (1984), he chose data from 32 voluntary fund-raising service organisations. The amount of money raised at that time by the organisations was taken into account to measure performance and for the measurement of organisational culture; organisational culture inventory promoted by Cooke and
Lafferty (1983) was taken into consideration. Unfortunately, Rousseau was not successful to find a significant correlation between organisational culture and performance. After the Rousseau’s study failed to find any significant link between the two, Kotter and Heskett conducted an extensive study in 1992 in order to find culture-performance link. Data was collected from 207 companies over the period of 5 years. Various measures of culture and economic performance data were taken into consideration to make their study successful. At the end of the study, only a minor relation was found between strong culture and long term performance which was their initial objective.

Studies were conducted by Ogbonna and Harris (2000) in order to investigate the relation between the organisational culture and company performance. They included leadership style as one more variable in their model. Data was used from 1000 registered British companies. Customer satisfaction, sales growth, market share, competitive advantage and sales volume were the variables used to measure performance. In order to measure organisational culture, innovative, competitive, bureaucratic, and community cultures were taken into account. Their study revealed that all the variables used to measure organisational culture are having their direct or indirect impact on the organisation’s performance.

1.10 Organisational culture and organisational performance in hotel industry

It has been argued that the perception of the hospitality industry as dull and low-skilled has hampered the recruitment efforts of many organisations and restricted the pool of labour to young people, women and those who are marginalized in society (Lee-Ross and Johns, 1995). These and other issues have led researchers to conclude that the industry is not conducive to the practice of HRM. However, interestingly, it has equally been suggested that one way in which executives have attempted to minimize the impact of these problems is through the management of organisational culture. In an extensive review of research into HR issues in the hospitality industry, Guerrier and Deery (1998) concludes that there is a relative dearth of studies into organisational culture in the sector. Those that appear to focus on organisational culture have been generally directed to two broad issues. First, a number of studies have examined the links between organisational culture and performance in the
industry and, as such; follow what could be called an optimistic agenda. Secondly, researchers have noted the links between organisational culture and other variables that may have a direct or indirect relationship with performance. These two streams of studies are discussed below.

Wilkins and Patterson (1985) argue that there are a number of cultural issues that could impede the efficiency of many hospitality organisations. This theme has been taken up by other commentators. For example, Glover (1987) observes that management intransigence towards culture in the industry could result in ineffectiveness, a finding that mirrors the recent suggestion of Kemp and Dwyer (2001) that developing a strong culture can enhance organisational effectiveness. Further, Tidball (1988) argues that there is a direct link between culture and company profitability. However, the most compelling exposition of the connection between organisational culture and performance in the hospitality industry is provided by LeBlanc and Mills (1995), who argue that a strong organisational culture is a prerequisite to organisational improvement and performance in the sector. They identify a range of factors which they urge executives to control in order to develop positive organisational cultures. These include formal organisational structures, physical surroundings and a range of emotion-influencing factors.

While a number of studies have been supportive of a direct culture and performance link, other examinations of organisational culture in the hospitality industry are less deterministic about this. Instead, they focus on identifying the variables that could facilitate or impinge on the culture creation process. Thus, Penzer (1990) focuses on the organisational culture consequences of low pay, a frequently identified problem in the industry, arguing that one way of reducing its negative impact is to encourage a greater sense of employee identification with the company through the creation of a strong organisational culture.

Similarly, other contributions have examined the impact of high turnover on the culture management process in the industry. Notably, Iverson and Deery (1997) provide an empirical evaluation of turnover within the hospitality industry and note that high turnover rates may have a range of negative consequences for
organisational culture in the industry. This view is supported by other studies which provide managers with recipes for reducing turnover through various forms of cultural intervention (Lockwood and Guerrier, 1989; Woods and McCauley, 1989). Insights have also been forwarded by studies into the organisational culture consequence of various types of organisational climate and burnout.

However, it is arguable that the most comprehensive discussions of organisational culture in the industry are supplied by Brownell (1990). Brownell (1990) provides an analysis of organisational change through the application of theories of culture and organisational symbolism. She concludes that managers need to develop greater levels of sophistication in understanding organisational symbolism and culture in order that they may be better able to guide their organisations through planned culture change.

In contrast a clarification of some of the constructs that underpin the concept of organisational culture, and supplies managers with guidance on how to uncover the culture of their organisations a study of two large hotels provide an assessment of the role of HRM in facilitating cultural change and argue that, while HR policies were implemented by both hotels, HRM was not considered central to the culture change process. Overall, the review of the literature on organisational culture points to a certain level of indeterminacy on the issue of its management. Although some academic researchers are either ‘optimistic’ or ‘realistic’ about the prospects of planned cultural intervention in organisations, it appears that much scholarly opinion is centered on the view that culture is firmly embedded in the whole notion of organisation and that it cannot be subjected to any form of systematic and conscious management action with predictable outcomes (Anthony, 1990; Martin, 1992; Willmott, 1993; Legge, 1994; Rowlinson and Procter, 1999).

