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2.1. INTRODUCTION

The organizations of all types, viz. business, industrial, non-governmental, governmental etc., are being viewed as successful or failures depending upon their performance against a scale set for them; either by themselves or by the sector or area in which they are operating. The reasons for its success or failures are also to be understood, analyzed and evaluated on the criteria, which not only vary in terms of numbers but also on the type of criteria itself. One common platform to understand the success or failure in their operational performance is, organizational culture.

Organizational culture, its understanding and evaluation is being seen as a useful tool to understand the performance of organization itself. Organizational culture in effect, is the way in which an organization is responding and the way in which it is likely to respond in future. The existence of organization also, in effect, is its responses to environmental changes, in which it is operating. This can also be viewed, as the way in which organizational culture of an organization has to make adjustments, thus leading to a new paradigm of culture itself.

2.2. ORGANIZATIONAL CULTURE – DOMINANT CULTURE, SUB-CULTURE, STRONG CULTURE AND WEAK CULTURE

Organizational culture, though looks like a nomenclature for a not so clearly visible aspect of an organization, can be explained under several definable, as well as comprehensible sub-entities viz. Dominant culture, Sub-culture, Strong and Weak culture.

Timmerman (1996) in his article titled “Do organizations have personalites? examines the presence of dominant culture, in organizations. He also states the ways in which the core values of the organization gets manifested. Development of sub-cultures is also examined, when they reflect the experiences of the members of the organizations.
A dominant culture expresses the core values that are shared by a majority of the organization’s members. When we talk about an organization’s culture, we are referring to its dominant culture. It is this macro view of culture that gives an organization its distinct personality. Subcultures tend to develop in large organizations to reflect common problems, situations, or experiences that go along with member’s geographical separation. The purchasing department, for example, can have a subculture that is uniquely shared by members of that department alone.

Jermier, et al (1991) in their study of Organizational cultures across bureaucracies have identified that presence of many sets of subcultures under a dominant culture. It may also be mentioned that the culture of bureaucracy is visible in public sectors. This seems to be obvious that as they are owned by the government. It may also be mentioned that the intricacies of bureaucracy percolates from top to bottom.

Sackmann (1992) in his article “Culture and Subcultures: An Analysis of Organizational Knowledge” has also identified presence of numerous subcultures under one dominant culture of the organization. A dominant culture so wide spread in the organizations, will necessarily give rise to many sub cultures, as dominant cultures at times, becomes indecipherable for the members. Hence sub cultures emerge on their own; but broad boundaries of the dominant culture, are not crossed.

Zammuto (1995) in a paper presented at Vancouver has also come out with the finding of presence of subcultures under one major dominant culture. Emergence of sub-cultures, seems to be a common phenomenon under a dominant culture. Dominant culture either by size or by strength will lead to sub-culture.

Van Maanen et al (1985) while elucidating the existence of subcultures under a dominant culture, state that many believe that multiple subcultures within the same organization could be a rule and homogeneous culture, an exception. This may be due to following differences.

*The level of hierarchy and the nature of tasks to be performed at each level – for example, the labor and management,
*The difference in functional specialization – for example R&D and manufacturing departments.

*The difference in the environments in which different parts of the organization operate.

Due to such differences, the people who work in different departments, levels and divisions of the same organization, develop different orientations to time, pace of work, the way to perform, authority and value of autonomy or experimentation, and all related parameters.

*Strauss (1977) in his book titled “Organizational Development: Credits and Debits” examines the outcomes of few researches. He states that research evidence also suggests that a strong culture helps workers march to the same drummer, creates high levels employee loyalty and motivation, and provides the company with structure and controls without the need for an innovation stifling bureaucracy.

Though the existence of sub-culture is more a rule than an exception, it does have telling effect on the performance of the organization. However, it is necessary that the sub-culture is in alignment with the dominant culture, though some deviations and deflections are acceptable to a small extent.

Frances Cairncross (2002) is of the following view while discussing dominant culture vis-à-vis sub-culture. Sub-cultures can weaken and undermine an organization if they are in conflict with the dominant culture and / or the overall objectives. Successful firms, however, find that this is not always the case.

The influence of strong culture in relation to weak culture is explicitly seen in the way in which the human resource of an organization is utilized. The employee behavior either in his stay or in his turnover seems to be the direct reflection of Organizational culture. The acceptance or otherwise of the core values, which is again at the centre of Organizational culture determines the strength or otherwise of organizational culture and in turn affects human resource either to the advantage or disadvantage of the organization.

Gordon et al (1992), Sorensen (2002) and Wiener (1988) have indicated that it has become increasingly popular to differentiate between
strong and weak cultures. The argument here is that strong and weak cultures have a greater impact on employee behavior and are more directly related to reduce turnover.

In a strong culture, the organization’s core values are both intensely held and widely shared. The more members who accept the core values and the greater their commitment to those values is, the stronger the culture is. Consistent with this explanation, a strong culture will have a great influence on the behavior of its members because the high degree of sharedness and intensity creates an internal climate of high behavioral control.

Strong cultures in opposition to the sub-cultures can have significant effect on the outcome of the organization.

Avvan R Jassawalla (2002) and Laura Riolli (2001) have concluded that dominant cultures do support innovation process and help firms to cope up with rapid economic and technological changes.

Irrespective of the number of sub-cultures seen or felt in an organization, the members of the organization even with different backgrounds tend to describe the Organizational culture in similar terms.

Meyerson et al (1987) and Frost et al (1991) have suggested about the presence of above type of tendency in many organizations. Thus they state as that one should expect, therefore, that individuals with different backgrounds or at different levels in the organization will tend to describe the organization's culture in similar terms.

Existence of culture in its dominant form or dormant form vary widely across all organizations. But take an industry; just as the nature of industry remain same irrespective of the individual organization present in its fold, so also the similarities are seen in many cultural characteristics.

Jennifer A Chatman et al (1994) state that culture can vary widely across organizations; however, organizations within the same industry often reveal similar cultural characteristics because they are operating in similar environment. Thus they state that our results offer some empirical support for similarities among cultures of firms in same industry and a link between culture and industry characteristics.
There appears to be a convergent view that organizations do not have uniform culture. But can be seen a mosaic of different colors and hues.

**Nancy C Morey et al (1985)** thus state that a common misconception is that an organization has a uniform culture. However, at least as anthropology uses the concept, it is probably more accurate to treat organizations “as if” they had a uniform culture. “All organizations ‘have’ culture in the sense that they are embedded in specific societal cultures and are part of them.”

Though Organizational culture as a concept appears to have a universal connotations, still, many a times Organizational culture sounds same as organization climate.

**Benjamin Schneider et al (2002)** have observed that each of these characteristics has controversies surrounding it and varying degrees of research support. For example, there is a controversy in the academic literature over the similarities and differences between organizational culture and organizational climate.

Any Organizational culture is a culmination of the various interpretations of beliefs, experiences etc.

**Elizabeth Wolfe Marrison (1993)** has observed that when cultural members interpret the meanings of these manifestations, their perceptions, memories, beliefs, experiences, and values will vary, so interpretations will differ – even of the same phenomenon. The patterns or configurations of these interpretations, and the ways they are enacted, constitute culture.

Though organizational culture needs to be studied for the possible benefits that accrue to the organizations, problems which are major in nature cannot be ignored.

**Friedlander et al (1974)** thus state “Culture can also lead to major problems for an organization or even an industry”. The problems could be multilayered and multifaceted. The same view is expressed by Micheline Maynard in her book “The end of Detroit”. The author suggests that the big company’s well-intentioned managers are paralyzed by a dysfunctional culture. They are a product of an era when their companies dominated the
auto world. She says, “The great tragedy of Detroit’s decade-long demise is that it’s self inflicted.”

