CHAPTER 2
REVIEW OF LITERATURE - OVERVIEW OF ORGANISATIONAL CULTURE
Chapter Summary

The chapter consists of literature review and throws light on the subject matter under study. It first deals with organisation and society. Literature review indicates that organisations are studied under many disciplines and it is argued that study of organisation is within the purview of sociology. However there is a shift in the study of organisation, there is an increased interest in organisation among the students of business and management schools.

The chapter suggested that compare to other organisations; the study of Voluntary organisation in India is relatively recent phenomena. The chapter briefly suggests that literature available on NGOs is limited in scope and range. It is suggested that the literature is available in the form of evaluation of NGOs and their programmes and much less on organisation as organisations. The scholar argues that the objective of the study is to provide less explored dimension of the NGOs and that is their organisational aspect.

The chapter then moves to the concept of organisational culture the focus of the study itself. The chapter moves on to the definition of organisation culture and the various components, which go to make up an organisational culture.

The next session deals with importance and utility of organisational culture. It is argued that culture helps you to adapt to the external environment and provides means to manage the internal interactions. It is also suggested that organisational culture is a management tool in the hands of the managers. It also guides the members of the organisations in their day to day functioning.

The chapter moves on to explain the relationship between organisation culture and organisation effectiveness. The section highlights literature that it goes to indicate that there is a link between organisation culture and organisation effectiveness. The section briefly examines relationship between leadership and culture. It suggests that leaders have an important role in promoting culture and also cultures influences kind of leader in the organisation.

In the following section of the chapter an attempt is being made to examine the various components of organisational culture identified for the study.
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The chapter then goes on to briefly review literature which throws light on the mission, beliefs and assumptions, process of decision making, the ways in which the organisation resources are utilised, the perceived leadership style, the values in the organisation, and the organisation effectiveness. Finally the chapter ends with reviewing literature on sources of organisational culture.
2.1 Introduction - organisation and society:

There is hardly anything in society which is outside the purview of sociology and organisations are no exception. On the other hand, there is very little that falls outside the purview of organisations – organisations pervade our social, cultural, economic, political and physical environment (Buchanan and Huczynski, 1985). Collective and planned effort is part of the development of any society / State and they all take place in an organisational framework. It is noted, "modern society are increasingly filled with organisations as more and more things we want to do and have to do are being done by organisations" (Perrow, 2001:33), so much so that the author sees civil society endangered by organisations.

The study deals with organisation and organisational culture of NGOs in particular. Organisations are a part of society and therefore the subject matter of sociology – "To study sociology is to embark on a fascinating journey into a new world of perception and understanding" (Henslin, 1999: xxii).

Yet, although organisations fall within the preview of sociology they have been studied from various perspectives such as social psychology (Cyert and MacCrimmon, 1975), economics (Parker, 1996, Barney and Hesterly, 1996, DiMaggio and Powell, 1983), politics (Bayley, 1995), history (present world history is very much influenced by some of the international organisations such as World Bank, International Monetary Fund, World Trade Organisation), and gender (Fincham and Rhodes, 1992, Calas and Smircich, 1996). An organisation is considered as a social unit that falls somewhere between a primary group and the whole society (Cyert and MacCrimmon, 1975). The scholar would like to agree with the statement that the study of organisations is within the purview of sociology, however, the last couple of decades have seen a shift in the study of organisations from the perspective of sociology (Chaturvedi and Chaturvedi, 1995) to business and management schools (Thompson and McHugh, 1995).

Organisations as social entities can be studied from the angle of their impact on society and also from the perspective of their internal components.
and functioning. Thus "defining organisation studies today is by no means an easy task" (Clegg and Hardy, 1996:1). However, this study assumes that both the above approaches are relevant and must help the practitioners, more so those involved with the not-for-profit organisations for community development.

Organisations are important elements of society and all people do not look at them in the same way. It is suggested that the increasing tendency to view organisations as a distinct field of study is due to the pervasiveness and recognised importance of this type of social unit. Organisations have also been perceived as a threat to individual liberty and as undermining democracy (such as the impact of privatisation, globalisation and structural adjustment recommended by the Bretton Woods institutions) but at the same time they have also been seen as essential requirements for a democratic society, as a means for the protection of individual freedoms (Haralimbos and Heald, 1981). Peter Blau writes, “Democratic objectives would be impossible to attain in modern society without bureaucratic organisations to implement them. Thus ‘equal justice under the law’, a basic democratic principle, requires bureaucratic organisation for its implementation” (in Haralimbos and Heald, 1981 320) Blau goes on to say that the life of modern individuals is determined more and more by organisations over which they have little or no control. Gross (1989) suggests that complex organisations have come to be identified with developed societies; it is true of developing societies as well. Achievements in various fields have been possible through organised performance. Kao et al (1994.20) have rightly said “Asian scenario presents a high level of complexity in almost all spheres of human activities, including the functioning of organisations”

Buchanan and Huczynski (1985) have defined organisation as a social arrangement for the controlled performance of collective goals. Organisations of various kinds and forms catering to various human needs exist in society. Human experience tells us that groups of people can achieve much more than individuals acting on their own. It is rightly said that our society is heavily dependent on collective, organised activity. We are born, work, and die in and through organisations, and all of us are influenced by organisations in one way.
or another. The argument and the debate cited above makes amply clear the importance of organisations in society and the need to understand their functioning to derive the maximum benefit from them.

Though the study of organisations is multidisciplinary, drawing mainly from sociology (Buchanan and Huczynski, 1985), however the study of organisations has had a relatively short history within sociology. The work of Max Weber and Robert Merton and his students in the late 1940s provided recognition to organisations as a distinctive social phenomena requiring study (Tolbert & Zucker, 1996). The earlier studies in sociology had treated organisations from the point of view of social inequality, intercommunity relations and social deviance but organisations had never been studied as such. One of the earliest studies of organisations was that of textiles mills in Ahmedabad in early 1958 by Rice through Tavistock Institute (Burrell and Morgan, 1979, De, 1984).

Sociology was developed in India primarily by the British rulers with a view to understanding the customs, manners and institutions of the colonised India so as to be able to govern it better (Damle, 1986). But sociology as a separate discipline in Indian Universities can be traced back to the 1960s (Oommen and Mukherji, 1986). Compared to that the study of organisations, as part of sociology, and that too of the NGO and Voluntary Organisations, in India is a relatively recent phenomenon.

As stated in the previous chapter the body of organisations which are often referred to as NGO or Voluntary Sector or sometimes as 'Third Sector' (Hudson, 1995) receives a sizeable sum from domestic and foreign sources (Bava, 1997, Kamta, 2000) and yet “the sector has received very limited attention from academic researchers and social analysts” (Sheth and Sethi, 1991:51) more so in the 'developing countries' as compared to the USA and UK. It is suggested that philanthropic studies were coined in 1980s and “even today it is not a widely accepted or understood term in American academic life” (Katz, 1999:74).

The available literature on the NGO Sector and its organisations is limited in its scope and range. What is written falls mainly into two categories - accounts of scores of organisations (Pandey, 1991), role and functions...
It is argued that the dominant thrust of the literature on voluntary agencies is evaluative; they are either praised or maligned (Patel, 1998). It must be noted that in the UK and the USA the sector of late is being studied from organisational and management perspectives. The present study is an attempt to look at the sector from a different angle and interest, with the hope of adding to the scope and range of the body of knowledge on the ‘sector’.

The subject under research examines organisational culture of NGOs and their influence on the functioning of the NGOs. One may wonder why organisational culture. There is lack of a unified viewpoint among social scientists regarding the relative roles of the social and the cultural components of society but there is a general agreement that culture, economy, and polity are three essential dimensions to be taken into account for the appraisal of social reality (Mukherji, 1991). In the context of an organisation one could argue that economy (Barney and Hesterly, 1996) - how resources are mobilised, allocated and used - and polity (Bryman, 1996, Miller et al, 1996) - the governance, leadership, decision-making - are part of organisation culture. In fact the present study includes some aspects of economy and polity as part of organisation culture. However one could study organisations from a very specific angle also. The scholar has chosen to focus on organisational culture. The study assumes that organisational culture and its components, in an organisational context, are essential factors to be taken into account for organisational effectiveness.

Viewing organisational culture - “where there is a system of shared meaning among members” - is a relatively recent phenomenon (Robbins, 1995:601). Yet much has been written about organisations and organisational culture lately in the west. But empirical studies and research on the subject under study is not available. The available literature is limited in scope; it deals with organisational culture in terms of its concepts, theories, observations and practices in corporate sector organisations. It covers various aspects of organisation such as culture, leadership, motivation, management, way of
functioning and effectiveness. The following sections throw light on the present study based on the review of this literature.