Culture is that complex whole which includes knowledge, belief, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society. Cambridge English Dictionary states that culture is, "the way of life, especially the general customs and beliefs, of a particular group of people at a particular time." As a defining aspect of what it means to be human, culture is a
central concept in anthropology, encompassing the range of phenomena that are transmitted through social learning in human societies. The word is used in a general sense as the evolved ability to categorize and represent experiences with symbols and to act imaginatively and creatively.

As per the business dictionary organisational culture encompasses values and behaviors that "contribute to the distinctive social and psychological setting of a corporation". As per Needle (2004) organisational culture represents the collective values, beliefs and principles of members of organisation and could be a product of such factors as history, product, market, technology, and strategy, management style, and national culture. Culture includes the organisation's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits. Ravasi and Schultz (2006) wrote that organisational culture could be a set of shared assumptions that guide what happens in organisations by a process controlling behavior for numerous situations. It's additionally the pattern of such collective behaviors and assumptions that are learned by new organisational members by as how they perceive and, even, think and feel. Thus, organisational culture affects the manner people and teams move with one another, with buyers, and with stakeholders. Additionally, organisational culture might have an effect on to what extent workers determine with a corporation, Schrodt (2002).

Schein (1992), Deal and Kennedy (2000)) advanced the thought that organisations usually have exclusively differing cultures moreover as subcultures. Though an organisation might have its "own distinctive culture", in larger organisations there are at times co-existing or conflicting social groups as a result of every subculture is associated to a distinct management team. Bernard Rosauer (2012), in 'Three Bell Curves: Business Culture Decoded', represented his strategies for serving to organisation leaders higher understanding of what culture is, whether or not it might be measured and the way it would be improved. Utilizing Kennedy and Deal's definition of culture 'the way things are done around here', Rosauer also outlined culture as an 'emergence' – an extremely complex and often immeasurable state, resulting in the combination of some related ingredients. From an organisations point of view Rosauer argues the ingredients are 'employee (the people that get
things done), the work (the things that really get done), and also the client (the consumer of the provision). Organisational culture refers to culture in any sort of organisation as well as that of, universities, not-for-profit teams, government agencies, or business entities. In business, terms like corporate culture and company culture are at times utilized for describing the same idea.

The term organisational culture became wide noted within the business world within the late 1980s and early 1990s (Grestner, 2011 and Dictionary of English language) corporate culture was already employed by managers, sociologists, and organisational theorists by the start of the 80s (Smircich 1983 and Farish 1982). The connected idea of organisational climate emerged within the Sixties and 70s, and also the terms are currently somewhat overlapping (Lunenberg and Ornstein, 2011)

Wilkins and Patterson (1985) argue that there are a number of cultural issues that could impede the efficiency of many hospitality organisations. This theme has been taken up by other commentators. For example, Glover (1987) observes that management intransigence towards culture in the industry could result in ineffectiveness, a finding that mirrors the recent suggestion of Kemp and Dwyer (2001) that developing a strong culture can enhance organisational effectiveness. Further, Tidbal (1988) argues that there is a direct link between culture and company profitability. However, the most compelling exposition of the connection between organisational culture and performance in the hospitality industry is provided by LeBlanc and Mils (1995), who argue that a strong organisational culture is a pre requisite to organisational improvement and performance in the sector. They identify a range of factors which they urge executives to control in order to develop positive organisational cultures. These include formal organisational structures, physical surroundings and a range of emotion-influencing factors.

While a number of studies have been supportive of a direct culture and performance link, other examinations of organisational culture in the hospitality industry are less deterministic about this. Instead, they focus on identifying the variables that could facilitate or impinge on the culture creation process. Thus, Penzer (1990) focuses on the organisational culture consequences of low pay, a frequently identified problem in the industry, arguing that one way of reducing its negative impact is to encourage
a greater sense of employee identification with the company through the creation of a strong organisational culture.

Similarly, other contributions have examined the impact of high turnover on the culture management process in the industry. Notably, Iverson and Deery (1997) provide an empirical evaluation of turnover within the hospitality industry and note that high turnover rates may have a range of negative consequences for organisational culture in the industry. This view is supported by other studies which provide managers with recipes for reducing turnover through various forms of cultural intervention (Lockwood and Guerrier, 1989; Woods and McCauley, 1989). Insights have also been forwarded by studies into the organisational culture consequence of various types of organisational climate and burnout (Valen, 1993).

However, it is arguable that the most comprehensive discussions of organisational culture in the industry are supplied by Brownel (1990). Brownel (1990) provides an analysis of organisational change through the application of theories of culture and organisational symbolism. She concludes that managers need to develop greater levels of sophistication in understanding organisational symbolism and culture in order that they may be better able to guide their organisations through planned culture change which may lead to an increased performance.
REFERENCES


Bernard, L. R., (2012) *Three Bell Curves: Business Culture Decoded*


Farish, P., (1982). *Career Talk: Corporate Culture*. Hispanic Engineer, issue 1, year 1


Ministry of Tourism, 2015, *Annual report*.

Ministry of Tourism, (2015).*Tourism Statistics*.


Thompson & Luthans, (1990), Cited in *BPR organisational Culture*, Chapter 3.


WTTC, (2013), *World Travel and Tourism Competitiveness Index*. 