As indicated elsewhere, Organizational culture furnishes organizations with many benefits. In fact organizational effectiveness is as high as the strength of organizational culture.

Watson et al (1967) state that corporate culture is important because of its relationship to organizational effectiveness. There is increasing evidence that firms with effective corporate cultures have increased productivity, boosted employee camaraderie, increased employees’ sense of ownership, and increased profits.

Other benefits of organization include the binding force it provides to the members of the organization. Organizational culture is a link between individual and organization also.

Goffee et al (1996) mention that “Just as members within a social group share common beliefs and norms, the culture binds the organization together like a glue”. Thus culture acts as a strong binding force. The binding is through common beliefs and values. Without sharedness, the organizational culture becomes too brittle.

O’ Reilly et al (1991) state that culture is believed to be an important link in helping the individual fit within the organization. Not only it acts as a glue but a link, the strength of which depends again on the sharedness of values and beliefs. But for the links, the organization remains as a fragmented one.

Nancy J Adler (1981) has observed that expatriates face problem when entering a foreign culture. This observation clearly indicates that workforce in MNCs consisting of foreign nationals do face problems in adjusting to organizational culture of host countries. The converse is also true when the employees in host countries move to other countries, though all these companies operate under the same parent company.

Adair et al (2005) have observed that negotiators from different countries will share a holistic view of the negotiation process that will lead
them through similar co-operative and competitive stages. In case of MNCs it is but natural that they have to interact with organizations of different countries. Organizations of different countries do differ in culture. However when they formally interact, as in the process of negotiations, there can be holistic approach which may altogether be different from their own cultures.

Rosenbaum Andrew (1999) has argued that for managers considering a move into a foreign market, it is often difficult to find a practical way to anticipate cultural conflicts. He has also emphasized about the availability of a lot of academic literature on various issues of organizational cultural conflicts, making it difficult to suggest practical ways of foreseeing cultural conflicts. As can be expected in case of multinational corporations, there will be a mix of cultural elements of home country and the cultural elements of host country. Thus the above discussions explain the nature and scope of dominant, sub, strong and weak cultures.

2.3. ORGANIZATIONAL CULTURE – VIS-À-VIS THE EMPLOYEES / MEMBERS OF THE ORGANIZATION

It is evident that it is the employees who are responsible for sustaining the culture of the organization. They do not only affect the organizational culture, but also get affected by Organizational culture. Several studies have been made about the role of employees in sustaining Organizational culture, as well as their role in shaping the core values and assumptions of the organization. The employees will remain with the organization or move out, if there is a match or mismatch between themselves and the organization respectively.

Heinrich (2005) states about a study conducted across five international accounting firms, where in the study examined their cultures, employee retention (turnover) rates for new hires, and the opportunity costs associated with employee departures. Two primary cultures were identified. One emphasized the work task values of detail and stability; the other emphasized the interpersonal relationship values of team orientation and
respect for people. Newly hired professionals working in the culture accenting interpersonal relations stayed, on average, 14 months longer than their counterparts in the other culture. The estimated cost (in lost profits) to a single firm of higher turnover (presumably due to the more task oriented culture) was $6-9 million for the 14 months.

The culture, though all pervasive in an organization has to penetrate several layers of an employees personality.

**Scaffold (1998)**, while discussing about the layers thus states as follows. Managers should see that the culture penetrates deeply at four levels among the employees:

a. Sociological penetration occurs when the cultural values are shared by groups horizontally as well as vertically.

b. Psychological penetration occurs when cultural values, meanings and assumptions are deeply internalized, though the degree of this internalization will vary across subcultures.

c. Historical penetration occurs by keeping cultural meanings and values stable over time. If a transition is required, the way in which the transition is made, will also affect the penetration.

d. Artifactual penetration occurs when the visible artifacts convey a deeper meaning of the underlying values and norms, and do not remain superficial arrangements to structure.

Socialization is an important mode of assimilation of Organizational culture. The role of co-workers in assimilating as well as disseminating the organizational culture needs no special emphasis. The new employees establish a social relation with the old employees of the organization, as a matter of entering into new organization and organizational culture.

**Mc Shane (1988)** states that co-workers also aid the socialization process by being flexible and tolerant in their interactions with these new hires. Newcomers who quickly form social relations with co-workers tend to have a less traumatic socialization experience and are less likely to quit their jobs within the first year of employment. However, co-workers sometimes
engage in hazing the practice of fooling or intimidating newcomers as a practical joke or initiation ritual.

While recruitment and hiring employees pose a challenge to the organization, it has to overcome the challenges using its own ingenuities and capabilities. However, when the ‘to be hired employee’ is unlike the majority of existing employees, a paradox like situation may be created. However as stated earlier, it is the ingenuity of the organization that counts while addressing such paradoxes.

Lindsay (1990), Cox (1993) and Grensing (1999) in their studies on Organizational culture have identified existence of such paradoxes. They thus state that hiring new employees who, because of race, gender, disability, or other differences, are not like the majority of the organization’s members, creates a paradox. Management wants new employees to accept the organization’s core cultural values. Otherwise, these employees are unlikely to fit in or be accepted. But at the same time, management wants to openly acknowledge and demonstrate support for the differences that these employees bring to the workplace.

As stated previously, the work in which the new recruits get acclimatized to the Organizational culture, is through the process of socialization. Socialization in the context of organization is thus stated in many ways. However in the context of present study of the industrial undertakings, the views of researchers as relevant to the studies are worth noting.

Van Maanen et al (1977) and Feldman (1981) have thus stated as follows. Socialization can be conceptualized as a process made up of three stages: pre-arrival, encounter, and metamorphosis. The first stage encompasses all the learning that occurs before a new member joins the organization. In the second stage, the new employee sees what the organization is really like and confronts the possibility that expectations and reality may diverge. In the third stage, the relatively long-lasting changes take place. The new employee masters the skills required for his or her job, successfully performs his or her new roles, and makes the adjustments to his or her work group’s values and norms. This three-stage process has an
impact on the new employee’s work productivity, commitment to the organization’s objectives, and eventual decision to stay with the organization.

It need not be over emphasized the need for careful selection of employees for an organization. Though there could be few or more mis-match between the employees and the organization, it can be overcome with tested ingenious methods of the organization it-self. The cultural paradox as already stated still poses a challenge.

Richard Pascale (1985), Annelies et al (2000) and Gregery B Northcraft et al (1990) have thus concluded that the first step is the careful selection of entry level candidates, using standardized procedures and seeking specific traits that tie to effective performance, trained recruiters interview candidates and attempt to screen out those whose personal styles and values do not make a ‘fit’ with the organization’s culture. There is research indicating that newcomer’s and their supervisors’ perceptions of Organizational culture fit are related to organizational commitment and intention to leave the organization. There is also accumulating evidence that those who have a realistic job preview (RJP) of the culture will turn out better. Rules, procedures of an organization mention the dos and don'ts in an explicit manner. Culture does the something in an implicit manner.

However, there are various studies, which even refute that the national culture has got a greater impact than the Organizational culture. It cannot be construed that the impact or influence of Organizational culture is not that significant. However it is worthwhile to note the findings of such studies of national culture in relation to organizational culture.

Adler (2002) and Deal et al (1983) indicated that national culture has a greater impact on employees than does their organization’s culture. Though there is an interplay of both organizational culture and national culture on the individual employee, national culture appears to have a greater impact.

Culture by definition is elusive, intangible, implicit, and taken for granted. But every organization develops a core set of assumptions, understandings, and implicit rules that govern day-to-day behavior in the workplace. Until newcomers learn the rules, they are not accepted as full-
fledged members of the organization. Transgressions of the rules on the part of high-level executives or front-line employees result in universal disapproval and powerful penalties. Conformity to the rules becomes the primary basis for reward and upward mobility.