Organisations fall in the purview of sociology. It is argued that as organisations are social units, they are studied from various angles including their impact on society as well as their internal components and functioning. It is suggested that since organisations satisfy numerable needs of society they are important to society and their study is equally important. It is also suggested that the functioning of NGOs has not been studied extensively, at least not in India. The proposed study assumes that though culture, polity and economics are essential dimensions to be taken into account for reviewing organisation as social reality but for our purpose the focus is on organisational culture.

2.2 Organisational Culture – a concept:

Colleagues and friends often comment upon and discuss their workplace culture or what is called ‘culture of the organisation’. People compare cultures and state how they feel about them. For most people, ‘culture’ may mean what they perceive the organisation they are involved with to be — pushy, harsh and authoritarian, exploitative, very political with dynamics for people to get caught into if they are not careful, and so forth. For some this culture may appear to be dynamic, open, friendly, opportunistic, caring and genuinely interested in people as people. Some describe culture in terms of types of organisations such as democratic, laissez-faire, participative etc. Such descriptions in a sense become representative "models" of organisations (abstractions). The models reflect the culture in the organisation and our assessment of its elements, relationships, determinants and likely effects. People classify what they see as the characteristics of organisations. An organisational culture is socially defined and experienced – organisational culture is a socially constructed, unseen and unobservable force behind organisational activities (Lawson and Shen, 1998).

The experience of the things we feel are displayed by the "culture and its practices" and affect how we behave, function and respond to the organisations we work in.

Culture, in its widest anthropological sense, has been defined by the Dutch management professor Geert Hofstede as the ‘collective programming of the
mind which distinguishes the members of one group or category of people from another' (Kennedy, 1994:159). Talking about organisational culture Meek rightly suggests that if culture is regarded as emerging from social interaction – treating it as something that the organisation 'is' rather than treating it as a variable that can be manipulated by management – that is socially produced and reproduced over time, influencing people's behaviour in relation to use of language, technology, rules and laws and knowledge and ideas, then it cannot be discovered or manipulated, it can only be described and interpreted Therefore culture is a concept which sometimes is easier to grasp by description than by definition (Henslin, 1999).

It is argued that the first published used of the term “corporate culture” or “organisational culture”, is uncertain, but one of the earliest references appeared in Stanley Davis' (1970) book called 'Comparative Management. Organisational and Cultural Perspective' (Kennedy, 1994)

Schein (1997) suggests that the debate about the definition is healthy but it creates difficulties for both scholars and practitioners if definitions are fussy and uses are inconsistent. Organisations being part of society share some characteristics of society, culture being one of them. Therefore it is argued that as in society, organisations have their own rituals, sanctions, values, and attitudes. In this context it will help us to further examine some of the definitions of culture and the various elements that make up organisational culture.

The concept of organisational culture came to the fore in a series of British and American management texts of the 1980s, which attempted to explain either (or sometimes both) the difficulties of Western businesses in coping with economic recession as well as the challenges of Japanese corporations (Marshall, 1994:372). Human need for stability, consistency and meaning are met through culture which addresses these needs through our belief system, customs, rituals and pattern of behaviours. Culture formation, therefore, is always, by definition, a striving towards patterning and integration, even though the actual history of experiences of many groups prevents them from ever achieving a clear-cut paradigm (Schein, 1997.12). Schein suggests that a group's culture is the group's
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accumulated learning. Paul Bates (1994:13) suggests that “Organisation culture is the pattern of basic assumptions which a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration”. Organisational culture thus is defined as the values, norms, and patterns of action that characterise social relationships within formal organisations. Robbins (1995) suggests that organisational culture is concerned with how employees perceive the characteristics of an organisation’s culture, not with whether or not they like them. He suggests that it is a descriptive term and therefore research on organisational culture has sought to measure how employees see their organisation - is it helpful or not in their functioning effectively? It is also argued by Robbins that “Culture by definition is elusive, intangible, implicit, and taken for granted. But every organisation develops a core set of assumptions, understandings and implicit rules that govern day-to-day behaviour in the workplace” (1995:608).

However the scholar would like to suggest that organisations are not one homogeneous culture but 'multi-culture', thus becoming a source of conflict also. It must be noted that various views on culture first posit that organisations have unitary cultures, the second assumes multiple cultures, and the third begins with the assumption that there is no such thing as a fixed 'culture' in organisations (Reed and Hughes, 1992).

Pareek (1994:342) defines culture as “the cumulative preference of some state’s life over others (values), response predispositions towards several significant issues and phenomena (attitudes), organised ways of filling time in relation to certain affairs (rituals), and ways of promoting desired behaviour and preventing undesirable behaviour (sanctions)” Schein defines culture of a group as “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 these problems” (1997:12).

Some authors believe that managerial values, organisational values, and philosophy of operation are part of the organisation's culture - the way things
are done and the social surroundings in which the organisation performs its work. In all organisations there are deep-set beliefs about how work should be organised, authority exercised and people's contributions rewarded and valued. The evidence of culture is everywhere: in the organisation's physical structure, in how the receptionist treats visitors, in the rites and rituals of the organisation, in the ways that it portrays itself to the public, and so on (Handy, 1988).

One of the ways of understanding organisational culture, therefore, is to see it as a sort of shared ethos for everyone involved - 'This is how we do things round here' (Handy, 1988). Handy has described it as the style of the organisation - 'What it feels like to work here', 'The way in which we are all involved'. He identified four of these contrasting styles as a way of classifying some different cultures - power (or club), role, task, and person cultures.

"The culture of an organisation is an all-pervasive influence on how it is structured, how work is done, what its aims are and how management and staff interact within the organisations and with those outside" (Lucey, 1988 89). Kunda G. defined culture as "A learned body of tradition that governs what one needs to know, think and feel in order to meet the standards of membership. When applied to organisational settings, culture is generally viewed as the shared rules governing cognitive and affective aspects of membership in an organisation, and the means whereby they are shaped and expressed" (Pfeffer, 1997:121).

Robbins and Coulter, (1998-78) define organisational culture as a system of shared meaning within an organisation that determines, in large degree, how employees act. They also suggest that culture implies several things. They argue that it is perception. Individuals perceive the culture of the organisation based on what they see or hear within the organisation. And even though individuals may have different backgrounds or work at different levels in the organisation, they tend to describe the organisation's culture in similar terms. They called it the shared aspect of culture. They also suggest that organisational culture is a descriptive term i.e., it is concerned with how members perceive the organisation, not with whether or not they like it. They have identified 10
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characteristics of assessing the organisation culture such as, Member identity, Group emphasis, People focus, Unit integration, Control, Risk tolerance, Reward criteria, Conflict tolerance, Means-ends orientation, and Open-systems focus.

It might be useful to cite Ogbonna Emmanuel (1996) in his article 'Managing Organisational Culture: Fantasy or Reality?' where he has cited three levels of cultural phenomena identified by Schein. The author comments that on the surface are the overt behaviours and other physical manifestations (artefacts and creations); below this level is a sense of what ought to be - values; and at the deepest level are those things that are taken for granted as 'correct' ways of coping with the environment (basic assumptions).

We have discussed that there is no definitive method for measuring an organisation's culture. Preliminary research suggests that cultures can be analysed by assessing how an organisation rates on ten characteristics. These have been identified as follows (Robbins and Coulter, 1998:80).

Member identity: The degree to which employees identify with the organisation as a whole rather than with their type of job or field of professional expertise.

Group emphasis: The degree to which work activities are organised around groups rather than individuals.

People focus: The degree to which management decisions take into consideration the effect of outcomes on people within the organisation.

Unit integration: The degree to which units within the organisation are encountered to operate in a co-ordinated or interdependent manner.

Control: The degree to which rules, regulations and direct supervision are used to oversee and control employee behaviour.

Risk tolerance: The degree to which employees are encouraged to be aggressive, innovative, and risk seeking.

Reward criteria: The degree to which rewards such as salary increases and promotions are allocated on employee performance criteria in contrast to seniority, favouritism, or other non-performance factors.
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Conflict tolerance: The degree to which employees are encouraged to air conflicts and criticism openly.

Means-ends orientation: The degree to which management focuses on results or outcomes rather than the techniques and processes used to achieve those outcomes.

Open-systems focus: The degree to which the organisation monitors and responds to change in the external environment.

