CHAPTER 1
INTRODUCTION

1.1. INTRODUCTION TO ORGANISATIONAL CULTURE

Organizational culture and commitment have considerable importance in industrial and organizational psychology. Culture is a coherent system of assumptions and basic values, which distinguish one group or organization from another and orient its choices. Hence, organizational culture implies ‘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’ (Schein, 1996) [1].

Organizational culture is increasingly understood as a critical element in the creation of high performance workspaces. A company's prevailing values, attitudes, beliefs, artifacts, and behaviors all comprise its culture and help to create a sense of order, continuity, and commitment. Not only does the corporation as a whole have a culture, but also it commonly contains numerous subcultures. Understanding culture at both levels is important because one workspace design will not necessarily best support differing work cultures.

The concept of ‘organizational culture’ has become popular since the early 1980s. Some define organizational culture as the observable behavioural rules in human interaction, some as the dominant values in an organization (Deal and Kennedy, 1982)[2], others as a consistent perception within an organization (Robbins, 1996)[3].
The ability to perceive and assess the limitations of one’s own culture and to develop the culture adaptively is the essence and ultimate challenge of leadership. Interpreting and understanding organizational culture is an important activity for managers, researchers and consultants because it affects strategic development, productivity and learning at all levels. Cultural assumptions can both enable and constrain what organizations are able to do.

1.2. ORGANISATIONAL CULTURE

Organizational culture may be referred to the shared assumptions, beliefs, values and norms, actions as well as artifacts and language patterns in an organization. It is also regarded as an acquired body of knowledge about how to behave, shared meanings and symbols, which facilitate everyone’s interpretation and understanding of how to act within an organization. ‘Culture is the unique whole, the heart and soul that determines how a group of people will behave. Cultures are collective beliefs that in turn shape behaviour’.

Pettigrew (1990) and Ritchie (2000) viewed organizational culture might as ‘a means of stabilizing behaviour’. They considered organizational culture as the glue that holds organizations together – a means by which participants communicate and co-ordinate their efforts – and incidentally a ring fence separating insiders from outsiders [4, 5]. In ‘an allegorical view of organizational culture’, a group of organizational researchers noted that ‘an organization’s culture has to do with shared assumptions, priorities, meanings and values – with patterns of beliefs among people in organizations’.

Some people see culture as a solution to problems posed by situations that people encounter in organizational settings; others see a culture as the ways in which people cope with experience. Some talk of it as a ‘social glue’. Those who express sensitivity to the idea of organizational culture say that what it does is sensitize people to the softer, less tangible, more subtle aspects of organizational life. Talking about organizational culture seems to mean talking about the importance for people of symbolism – of rituals, myths, stories, and legends –
and about the interpretation of events, ideas and experiences that are influenced and shaped by the group within which they live.

This approach draws people’s attention to artifacts in organizations and the meanings attached to them, and to an awareness of history, of the past in organizations having a bearing on the present and the future in those organizations. Although many ideas about organizational culture seem to be shared by organizational researchers, there are important differences and even disagreements.

A key role for organizational culture is to differentiate the organization from others and provide a sense of identity for its members. Organizational cultures do not necessarily have to always be logical or consistent; in fact, they seldom are and can appear quite haphazard and chaotic to the outsider. It can also have subgroups with different cultures and with varying agendas. A strong culture is one that is internally consistent, is widely shared, and makes it clear what it expects and how it wishes people to act and behave.

The organizational culture changes over time and becomes more embedded into the ‘out-of-awareness’ functioning of an organization. Both Morgan and Schein’s views imply that key individuals have a crucial role to play in shaping and refining the culture. Schein (1996) claimed that ‘organizational culture are created by leaders and one of the most decisive functions of leadership may well be the creation, the management, and – when that may become necessary – the destruction of culture’[6].

Despite the various definitions and perspectives on organizational culture, one thing is universal amongst most of them, and that is the shared nature of the beliefs, philosophies, norms …etc. In essence, many claimed that the function of organizational culture is to create a feeling of ‘esprit de corps’ within the organization. If this is so, then attempt has to be made to examine why organizational culture is regarded so important and valuable.

In general, outstandingly successful organizations usually have strong and unique cultures. Unsuccessful organizations have weak, indifferent sub-cultures
or old sub-cultures that become scleroses and can actually prevent the organization’s adaptation to changed circumstances’ (Hofstede, 1984) [7].