It is not only on the performance related behavior that the elements of organizational culture has the influence, but also on the ethical behavior of the members (or employees) of the organization.

Victor et al (1988), Trevino (1990) and Dickson et al (2001) have opined in a similar way, about influence of Organizational culture on the ethical behavior of organizational members or employees. The content and strength of a culture influences an organization’s ethical climate and the ethical behavior of its members. An organizational culture most likely to shape high ethical standards is one that’s high in risk tolerance, low to moderate in aggressiveness, and focuses on means as well as outcomes. Managers in such a culture are supported for taking risks and innovating, are discouraged from engaging in unbridled competition, and will pay attention to how goals are achieved as well as to what goals are achieved.

Any new entrant to an organization, as a member or the employee is no doubt influenced by the values, which are either directly or indirectly taught to them. But it is also found that they themselves make an attempt to seek those elements of organizational culture.

Elizabeth Wolfe Morrison (1993) states in her article “Longitudinal Study Of The Effects Of Implementation Seeking On New Comers Socialization” that in fact, there is research evidence that not only are these cultural values taught to newcomers, but newcomers seek out and want to learn about their organization’s culture.

There are various surveys conducted with CEOs wherein they were being asked to cite the important mechanism of attracting and retaining talented employees in the organization. Some of the findings of such researches throw a light on the way in which attraction, motivation etc. in relevant to organizational culture.
Jeremy Kahn (1998) and James C Collin et al (1995) have thus stated, that in addition, surveys found that CEOs cite organizational culture as their most important mechanism for attracting, motivating and retaining talented employees, a capability they consider the single best predictor or overall organizational excellence.

While retaining the employees, rewards play an important role. However, rewarding the members of the organization, itself can act as a value embedded in organizational culture.

Fred Luthans et al (2003) and Alexander D Stajkovic et al (2000) have stated that there is considerable research evidence that recognition can serve as a powerful reinforce, and thus those exhibiting cultural values that are given either formal recognition or even one-on-one social attention/recognition from relevant others can build and sustain the organizational culture.

Many top companies have attributed their success including the success in financial front, to attracting and retaining the talents. However, these should get embedded in the Organizational culture itself.

Melvyn J Stark (2002) has stated that “Obviously, bottom-line financial performance remains important, but a more recent analysis of Fortune’s admired companies found the most highly correlated attribute of those that scored in the top three of their industry was the “attraction and retention of top talent,” and a major way these top firms do this is to take their culture and values seriously.”

Empowerment has been discussed widely within the context of organizational culture. However it is worth while to note that when empowerment is available to the employees, a strategic change can be made with ease. Strategic changes are inevitable in times of depression as well as recession.

Chris Piotrwski et al (2001), state “The best way to execute strategic change is by empowering employees. Even single act by individual employees can be critical to the achievement of total quality, customer satisfaction, and continuous improvement.” Many organizations, with a strong
cultural foundations, empower their employees to a great extent. Empowered employees themselves will become the torch bearers of the organizational culture.

Just as any other group or team which makes its members, through the process of socialization, so also any other organization – big or small. However socialization as a process has a long range effect on the organizational culture. Socialization is a process through which values, expected behavior of the members are taught. This is also a process of adjustment. As seen elsewhere adjustment of individual members to the needs of other sections of the organizations which are affiliated directly or indirectly, leads to adoption to the organization.

Fishman (2004), Beyer et al (2002) and Thomas HDC et al (2002) have explained the significance of socialization process in the context of employee learning and employee adjusting. Organizational socialization refers to the process by which individuals learn the values, expected behaviors, and social knowledge necessary to assume their roles in the organization. If a company’s dominant values are clearly communicated, job candidates and new hires are more likely to internalize these values quickly and deeply. Socialization is an important process for absorbing corporate culture as well as helping newcomers to adjust to co-workers, work procedures, and other corporate realities.

Organizational socialization is a process of both learning and adjustment. It is a learning process, because newcomers try to make sense of the company’s physical workplace, social dynamics, and strategic and cultural environment. They learn about the organization’s performance expectations, power dynamics, corporate culture, company history, and jargon. Organizational socialization is also a process of adjustment because individuals need to adapt to their new work environment. Research reports that the adjustment process is fairly rapid for many people – usually within a few months. However, new comers with diverse work experience seem to adjust better than those with limited previous experience, possibly because
diverse work experience provides a larger toolkit of knowledge and skills to make the adjustment easier.

Employees derive great benefits through the knowledge of organizational culture of their organizations. What seems to be senseless otherwise will become senseful, if organizational culture is understood. Organizational culture assists the employee in that way of understanding the benefits that comes to the individual employee.

Louis (1980) and Harris (1994) state that “Organizational culture assists the sense – making process. It helps employees understand what goes on and why things happen in the company”. Corporate culture also makes it easier for them to understand what is expected of them and to interact with other employees who know the culture and believe in it.

Yuxia Zhu(2001) has indicated that allocentric employees in collective cultures are likely to embrace transformational leadership while idiocentric employees in individualistic cultures are likely to embrace transactional leadership. This observation is significant because the leadership styles do matter in shaping organizational cultures, which are in turn influenced by the national cultures.

Erdogan Berrin et al(2006) have observed that organizational culture is a relevant contextual variable in determining the importance of justice perceptions to leader-subordinate relationship. The role of a leader in sustaining the organizational culture needs no emphasis. The interrelationship between the leader and his/her subordinates with reference to justice perception is as important as interrelationship, with reference to the performance of the organization.

Above discussion on the role of employees / members in the organizational culture issues implies the significance of these elements in the context of organizational culture.
2.4. ORGANIZATIONAL CULTURE IN THE BACK-DROP OF ORGANIZATION STRUCTURE

Several studies have been made on Organizational culture and they are explained in various ways with emphasis on a centric point as organization structure. Organizational structure is decided based on the culture prevalent among the organizational members, including the top management. The structure, thus should suit the organizational culture.

Handy (1985) has thus identified the four types of organizational culture in this background viz. Power culture, Role culture, Task culture and Person culture.

Power culture draws from the power and influence of a central figure or a select few such that power radiates from the power centre like a web. There are few rules and procedures. The power centre exercises control. Faster decisions are possible. Role culture is built on the basis of defined jobs, rules and procedures. This culture operates according to logic and rationality, and its strength lies in its functions or specialists. This top management is characterized by a small span of control and the organization tends to operate within a stable environment where creative or innovative behavior is discouraged as a rule. Task culture is a team or project oriented and is adaptable to such situations. The focus is on problem-solving by pooling the required resources and people from the various parts of the firm on a temporary basis. The source of power therefore, is the expertise and the ability to work in teams, rather than the formal authority. The matrix organization is one structural form of the task culture. Person culture has the individual as the central point of the organization. The organization exists to help the individual rather than the other way around. Person culture can be found when individuals are required to exercise talents, skills or abilities that can not be transferred easily to others, and hence the individuals bring clientele to the organizations.

Strategy of an organization is obviously embedded in the Organizational culture. A change in some or many components of organizational culture will have a direct bearing on organizational strategy.
However, vision as an important component of strategy should be credible as well as interesting. In this context it should also be noted that the credibility or the interest is in turn dependent on the cultural mould on which the employees are made.

Cummings et al (1989) have indicated the role of vision in taking the Organizational culture further up in the future. According to a widely used definition, Vision is “a mental image of a possible and desirable future state of the organization that articulates a view of a realistic, credible, attractive future for the organization, a condition that is better in some important ways than that what now exists”.

While discussing the ways in which strategy of an organization is related to reward system, various cultures and their applicability is studied. The appropriateness of each of such type of culture is also studied.