Practitioners and theoreticians will agree with the observation which that organisational culture can either be adaptive or unadaptive (Kotter and Heskett, 1992:51). It is suggested that adaptive culture and unadaptive culture have some core values and common behaviour. Citing core values, Kotter and Heskett suggest that in 'adaptive culture' most people in the manager/officer roles care deeply about service users (target group), stakeholder (Trustees, well-wishers, donors) and staff. They also strongly value people and processes that can create useful change. The common behaviour observed in 'adaptive culture' is that most people in the manager/officer roles pay close attentions to all their constituencies, especially the beneficiaries (service users/target group) and initiate change when needed to serve their legitimate interests, even if that entails taking some risks.

On the other hand the authors suggest that core values for 'unadaptive culture' are that most people in the manager/officer roles care mainly about themselves, their immediate work group, or some programme/project associated with that work group. They value orderly and risk-reducing management process much more highly than leadership initiatives. In terms of common behaviour observed in 'unadaptive culture' is that most people in the manager/officer roles tend to behave somewhat insularly, politically, and bureaucratically. As a result, they do not change their strategies quickly to adjust to or take advantage of changes in their business environment.

It can be assumed that the adaptive culture cited above seems to be more conducive for the effectiveness of NGOs, for whom catering to the development needs of the communities, and doing advocacy for people's cause is very important.
It is quite clear that the word 'culture' is not a simple concept, it has many meanings and connotations. When we apply it to groups and organisations, we are almost certain to have conceptual and semantic confusion because groups and organisations are also not always easy to define. Often with regards to 'organisational culture' people agree that it exists and that it is important in its effects but that people have completely different ideas of what it is (Schein, 1997). In the given context it is important to keep in mind that not every collection of people develops a culture, in fact, we tend to use the term "group" rather than crowd or collection of people only when there has been enough of a shared history so that some degree of culture formation has taken place and organisations provide this shared history.

It is argued that organisation culture, as a concept emerged in the 1980s in British and American organisational studies. The scholar endorses the view that it is a perception of people rather than something 'out there'. It is a descriptive term and can be viewed from the perspective of how helpful it is to employee and organisational functioning. It is assumed that organisational culture consists of assumptions, values and behaviour of people within it.

Reviewing various definitions of organisational culture and sub-factors within it, the scholar, drawing from Robins (1995), would like to suggest a functional definition viz. that organisation culture is elusive, intangible, implicit, taken for granted and therefore it may not be readily apparent to members. However, every organisation and especially the NGOs develop a basic set of assumptions, beliefs, values and implicit rules that govern day-to-day behaviour and modus operandi such as decision-making, leadership style and how resources are used in the workplace. For the purpose of the study the following are included as elements of organisational culture and perceptions of various constituencies will be sought on the following factors:

i) Mission the desired change which the organisations want to bring about,
ii) Beliefs and assumptions in the organisation about development,
iii) The process of decision-making,
iv) The utilisation of facilities and resources within the organisation,
2.3 Importance and utility of organisational culture:

The stated definitions highlight that organisational culture helps you to adapt to the external environment and provides you with the means to manage the internal integration of various organisational components. The definition also indicates that culture is a combination of various elements in the organisation and is reflected in various activities, functions, and interactions. The artefacts, structure, and the way it operates, the clarity and awareness of vision and mission, the relationships, leadership, values, beliefs, and code of conduct are all part of the culture. "Where there is no vision, the people perish" - the biblical proverb (Kennedy, 1994:155) not only applies to profit-making organisations but to Not for Profit Organisations as well. It goes to show the importance of various factors of organisational culture and its impact on the functioning and well-being of the organisation. Robbins argues, "every organisation has a culture and depending on its strength can have a significant influence on the attitudes and behaviours of organisation members" (1995:601). He also suggests that culture performs various functions within an organisation, such as boundary defining role, distinguishing one organisation from the other. It conveys a sense of identity to the members of the organisation. It facilitates the generation of commitment to the organisation that goes beyond the self-interest of the individual. Culture also enhances social system stability, he argues. It also acts as a social glue which helps to hold the organisation together by providing appropriate standards for employee behaviour, and finally, it is suggested that culture acts "as a sense-making and control mechanism" through which employees' attitude and behaviour is shaped and guided (Robbins, 1995:608). From the employee's standpoint, Robbins suggests that culture is valuable because it reduces ambiguity, it helps an employee to know how things are done and what is important.

Schein (1997) has argued that culture can be looked at from the perspective of two distinguished sets of problems which any group must deal with: a) survival, growth, and adaptation in their environment and, b) internal integration.
that permits daily functioning and ability to adapt. Therefore it is suggested that organisational culture provides the organisation and its members with the capacity and ability to deal with the environment, reflecting the contingency approach to management suggested by many organisation theorists and practitioners (Robbins and Coulter, 1998). The authors also suggest that organisation culture helps in day to day running of the organisation without many hurdles because people fit into the work culture of the workplace. It is observed that the best barometer of an organisation’s long-term prospects is its culture – the assumptions, values, beliefs and behavioural norms shared by organisational members. While it may not be readily apparent to members, the culture shapes behavioural norms – the patterns of thinking and behaviour expected of individuals to ‘fit in’. No wonder Meek (1992) suggests that the concept of organisational culture can be a powerful analytical tool in the analysis and interpretation of human action within complex organisations. With regards to the use of culture it is argued that a strong culture is a powerful lever for guiding behaviour, in society as well as in an organisation (Bate, 1994). While defining culture as the values, assumptions, and beliefs held in common by organisation members French and Bell (1998) suggest that “norms, values, and assumptions about how the world works in the organisation culture significantly determine behaviour and effectiveness in organisations.”

It is argued that culture is the living, breathing fabric of organisations and the effectiveness of an organisation is influenced by its culture. In ‘Creating Culture Change - Strategies for Success’, Atkinson (1990) argues that culture shapes people working in the organisation. One study suggests that the prevailing culture dominates and determines women’s as well as men’s behaviour (Maddock and Parkin, 1996). On the other hand it has also been argued that as much as culture influences the individual, individuals also in their turn contribute to the organisational culture. It is observed that the founding persons (especially in Not-for-Profit Organisations) are often responsible for the kind of culture that exists in an organisation (Schein, 1992). It can be said that culture is dynamic, it is both influencing and influenced by the people in the organisation. It is rightly said that culture is a learning process capable of being
'unlearned' (Ogbonna, 1996) Culture thus can also be seen as an adaptive agent which enables organisational participants to learn to cope with problems of survival – cultural or normative control is essentially concerned with appropriate social order which provides the basis for desired behaviour (Thompson and McHugh, 1995). Critiquing culture in the context of what exists in a company like Ford and other flexible organisations, the authors (Thompson and McHugh, 1995) suggest that culture should not be seen as everything in an organisation but rather as managerial attempts to mobilise values and emotions to support corporate goals.

Culture is also often seen as a primary source of resistance to change. Experience shows that organisational learning, development, and planned change cannot be understood without considering organisational culture. It is also observed that change and improvement do not come about by accident but by design. Sociologists and students of organisations tell us that culture plays an important role in bringing about change in the organisation (Atkinson, 1990, Schein, 1992, Conn and Boyett, 1995, Billsberry, 1996).

As stated earlier, development is a process which has to be managed and likewise for organisations which carry out this development. Culture, as discussed above, is an important component in an organisation and a good manager knows its role in the organisation. Managers seek to "change" the culture of the organisation to their advantage and to the advantage of the organisation. What they therefore try to do is shape the way people behave, feel, contribute, interact, and perform as employees of the organisation. Managers use 'culture' as a means to control and engineer organisational behaviour in the pursuit of organisation goals. Research has shown that if the managers want to pursue quality improvement and innovation, then meetings will be held, training will be done, new imperatives are brought into the organisation to be integrated by way of activities, expectations, values and sanctions into the culture of the organisation.
The argument that culture is a management tool in the hands of managers can be extended to the two views of management (Robbins and Coulter, 1998:76). The first is the omnipotent view of management, where managers are seen as directly responsible for an organisation’s success or failure, while the second is the symbolic view of management where managers have limited effect on substantive organisational outcomes because of the large number of factors outside the management control. According to this theory organisation culture plays an important role in both the management views stated above as that is the one thing which, to a great extent, is within the control of managers. It is also suggested that organisational culture guides the organisation’s members in decision-making, task behaviour, and practically everything else that they do in the organisation.