This statement was further supported by Brief’s (1998) research findings which showed an unanimous agreement by all the chief executives interviewed to the fact that: for business to be successful, culture should be strong, people within the organization should recognize and if possible adopt the values and attitudes espoused by the leader and the senior managers (or the key influencing people within the organization) [8]. The researchers were not able to find any case where the culture was weak but the business successful.

Culture satisfies the basic needs for affiliation and security in attempting to describe a unified grouping that may seem to be random. It is life enhancing to be different, and safe to be similar, and culture is the concept that provides the means of accomplishing this compromise. Organizational learning, development and planned change cannot be understood without considering organizational culture as the primary source of resistance to change.

Interpreting and understanding organizational culture is an important activity for managers, researchers and consultants because it affects strategic development, productivity and learning at all levels. Cultural assumptions can both enable and constrain what organizations are able to do. The organizational culture is based on a set of attitudes and values, which have generally grown up over the years and may enhance or interfere with the organization’s effectiveness.

Assessing a company’s culture and subcultures provides workplace planners and designers with a foundation of environmental structure, which will support an organization’s functions and express it. The bottom line in using organizational culture assessments helps to create workplace solutions with both internal and external benefits that ultimately result in improved business performance.

A company’s prevailing values, attitudes, assumptions, and beliefs all make up the soft, invisible stuff of culture and determine its outlook - what it finds meaningful and important. Culture also consists of, and manifests itself
through, an organization’s artifacts that include employee dress, product line, signage, publications, interior architecture, and furniture as well as its behaviors like financial reporting, hiring and firing practices, employee training, and recycling programs. The complicated fabric of culture is woven from hundreds, if not thousands, of implicit and explicit events, issues, and symbols.

While a radical change in product line or some other artifact or behavior can affect other cultural strands, the overall size, shape, and feel of the corporate cloth is difficult to alter significantly. On the positive side, culture’s density and complexity make it stable and predictable like employees know how to act and customers can come to depend on certain attributes. On the negative side, cultural change programs are not easy to manage and usually require years of concerted effort.

Despite the complexity of culture, companies can little afford to ignore its role in business performance. Decades of research point to the link between culture and organizational effectiveness. A strong, unique, and appropriate corporate culture has the ability to:

1) reduce uncertainty by creating a common way to interpret events and issues,
2) create a sense of order in that members know what is expected,
3) create a sense of continuity,
4) provide a common identity and a unity of commitment,
5) and provide a vision of the future around which the company can rally.

Organizational culture is now understood as an asset that should be managed and leveraged in support of company goals. The first step in using this resource wisely is to understand where a company is now - diagnosing the current cultural condition. For companies that are relatively satisfied with their corporate culture, this assessment is important so that future activities can go with, rather than, against the current flow. Corporate facilities renovations, moves and additions are obvious examples of where this alignment is important. Architecture, interiors, and furniture can support both how an organization
functions as well as how it expresses itself - to its members and to the world. In addition, even in cases where the built environment is seemingly satisfactory, it might be possible to improve culture environment alignment (and potentially performance) through deliberate consideration.

1.3 DIFFERENT ASPECTS OF ORGANISATIONAL CULTURE

While exploring the ‘content’ of organizational culture, researchers seem to use a wide variety of approaches, methods and terms to describe what organizational culture might contain and/or entail. Some of the terms that have been used quite frequently are organizational culture’s components, elements, dimensions, levels, and variables. For example, while discussing an organization’s culture, Schein referred to various ‘cultural elements’ such as the physical layout of an organization’s offices, rules of interactions that are taught to newcomers, basic values that come to be seen as the organization’s ideology or philosophy, and the underlying conceptual categories and assumptions that enable people to communicate and to interpret everyday occurrences. He distinguished among these elements by treating basic assumptions as the essence – what culture really is – and by treating values and behaviours as observed manifestations of the cultural essence.

At the more visible or superficial levels of culture in Schein’s and Dyer’s formulation are artifacts. These are tangible aspects shared by members of an organizational group, including variable verbal, behavioural and physical attributes. Also included are such things as the language, stories and myths, rituals, symbols and ceremonies, technology and art used by an organization.

The next level involves perspectives: the rules and norms the members of a group or organization develop and share socially in any given context. Perspectives may be viewed as the solutions to a common set of problems encountered by organizational members from time to time. They define and interpret situations of organizational life and prescribe the bounds of acceptable behaviour in such situations. They are relatively concrete and members are usually aware of them.
The **values** are the evaluation base that members of an organization use for judging the ‘rightness’ or ‘wrongness’ of situations, acts, objects and people. Values reflect the real objectives, standards and goals in an organization and define as well its transgressions, sins, and wrongdoings. Though more abstract than perspectives, they can sometimes be articulated by members in such statements as organizational ‘mission’ and ‘philosophy’.