Ouchi (1980) in the above context has thus stated as follows. Depending on the strategy of the organization, a reward system should be so chosen that it creates and supports those values that help the organization adapt better to its environment and grow. Consider some possibilities as follows. a) strategy of control and stability is enforced through a hierarchy type culture. This type of culture exercises reciprocity through legitimate authority and rules. b) A strategy of maintaining stability is best supported by what is known as the clan-type culture. This type of culture is characterized by relationships structured by the hierarchy, mutual interests and a shared fate, stress on collective rather than individual initiative, and a long history of tradition. Thus, the reciprocity here is along common beliefs and practices, over and above hierarchy. This type of culture may not suit an environment requiring innovation, aggressiveness and a strong desire for individual achievement. c) A strategy of entrepreneurship and autonomy is found to be supported by what is known as a market type culture. This type is characterized by self interest and a utilitarian approach, contractual relationships, short-term goals and rewards and little socialization. For mature industries, where system-wide integration is needed, this type of culture may not be suitable.
The changes occurring in the external environment will automatically stimulate changes in the Organizational culture. However in relation to organization structure and other elements, there can be significant effects.

**David Mach et al (2002)** state that even though some firms have had a culture in place to anticipate change, moving to a new culture or changing old cultures can be quite difficult: a case can even be made that it really can’t be done successfully. Predictable obstacles include entrenched skills, staffs, relationships, roles, and structures that work together to reinforce traditional cultural patterns. Thus it is implied that the obstacles in the form of requirement of suitable skill, staff etc. are taken care of, before organizational culture change is implemented.

Vision is an important component of Strategy. The ways in which vision is shared is critical to development of organizational culture. Thus vision, a part of strategy needs to be looked into from the organizational culture point of view.

**Glenn Martin Tarullo (1988)** mentions about a study involving sharing of vision which leads to making certain that every level of organization is involved and communicated which is critical. This implies that vision formation is to be made by involving all levels of the organization. Hence, when all levels are involved, the overall culture significantly affects organizational culture.

**Devries et el(1986)** have indicated that in the competitive firm ,there is a degree of mistrust between the manager and his subordinates. A manager would rather rely on formal controls and direct supervision, to effect coordination than the good will, shared objectives or talent of his management team.

**Barley Mayer et al(1988)** have observed that ,all early academic studies have justified the study of organizational culture as an alternate paradigm for understanding organizational phenomenon. They have also stressed the need of including such forces which are external to organization i.e. other social forces by stating that one must first broaden the understanding of organizational culture to include social level cultural forces that affect organization.
Schneider, S.C. (1988) has indicated that national culture has a greater impact on employees than does corporate culture. It may thus be obvious for MNCs, while expanding their operations to other nations, keep this in mind. This view of the author corroborates the views expressed by many other authors.

Gordon G (1991) has opined that in addition to differences in strategies, organization may choose different principles of structuring, such as functional and regional. However, strategies and structures must be compatible with or neutral to the culture and not in conflict with it. This observation also supports this finding.

Allan M Wilson (2001) has observed that any Organizational culture tend to change slowly over time. Thus no culture can be static and adopting to changes; external to the organization is the hallmark of organizational culture.

Robert Vecchio (2003) has indicated that research on organizational culture has moved beyond a purely descriptive stage and has begun to develop and test predictions. This inference has a clear impact on the theory, concepts and practice, of organizational culture.

Stephen Robins (2003) has observed that a large part of organizational culture can be directly traced to structurally related variables. The important determinants of the organization viz. structure and strategy, act, both as the cause and effect of organizational culture.

Gitika Dutta (2005) has indicated the relationship among organizational culture, organizational effectiveness and strategy. By itself, organizational culture is of no consequence unless it leads to effectiveness in some tangible and intangible aspects.

Nicholson Neigel (2008) observes that three sets of cultural inputs seem to be strongly associated with success viz. Communication size and Structure, Stewardship practices and High involvement centers. The performance and success of an organization are rooted in organizational culture. Whether it is financial performance or otherwise, organizational culture has a role to play in it.
It can be seen from the above discussion on the studies made on organizational culture is relation to organization structure, that the elements of organizational culture have an important bearing on organization structure also.

2.5. ROLE OF ARTIFACTS IN INTERPRETING ORGANIZATIONAL CULTURE

Artifacts are at the uppermost surface of an organization. This is the visible part of an organization and this is what the outsider ‘sees’. However, this is the last layer at which Organizational culture emanating from a central core gets formed. They usually include the physical artifacts, language, stories and myths, technology and visible traditions and rituals in the form of social practices, leadership practices etc. However the interpretation of an artifact of an organization is dependent on the observer also. It is true that beauty lies in the eyes of the beholder.

Joanne Martin (1992) states that as individuals come into contact with organizations, they come into contact with dress norms, stories people tell about what goes on, the organization’s formal rules and procedures, its formal codes of behavior, rituals, tasks, pay systems, jargon only understood by insiders, and so on. These elements are some of the external manifestations of organizational culture. The internal manifestations are seen in values and beliefs.

Many definitions indicate organizational culture as the way in which the ‘things are done’ (though the ‘thing’ is same and effect or objective of ‘doing’ a thing is same), it is their understanding of organizational culture which distinguishes the 'right ways ', which may again vary from one organization to the other from ‘wrong ways’. In fact, this is one of the quickest ways of understanding Organizational culture.

Williams et al (1989) and Schien (1991) define Organizational culture in the above context i.e. in the context of ways the things are done in an organization.
It defines what is important and unimportant in the company and consequently directs everyone in the organization toward the “right way” of doing things. You might think of it as the organization’s DNA – invisible to the naked eye, yet a powerful template that shapes what happens in the workplace.

Several studies are available as to how the external manifestations of culture can be seen and interpreted in terms of elements that constitute culture.

**Alex Frangos (2004)** states about buildings and office layouts, which could be symbolic of the Organizational culture. The headquarters of Radio Shack Corp. used to have 22 separate entrances and five parking lots, with employees higher up the hierarchy having more convenient parking and building access. When the company built its new headquarters, top managers asked that it be designed with one parking garage and a single front door for all the 2,400 employees. The door spills onto a “main street” corridor that connects all departments. Executives who once took a private elevator to their top floor, marble – clad suite now ride the elevator with everyone else and are located close to the rank – and – file employees. The new headquarters symbolizes Radio Shack’s new cultural values of egalitarianism, horizontal collaboration, teamwork and innovation.

**Yoash Weiner (1988)** states as to how symbols can be incorporated in variety of ways. He states that symbols can be considered a rich, non-verbal language that vibrantly conveys the organization’s important values concerning how people relate to one another and interact with the environment.

Though it is not sufficient but necessary, artifacts are one of the appropriate ways of understanding organization.

**Deal et al (1982)** thus state that a common approach to understanding the culture of an organization has been to indentify artifacts of a culture, such as the unique symbols, heroes, rites and rituals, myths, ceremonies, and sagas of an organization, and then to explore, to a greater or lesser extent, the deeper meanings of these artifacts.
Use of symbols, stories as a tool to increase market responsiveness is encouraged by many companies. As can be seen, this is in turn will enhance the effect of Organizational culture towards a better performance.

Buth et al (2005) have indicated about the use of stories and symbols in Microsoft. They have stated that Microsoft is a large and powerful company, but it may have reached a midlife crisis and likely will need a cultural adjustment to stay in tune with changes in key environmental sectors. Managers can use symbols, stories, heroes, slogans and cultural leadership to engage adaptable values that will help Microsoft move fast in response to new opportunities.

We have seen the use of symbols, stories in propagation of organizational culture, Stories have communication value though by itself, may not serve other purposes. By communication it is meant both formal and informal communication.

Wilkins (1984), Zemke (1990), Meyer (1995) and Swap et al (2001) have indicated that stories have the greatest effect at communicating corporate culture when they describe real people, are assumed to be true, and are known by employees throughout the organization.