People coming into the organisations do not always share the same thoughts, actions, feelings, and interpretations, as they do not come from the same background. Misperceptions, misinterpretations and conflicts are the natural outcomes. In other words, people come to an organisation with past baggage from their own culture. As people interact, they begin to shape the culture of the organisation knowingly or unknowingly, more so if one is in a leadership position of one kind or another. It is said, “The culture in the organisation, which is developed over a period of time, is created by the leader” (Dwivedi, 2002:22). It is said that “Humans are not only goal oriented but also self expressive. They choose to spend time in situations that allow them to express their disposition, attitudes and self-conceptions” (Thompson and McHugh, 1995). Therefore culture and subcultures help organisations and people achieve their goals.

Conflict is defined as any behaviour by a person or group that is purposely designed to inhibit the attainment of goal/s by another person or group. The key issue in defining conflict is that of incompatible goals. When one person or group deliberately interferes with the purpose of denying the other goal achievement, conflict exists (Chandra, 1999).
Information sharing not only helps in communication but also in building knowledge. It is argued that culture and social structure (the way people relate to one another) impact the key organisational processes such as information gathering, communication, decision making (Leigh, 1996).

It is also said that organisations are social arrangements in which people strive to achieve control over the use of resources to produce goods and services efficiently. It is suggested that some individuals hold positions from which they control and co-ordinate the activities of others in the interests of the organisation as a whole. “But organisations are also political systems in which people strive to achieve control over each other to gain status, wealth and power” (Buchanan and Huczynski, 1985:8). The authors also suggest that organisations can be designed to provide opportunities for self-fulfilment and individual expression. However, the human consequences of organisations are not automatic; they depend on how the organisations are designed and made to function. It can therefore be said that culture is a good tool to direct people in the organisation to carry out the vision and mission envisaged by its founders and leaders.

The above arguments about the importance and utility of Organisational culture are equally valid for NGOs and GOs as they too are organisations; more so since they are human service organisations and thus have a special role to play in civil society (XXVI Sociological Conference of Indian Sociological Society). These organisations are involved in development and thus organisational culture becomes an important factor for these organisations. The beliefs and assumptions, the values, attitudes and behavioural patterns followed in these organisations impact the employees and the overall functioning of the organisation and thus the organisation’s effectiveness.

The foregone discussion has highlighted that culture is the living, breathing fabric of organisations and their functioning and effectiveness are influenced by their culture. It is suggested that organisational culture is important to NGOs and GOs as much as to profit-making or government organisations and needs to be paid attention to for achieving organisational effectiveness.
2.4 Sources of Organisational Culture:

"An organisation's culture doesn't pop out of thin air" (Robbins, 1995.609), it is promoted, fostered and once established it rarely fades away. Robbins attributes the ultimate source of organisational culture to its founders. It is argued that an organisation's culture usually reflects the vision and mission of the organisation's founders (Robbins and Coulter, 1998). No wonder then that mission and culture pose a chicken-and-egg puzzle; both originating and springing from the other (Kennedy, 1994). Kennedy argues that Peter Drucker, a renowned organisation expert, emphasised the importance of mission and philosophy in 1973, some years before management writers began using the phrase 'corporate culture'. It is the founders who conceive the original idea and set things in motion to implement the idea. They are unrestrained by past baggage and therefore are able to easily establish the early culture by projecting the image of the kind of organisation they would like others to perceive and experience. The small size of most new organisations also helps the founders instil their vision in all organisational members. The authors, quoting Hambrick and Finkelstein, suggest that an organisation's culture results from the interaction between the founders' biases and assumptions and what the first employees learned subsequently from their own experiences (Robbins and Coulter, 1998.82).

Yet it is said, "The primary culture of an organisation usually reflects the vision or desires of the founders, modified by subsequent senior management and by interactions with various internal and external factors (Lucey, 1998.89). It is also suggested that leaders and top management are influential factors in creating and changing culture. John Kotter, the Harvard Professor of Organisational Behaviour, has rightly observed that "the single most visible factor that distinguishes major cultural changes that succeed from those that fail is competent leadership at the top..." (as quoted in Kennedy, 1994.102). Experience and observations of people in the voluntary organisations suggest that the founder/s, leader/s influence the internal environment substantially (Dwivedi, 2002), and the scholar's experience endorses this observation.
Culture is dynamic and it is the people within the organisation who shape it or/and are shaped by it. It is said that individuals create and reproduce culture, but obviously they do not do so in a vacuum (Meek, 1992). Individuals join an organisation and bring with them values, attitudes, beliefs, behaviour patterns and expectations that they have acquired elsewhere, which may have to change or be pushed aside (Buchanan and Huczynki, 1985,87) or integrated in the wider organisational culture. Speaking about corporate culture Rao and Rao (1996:156) argue that "the dynamics of an organisation is shaped uniquely by the breathing and pulsating vibrant human beings driven by their own characteristic problems and traits" and therefore the emphasis on the role of the chief executive in shaping culture.

Most widely cited writers on culture suggest that cultures basically spring from three sources (Schein, 1992:211) - the beliefs, values and assumptions of the founders; the learning experience of group members as their organisation evolves; and, new beliefs values, and assumptions brought in by new members and leaders.

Role of a leader - the mechanisms cited are (Schein, 1992):
- What leaders pay attention to,
- Measure, and control on a regular basis,
- How leaders react to critical incidents and organisational crises,
- Observed criteria by which leaders allocate scarce resources,
- Deliberate role modelling, teaching, and coaching,
- Observed criteria by which leaders allocate rewards and status,
- Observed criteria by which leaders recruit, select, promote, retire, and excommunicate organisational members.
- Secondary articulation and reinforcement mechanisms of culture,
- Organisation design and structure,
- Organisational systems and procedures,
- Organisational rites and rituals,
- Design of physical space, facades, and buildings,
- Stories, legends, and myths about people and events,
- Formal statements of organisational philosophy, values, and creed
Schein has suggested primary and secondary embedding mechanisms of culture and it might be helpful to take note of it. He seems to be emphasising the role the leader plays in promoting organisational culture.

Likewise others (Lawson and Shen, 1998) suggest that any organizational culture arises from three primary sources - first, the broader societal culture in which the organization is nested, second, the type of business or the business environment of the organization, and third, the beliefs, values, and basic assumptions about the nature of reality and human nature held by the founders or first-generation leaders of the organization.

2.5 Organisational effectiveness:

As discussed earlier, organisational effectiveness is not easy to define and measure (also see Harrison, 1987). Some writers suggest that organisational effectiveness is a social construct and does not exist in reality while others maintain that effectiveness is important and stakeholders care about it - effectiveness is real and real in its consequences in the same way that "race" is a (socially constructed) reality with real consequences (Herman and Renz, 1999:109). Herman and Renz (1999.109) suggest that 'nonprofit organisational effectiveness is multidimensional and will never be reducible to a single measure'.

We also have distinguished efficiency and effectiveness. The most important distinction is between efficiency in the sense of productivity and efficiency in the sense of attaining certain goals (effectiveness). Yet another distinction says that Effectiveness involves the organisational pursuit of appropriate goals - doing the right things, while efficiency is the use of minimum input to yield maximum output - doing things right (Lawson and Shen, 1998). For example, take a participatory women's empowerment programme. It may not be efficient as defined here but it might be effective all the same. Pfeffer and Salancik (as quoted in Bengt, 1993.136) indicate effectiveness as a measure of the usefulness of an organisation's production. The criteria of usefulness are determined from outside the organisation, i.e., they are defined by the organisation's stakeholders in relation to their goals, in the context of this study the stakeholders are its beneficiaries (also referred to as service users).
In the early 1950s the approach to organisational effectiveness was simple and it defined effectiveness as the degree to which an organisation realised its goal — "the effectiveness of organisational efforts is the extent to which the organisation realises its goals" (Daft 1995:44). The 'system resource' approach would think of effectiveness in terms of survival (Robbins, 1998). Thus effectiveness is seen in terms of its capacity to acquire resources from the environment which it needs for its survival. Others, in absence of clear outputs of the organisations, would see effectiveness in terms of legitimacy conferred upon it by the society or the beneficiaries (service users/target group) regardless of the production of output (Smelser, 1988).

Goal/s attainment is probably the most widely used criterion of effectiveness. The goal-attainment approach states that an organisation's effectiveness must be appraised in terms of the accomplishment of ends rather than means. It is the bottom line that ultimately counts, but in profit making the bottom line can be clearly seen as profit but it is a different story when it comes to Not-for-Profit Organisations like development NGOs.

In the systems approach, end goals are not ignored, they are only one element in a more complex set of criteria. Systems models emphasise criteria that will increase the long-term survival of the organisation — such as the organisation's ability to acquire resources, maintain itself internally as a social organism, and interact successfully with its external environment. The assumption is that organisations are made up of interrelated subparts. If any one of these subparts performs poorly, it will negatively affect the performance of the whole system.