At the deepest level of an organizational culture are the **basic assumptions**, which are the tacit beliefs that members hold about themselves and the world, their relationships to one another and the nature of the organization in which they work. Largely unconscious, they underpin the first three levels above. They can be viewed as the implicit and abstract axioms that determine the values, perspectives and artifacts of an organization’s culture.

Another well-known author, whose ideas influence organizational work, Geert Hofstede, has presented different approaches and perspectives on culture (at both national and organizational level) in his numerous research and publications (Hofstede, 1991). He argued that organizational cultures should be distinguished from national cultures. Cultures manifest themselves, from superficial to deep, in symbols, heroes, rituals and values, etc [9]. National cultures differ mostly on the values level; while organizational cultures at the levels of symbols, heroes and rituals, together labeled ‘practices’. Hofstede (1980) studied the differences in national cultures for over fifty countries [10].

The cultures show five independent dimensions of values: power distance; uncertainty avoidance; individualism versus collectivism; masculinity versus femininity; and Confucian dynamism.

1) **Power distance**: a measure of the inequality between ‘bosses’ and inferiors, the extent to which this is accepted.

2) **Uncertainty avoidance**: the degree to which one is comfortable with or feels threatened by ambiguous, uncertain situations, the extent one can or cannot tolerate uncertainty and tries to avoid it by establishing more structure.
3) **Individualism – Collectivism**: the degree to which a culture relies on and has allegiance to the self or the group. In other words, it is the degree to which one thinks in terms of ‘I’ versus ‘we’; either ties between individuals are loose or people are part of a cohesive group throughout their lives.

4) **Masculinity – Femininity** (also known as achievement versus nurturance orientation): the degree to which a culture values such behaviour as assertiveness, achievement, acquisition of wealth or caring for others, social support and quality of life.

5) **Confucian dynamism**: this fifth dimension was later added which was meant to explain the rapid economic development of many Asian countries. This dimension refers to the selective promotion of particular set of ethics found in Confucian teachings. Particular teachings that lead to economic development include thrift, perseverance, a sense of shame, and following a hierarchy. Other Confucian teachings are less emphasized such as tradition and protecting face.

Matching individuals to organizations is a crucial part of success for any company. The match between people and the companies for which they work is determined by the kind of organizational culture that exists. The degree to which an organization’s values match the values of an individual who works for the company determines whether a person is a good match for a particular organization.

The collective rules by which an organization operates define its culture. These rules are formed by shared behaviors, values and beliefs. Culture forms the basis for how individuals operate within the context of the organization. The way a group or individual behaves, defines what is “normal” and sanctions what is not normal is determined by his or her culture. Culture can be defined either by a set of observable behaviors or by the underlying values that drive behavior. In large organizations, vision statements, mission statements and statements of values are often formalized to describe the company’s culture.
On the most basic level, culture is observable as a set of behaviors. Examples of culture at this level include the degree of formality with which employees conduct themselves, the organization’s dress code, and the type of technology used. Beneath the level of observable behaviors are the values that underlie behavior. Though these values determine behavior, they cannot be directly observed. At an even deeper level are the assumptions and beliefs that determine values. While an organization or individual’s values may remain within awareness and can be stated, assumptions and beliefs often exist beneath the surface and out of conscious awareness.

Being aware of an organization’s culture at all levels is important because the culture defines appropriate and inappropriate behavior. In some cultures, for example, creativity is stressed. In others, the status quo is valued. Some cultures are more socially oriented, while others are task-oriented, “business only” environments. In some company’s teamwork is the key. In others, individual achievement is encouraged and valued. An organization’s culture also determines the way in which employees are rewarded. Management tends to focus on a dominant source of motivation, such as pay, status, or opportunity for personal growth and achievement. The accessibility of management and the ways in which decisions are made are reflections of an organization’s culture as well.

It is important for individual values to match organizational culture because a culture of “shared meaning or purpose” results in actions that help the organization achieve a common or collective goal. An organization will operate more productively as a whole when key values are shared among majority of its members. To that end, employees need to be comfortable with the behaviors encouraged by the organization so that individual motivation and group productivity remain high. High functioning organizations are comprised of individuals whose overt behaviors are consistent with their covert values.