Though the artifacts lie outside the core of organizational culture, it nevertheless, acts as a window to the external environment of the organization. Above summary of few studies infer that artifacts acts as a language which can be interpreted in variety of ways.

2.6. ORGANIZATIONAL LEARNING, ORGANIZATIONAL BEHAVIOR IN RELATION TO ORGANIZATIONAL CULTURE

While any change in behavior is construed as learning, so also the changes in the organizations occur because of learning, of individual members as well as personality changes of individual members. However such changes may be both functional and dis-functional.

One such observation, regarding formation of uniformity of behavior leading to stagnation is made by Kelvin F Cross.
Kelvin F Cross (1992) observes that-at one extreme, a new member may choose to conform to all the norms of the organization, resulting in uniformity of behavior and complete acceptance of organizational values. This conformity may result in stagnation, non-responsiveness, and a loss of creativeness. At the other extreme, a new member may choose to rebel, to reject all the values, or to leave the organization altogether.

Just as change in behavior i.e. learning is needed for the survival of the organization, so also for the organizational cultural change.

John child (2002) and John G Lynch et al (2002) makes the following observation. “Sometimes an organization determines that its culture has to be changed. For example, if the current environmental context has undergone drastic change and either the organization must adapt to these new conditions or it may not survive”.

The performance of employees in shaping the Organizational culture need not be over emphasized. Behavior based performance evaluation, for example, in case of customer service, is studied by many researchers.


There is an impressive amount of evidence demonstrating that behavior based performance evaluations are consistent with improved customer service. Behavior – based evaluations appraise employees on the basis of how they behave or act – on criteria such as effort, commitment, team work, friendliness, and the ability to solve customer problems – rather than on the measurable outcomes they achieve. Why are behaviors superior to outcomes for improving service? Because it gives employees the incentive to engage in behaviors that are conducive to improved service quality and it gives employees more control over the conditions that affect their performance evaluations.

Along with organization learning, which can lead to memory of the organization, there could be other factors such as integration / differentiation and leadership which determine, at least few facets of Organizational culture. In a way what is personality is to an individual, culture is to the organization.
Individuals change can be through his / her personality change and organizational change can be through in cultural change.

Benedict (1934) has stated about organizational culture while comparing it with the personality of an individual. It is compared with respect to organizational learning, integration/differentiation and leadership. Culture can give memory to the organization. Through culture, important organizational knowledge and behavior patterns, including emotional responses, are stored and shared. This implies organizational learning. Common culture elements such as language, thoughts, feelings, and activities integrate members, creating a sense of solidarity and shared purpose. Subcultures are also formed through the same process. This forms the integration and differentiation aspects of the organizational culture. Although culture cannot be managed like other organizational variables, leaders are expected to play an important role in creating and shaping their organization’s culture. This is reflected in the leadership of the organization.

One is familiar with the importance of a pattern – say patterns of traits in an individual personality. Single characteristics, such as consciousness can be found in so many individuals, but what sets one person apart from others is the combination created by scores of different strengths of different traits. This personality and organizational culture are comparable, though organizational culture includes other factors such as sociological and anthropological factors along with psychological factors.

Norms, one of the building blocks of organizational culture is used to direct behavior in the organizations. Norms are used in such instances where a type of behavior is not only highly desirable but highly essential. Pivotal norms are such ones.


Norms are generally enforced only for the behaviors viewed as most important by most group members. Norms essential to accomplishing the organization’s objectives are called pivotal norms. Norms that support and
contribute to the pivotal norms but are not essential to the organization’s objectives are called peripheral norms.

Organizational culture does act as a social control, a control of culture appropriate behavior of employees.

O’reilly et al (1996), Helms Mills et al (2000) Chatman et al (2003) state as under, about the organizational culture as social control of employee behavior “Organizational culture is a deeply embedded form of social control that influences employee decisions and behavior. Culture is pervasive and operates unconsciously. You might think of it as an automatic pilot, directing employees in ways that are consistent with organizational expectations”.

Values, as explained elsewhere in this chapter have a telling effect on the profile of organizational culture.

Ashkanasy (2003) states that values exist as component of organizational culture, in the form of shared values. Shared values are values that people within the organization or work unit have in common and place near the top of their hierarchy of values.

Feeling the organizational experience is possible if bond gets established between member to member and members to organization itself. This can be construed as a component of individual behavior in the context of organizational back drop.

Ashforth et al (1989) states that organizational culture is the ‘Social glue’ that bonds people together and makes them feel part of the organizational experience. Any organizational experience is a prelude to identify oneself with the organization. This is an important aspect of organizational culture.

2.7. ORGANIZATIONAL CULTURE IN THE AGE OF MERGERS, ACQUISITION AND TAKE-OVERS

It is a matter of great significance as to what happens when one company or organization merges with another organization. The same significance is attached, even when acquisitions and take-overs happen. It is not the matter of physical merger or take-over. It is also not the question if
there is a match in products and services offered by the two companies, ready for merger or acquisition. Several studies have been made as to what happens to the resultant Organizational culture.

Weber et al (1996) state that “Culture can play a crucial role in determining the success or failure of mergers and acquisitions, especially when it comes to post merger integration and realization of the synergies that the two partner companies expected to gain before the merger or acquisition”.

Mark N Clemente et al (1999) have studied about the emotional aspects involved in mergers and acquisitions. Emotional aspects are the major inputs if the resultant is a clash or harmony. While dealing with emotional aspects of mergers they indicate that the personal feelings, in the “cultural contract” that individuals have bought into the organization, guide their day-to-day thoughts, habits, attitudes, commitment, and patterns of daily behavior. These emotions will be a major input into the clash or compatibility of the two cultures.

Cyrus F Friedheim (1999) while examining the mergers and acquisitions in the context of globalization states that Today’s networked global environment is going beyond formal M&As with what are being called “Relationship Enterprises”. Thus implying that mergers and acquisitions are not merely physical in nature but in psychological and emotional also.

The dominant culture, in an organization, in relation to other subcultures prevalent in the organization can have telling effect on mergers and acquisitions. And in many cases it is likely to be positive.

Miach R Kee (2003) indicates that there is evidence that these dominant cultures can have a positive impact on desirable outcomes such as successfully conducting mergers and acquisitions (E.g. When Dow Agro Sciences purchased Cargil hybrid seeds).

There are many mergers and acquisitions across the world in post globalization era. However such type of mergers and acquisitions can take place, in the days to come also, with much more vigour. Though the products / services of the ‘to be acquired’ organization may be the initial attraction for
acquisition, it is the Organizational culture, that matters much, even at a later date, including the initial days.

Bouno et al (1989), Cart Wright et al (1999) and Veiga et al (2000) have opined about organizational culture being at the centre of acquisition process it is the compatibility that matters most. They observe that in recent years, cultural compatibility has become the primary concern. While a favorable financial statement or product line may be the initial attraction of an acquisition candidate, whether the acquisition actually works seems to have more to do with how well the two organization’s cultures match up. This observation sums up the significance of organizational culture while mergers and takeovers are considered.

The take-overs, mergers, acquisitions can be conducive to both organizations or at times, painful also. But the reasons, for harmony or otherwise, in the resultant organization mainly depends upon the match between the cultures of two participating organizations. However there appears to be equal number of cases on either side of harmony and disharmony.

Paul G Wilhelm(1993) has observed that a joint venture although is one of the best ways for an investor of one country to enter the market of another country, cultural differences do exist which affect the successful operation of financial planning, marketing, sales and personnel management of joint venture. This view holds good for MNCs in which there are several cultural entities.

Kanungo S (1992) infers that while designing the information systems for organizations it is necessary to look at organizational culture. The author also opines that in task oriented organization culture it is positively related and in people oriented organizations it is negatively related.