The findings of Tom Peters and Robert Waterman from the study conducted on 42 companies indicated 8 common characteristics of the highly effective or excellent organisations. Some of them were: being close to their customers in order to fully understand their customers' needs, they allowed employee a high degree of autonomy and fostered the entrepreneurial spirit, they sought to increase productivity through employee participation, their employees knew what the company stood for, their managers were actively...
involved in problems at all levels, company's core values were tightly protected and at the same time risk taking was encouraged.

With regards to Not for Profit Organisations and their effectiveness, it is said that the **bottomline** for NGOs is **building people's institutions**, and the process of **working in partnership with the people** who are the beneficiaries of their programmes (Chadha, 1995).

Herman and Renz (1999:111) have cited categories of measures of organisational effectiveness as suggested by Paton and Foot. They are a) measurement of current achievement of each activity or programme in the organisation, b) measures of underlying (longer term) performance of each activity/programme, taking into account alternative uses of resources, c) measures of financial and management soundness (addressing the question of how well the organisations is run), d) measures of renewal or decline (addressing the question of whether organisational capabilities are improving or wasting away); and e) measures of the impact of organisational development initiatives. Although it appears that there is no research backing to these suggestions. As discussed above the organisational effectiveness is seen from different perspectives and is equally valid.

As stated earlier NFPO effectiveness is multidimensional and will never be reducible to a single measure (Herman and Renz, 1999 110) and the perception of stakeholders is important as the authors had suggested "an institutional view of effectiveness holds that there is no effectiveness until someone calls it"

### 2.6 Relation between Organisation culture and organisation effectiveness:

Literature on Not-for-Profit Organisations suggests that 'non-profit organisational effectiveness is a social construct' (Herman and Renz, 1999 107) This does not mean that it does not exist, it exists as much as 'caste' does which is also a socially constructed reality with real consequences. Citing other researchers, Herman and Renz (1999) go on to suggest that organisational effectiveness is related to constituent satisfaction, resource acquisition, internal processes, and goal attainment. The authors have also found a co-relation between Chief Executive Officer (CEO) and Board members, planning, policy
Organisation culture and organisation effectiveness are said to be closely associated, in fact it is suggested that organisation culture influences organisation effectiveness. Meek (1992) argues that the link between 'culture' and 'effectiveness' has become, recently, quite pronounced. He goes to argue that it is implied that an ineffective organisation can be made effective if an unhealthy organisational culture can be supplanted with a healthy one. The behavioural norms, which are part of organisational culture, contribute to the ultimate success or failure of an organisation. Ideally, an organisation's culture should encourage constructive thoughts and behaviours that result in motivated, productive employees. In many organisations, however, the prevailing culture promotes behaviours that actually have a negative impact on job performance and overall effectiveness. It is argued that the specific impacts of organisational culture on organisational performance have to be determined by careful empirically based studies (Schein, 1990, 1992, Peters and Waterman, 1982). However, it is clear that many experts have assumed that the linkage exists and there is growing evidence to support this assumption (Kotter and Heskett, 1992, Wilkins and Ouchi, 1983). Thompson and McHugh (1995 211) also cite a paper by Smircich (1993) which argued that it is better to regard culture as something an organisation is, rather than something an organisation has. Thompson et al in their research identified "cultural strategy" in the Swedish company Volvo. They suggest that "there may not be a definitive authentic culture in an organisation, but there clearly are 'official' ones that power-holders can at least attempt to impose on others" (Thompson and McHugh, 1995 212).

"The 1980s saw many dazzling but hollow corporate stars flash across the sky, only to burn out leaving debt and unemployment in their wake, while companies that consistently perform well decade after decade are usually notable for powerfully rooted values and a steadfast vision or purpose beyond the purely commercial" (Kennedy, 1994.155). Fine (1995) argues that if organisations cannot transform themselves in ways that will allow and encourage people from vastly different cultural backgrounds to work together..."
productively, they will not be able to achieve their organisational goals. Kennedy and Fine go on to illustrate the relationship between organisational culture and organisational effectiveness.

Kennedy has cited the shared values, steadfast vision and mission of an organisation, what we may call the organisational culture, as responsible factors in the performance of an organisation. The same can be applied to the NGOs and VOs. These organisations have a history of drawing people from different walks of life. Many NGOs and Grassroots Organisations are value based believing in values like equality, national integration, justice, respect for all and human dignity. A large number of these organisations adhere to the value of ‘unity in diversity’. Some of these organisations make it a point to recruit people from diverse social, religious and class groups. The diversity also consists of visible and non-visible differences which include factors such as sex, age, socio-economic and educational background, disability, personality, work style, and such others. An individual will bring along with her, her culture as well to the organisation. The diverse reality of culture is part of life of many of the NGOs and grassroots organisations.

The natural dysfunctionality of such diversity may lead some people to call for a return to cultural homogeneity of caste, religion, region and class in India, especially in the workplace. In such a situation and work environment organisational culture plays an important role in negating this dysfunctionality. It is rightly said, “we need to create multicultural organisations in which all workers can be productive, rather than return to mono-cultural organisations that stifle individual creativity or endure cultural battlegrounds that resemble the proverbial Tower of Babel” (Fine, 1995 108). Other writers have argued that harnessing differences cited above will create a productive environment in which everybody feels valued, where their talents are being fully utilised and in which organisational goals are met (Kandola and Fullerton 1996). Culture is seen as a liability as well where the shared values are not in tune with those that will enhance the organisation's effectiveness (Robbins, 1995).

The assumption these writers make is that if organisations cannot transform themselves in ways that will allow and encourage people from vastly different
cultural backgrounds to work together productively, they will not be able to achieve their organisational goals. The scholar would like to suggest that often NGOs and GOs do not pay attention to this factor. This reflects in the employment pattern of these organisations. A good number of NGOs in India may work with Dalits and Tribals and yet these communities may not be represented adequately in their staffing. To that extent the culture of these organisations may lack the blend of a variety of cultures that may come in with various people from various backgrounds (sex, caste, class, region, and religion).

An organisation's commitment to change depends on the willingness of the people in the organisations to change, willingness to work together to create a new organisation with fresh assumptions and values about people, their behaviour, and how work gets accomplished, and a right kind of organisational culture can help in achieving this. In the Indian context NGOs that want to develop multicultural work force should make proactive recruiting efforts. Successful recruiting involves knowing and understanding of the communities in which you plan to recruit. Understanding involves in-depth (psychosocial, economic, political and educational situation) knowledge of various communities of the area and why more or less candidates apply from particular community/s. The NGOs' recruitment policies then will change accordingly. One may then look at the candidate not only from academic percentage, performance in the interview, but also look sensitively to the reality, people, commitment, attitude to poor etc. The caste, gender, economic and language discrimination that exists in Indian society must be paid attention to closely. There might be a need to use the principle of positive discrimination in the given situation in the recruitment of candidates.

Most organisational training programmes for the staff, though diverse in nature, emphasise interpersonal relationships. An interpersonal or human relation training typically identifies the roots of prejudice in the individual's socialisation (Fine, 1995, Thompson and McHugh, 1995). The goal of such training is to help people who are different from each other understand each other and get along together. Some organisational cultures will welcome such trainings while some will not promote them.
A culture, it is argued, can be supportive and people oriented, or it could be highly task oriented or even power oriented (Handy, 1988). A culture supportive of multicultural workforce is open to new ideas and ways of doing things, supportive of differences among employees and flexible in responding to employee needs and concerns. Communication is central to creating and maintaining this kind of organisational culture. Employees and management must communicate with each other.

A code of conduct is also seen as part of organisation culture. "It is important that the organisation is committed to a code of conduct that guarantees each individual’s right to work in an environment that is respectful, supportive, and free from harassment" (Fine, 1995, p. 167). Therefore, space and responsible freedom for new ideas, ways of doing things, and multi-channel communication indicates a supportive culture. It means that organisational culture promotes, fosters, and cultivates personal and professional development of the people working in the organisation. Personal growth enhances professional growth, and therefore, code of conduct envisaged in such a culture stems from internal (self) discipline [related to locus of control from within and not just outside] (Fincham and Rhodes, 1992) rather than one that is imposed from outside.