All of this is of crucial importance to managers. Senior executives usually set the tone by exerting core values that form the overall dominant culture shared by the majority of an organization’s members. Therefore, if management does not take the time to understand the culture that motivates an organization,
problems are inevitable. New procedures and activities will be very difficult to implement if they do not mesh with the organization’s culture.

An effective means of keeping employees aligned with the values and goals of an organization is by developing a culture that encourages employees to focus on a higher purpose for their work. Values that support this kind of cohesive operation include the idea that people are basically good, rational and interested in achievement. Leaders those unify an organization believe that everyone has something to contribute to the organization and decision-making should involve people at all levels within the organization.

Creating an environment where people enjoy and value their work is the key. To do this effectively, leaders must be sure to communicate clear expectations for every member of the organization. These expectations should be supported by the words and actions of managers who regularly let people know how their work is important to the organization. Individuals should be given assignments that are consistent with their strengths and interests and opportunities for continued learning and growth should be provided as well.

The importance of understanding organizational culture cannot be overlooked. The bottom line for managers who want to create a culture of success is to start with creating a positive environment. Bring in people whose values are in line with the organization’s culture, and continue to acknowledge success and involve the whole organization in maintaining an environment that enables people to enjoy working hard to meet the company’s goals.

Little attention has been paid to factors associated with the structure and culture of organizations, such as organizational sub-units or subcultures. There has also been no specification of from where these ‘employee-focused’ characteristics emanate; it is assumed that they attach somehow globally to ‘the organization’. It might be argued that supportiveness, fairness and value may be perceived by organization members to reside closer to the routine and intense engagements of employees with their sub-units and subcultures than in a global and often distant and abstract ‘organization’.
The success of any company depends in part on the match between individuals and the culture of the organization. Organizational culture is the set of operating principles that determine how people behave within the context of the company. Underlying the observable behaviors of people are the beliefs, values, and assumptions that dictate their actions. Successful organizations are often credited with having an appropriate organizational culture and/or structure in place that allows them to reach this pinnacle of success.

Managers need an accurate understanding of the organization’s culture in order to direct activities in a productive way and to avoid the destructive influence of having employees who are not committed to the company’s goals. A shared sense of purpose starts with the hiring process and continues with careful attention to how employees are motivated and rewarded for their efforts. Managers need to continually transmit the values of the culture through efforts such as storytelling, rituals and firm-sponsored social events, as well as consistent positive feedback that gives each member of the organization a sense of importance.

1.4 CULTURAL CHANGE

Cultural change generally comes in three forms. The first program is evolutionary, allowing change to occur over time (usually years) with its sights set at company-wide transformation. The second type involves drastic measures exacted only upon certain elements or subcultures. This more focused approach may or may not demand less time, depending upon the tenacity of undesirable elements.

The third type of change is revolutionary - forcing the entire organization to drastically change course. Programs of this variety tend to be turbulent and come at a large cost to the organization, like employee turnover, morale problems, and general chaos. Sometimes, such measures are necessary to ensure the survival of a company. This extreme approach to shifting the culture gives
little consideration to what comfortable rates of change might be - it expects casualties.

For companies who desire cultural change and have a strong vision of where they want to be, it would seem at first pass that they would not care much about diagnosing their present culture because they want to move away from it. Knowing the starting point in a process of change, however, is indeed important. One of the primary reasons that cultural change programs fail is because they are too drastic - they demand too much, too fast. Knowing the current culture allows a change agent to set a reasonable pace that does not unduly alienate or engender resistance. Diagnosis might also point to specific groups or departments that might already be in accord with the goal - to repeat an old maxim, if it is not broke, do not fix it. In addition, these groups might be useful benchmarks in the change process or provide positive examples for the rest of the organization.

The effects of cultural misunderstanding can be painful for not only individuals but also the organization as a whole. Embarrassments, unwitting insults, offences and failures to accomplish individual and organizational goals are among common consequences. The nature of organization culture significantly affects the way in which the organization operates and its effectiveness in achieving its goals; consequently, the control of culture is a topic of great importance to those responsible for managing the organization.

1.5 SIGNIFICANCE OF ORGANISATIONAL CULTURE

The reasons behind understanding the importance of organization culture are:

1) It will determine the responses that an organization will make to new problems and challenges. It may facilitate change or be an obstacle.

