CONCEPTUAL FRAME WORK

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CHAPTER – 3
CONCEPTUAL FRAMEWORK

3.1. INTRODUCTION

A conceptual framework for a study of this nature helps in many ways. It provides the broad parameters to be considered in a study; it provides the outline clearly demarcating the factors inside and outside the scope of the study. A conceptual framework will also help in comparing the similarities as well as contrasting the differences among the studies on the concept. A conceptual framework thus provides a comparable and comprehensive set of parameters with which the major parameters of the present study can be compared as well as can be interrelated for a meaningful description.

3.2. NEED FOR CONCEPTUAL FRAMEWORK

A conceptual framework helps to explain the needs of a particular research. It can also help one to understand and use the ideas of others who have done similar things. The conceptual framework helps in identifying the important points of a field of research and also in connecting these points through a path. The conceptual framework helps in explaining the route, a particular researcher is undertaking.

Conceptual frameworks are considered as intermediate theory, connecting different aspect of a research. They are all akin to an empirical study like the present one. Any research of this kind contains descriptive researches also, which make use of a survey investigation, as done in the present study. The conceptual framework is also intended to denote the modeled objects. For eg. In this study, the objects like society, individual, organization and leadership for corporate governance.

3.3. ORGANIZATIONAL CULTURE AND ITS LEVELS

Though organizational culture is all pervasive, for ease of understanding two levels are considered. At the outer level, it is the observable symbols, ceremonies, stories, slogans, behaviors, dress, physical
setting etc. which constitute organizational culture. This is denoted as **Explicit Dimension** in the present study. At the inner level culture of exists the values, assumptions, beliefs, attitudes and feelings. This is denoted as **Implicit Dimension** in the present study. In the backdrop of above description internal integration and external adaptation are examined.

**Internal Integration** of Organizational culture means that members develop a collective identity and know how to work together effectively. **External adaptation** of organizational culture refers to how the organization meets goals and deals with outsiders, such as vendors, customers etc.

Application of above concepts in the present study is seen in the description of symbols, ceremonies etc. (Explicit) on one hand and description of values, assumptions, beliefs etc. (Implicit) on the other hand.

Organizational culture by definition is “A pattern of shared basic assumptions that the group learned as it solved 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”.

When a study of internal integration vis-à-vis external adaptation is made, automatically we would have described the Organizational culture. Thus this concept is applied throughout the study.

### 3.4. ORGANIZATIONAL EFFECTIVENESS IN RELATION TO ORGANIZATIONAL CULTURE

Irrespective of the type and nature of inputs, it is the effectiveness of those inputs which matter. Organizational Effectiveness is the degree to which an organization attains its short and long term goals, the selection of which, reflects strategic constituencies, the key interest of the evaluator and the life stage of the organization (Stephen P Robbins, 2003).

The relationship between organizational effectiveness and organizational culture is to be seen through ‘the degree of alignment among culture, strategy, environment and technology. Stronger the culture, more perfect the alignment is.
This concept finds its application while a study is made on government organization or a public sector organization. For e.g. alignment between such organization’s strategy and the environmental requirements.

It is to be noted that though organizational culture is a common perception held by its members, it is not in equal measure. As a result of this, there will be the existence of both dominant culture and sub-culture.

Dominant culture is a set of core values shared by a majority of the organizational members. On the other hand a sub-culture is a set of values shared by a minority, usually a small minority of the organizations members. Such dominant and sub-cultures can be seen at company’s level and departmental level respectively.

The presence of dominant culture and sub-culture is felt when a department or an office is working away from the head office, as the effect of dominant culture at company’s level is least felt at departmental level, resulting in sub-culture.

3.5. DESCRIPTIVE CONCEPT V/S EVALUATIVE CONCEPT

Though organizational culture is concerned with how the employees or members of an organization perceive the characteristics of it, evaluation can still be possible on a common scale. However to this extent organizational culture is limited to description. However, the descriptions when compared on common criteria with reference to its performance, can also be evaluative and there by predictive also.

An organization will necessarily have a leader- formal or informal. Leadership is the ability to influence a group towards the achievement of a vision or set of goals. Leadership conveys organizational culture both through the words and deeds.

The concept of leadership is applied when the performance of organizations are evaluated, as it is considered as a significant variable affecting the performance in financial, production and related areas.
3.6. TRANSFORMATIONAL LEADERSHIP, ORGANIZATIONAL CULTURE AND THEIR INTERPLAY

Transformational leadership and organizational culture and their interplay have become popular topics over the several years. Some researchers have suggested that these topics contain the key to understanding organizational effectiveness (Barney 1986; Bass & Avolio, 1992).

Transformational leaders are presupposed to inspire and motivate the followers to contribute beyond expectation (Bass & Avolio, 1992; Yukl, 1994). These leaders provide followers with a focus and appropriate levels of support, involvement and appreciation designed to encourage the follower to adopt the leader’s vision as their own and be committed to making it a reality (Bryman, 1992).