In summary, we can say that we are born into a culture, we take up employment and work in an organisational culture. We might therefore argue that the culture of an organisation affects the type of people employed, their career aspirations, their educational backgrounds, their status in society, their performance and effectiveness as well as organisational effectiveness. We have seen so far that culture in organisational terms is broadly the social/behavioural manifestation and experiencing of a whole range of issues such as the way work is organised and experienced, how authority is exercised and distributed, how people are and feel rewarded, organised and controlled. Culture is exhibited through the values and work orientation of staff, the degree of formalisation, standardisation and control through systems which are or should be. Culture is manifested in the value placed on planning, analysis, logic, fairness, etc., how much initiative, risk-taking, scope for individuality and expression is given.
We can also safely conclude that organisational culture may be visible in the type of building, offices, brochures of the organisation, in the image projected in publicity and public relations in general. Think for example of the differences between a computer manufacturer, a bank, a labour union and an NGO. An organisation's culture may be imperceptible, taken for granted, assumed as a status quo that we live and participate in but do not question.

At this juncture let us briefly examine the relationship between a leader and organisational culture. The scholar’s experience shows that leadership and culture are closely related and influence each other. It is argued that culture and leadership are two sides of the same coin in that the leaders first create cultures when they create groups and organisations (Schein, 1997). Once cultures exist, they determine the criteria for leadership and thus determine who will or will not be a leader. But if cultures become dysfunctional, it is the unique function of leadership to perceive the functional and dysfunctional elements of the existing culture and to manage cultural evolution and change in such a way that the group can survive the change. This proves the point that organisational culture influences and is influenced by the organisation.

We have discussed organisational culture and various components, which go to make it. The study looks at all these components as part of organisational culture. However, we could examine each component separately and see how various authors perceive those in the context of organisational effectiveness, contributing to organisation effectiveness directly or indirectly.

### 2.7 Components of Organisational Culture:

In the following section, we shall attempt to examine the various sub-factors (components) of organisational culture considered for our study and their impact and influence on the organisation's effectiveness. The following factors are suggested:

i) Mission: desired change the organisation wants to bring about,

ii) Beliefs and assumptions in the organisation about development,

iii) The process of decision-making,

iv) The utilisation of facilities and resources within the organisation,

v) Perception of leadership style,

vi) The values that are exhibited in the organisation.
2.7.1 Mission – desired change the organisation wants to bring about:

Intensity of clarity and understanding of the organisation's mission and the change the organisation expects to bring about are considered part of organisational culture. It might be important to note that 'mission' which is often used synonymously with goals is not a strictly sociological term. The use of the term 'Mission' seems to have been in the religious context in Europe (even in India in some socio-religious groups e.g. Arya Samaj - Swami Vivekanand) to imply the goal/s a group of people or an organisation have with a sense of 'being called or sent on a specific task' (GC 34) The dictionary meaning of mission is 'a task or goal assigned to a person or group, journey undertaken as part of this' (The Concise Oxford Dictionary). 'Mission' also means a journey made for a scientific, military or religious purpose and 'mission in life' therefore would mean someone's chosen, designated or assumed purpose in life or vocation (Chambers 21st Century dictionary). In the last two decades the term mission has begun to be widely used in organisation and management contexts. It, in a way, represents the missionary zeal and spirit of the organisation in what they take up to do especially in terms of serving their clients and society. Therefore mission for us would mean goals of the organisation, the purpose for which it was set up, because we know that "organisations by nature are goal seeking collectives" and "their success is determined by the extent to which they achieve those goals" (Chaturvedi and Chaturvedi, 1995 42). In the words of Hudson (1995, 90), 'mission' in the context of the Third Sector is "the fundamental purpose of the organisation" Oster, (1995-22) in context of Not for Profit Organisations (NFPOs) has this to say, "Mission statements serve boundary functions, act to motivate both staff and donors, and help in the process of evaluation of the organisation". The mission statement throws light on the service provided and the service users (beneficiaries) of the NFPOs.

Drucker, in his book 'Management: Tasks, Responsibilities, Practices', writes, "A business is not defined by its name, status, or articles of incorporation. It is defined by the business mission" (Kennedy, 1994 156) He warned that the management which is not concerned with the mission of the
organisation, when the organisation is successful, is, in effect, smug, lazy and arrogant. It will not be long before success turns into failure, he said. Drucker strongly argues that defining the mission of the organisation is the first task of the leader. Pareek (1994) goes on to suggest that mission is one of the main characteristics of an institution. Gross (1989) argues that definite goals, is one of the essential features of organised performances.

It is said (Salaman et al, 1992) that the best nonprofits devote a great deal of thought to defining their organisation’s mission. A well-defined mission serves as a constant reminder of the need to look outside the organisation not only for ‘customers’ but also for measures of success. The authors go on to say that the temptation to content oneself with the ‘goodness of our cause’ – and thus substitute good intentions for results – always exists in nonprofit organisations. It is precisely because of this that the effective and performing NGOs and GOs define and must learn to define clearly what changes they want to bring about and to focus on them. The goal, the ‘mission’ as referred in NGOs sector, is a distinct characteristic of non-profit organisations which distinguishes them so sharply from business and government organisations (Drucker, 1992).

2.7.2 Beliefs and assumptions in the organisation about development:

Stanley Davis, research professor in Boston University’s School of Management, in the context of organisational culture wrote of a company’s guiding beliefs both external – how to direct the business - and internal – how to manage from within (Kennedy, 1994). For him beliefs and assumptions are an integral part of organisation culture thus influencing organisation functioning. Likewise for the Not-for-Profit Organisations involved in community development and empowerment, their beliefs and assumptions about the communities they interact with and the approach they adopt for development are important and therefore the organisational culture of these organisations does matter. Beliefs and assumption also bind people together and explain their world in terms of cause and effect relations (Beyer, 1981) influencing people’s behaviour and performance.
However, it is difficult to study beliefs and assumptions, only statements about them or artifacts from them are accessible to description and measurement (Sproull, 1981). Sproull suggests that four classes of reasons justify interest in beliefs in organisation. First, it is argued that beliefs influence action. Second, beliefs are artifacts of or subsequent justification for previous actions. Third, they are independent phenomena and therefore not connected causally or consequentially to organisation actions, and, finally, actions are not objective, organisations are what the members believe them to be.

The scholar, based on his OD experience with NGOs and GOs, would like to suggest that vision and mission of the organisation are largely derived from the beliefs and assumptions its members make or hold about the world and the reality in which they live and the future state of being they envisage. Thus, mission of the organisation reflects and represents the common belief of the members of the organisation about the cause-effect analysis they make and the change they want to bring about. It is rightly said that mission statement are a visionary document and embody the vision of the founders but also make some sense in terms of the realities of the economic marketplace and the political and social environment (Oster, 1995). Beliefs, in this context, are defined as understanding which represents credible relationships between objects, properties, or ideas (see Sproull, 1981, 204). Sproull goes on to suggest that various theoretical perspectives exist on beliefs i.e. beliefs guide actions, beliefs reflect actions and beliefs and actions occur independently. The scholar would like to suggest that beliefs guide and influence actions and behaviour in an organisation.

It must be noted that resources in the organisations come from the environment and so do beliefs and values (Beyer, 1981). Organisations, however, are resource transforming systems and the beliefs and values people come with are influenced and changed over time especially by interaction with the strong beliefs and values that are prevalent in the organisations. This is not to say that the reverse is not possible. It is suggested in this context that consensus over beliefs and values make decision-making easier and facilitate the implementation of decisions (Beyer, 1981).
Chapter 2: Review of Literature - Overview of Organisational culture

Hudson (1995:13) throws light on what we have just discussed; he suggests that the "Third-sector organisations" (the NGOs and GOs in Indian context) "are driven by a desire to improve the world in which we live". "People who manage, work and volunteer for them believe in the creation of a fairer, more caring, better-educated and healthier world". Once again with reference to Third Sector organisations and their vision, Hudson goes on to suggest that it is the belief about the way they want the world to be which includes belief and assumptions of how and why things are as they are and what they could be. Mission, Hudson 1995-93) goes on to suggest, "are concerned more with an organisation's common beliefs and the reasons why it exists"

A study of two co-operatives (Saongaon Tea and Allied Plantation Workers' Cooperative in West Bengal and Tachai Tea Estate Workers' Cooperative in North Tripura) has shown that participation was ensured and concentration of power in the hands of a few was avoided due to the presence of a strong ideology among the people (Bhowmik, 1995). It is suggested that the co-operative at Sonali changed the organisation of work in order to reduce the hierarchy. The illiterate workers in these co-operatives managed their own affairs when given the opportunity and the ideological motivation

It can logically be assumed that NGO and GO staff make a difference in organisational functioning when the beliefs and assumptions they hold about people, cause-effect relationships and development in general are more analytical, logical, problem defining and solving. Therefore we argue that the mission/goals of the organisation reflect the beliefs of the organisation about the kind of development and change they want to bring about and these beliefs and assumptions are part of organisation culture and influence the functioning of the organisation.