2) It will determine the kinds of people who are attracted to the organization and who will be successful in it.
3) It determines what counts as important in the organization and so gives a clear direction for planning training and management development programs.

Failing to understand and manage the organizational culture can lead to much time being wasted on irrelevant activities and even to conflict between different levels in the organization, cynicism and disillusionment. Without control of the culture, subsidiaries, departments and functions may take on their own culture. While some differences in culture between groups within the same organization may be acceptable or desirable, there may be core values, which are vital to the success of the organization and should be shared by all. These core values need to be identified and embedded in the culture. The process involves being explicit about what values are important to the organization and getting people to understand and commit themselves to these values.

Having a positive and aligned culture benefits the organization to increase the levels of productivity. The destructive influence of hiring someone who does not share the same set of values, goals and commitment espoused by the organization will weaken a strong chain of links and bonds. An employee’s performance depends on what is and what is not proper among his or her peers, which in turn affects that individual’s behavior and motivation to participate and contribute within the organizational framework.

Understanding the cultural distinctions of individual workgroups is important because different cultures seem to require different work environments. A culture of teamwork, interaction, and flexibility would not particularly thrive in a space comprised of high-paneled, inward-facing cubicles with little communal space and few accoutrements like guest chairs and shared work surfaces. However, for a highly competitive group that thrives on rivalry and individual performance, this might be most appropriate. The critical effort of workspace design lies in aligning the various and sometimes competing needs of the group within the physical environment. Designing with concern for corporate culture requires forging alignments not only with functional but also with symbolic and aesthetic needs and preferences.
The advantage of knowing the company culture is that it provides an overarching structure that helps organize the sub-cultural elements. Rarely does one space solution best fit an entire company (an exception might be a homogenous or specialized office, like a call center). A company office with many departments with differing cultures might seem somewhat chaotic or disjointed if designed by focusing on their individual needs. The larger culture provides a basis from which design and aesthetic negotiation and compromise can occur.

Because of this balance between global and local cultures within a company, in most cases, knowing the company culture without knowing the departmental cultures provides less information than the designer actually needs. In some cases, such as small companies with only a few departments, this central bias in the available information about corporate culture is less of a concern. Even in situations where resources do not allow diagnosis of individual departments, it is still beneficial to understand the overall company culture because this framework can provide some basis from which designers might begin to plan and organize space.

Not only can the physical environment help (or hinder) how a company works – functionally - but it also tells its visitors and employees who it is and what it cares about. Knowing the company culture (or desired culture) helps in communicating who and what the company is.

As already mentioned, there are environmental implications to organizational culture - whether one considers the departmental or company level. Since an organization’s culture reflects what it feels is important, how it acts and reacts, how it is led and managed, what its strategic emphasis is, how it creates a sense of belonging, how it defines success, as well as many other similar factors, it is difficult to imagine how the physical environment would not be entangled with its prevailing thoughts and actions. In fact, going back to the definition itself, an organization’s artifacts both affect and reflect its culture.

At the broadest level, environmental artifacts include a company’s geographic location and how its facilities are organized. Culture, whether downtown or in the suburbs - will substantially influence the available labor
pool, client accessibility, facilities costs, human resource attraction and retention, and a whole host of other issues on top of how the company is perceived. Similarly, decisions on whether to consolidate in a high-rise building or to inhabit multiple buildings in multiple locations help articulate an organization’s culture as well as influence the way it operates.

One key issue in diagnosing organizational culture involves the identification of subcultures. While a company might have a dominant cultural type, this does not mean that every group or department in the company is the same. In fact, quite commonly, different departments have very different cultural elements. It would be inappropriate to expect the marketing department’s culture to be the same as that of the software engineering or finance department’s. Subcultures are actually a natural result of the evolution of any organization. Because of this, and especially when considering physical changes to the workplace, it becomes important to diagnose all departments or workgroups.

While subcultures can vary significantly from the overall company culture, importantly, research has shown that along with a subculture’s unique elements, core components of the company always exist. Even though a subculture may be unique, it still exists within and is surrounded by the company culture. Subcultures are never independent.

1.6 ORGANIZATIONAL COMMITMENT

Organizational commitment has been defined as ‘the strength of an individual’s identification with and involvement in a particular organization, characterized by:

(a) a strong belief in and acceptance of an organization’s goals and values;
(b) willingness to exert considerable effort on behalf of the organization;
(c) a definite desire to maintain organizational membership’.