Rodriquez Sonia Das et al (2003) have made a study involving 19 small and medium sized Spanish companies who have established international co-operations during 1997-98. The authors through the study have demonstrated that organizational culture does influence organizational
learning. It is also demonstrated that organizational cultures do pose problems for both the organizations when alliances are made.

Maryam Alavi et al. (2006) in their empirical study of the influence of organizational on knowledge management practices have highlighted the influence of culture on the use of knowledge technologies and outcome of such use. Such studies amply demonstrate the influence of organizational culture on the practices adopted by organizations in respect of management of such tangible resources as human resource and intangible resource as knowledge.

Frank Bareet (1995) has opined that Appreciative learning cultures i.e. cultures which appreciate changes occurring around it, nurture innovative thinking by fostering an affirmative focus, expansive thinking and creating collaborative systems. It is necessary for the organizations to not only maintain a culture of its own but also necessary to adapt to external cultures.

One of the important application of the study of organizational culture is in its pivotal role in mergers, acquisitions, take-overs and joint ventures. This is evident from the above discussions.

2.8. ORGANIZATIONAL CULTURE – THE WAYS IN WHICH IT INFLUENCES THE PERFORMANCE – FINANCIAL, MARKETING AND PRODUCTION

The study of Organizational culture would not have attained a significant place, but for understanding the ways in which it influences and affects the performance of the organization – particularly when the performance is classified in terms of finance, marketing and production. The word ‘high performance culture’ implies superlative performance in any or all the three classes of above classification.

However it should be noted that performance is the culmination point of a process and it is indeed, this process which gets impacted by the organizational culture.
Scaffold (1988) has suggested about the ways in which culture impacts performance related processes. It should also be noted that four stages in which the impact takes place are also identified. They are, climate formation, behavioral control, strategy formulation and social efficiency. These stages are explained as follows. a) Climate formation: Climate generally suggests the individual perceptions about various features of the work environment, including organizational settings and also the standards used to evaluate these features. Many experts also consider climate and culture to be the same, but there is also an opinion that climate is relatively more accessible and easier to change. b) Behavioral control: Culture can control how employees perceive and feel about a number of issues. This may be beyond the reach of the usual control systems. Culture also helps to socialize new members, and assist in removing those who do not fit in. c) Strategy formulation: Culture affects how the organization adapts to the external environment by conditioning the organizational internal processes of strategic decision making. d) Social efficiency: Shared meanings, language, and feelings make processes like communication very efficient in terms of time and effort. Culture may also substantially reduce the costs involved in structuring, monitoring, and rewarding behavior.

One of the Key ingredients of high performance is its customer responsiveness. Several studies have indicated some of the common elements in customer service oriented organizations. This includes selection of proper employees, who match with such a culture, of customer responsiveness.


A review of the evidence finds that half-a-dozen variables are routinely evident in customer-responsive cultures. In summary, customer-responsive cultures hire service-oriented employees with good listening skills and the willingness to go beyond the constraints of their job description to do what’s necessary to please the customer. It then clarifies their roles, frees them up to meet changing customer needs by minimizing rules and regulations, and
provides them with a wide range of decision discretion to do their job as they see fit.

It is obvious that there should be a fit between internal culture and external environment in order that high performance occurs.

**Yoosh Weiner (1988)** states that the internal culture must fit the needs of the external environment and company strategy. When this fit occurs, highly committed employees create a high-performance organization that is tough to beat.

Financial performance and Organizational culture do have a direct correlation. In fact whatever that is produced and marketed in a given cultural environment is quantitatively gets reflected in financial indicators.

**Reggie van lee et al (2005)** indicate about a study conducted in 2004. The significant findings of the study are as under.

“A 2004 study of corporate value of Booz Allen Hamilton and the Aspen institute found that managers in companies that report superior financial results typically put a high emphasis on values and link them directly to the way they run the organization. Implying the ways in which things are done here i.e. organizational culture”.

However, there are other varied views of organizational culture elements which lead to high performance.

**Kotter et al (1992) and Eric Flam Holtz et al (2005)** relates the way in which cultural values are managed and high performance. They state that companies that intentionally managed cultural values outperformed companies that did not. Recent research validated that some elements of corporate culture are positively correlated with higher financial performance.

**Miach R Kee (2003)** discusses in his article titled “Corporate Culture Makes A Fiscal Difference” as follows. In Caterpillar Inc. Caterpillar developed a cultural assessment process to measure and manage how effectively the culture contributes to organizational effectiveness. The assessment gave top executives hard data documenting millions of dollars of savings attributed directly to cultural factors.
The company value, by implication both tangible and intangible, increases depending upon which the way in which the people are valued (again by implication the people inside and outside the organization).

Jeffery Pfeiffer (1998) indicates about a research in Stanford University where in it is stated that one factor that increases a company's value the most, is people and how they are treated. The people here are meant to include both the employees and other stakeholders, external to the organization.

The compassion for all the people connected with organization gets reflected in higher and better performance.

Jeana Mc Greger (2006) and Jeff Rosenthal et al (2003) have mentioned about the importance of treating the people as follows. “In his final days, the former CEO of KPMG recognized the importance of a compassionate culture and urged his staff to “get the most out of each moment and day – for the firm’s benefit and the individual’s.” These cultures and values also drive business results and make them successful.

While discussing the performance, it is imperative that all aspects of organizational performance are taken into account, unless a specific performance parameter is focused. Thus emerges the concept of adaptive culture. Performance implies adoption to changing or changed situations. Changes may occur in one or many forms- such as customers, government, stakeholders, public etc. Many studies have concluded that organizational success (in the form of high performance) is dependent on how much adaptability the organization is capable of achieving.

Kotter et al (1998) have stated about the relationship between the success of organization in relation to its capacity to adopt to varying needs of different sections affiliated to organization directly or indirectly.

Organizations are more likely to succeed when they have an adaptive culture. An adaptive culture exists when employees focus on the changing needs of customers and other stakeholders, supporting, initiatives to keep pace with these changes. Adaptive cultures have an external focus, and the
employees assume responsibility for the organization’s performance. As a result, they are proactive and quick. Employees seek opportunities rather than waiting for them to arrive. They act quickly to learn through discovery rather than engaging in “paralysis by analysis”.

Organizational culture experts are starting to piece together the elements of adaptive cultures. First and foremost, adaptive cultures have an external focus. Employees hold a common mental model that the organization’s success depends on continuous change to support stakeholders.

**Peter J Frost et al (1985)** in their book “Reframing Organizational Culture” have indicated ten empirical studies to emphasize that there is a broad disagreement of what to study and also approaches to be adopted. Hence they have opined that such a situation has lead to building theoretical aspects upon the empirical studies of the other.

**Thomas C Powell et al (1995)** while discussing Total Quality Management as a competitive advantage have reviewed existing empirical evidences. They have inferred that certain tacit, behavioral, imperfectly invisible features such as open culture and employee empowerment, which imply some dimension of organization culture can produce many advantages.

**Martin Joanne(2007)** has consolidated several empirical studies into an analytical framework along with the theoretical studies. It is emphasized by the author that culture in organizations need to be looked in multidisciplinary perspective.

**Barney Jay B (1986)** has indicated that superior financial performance being an economic concept, any culture to generate such performance must have positive economic consequence. Financial performance can include such indicators as return on investment and earnings per share.

All types of performances, viz. financial, marketing and production are in a way dependent on the elements of organizational culture. The increase or decrease in performance is related to at least few elements of organizational culture. Above summary of studies imply the significance of organizational culture in relation to financial, marketing and production performance.
2.9. THE ROLE OF FOUNDERS / TOP MANAGEMENT IN THE FORMATION AND SUSTENANCE OF ORGANIZATIONAL CULTURE

The founders are said to be the human sources of Organizational culture, of the organization which they have founded. However, the founders may not always be there to carry forward the Organizational culture. Then it falls on the shoulders of top management.