2.7.3 The process of decision-making:

Decision-making is probably the most crucial part of managerial work and organisational functioning (Beyer, 1981) Beyer argues that there are three aspects to decision making, first, the cognitive aspects of decision-making by individuals, second, the social aspect of group decision-making by groups – interpersonal influence and communication; and finally the organisational
decision in the field setting - the constrains of formal structures and conflicts of interest resolved through political processes.

It is therefore suggested that decision-making processes and people coupled with decision-making form an integral part of organisation culture. It is also suggested that information, conflict and problem solving are closely associated with decision-making and thus reflect the organisation culture. The following literature throws light on what we have argued here. Chandra (1999) suggests that decision-making which includes conflict management is an important function of management and of an organisation in general. He goes on to suggest that conflicts are closely related to problems and thus problem solving becomes an important process in decision-making. Social psychologists (Kelly and Thibaut, 1975) have suggested that problems reflect social processes associated with outcome distribution (negotiation, exercise of power), information distribution (information seeking, exchange, sharing, persuasion), and response distribution (response control, behaviour cueing, coordination signals) thus confirming that elements of decision-making form part of organisation culture and influence the functioning of the organisation.

Information is another important aspect of problem solving and thus an element of organisation culture. Kelly and Thibaut (1975.7) have rightly said "to solve a problem, he/she ('she' is scholar's addition) must know what state prevails at a given time, what his/her ('her' is scholar's addition) possible responses are, and what their effects are under different conditions". Studies have indicated that the deliberate planning of a system of information transmission is an effective way of distributing relevant information through the group (Lindzey and Aronson, 1975). It is also suggested that if information has to be fully distributed in the group, it is necessary that all members having relevant information have an opportunity to communicate it (Kelly and Thibaut, 1975). Kelly and Thibaut go on to suggest that for optimal distribution of information the environment must provide communication channels. Communication, Hudson (1995:172) has rightly said, is concerned with ensuring that people get the information they need to do their job effectively and can set their work in the wider context of the organisation. Thus as much as
information, communication and problem solving become integral part of decision-making they in return become components of organisational culture.

Closer examination reveals that information; problem solving and decision-making are not only elements of organisation culture but are also closely associated with leadership and leadership style. The above discussion reflects both the style of leadership in the organisation and the value of participation, information sharing in the organisation at various levels, decision-making being one.

The aspect of consultation and delegation reflect the organisation culture and in NGO and VOs they are important aspects as development of communities and areas involve many stakeholders and because of the financial crunch the VOs and NGOs may not be able to hire adequate number of staff to carry out the activities (Drucker, 1992, Kamta, 2000). It is said, “participation, empowerment and capacity-building are commonly seen as means for creating sustained benefits of development efforts” (Dale, 2000, 161) and therefore we suggest that how one goes about them reflects the organisation culture of the NGOs.

The literature further throws light on the issues discussed here. Thompson and McHugh (1995:108) consider decision-making a crucial part of leadership and have cited others who consider decision-making as synonymous with management. For our study participatory decision making and thus consensus in decision-making is assumed to be more effective in the NGOs/GOs.

It is assumed that without consensus on major issues, many minor decisions will take up time and energy in the organisation, which are crucial for such NGOs and GOs dealing with people’s issues. Therefore it is also suggested that such organisations need to be cautious about seeking consensus on every minor issue (Hudson, 1995) — certain amount of consultation should suffice in such decisions. Hudson suggests that a common danger with value-led organisations is that sometime people in
such organisations assume that everyone should be involved in as many decisions as possible, but experience indicates that it is cumbersome and often dysfunctional. Porter et al and Vroom suggested “participation is only effective some of the time, in some places and with some people” (Scott et al 1981:135)

The foregoing discussion indicates that decision-making and all that goes with it form part of organisation culture and has a bearing on the functioning of the organisation. It is also suggested that any culture which encourages wider participation helps NGOs and GOs involved in advocacy and social justice as it is argued that fighting for social justice is most effective with broad based participation (Heredia, 1988).

2.7.4 The utilisation of facilities and resources within the organisation:

It is argued that the manner in which resources and facilities are used is part of organisation culture. However, organisation theory focuses more on workers' productivity and control and less on resource allocation (Carter, 1981). The use of resources involve various issues such as which resources and facilities are available, who can use them, when, how and for how long. These issues are linked with decision-making, values and leadership issues in the organisation as discussed in the chapter and therefore reflect organisation culture.

Schein (1992) suggests that observed criteria by which leaders allocate scarce resources is one of the mechanisms to foster a kind of culture that the leader wants. Literature also suggests that the use of resources is associated with decision-making and conflict handling as conflict is caused by use of scarce resources in an organisation (Robbins & Coulter, 1998, Chandra, 1999) and as we have discussed elsewhere in the chapter decision-making and conflict resolution are part of organisation culture and therefore decision and conflict associated with use of resources and facilities reflects the culture in the organisation.

Coupled with use of resources and facilities are the values that are prevalent in the organisation such as equality, sharing, cooperation in use of resources. Hudson (1995) rightly suggests that review of resource allocation is
an important factor for monitoring in Not-for-Profit Organisations because it
reflects not only the management system but the values, beliefs and assumptions
people have about resources and facilities (Pareek, 1994, Schein, 1997, Kao et
al, 1994), which as argued elsewhere is representative of the culture that exists
in the organisation.

Organisations get their work done through the use of resources and
therefore how some of the resources such as vehicles, computers, and other
facilities are available to the staff becomes important for work to be done. No
wonder willingness to use resources is cited as an organisational prerequisite
for organisational change (Beckhard, 1992). Often access to such resources are
viewed from the perspective of motivational factors as well as power dynamics
Handy (1976) talking about organisation culture talks about power culture and
emphasis the issue of power in an organisation. From the perspective of power
we can examine the power holders and their control on the organisational
resources and facilities as control is one of the functions of management
(Robbins and Coulter, 1998). The use of resources and facilities also reflects
participation and team spirit that exists in the organisation, once again reflecting
the culture of the organisation. Thus issues around access and use of resources
become part of organisation culture.

2.7.5 Perception of leadership style in the organisation:

Leader and leadership are phenomena widely cited in literature (see
and observed in groups and work places in various contexts such as decision-
making, conflict handling, resource allocation, visioning, planning, motivating and
influencing, reflecting the way leadership is exercised. We argue that leadership
style or way in which leadership is exerted is an important element of
organisation culture.

As suggested above the literature has talked extensively about leadership in
the context of organisation and work place and thus forming an important
element of organisation culture. It is said, “whenever two or more persons
constitute a group, the relation of leadership and followership soon becomes
evident” (Gibb, 1975.210). Buchanan and Huczynsci (1985:389) defined
leadership as, "a social process in which one individual influences the behaviour of others without the use or threat of violence". Pigors in his book 'Leadership or Domination' (cited in Gibb, 1975:212), has indicated that leadership is a concept applied to the personality-environment relation to describe the situation when a personality is so placed in the environment that his/her (my addition) "will, feeling, and insight direct and control others in the pursuit of a common cause".

Chester Barnard in his seminal book in 1938, 'The Functions of the Executive' stated that executive responsibility included the creation of a corporate philosophy or morality (Kennedy, 1994:156), what we might today call values. Kotter and Heskett in their book 'Corporate Culture and Performance', said "Only with leadership does one get the boldness, the vision and the energy needed to create large and difficult changes – and cultural change certainly tends to be large and difficult" (Kennedy, 1994 156). Beckhard (1992) also suggests that committed top leaders are organisational prerequisites for organisation change.

Handy (1976) talking of power culture suggests that like Zeus, the all-powerful head of Gods in Ancient Greece, culture depends on a central power source, the top management or leadership. Pascale and Athos (1986) refer to manager style – the way s/he focuses on and interacts with people – sets the tone for her/his staff and communicates the direction of the organisation and what s/he expects from them. It is argued that in Japanese organisations a great deal of managerial attention is devoted for continuity and consistency in the organisation culture – the organisation melody. Experience and observation suggests that one of the things of real importance that leaders do is to create and manage culture and that the unique forte of leaders is their ability to work with the culture (Dwivedi, 2002) Schein suggests that the bottomline for leaders is that if they do not become conscious of the cultures in which they are embedded, those cultures will manage them (Schein, 1992) Cultural understanding is desirable for all of us, but it is essential to leaders if they are to lead, he said.
Experience and observation suggests that leaders are made and not born, when, where and how they exert leadership matters. Not only that but who they are, how they are and who their followers are play an important role in exerting leadership. The scholar would like to suggest that a Dalit (means oppressed - the name Scheduled Castes use for themselves) competent as she may be, but because she is a Dalit, a woman and poor, it will narrow her scope of exerting leadership in public fora in India, not only in the villages but in the cities as well.