These three dimensions refer to what has been described as normative, affective and continuance commitment. Contrary to job satisfaction, organizational commitment has been demonstrated to be better conceptualized as
a set of different, more or less independent components instead of using a single construct.

Organizational commitment, as an attitude, has been defined as the relative strength of an individual’s identification with, and involvement in, a particular organization (Mowday et. al., 1979) [11]. This definition, reflecting an individual’s affective commitment, represents a major approach to the study of organizational commitment and appears to be the most desired form of commitment.

Organizational commitment is defined in terms of member’s identification and level of engagement with a particular organization. It reflects peoples’ attitudes towards the organization’s goals and values, a desire to stay with the organization, and a willingness to expend effort on its behalf. The latter has behavioral implications, but the conceptualization focuses more on how people think about their relationship to the employing organization and the formation of attitudes based on that.

The importance of organizational commitment has been reflected in ongoing research in the management area. Organizational commitment reveals complex employee attitudes, including affective commitment involving emotional attachment to the organization, continuance commitment emphasizing the perceived investments vs. costs, and normative commitment concerning obligation-based considerations. The multiple types of commitment consist of an employee’s belief in the organization, willingness to work hard for it, and the desire to continue to work for it. Generally, higher or lower levels of commitment have been shown to be a major driver of employees staying with or leaving an organization.

Employees with strong organizational commitment continue employment with the organization because they want to do so. In order to achieve organizational commitment, employers need to help their employee’s value involvement in the organization. The more the employee’s value being part of the organization, the more likely they are to stay with the organization.
Organizational commitment has received significant attention in studies of the workplace. This is due to the general recognition that this variable can be the major determinant of organizational performance and effectiveness. When employees are dissatisfied at work, they are less committed and will look for other opportunities to quit. If opportunities are unavailable, they may emotionally or mentally withdraw from the organization. Thus, organizational commitment is an important attitude in assessing employees’ intention to quit and the overall contribution of the employee to the organization.

Following a study by Mowday et. al., (1979), the concept of organizational commitment can be divided into three important aspects: (a) belief in and acceptance of an organization’s goals and values, (b) willingness to strive harder to develop an organization by being part of the organization, (c) willingness to continue working and be loyal to the organization.

As part of their research, Meyer and Allen (1991) developed a framework that was designed to measure three different types of organizational commitment [12]:

(a) Affective commitment refers to employees’ emotional attachment, identification with, and involvement in the organization. Employees with a strong affective commitment stay with the organization because they want to.

(b) Continuance commitment refers to employees’ assessment of whether the costs of leaving the organization are greater than the costs of staying. Employees who perceive that the costs of leaving the organization are greater than the costs of staying remain because they need to.

(c) Normative commitment refers to employees’ feelings of obligation to the organization. Employees with high levels of normative commitment stay with the organization because they feel they ought to.
Employee commitment is argued to be critical to contemporary organizational success. Affective commitment, in particular, has been associated with positive organizational outcomes such as improved retention, attendance, and citizen behaviors, self-reports of performance, and objective measures of supervisor ratings of employees’ performance as well as indicators of improved operational costs and sales.

The bulk of work on commitment has indeed adopted a global conceptualization and focused on the organization itself. However, such research has generally returned weak commitment-performance relationships and increasingly attention shifted to other points of identification such as professional groups, occupations or careers. Employees exhibit commitment to different organizational coalitions, such as departments, collective labor bodies, management and supervisors. It suggests that organizational subcultures are likely to offer another point of identification, involvement and loyalty among their members and thus to exhibit a relationship with affective commitment.

To sum, affective commitment remains the dominant focus on organizational commitment and is shown to be most clearly associated with important organizational outcomes. Furthermore, organizational variables, rather than employee characteristics, are the antecedents that had better predict affective commitment, and it is the ‘employee-focused’ organizational factors have been shown to have the greatest impact.

There are four types of employee organizational commitment: “want to commit”, “have to commit”, “ought to commit” and “uncommit”. The first type, which comprises employees who commit themselves to the organization or their employers voluntarily, are usually those who are dedicated and always strive to do their best for their employers. They are prepared and willing to accept new responsibilities just to serve their employers. They also have positive behaviours and perceptions towards things related to their work. These types of workers are most liked by every employer.