Organizational culture in this context can also be defined as the deep-rooted beliefs, values and assumptions widely shared by organizational members and powerfully shape the identity and behavioral norms for the group. When a group of members is considered for the study, the concept of leadership necessarily comes into play.

Positive organizational cultures have been linked to increased staff alignment, resulting in enhanced organizational effectiveness, heightened consensus regarding strategic direction, increased employee productivity and advanced levels of employee commitment (Barney, 1986). Only when a critical mass of their employees has taken ownership and responsibilities for the needed changes, can an organization assure a competitive advantage in today’s challenging marketplace.

Leadership and organizational culture are purported to be highly interlinked (Peters and Waterman, 1982). Leaders must have a deep understanding of the identity and impact of the organizational culture in order to communicate and implement new visions and inspire follower commitment to the vision. Transformational leaders help shape and maintain the desired culture of an organization. Some researchers have suggested that transformational leadership and organizational culture contain the key to
understanding organizational effectiveness (Barney 1986; Bass & Avolio, 1992).

3.7. TRANSFORMATIONAL LEADERSHIP VIS-À-VIS ORGANIZATION EFFECTIVENESS

After having described about leadership in relation to Organizational culture, now its association with organizational effectiveness is described.

Yukl (1994) defined transformational leadership as the process of influencing major changes in the attitudes and assumptions of organizational members and building commitment for the organization’s mission, objectives and strategies. More recent studies on the subject of leadership have focused on transformational leadership which concern the leader’s effect on followers (Bass & Avolio, 1992). Followers of a transformational leader feel trust, admiration, loyalty and respect towards the leader and they are motivated to do more than they originally expected to do (Yukl, 1994). This, then leads to the desired organizational effectiveness.

A six-stage process that managers need to adopt if they are to function as transformational leaders as suggested by Ulrich (1987) is worth noting. (1) Creating and communicating the need for change, (2) overcoming resistance to change, (3) making personal commitment and sacrifices for change (4) articulating a vision (5) generating commitment to the vision and (6) institutionalizing the vision.

With the parameters (as discussed in detail in the above paragraphs) taken into consideration, a pictorial framework (Fig.3.1) comprising of these concepts is proposed in this study for an enhanced view of organizational culture. They are explicit dimension, implicit dimension, internal integration, external integration, organizational effectiveness, dominant culture, sub-culture, descriptive parameters of organizational culture, evaluative parameters of organizational culture, transformational leadership and organizational effectiveness.
Figure 3.1: Pictorial Framework of Inter-Relations Among the Elements of Organizational Culture.

(Source: Field Work)
3.8. DIMENSIONS OF ORGANIZATIONAL CULTURE

A study by Angel A Berrio (2003) on dimensions of organizational culture in Ohio State University can be referred in the context of major variables, considered for the present study.

The author uses the competing values framework to assess the dominant Organizational culture based on widely accepted four culture types viz. Class, Hierarchy, Adhocracy and Market cultures. The study included as to what type of culture is or is being exhibited in current situation and preferred situation. The study was descriptive co-relational with N = 965. The questionnaire used by the author was the modified version of organizational culture assessment instrument developed by Cameran and Quinn (1999).

Six dimensions were analyzed by the organizational culture assessment instrument using the competing values framework. The highest mean score for each of the culture types in both current and preferred situations for Ohio State University (OSU) Extension personnel are shown in table 3.0. In the current situation, the highest mean score exhibited by OSU Extension personnel was in the criteria for success dimension (Mean = 34.07), while the lowest mean score recorded was in the organizational glue dimension (Mean = 26.90).

Table 3 - Highest Scores on the Organizational Culture Dimensions

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Current Situation</th>
<th>Preferred Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>S.D</td>
</tr>
<tr>
<td>Dominant Characteristics</td>
<td>27.49</td>
<td>14.62</td>
</tr>
<tr>
<td>Organizational Leadership</td>
<td>30.05</td>
<td>14.55</td>
</tr>
<tr>
<td>Management</td>
<td>30.64</td>
<td>13.84</td>
</tr>
<tr>
<td>Organizational Glue</td>
<td>26.90</td>
<td>15.07</td>
</tr>
<tr>
<td>Strategic Emphasis</td>
<td>28.90</td>
<td>11.85</td>
</tr>
<tr>
<td>Criteria for Success</td>
<td>34.07</td>
<td>17.60</td>
</tr>
</tbody>
</table>

Mean Scores could range from 0 to 100, representing a percentage out of 100.