Schien (1983) thus states as, an organization’s current customs, traditions, and general way of doing things are largely due to what it has done before and the degree of success it has had with those endeavors. This leads us to the ultimate source of an organization’s culture: i.e. its founders.

Though there may be several ways in which culture is created, it lies first on the founders table. At the cultivation point, the founder’s personality may become embedded in the Organizational culture.

Schien (1996) while discussing the relationship between Organizational culture and leadership has suggested three ways in culture creation takes place. Thus those three ways are stated as follows. First, founders hire and keep only employees who think and feel the same way they do. Second, they indoctrinate and socialize these employees to their way of thinking and feeling. And finally, the founder’s own behavior acts as a role model that encourages employees to identify with them and thereby internalize their beliefs, values, and assumptions. When the organization succeeds, the founders’ vision becomes seen as a primary determinant of that success. At this point, the founders’ entire personality becomes embedded in the culture of the organization.

It should be noted that performance is a function of achievement and vice-versa is also true. However, few of the conditions such as specific ambitious goals, with emphasis on winning and achieving are necessary for a better and higher performance.

Robert Hooijberg et al (1993) have also indicated in a similar way about the ambitions of winning in a competitive world. The achievement culture is suited to organizations concerned with serving specific customers in
the external environment but without the intense need for flexibility and rapid change. This results oriented culture values competitiveness, aggressiveness, personal initiative and willingness to work long and hard to achieve results. An emphasis on winning and achieving specific ambitious goals is the glue that holds the organization together.

Top management has a significant impact on Organizational culture. This does not only seem obvious but also seems as a major factor. Though there could be different views about the level of its significance, nevertheless, it plays a significant role as seen in practice also.

Hambrick et al (1991), Neihoff et al (1989) and Trice et al (1991) have stated that the actions of top management also have a major impact on the organization’s culture. Through what they say and how they behave, senior executives establish norms that filter down through the organization as to whether risk taking is desirable; how much freedom managers should give their employees; what is appropriate dress; what actions will pay off in terms of pay raises, promotions, and other rewards; and the like.

It is not only the at the time of founding or running the organization, the role of managers become important, it becomes all the more important while changing the Organizational culture also.

Andrew Rosenbaum (1999) has given specific guidelines for managers when Organizational culture change is envisaged. Issues such as trust, communication and negotiation skills become very relevant and important to success. The organizations and managers in the global relations “must learn to communicate across the cultural divide; each must understand that the other perceives and interacts in a fundamentally different way. “The suggested guidelines for changing culture are a) Assess the current culture b) Set realistic goals that impact on the bottom line c) Recruit outside personnel with industry experience, so that they are able to interact well with the organizational personnel d) Make changes from the top down; so that a consistent message is delivered from all management team members e) Include employees in the culture change process; especially when making changes in rules and processes f) Take out all trappings that remind the
personnel of the previous culture g) Expect to have some problems, and find people who would rather move than change with the culture and, if possible, take these losses early h) Move quickly and decisively to build momentum and to defuse resistance to the new culture i) Stay the course by being persistent.

It shall thus be noted that organizational culture begins with its founders and leaders. But how it starts and how it gets founded are rather important elements of such studies.

Schien (1983), Javidan et al (2001), state that an organization’s culture begins with its founders and leaders. Founders set the tone and develop compatible systems and structures, emphasizing what are most important and what should receive a lower priority. They are often visionaries who provide a powerful role model for others to follow. Experts suggest that a company’s culture sometimes reflects the founder’s personality, and that this cultural imprint often remains with the organization for decades.

The roles of supervisors, who are otherwise called middle management, have a greater role in sustaining Organizational culture. Socialization process, as described elsewhere in this thesis is facilitated by supervisors, apart from their communicational function.

Ostroff et al (1992), Morrison (1993) and Ankwe et al (1999) have described the role of supervisors in the context of organizational culture as “Supervisors tend to provide technical information, performance feedback, and information about job duties. They also improve the socialization process by giving newcomers reasonably challenging first assignments, buffering them from excessive demands, and helping them to form social ties with coworkers.”

Peter J Frost et al(1995) have observed that founders usually have a major impact on how the group defines and solves its external problems of surviving and growing and how it will internally organize itself and integrate its own efforts. Organizational culture starts with its founders’ belief and values and later gets nurtured by his successors. That apart, founders provide
directions to solve external problems so that organizational culture is sustained.

Emmanuuel Obgonna (2000) in his study on UK companies, indicates that as the organization develops and as time passes the created culture of the organization exerts an influence on the leader and shapes the actions and styles of the leader. It is not only true that leadership influences organizational culture; but organizational culture also influences the leader.

The influence of leaders in sustaining organizational culture and influence of founders on organizational culture itself is highly emphasized as detailed in the above studies.

2.10. ORGANIZATIONAL CULTURE IN THE CONTEXT OF INDIAN ORGANIZATIONS

It is suggested that national cultures have a bearing on the culture of organizations. Hence such studies are important (though many are available) taking specific instances of organizational culture vis-à-vis national culture. Accordingly several studies have been made on the culture of Indian organizations also. Though there are several commonalities and similarities when compared to organizations of other nations, differences and contrasts do also occur.

Moore et al (1985), Barley (1983) and Smircich et al (1982) state that cultures are highly particular to specific nations, industries and individual organizations. This seems to be correct as organizations are but a part of a bigger organization called Nation. Hence the influence of national culture on individual Organizational culture is obvious.

Studies on Indian organizations have also dealt with such elements as employees, authority, team work etc., as done in studies of organizations across other parts of the world.

Parikh et al (2005) discuss one such study which is as follows. The roles and culture in Indian organizations found two possible identities that
employees could develop at work. If the culture was mechanistic, it encouraged the employees to develop a traditional social identity, marked by a single – person conception of authority, isolated functioning and priority to social relationships. An organic culture on the other hand, would encourage the employees to take on a modern work identity, characterized by a sense of responsibility not only to one’s work duties but also to one’s colleagues and the organization as a whole, a relativistic, multi-person conception of authority, acceptance of not only hierarchical but also lateral influence, inclusion, norm of teamwork, and emphasis on getting the job done. This study found that professionally managed organizations socialized their people to develop a work identity. Family engaged organizations were moving towards developing a culture of work identity, while the public sector organizations were closer to the culture of social identity. Within the ineffective organizations, socialization was limited to an evaluation of their performance, rewards and punishment. More effective organizations encouraged their employees to go beyond social identities and develop their work identities through active participation in decision-making through the processes of communication and decentralization.

It also to be noted that the values, the basic building block of Organizational culture, are different when the managers talk about it and when they practice it.

Khandwalla (1985), mentions about one such survey on Indian organization, which is as follows. An extensive survey of the culture and climate in the organizations in India suggests that there is a wide gap between the values practiced within organizations and what managers say they value. By taking a look at the following table 2, the values espoused by the managers and the way in which it is implemented through the use of a specific style (i.e. practicing the espoused values) become clear.
Table: 2 : Espoused Value and its Implications

<table>
<thead>
<tr>
<th>Espoused Values</th>
<th>Implication</th>
<th>Managerial style preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers have expressed a higher value to a challenging job, freedom of action and money over power, economic gain, stability, security, good colleagues and good subordinates.</td>
<td>Task and self centric values are higher in priority - ‘Tum apna kaam Sambhaalo’ (=don’t worry beyond your own concerns) rather than interpersonal and socio-centric values.</td>
<td>1. Bureaucratic</td>
</tr>
<tr>
<td>Seniors are perceived to provide more to subordinates’ lower order needs of money and safety rather than the higher order needs of growth, participation, development and advancement.</td>
<td>Tenure with large, formal, complex organization instills need to follow rules.</td>
<td>Benevolent autocratic or nurturing task leadership style.</td>
</tr>
<tr>
<td>Career opportunities and image of the organization are the most important factors in choosing the organization to work with</td>
<td>Possibility of risk-avoidance by respecting rules and regulation, as the cost of autonomy may be too high</td>
<td>Trust and relationship oriented style</td>
</tr>
<tr>
<td>High needs for achievement are accompanied by a high need to manipulate. Need for self-actualization understood to be the highest, but in managers’ priority, it ranks fourth out of five, the top being the need for safety</td>
<td>May be reinforced by the bosses of these managers in turn</td>
<td>Democratic</td>
</tr>
<tr>
<td>Values related with good work ethic on top of interpersonal values, such as being helpful to colleagues, superiors and subordinates, which in turn, were higher than concern for clients, democracy and recognition of others</td>
<td>For a culture and economy in transition, two sets of values may be internalized: One from the traditional anchors and the second from higher education. Which value will be practiced may depend upon work context and the cues provided by the top management</td>
<td>Participative</td>
</tr>
</tbody>
</table>
Though it is seen that basic and fundamental characteristics of organizations remain same irrespective of its location, nature of business etc. there are few elements which are unique to the country of its operation or originals.