The second type comprises employees who feel obliged to give commitment to their organization or employer. This type of workers normally
feels trapped in situations, which force them to commit themselves to their work. There are various factors, which contribute to such a situation. These include failure to get employment somewhere else, family problems, nearing retirement, and health. In some situations, they could choose to leave their job, but they feel that they cannot afford to do so. This normally results in them doing their work under stress/pressure, which leads to the feeling of dissatisfaction, low productivity and negative behaviours. They also create many problems to their supervisors and employers.

The third type comprises employees who feel that it is their responsibility or obligation to offer commitment to their organization. This type of employees feels that they are obligated to do whatever that is asked by their employer. This sense of obligation tends to occur with employees who desperately need the job offered to them by their employers.

The fourth type comprises employees who lack commitment. Majority of them are not satisfied with nor have a negative perception towards their organization or employer. They actively look for opportunities to work somewhere else and they tend to work half-heartedly for their organization. Most of them have intentions to quit or change job. This indicates that the importance of job satisfaction is widely recognized and its significance in enhancing productivity is very high.

1.7 LINK BETWEEN ORGANISATIONAL CULTURE AND COMMITMENT

To date, the literature examining the relationship between corporate culture and employees’ workplace attitudes has been mainly anecdotal. In previous work, there seems to be a general understanding regarding the type of corporate culture values and activities that contribute to the development of “business excellence.”

There is broad agreement, that organizational culture provides the ‘social glue’ that gives organizations coherence, identity, and direction. It is most
frequently conceived of as a set of shared values and symbolic elements that provide a common meaning frame by which organizational members interpret and make sense of the organizational world they occupy and that this guides their thinking, feelings and behaviors.

The importance of organizational commitment has been reflected in ongoing research in the management area. Organizational commitment reveals complex employee attitudes, including affective commitment involving emotional attachment to the organization, continuance commitment emphasizing the perceived investments vs. costs, and normative commitment concerning obligation-based considerations. The multiple types of commitment consist of an employee’s belief in the organization, willingness to work hard for it, and the desire to continue to work for it. Generally, higher or lower levels of commitment have been shown to be a major driver of employees staying with or leaving an organization.

For many organizations, monitoring levels of commitment on an ongoing basis is a standard procedure that tends to be conducted both informally and formally within human resources departments. As a profession, human resources management increased its profile as an important and necessary component within successful organizations. The importance of managing employment relationships gained standing when knowledge became the number one critical resource sought by companies’ worldwide (Frankenberg et.al., 1999) [13].

Influential organizational culture writers such as Johns (2005) suggest that it exerts considerable influence on commitment. The reasoning is that since organizational culture consists of a set of shared values across an organization, this would include values about the nature and quality of organization-member engagement and relationships and that member feelings and attitudes with regard to the employing organization, including commitment, would therefore be influenced by the culture [14]. The aspects of the work context those are closer to these realities, such as the immediate leadership, work groups and subcultures, do have a more marked effect upon perceptions and sentiments associated with involvement, identification and loyalty, i.e. commitment.
1.8 STATEMENT OF THE PROBLEM

Research work in the field of organizational culture and commitment is very limited in Indian industry. There are very few researches done to explore the differences in organizational culture and commitment of Indian managed and foreign managed IT firms. With this background, the general objective of the present research is focused on “Organizational Culture and Commitment: A Comparative Analysis of IT Professionals of Indian and Foreign Managed Firms in Chennai”

Organisation members use the concept of culture very frequently in their day-to-day life. When probed deeply for its meaning, methods of assessing it, forms of its manifestation, managers lack knowledge of it. A number of researchers have already acknowledged the poverty of empirical studies in the area of culture. (Schneider, 1990; Hofsteds, 1998)[15, 16].

Cultural frameworks for organisational analysis have yet to take root in Indian soil. Very few studies are carried out in understanding organizational culture with relevance to commitment, job satisfaction, leadership, climate, efficiency, cultural diversity at workplace, managing the interface of cultures in different sectors like banks, public limited companies, MNC’s etc.

1.9 NEED FOR THE STUDY

There is both practical and theoretical significance of conducting a research study of this nature. The potential gains that can be realized if the employer -employee relationship is improved within the IT firms represent the practical significance of this study.

1. The theoretical significance of this study is that there are very limited researches on organizational culture and commitment for IT industries especially in both Indian and Foreign managed IT firms. Thus, these results will also facilitate knowledge-based recommendations that can be employed to better meet the expectations of the employees.
2. Combining the curiosity of understanding the changes in organizational culture with how it affects employees would enable in gaining a better understanding of the effects of organizational culture on employee commitment.