Research findings (Gibb, 1975) suggest that it is more fruitful to consider leadership as a relationship between the leader and the situation than as a universal pattern of characteristics possessed by certain people. In other words leadership is not a property of the individual but a complex relationship among different variables such as characteristics of the leader as well as the follower, characteristics of the organisation and the social, political and economic milieu (McGregor, 1960).

Therefore it becomes more important to see how the leader relates to the subordinates than simply the inborn qualities of a person. Relating the findings to what the contingency theory has to suggest, it means that the followers/subordinates also determine the kind of leadership exerted. Therefore one of the major tasks for the executive is which kind of and how to choose the human resources in the organisation so that they matche the mission and objectives of the organisation. Gibb (1975) would identify an executive with headship rather than leadership. However we would like to suggest that the NGO executive/s take on the leadership functions as mentioned elsewhere and in an organisation context headship and leadership are not mutually exclusive (Gibb, 1975). It is rightly said, “organisations seek to enhance members’ performances through the use of formal leaders” (Kerr and Slocum, 1981). Talking of the power in the organisation Schrag et al (1968-402) suggest that “those who have both positional and personal power can be called formal leaders”. The colloquial application of the term “leading” often implies ‘to develop, support and motivate individuals or groups to achieve stated tasks’. In this situation the act of leadership can then be seen as fundamental to the act
of management (Dawson, 1993), applicable similarly to NGO management and leadership. Research findings suggest that great attention should be paid to managerial 'soft skills', [e.g. negotiating, leadership, providing performance feedback, listening and oral communication skills] (Roehling and Cavanaugh, 2000), once again emphasising the leadership-led relation and responsibility of the leader within it.

Organisational experts have considered leadership important because leaders are responsible for effectiveness of organisations (Bennis, 1989, Atkinson, 1999, Billsberry, 1996). It is also suggested that leadership is invested with a large burden in cultural management (Thompson and McHugh, 1995), reflecting in part research which indicates the founder's influence in shaping values of the organisation (Schein, 1997), so much so that fostering gender sensitiveness in the organisation also depends a great deal on the gender sensitiveness of the leader (Van Nostrand, 1993).

Henslin (1999-159) describes Leadership styles - ways in which people express their leadership; the Authoritarian leader who leads by giving orders, Democratic leader who leads by trying to reach a consensus and Laissez-faire leader where an individual leads by being highly permissive. The description is helpful to examine the perception of people in the NGOs with regards to their leaders and its influence on organisation effectiveness.

Leadership is also responsible for the kind of values fostered in the organisation. With regards to participation and sharing of knowledge Dale (2000-163) cautions people in key positions that "people may be reluctant to share their knowledge and contribute comprehensively or constructively if they do not sense such respect and humility from planners, facilitators, managers and other persons in key positions". Participative leadership in this context is very important for NGOs. It means sharing of information, power and influence between leaders and subordinates. Research suggests that such leadership will increase congruence between individual goals and those of the organisation, it increases feeling of ownership and thus motivation to perform increases (Kerr and Slocum, 1981). The scholar would like to suggest that fostering and encouraging participation must be seen as motivating and empowering people.
is also found that leadership and the management style in NGOs are not always necessarily democratic (Bhat, 2000). Indian studies have revealed that more personalised and nurturing leadership seems to suit the Indian situation (Dwivedi, 2002).

2.7.6 The values that are exhibited in the organisation:

It is suggested that values form an important part of organisation culture. We know that values shape human behaviour in general and collective human behaviour in the workplace as well. Kluckhohn defined “values as conception of what is desirable, held by either individual persons or groups, that influence choruses of action and outcomes of action” (Beyer, 1981:166). Yet values is defined as a belief that something is good and desirable. It defines what is important, worthwhile and worth striving for (Haralmbos and Heald, 1981:7). It is important to note that beliefs and values are correlated (Beyer, 1981). The literature cited throws light on the subject discussed here.

It is said “management of work activities in an enterprise depends critically on the social values of its members which are culture-bound” (Kao et al., 1994:12). People bring values in the organisation and are shaped by the values which are stated and practised in the organisation. Rao and Rao (1996) have looked at individual values and human behaviour and have cited six values of Edward Spraunger in terms of ‘ends’ (goal) and ‘means’ (behaviour). Hudson (1995:94) in his book, ‘Managing without Profit’, argues that organisation mission has two essential components: first is “the common values held by people in the organisation” and second “the organisation’s raison d’être”, why the organisation exists and who benefits from it. It is observed that some of the mission statements of Indian NGOs reflect the values of the organisations such as ‘freedom, social justice, democratic functioning, participation, empowerment (Dwivedi, 2002), equality, transparency’. He calls these organisations value-led, i.e. values play an important role in their governance, management and the goals they set for themselves and he cites values that exist in number of NGOs existing in Europe and working overseas. Oster (1995), has said, “we typically find, in a nonprofit mission statement, some either explicit or implicit reference to the core values of that organisation”. Phansalkar (1999) has cited a case of
‘Sun’ pharmaceutical company in Baroda and suggested that values play an important role in organisational performance.

It is also suggested that values and ethics are important aspects of management (see Chakraborty, 1999) and organisation functioning. Tripathi (1994) suggests that values are significant in organisational functioning for a variety of reasons though it is not our purpose to discuss the same here. He endorses the view of Schein that member integration can be achieved by bringing the personal values of organisational members in line with the organisational values. Values therefore as part of organisation culture shaping people’s behaviour and performance and thus organisation effectiveness.

Institutions are defined as organisations which induce, encourage and protect standard relationships and actions and perform functions which are valued in the environment. They are also defined as extended forms of organisations and are part of the community or society (Pareek, 1994). The NGOs and GOs believe in Institution Building with a purpose of transforming an organisation into an integrated organic part of the community, so that the organisation can effectively play the role of projecting new values and become an agent of change in the community. Pareek (1994) identifies three main characteristics of institutions -- its normative character and role, a mission it has and the set of values attached to this mission, and, its role in making an impact on society at some level. We argue that NGOs and GOs want to make an impact on society and thus values in them, as part of organisation culture play an important role in the performance of these organisations.

Values which are internalised generate commitment to that extent that culture promotes commitment; however while looking at the role of culture one must be aware of the limits of culture as well. Thompson and McHugh (1995) cite research done on British Airways and suggest that employees may comply with demands for adherence to the language of mission statement, appearance and demeanour in the sales process, or participation in quality circles without internalising the values and therefore without generating the ‘real’ commitment. Therefore it is possible that a behaviour exhibited in an organisation may not always be based on internalised values but may also stem...
Chapter 2: Review of Literature - Overview of Organisational culture

from mere rules and regulations. The research and literature review suggest that “corporate culture cannot eliminate the powerful informal group norms which are the bedrock of organisation life” (Thompson and McHugh, 1995:218).

In the above section we have described and elaborated through literature review the various factors such as goal/mission and change the NGOs want to bring about, the belief and assumption, the decision-making process, resource utilisation, leadership style and values which we have said are factors within organisational culture. In the following section we shall look at organisational effectiveness and the sources of organisational culture.

In the forgone sections we placed the subject of this research i.e. 'organisation culture' in the realm of sociology. We argued that the study of organisations falls within the scope of sociology though it may be studied from various angles. We tried to understand organisation culture as a concept and cited available literature to understand the subject matter and put it in the perspective of our study. We said that organisation culture is a matter of perception and is a descriptive term. We also said that though it is intangible, taken for granted, every organisation develops, consciously or by default, a set of beliefs, assumptions, values, behaviour patterns, ways of functioning and rules which govern day to day functioning in the workplace. We have highlighted our focus on organisation culture in the context of NGOs and GOs and suggested that though it is a relatively recent phenomenon a lot has been written about organisation and organisational culture in the last two decades. We have also argued that literature available on the subject is limited in scope. The literature cited above deals with organisational culture in terms of its concepts, theories, observation and practices mainly in the corporate sector. We have gone on to discuss various aspects of organisation culture, namely its utility, its relation with organisation effectiveness, its integral components such as mission/goal, beliefs and assumptions, the decision-making process, the use of resources and facilities, perception of leadership style in the organisation, the values that exist in the organisation, and finally we discussed the effectiveness of the organisation and sources of organisational culture.