Khandwalla (1985) and Sinha (2008) have identified few characteristics which are typical of Indian organizations. They are as follows.

- A clear preference for personalized relationships over contractual ones.
- Prone to dependency and the work ethic of ‘aram-se’ (at ease), ‘chalta hai’ (it’s fine): low work and high leisure.
- Hierarchy, status and authority oriented.
- Affection – deference relationships (subordinates extend high levels of loyalty to superiors and in turn the superiors extend high levels of protection and watching over to such subordinates) within in-groups and likely nepotism and power-play.
- Governed by social models and beliefs of responsibility, authority, equality, and interpersonal relationships even in the work context.
- Emphasis on applying parent-child model to boss-subordinate relationship, expecting that the boss would be directive of the subordinate while the subordinate would be obedient.

The studies on Indian organizations with reference to its cultural elements do not end in its description only. Several studies have furnished good number of suggestions, which are beneficial to organizations themselves in particular and Indian business in particular.

Sinha (2001) suggests approaches by classifying Indian organizations as public sector organizations, large private organizations and small and proprietary organizations. It is also felt that a common approach for improving culture and climate across all types of organizations may not work. The organizations in India are generally sorted into three different types, viz. public sector organizations, large private organizations, and the ‘backyard’ organizations that are small and proprietary. While most of the suggestions for improving the organizational culture and climate apply to the first two quite well, those suggestions may not be very relevant for small organizations.
because they are usually owned and run by a single person, according to his/her own wishes.

He also suggests a novel way of combining nurturance with task performance, exclusively for Indian organizations, which are as follows.

a. Create basic conditions and movement towards improved performance: through the following.
   - Acquire competitive edge through efforts focusing on customer needs and quality.
   - Strong sense of ownership among employees and willingness to take responsibility.

b. Once these basic conditions are met, then support the performance through -
   - Sustaining the basic processes by showing continuing care and interest in employee development, in balance with the economic well-being of the organization.
   - Implementing tough measures such as downsizing, with open communication, and ensuring their acceptability.
   - Providing opportunity for learning and growth through providing guidance, supervision, direction and feedback.

Would the Indian organizations have a common preference with respect universally accepted elements? While seeking answer to a question like this, we can cite the findings of Panda et al.

**Panda et al (2004)** have identified following seven pan-Indian cultural preferences - Collectivist orientation, b. Respect for status and power, c. Primacy of personalized relationship, d. Desire to be embedded in an in-group, e. Familism, f. Context – sensitive (situational) behavior, g. Cynical view about others, which are similar to individualism, power distance, uncertainty avoidance and masculinity dimensions of Hofstede.

**Amsa P(1986)** has conducted an empirical in textile mills of both private and public sectors in Ahmadabad. The author has made use of observations and informal open ended interviews to study the work group behaviour. Such techniques are very much necessary as certain dimensions
can be assessed through observations and interviews. The author has opined that organizational culture does have a positive influence on the behavior of the work groups.

Kanungo S et al (2001) while making an empirical study on organizational culture with reference to Information technology strategy, in selected public sector units in India, has opined that innovation, as an element of organizational culture is an effect rather than cause for sustaining organizational culture.

Nelson R. et al (2003) while studying the relationship between National culture and organizational culture in three countries viz. India, Brazil and the USA have found that in all three countries there are clusters which replicate as well as reject national values.

Above studies indicate the nature of organizational culture in the Indian context as well as the contexts in which Indian organizations have formed a part of the study.

These cultural preferences are seen in many Indian organizations irrespective of the nature of business they are carrying out.

2.11. CONCLUSION

Organizational culture as an important aspect of organization has been studied in various perspectives as well as contexts. Viewing organizations, just as a means of producing a product or service, is no more comprehensive. The structure of two organizations may be similar or even the same. But as is seen and as is felt they are always different. What causes this difference? The answer to this question is explained in one common term - organizational culture.

The researches on organizational culture are wide spread, simply because of the extent of meanings possible to a continuous as well on dynamic nature of organization and thereby organizational culture.

The literature survey for the present study was done with keeping in view the following broad aspects.
Organizational culture- Dominant culture, sub-culture, strong culture and weak culture: Though organizational culture is all pervasive, presence of dominant, sub, strong and weak cultures cannot be ruled out. These small but significant faces are necessary to understand the big face of organizational culture. Several studies have been surveyed in the present study to know if they are still relevant. The survey indicated that they still remain relevant.

Organizational culture vis–a–vis the employees / member of the organization: It is the people factor of organization which determines the culture of the whole organization, though the physical artifacts and even machines are also the things chosen by the people of organizations themselves. The people (i.e. employee) factor has been studied extensively.

Organizational culture and structure: The structure of an organization is not purely rational. Cultural factors do get factored in. However the extent and the degree to which they are related, particularly with respect to industrial organizations undertaken for the present study needs further researches.

Role of artifacts in interpreting organizational culture: According to the survey of literature, it was found that researches on external factors or externalities has been limited. The probable reasons could be two fold; first being its limited role in explaining the organization and culture and second being its nature to be duplicated by others. However, artifacts as constituents of organizational culture need to be studied extensively.

Organizational learning and organizational behavior: Extensive literature is available on this aspect of organizational culture. As can be seen, the internal factors or internalities such as values, beliefs, attitudes, which are shared among the members, results in a specific type of organizational culture. The present study has made use of these researches in the context of industrial undertakings of Karnataka.
❖ **Mergers, acquisitions and takeovers:** The literature survey indicated availability of many literatures on this aspect. Though mergers and acquisitions are extensively studied under financial management, the human face of such operations, particularly in the context of success and failure of such mergers and acquisitions, have also got the deserved attention in the studies of organizational culture.

❖ **Performance of organization in the context of organizational culture:** The study of organizational culture has not remained only for the purpose of academics. This has gone further to the prediction stage so that it enables the organizations to improve on its performance whether in production or marketing. These aspects have been specifically studied in the present study also viz. customer service aspect.

❖ **Role of founders and top management:** The survey and review of literature indicate limited studies on this aspect. The probable reason for this may be that the role of founders being historical in perspective is generally included indirectly in such studies. However the role of top management has received considerable attention.

❖ **Studies in Indian context:** The studies of organizational culture of Indian organizations are also limited. Studies of this nature for the organizations in different parts of India are also limited. However, some of the important studies, in Indian context have been considered in the present study, so that a link is established.

An overall study of literature indicates that there are many studies on organizational culture. But very few studies are available in the Indian context. The present study is also expected to bridge the existing gaps, as detailed elsewhere, so that a better understanding of organizational culture, particularly of industrial undertakings is possible.

**CHAPTER – 3**