3. By comparing the results of this study with other research endeavours that have measured organizational commitment, some unique commitment characteristics may be observed for those people working in both Indian and foreign managed IT firms. Therefore, for the first time, this kind of research will reveal organizational culture and commitment that may differ from Indian or foreign managed IT firms.

This whole concept evolved into two key ideas that formed the basis of this research endeavor. The purposes of this study were to:

(a) Gain insight into the current state of organizational culture in Indian and Foreign managed IT firms.

(b) Develop a greater understanding of the issues currently affecting organizational culture.

1.10 OBJECTIVES OF THE STUDY

The general objective of the present research is “Organizational Culture and Commitment: A Comparative Analysis of IT Professionals of Indian and Foreign Managed Firms in Chennai”.

The specific objectives of the study are:

1. To study the socio-economic background of employees of IT firms.

2. To analyse the relationship between the socio-economic factors and organizational culture and commitment of the employees.

3. To identify the factors affecting organizational culture and organizational commitment.

4. To understand and elucidate the differences in culture and commitment of the employees.
5. To examine the effect of organizational cultural dimensions on organizational commitment.

6. To suggest appropriate management strategies to improve the organizational culture and commitment.

1.11 HYPOTHESIS OF THE STUDY

Based on theory and empirical research reviewed, the following patterns of relationship among the variables were hypothesized.

1. \( H_0: \) There are no significant differences in employees of Indian and Foreign managed IT firms with respect to socio-economic factors.
   
   \( H_1: \) There are significant differences in employees of Indian and Foreign managed IT firms with respect to socio-economic factors.

2. \( H_0: \) There is no significant relationship between the socio-economic factors with organizational culture of the employees.
   
   \( H_1: \) There is significant relationship between the socio-economic factors with organizational culture.

3. \( H_0: \) There is no significant relationship between the socio-economic factors with organizational commitment.
   
   \( H_1: \) There is significant relationship between the socio-economic factors with organizational commitment.

4. \( H_0: \) There is no significant difference in culture dimensions identified.
   
   \( H_1: \) There is significant difference in culture dimensions identified.

5. \( H_0: \) There is no significant difference in commitment dimensions identified.
   
   \( H_1: \) There is significant difference in commitment dimensions identified.
6. **H₀**: There is no significant difference between organizational culture dimensions discriminating among the employees.
   **H₁**: There is significant difference between organizational culture dimensions discriminating among the employees.

7. **H₀**: There is no significant difference between organizational commitment dimensions discriminating among the employees.
   **H₁**: There is significant difference between organizational commitment dimensions discriminating among the employees.

8. **H₀**: There is no significant relationship between organizational cultural dimensions on organizational commitment.
   **H₁**: There is significant relationship between organizational cultural dimensions on organizational commitment.

1.12 **SCOPE AND DELIVERABLES OF THE STUDY**

The scope of this study revolves around the following:

1. This study will provide insights for future research in similar areas of specialization though it has a wider scope in strategic business management, operations management and related fields.

2. The findings of this study will offer a foundation for considering cultural change programs as a means of OD intervention.

3. This will also contribute to IT industry to improve their quality of work life, employee commitment and reduce attrition.

4. This study will also help policy and decision makers to identify difference in culture and commitment levels of employees so that decisions can be made to improve their efficiency, loyalty and motivation level.

5. To industrial analysts and onlookers, this provides valuable solutions for solving complex psychological issues that arrive due to culture and commitment difference.
1.13 LIMITATIONS OF THE STUDY

The present study is based on the primary data collected from the employees of IT firms. Hence, the drawbacks and limitations of the field level survey are very much applicable to the present research.

The data and information collected from the respondents are subject to recall bias.

1.14 CHAPTERISATION

Focusing on the main objective “Organizational Culture and Commitment: A Comparative Analysis of IT Professionals of Indian and Foreign Managed Firms in Chennai”, the thesis is organized in six chapters.

Chapter I outlines introduction, statement of the problem, need for the study, objectives of the study, hypothesis, scope and deliverables; and limitations of the study.

Review of literature on Organisational Culture and Commitment are presented in Chapter II.

Chapter III comprises of Research Methodology discussing on the sampling procedure, sample size, instrument and statistical techniques.

Empirical results of the study on Organisational Culture and Commitment of Indian managed IT firms are analysed in Chapter IV.

Empirical results of the study on Organisational Culture and Commitment of foreign managed IT firms are analysed in Chapter V.

Last Chapter VI discusses the findings, suggestions and conclusion.