(Source: Angel A Berrio, 2003)
The major findings of the above study indicate that three dimensions of organizational culture displayed a distinctive profile from the overall culture profile of the organization in current and preferred situations. The dimension labeled as “Dominant Characteristics” is concerned with what the overall organization is like. The Adhocracy classification in the preferred situation is not in agreement with the overall culture profile of the organization, but in agreement with the finding that no statistically significant difference was found between the mean scores of the Clan and Adhocracy cultures in the preferred situation.

The dimension labeled as “Organizational Leadership” is related to the dominant leadership style and approaches used by leaders and administrators in the organization. The hierarchy classification in the current situation of this dimension is not in agreement with the overall culture profile of the organization. In terms of the leadership style the employees perceive its leaders and administrators as currently having a hierarchical type of culture, wanting them to change to a preferred Clan culture type.

The dimension labeled as “Strategic emphasis” is concerned with the definition of areas of emphasis that drive the organization’s strategy. The Adhocracy classification in both the current and preferred situations are not in agreement with the overall Clan culture exhibited by the organizations, but are in agreement with the finding that no statistically significant difference was found between the mean scores of the Clan and Adhocracy cultures in both current and preferred situation.

As can be seen from the above findings, it is the dominant cultural factors, leadership factors and strategy factors, which have lead to the majority of organizational culture. All the three factors have also formed the important variables of the present study also along with other factors.

3.9. CORPORATE GOVERNANCE REFLECTED THROUGH ORGANIZATIONAL CULTURE

Corporate governance, through may be studied as a separate concept, the code of conduct and ethical part of it lend themselves to be included in the
study of organizational culture. The code of conduct is generally explicitly stated, for an organization.

The corporate governance practices vis-à-vis organizational culture have also been included as one of the objectives of the present study.

The model in the form of a framework proposed herein is to be fitted against the leadership of the organization. It is through the organizational leadership, the corporate governance is reflected. The present study has questions related to leadership, ethics and corporate governance. (For detailed questionnaire please refer to appendix)

Venugopal et al (2011) have explored theoretical framework while examining ethics leadership in the context of organizational culture. They argue that there is an imminent imperative for the organizational leadership in the form of change in perception. It is not the set of activities which create a value for the organization (and thereby the society). But it is action; accordingly the perception should be revised to ‘Actions’.

Following is the list of such desired changes for an organization, seeking itself for its increased effectiveness.

<table>
<thead>
<tr>
<th>Existing Perception</th>
<th>Revised Perception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>Action</td>
</tr>
<tr>
<td>Individualistic approach</td>
<td>Collaborative approach</td>
</tr>
<tr>
<td>Fear of failure in reaching</td>
<td>Joy of scaling new heights</td>
</tr>
<tr>
<td>goals</td>
<td></td>
</tr>
<tr>
<td>Hard work</td>
<td>Wise work</td>
</tr>
<tr>
<td>Imposing order</td>
<td>Enlisting co-operation</td>
</tr>
<tr>
<td>Organizational productivity</td>
<td>Social productivity</td>
</tr>
<tr>
<td>Non-conformity</td>
<td>Conformity</td>
</tr>
<tr>
<td>Organization profit</td>
<td>Beneficiary profit</td>
</tr>
</tbody>
</table>

The revised perception is essential not only for the economic prosperity but also for the ethical prosperity of an organization. Out of the above list of perceptions, it is the social productivity perception which leads to enhanced corporate governance.
They argue that morals or ethics, while taking the view of distributive justice would ensure equitable distribution of benefits. Benefits, though include both tangible and intangible elements, can be conveniently equated with economic benefits also, which is one of the primary reasons for the existence of business. The revised perception would also fit the utilitarian theory of ethics viz. the principle that every one should act to generate the greatest benefits for the largest number of people. Hence it can be argued that high ethical standards are supplementary to economic prosperity also. A group can be conveniently construed as an organization. The leadership which emerges as an offshoot of the organization, which in turn operates in a society, is in fact shaping the organizational culture through the organizational members i.e. employees.

Diagrammatically when depicted it would result in a triangle with individual (employee), organization and society at the three apexes and leadership having a central pivotal place. Thus the when the effect of corporate governance is seen in society, it is to be understand that it can neither be above nor below the other two apexes of the triangle, namely individual (employee) and organization. However, it needs to be emphasized that it is the organizational leadership, which has to balance all these three apexes to an heightened degree.

**Figure 3.2: Triangular Relationship Among Society, Individual And Organization With Leadership At The Core**

(Source : Author and Field study)
3.10. CONCLUSION:

The conceptual framework discussed herein takes into account the objectives set forth for the study and the questionnaire developed there from. Inter alia it examines, the role of leadership in sustaining the organizational culture also. The elements of organizational culture were classified into evaluative parameters and descriptive parameters and their linkages were established with appropriate variables. The conceptual framework was compared with the studies conducted with similar variables. The conceptual framework proposed herein has, thus combined both the implicit and explicit dimensions of organizational culture.