Chapter 1: Introduction

1.1 Background of the study

Indian population is multilingual, multiracial, and multicultural in nature. In the opinion of an eminent writer "The Indian mind has been shaped by remarkably diverse forces: ancient Hindu tradition; myth and scripture; the impact of Islam and Christianity; and also two centuries of British colonial rule. The result is unique, not just because of the variety of contemporary influences available in India, but because of the diversity of its heritage" (Tharoor, 2000). The study of culture always evokes some special interest in such a kaleidoscopic background of this country. Again, the economic dynamics of the country has resulted in emergence of many different types of business organizations. So, it has become important and relevant to study their organizational culture in the background of the cultural mosaic of the country. Astonishingly, except for a handful of conceptual discussions, there exist a few empirical studies on organizational culture in Indian context. Some eminent scholars like Zahid H. Gangee, (1985) have provided very useful conceptual frameworks of organizational culture. Gouranga P. Chattopadhayay, (1991) has made some enlightening contribution to organizational culture in the same book edited by him. But none of these contributions is based on any empirical analysis. U. Pareek (2002) has provided an elaborate framework of organizational culture but his empirical studies have not tried to relate organizational culture with the societal culture of the land in one hand, on the other, the concept never tried to relate itself with the concept of organizational climate.

Though organizational culture and organizational climate are two different concepts, the former has often been identified with organizational climate, particularly in case of the empirical studies. Schien (1990) has observed, "...subsequent attempt to measure culture by questionnaires and the forcing of data into dimensions derived a priori or by factor analysis implies that culture is definable at the surface attitude level. In this approach, culture and "climate" become virtually synonymous concepts..." (110). In India, Baldev Sharma, (1981) has developed a very comprehensive framework for climate and conducted an
extensive empirical survey based on the dimensions congruent with the framework. During his discussion, however, he has frequently alternated between the terms 'organizational climate' and 'organizational culture' without any effort to distinguish between them or to state explicitly that they are identical. However, many researchers argued that culture and climate are two different concepts and established that they can be studied empirically at different levels.

Since the early eighties, when the organizational culture perspective started to emerge into the organizational studies scene, the literature has passed through many interesting stages. Meyerson (1991), in her scholarly article observed, "Culture was the code word for the subjective side of organizational life and its study represented an ontological rebellion against the dominant functionalist or 'scientific' paradigm." These kinds of opinions and observations have evidently helped to initiate a prolonged reexamination of the foundation of organizational studies that is still continuing. By the mid eighties, however, a number of researchers observed that research in the line of organizational culture is not delivering the promised things it has shown (Alvesson, 1987; Frost, 1985; Frost et al., 1991). Since then, several research works have been published on the subject, such as the integrative concepts, definition, theoretical structure, etc offered by Schein (1985, 1990), new perspective offered by Ott (1989), practical implications of "culture in work organizations" (Trice & Beyer, 1992), and other theoretical perspectives offered by authors like Sackmann (1991), Martin (1992) etc.

Another interesting development in the literature was however, the emergence of several studies that have used quantitative research technique to study organizational culture (Migliore, Conway, Martin, & Stevens, 1992; Hofstede et al., 1990; O'Reilly et al., 1991; Calori & Sarnin, 1991; Chatman, 1991). In general, these researchers used survey methods to study comparative dimensions of organizational culture. Some of these studies have even combined qualitative and the quantitative methods together. But it can hardly be denied, this school of researches have a considerable contradiction with the epistemological foundation of culture research of early and mid eighties.

Another interesting development was the fact that many of these quantitative studies of organizational culture have a lot of resemblance with the research works of the older tradition of organizational climate. For example, Chatman (1991)
raised the issue of risk taking as an organizational trait and labeled it as organizational culture, Litwin and Stringer (1968) identified the similar issue under the banner of organizational climate. Joyce and Slocum (1982) explored the attribute of person-environment fit and perceived it as an organizational climate study, while O‘reilly, Chatman, & Caldwell (1991) examined the same attribute under the heading of culture study. In India, Baldev Sharma (1981) in his empirical study of organizational climate has often used the term culture interchangeably with climate and has identified it as an internal environment of the organization. The overlapping of the concepts demands exploration for the future research scope on organizational culture and climate.

1.2 Definition of the Terms

**Culture:** Culture consists of patterns, explicit and implicit of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievement of human groups including their embodiments in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and specially their attached values; culture system may on the one hand, be considered as products of action, on the other as conditioning influences upon further action. Culture may be viewed as a three tier structure with the collective and shared values, beliefs, ideas, and assumptions at the first unconscious level, symbols, artifacts, and attitudes at the second semi-conscious level, and rituals & myths, language, norms and practices at the third visible and conscious level.

**Organizational Culture:** Organizational culture is the culture of an organization. It may be viewed as the accumulated learning of a given group, covering behavioural, emotional, and cognitive elements of the group members’ total psychological functioning. It is expressed culture as: a pattern of shared basic assumptions, invented, discovered, or developed by a given group, as it learns to cope with its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, is to be taught to new members of the group as the correct way to perceive, think, and feel in relation to those problems.
Organizational culture has been measured with the help of an instrument which has tried to collect data regarding the shared values, beliefs, ideas and assumptions. Although targeted at the perceptual level it aims at revealing the deeper elements.

**Organizational Climate:** Organizational climate is a factor of internal environment. It may be defined as the collective perception of the members of the organization regarding the internal environment of their organization. Organizational climate is measured by administering an instrument targeted to collect data of the perceptions of the organizational members. It can best be stated as collective, perceptual measure of the human conditions of the organization.

**Environment:** The environment of an organization is viewed in terms of the external environment (economic condition, social structure, geographic location etc. and the internal environment which is a function of human relations, structure, and tasks of the organization.

### 1.3 The Research Gap

Although organizational climate and organizational culture are two different concepts they have been often confused with each other, more precisely in case of the empirical studies based on survey research approach. In some studies, the authors claimed that there is no need of separate organizational culture concept if it is to be studied through survey research approach (Schien, 1985; Schneider, 1990; Denison, 1996). We can also identify empirical study in Indian concept where the terms organizational climate and organizational culture have been used interchangeably essentially to explore the concept of climate (Sharma, 1981). However, many researchers have also argued that organizational culture and organizational climate are two different concepts and they should be studied separately even at the empirical levels (Asforth, 1985; Moran & Volkwein, 1992; Hofstede, 2001; House et al., 2004). In Indian context, empirical studies distinguishing organizational culture and organizational climate as separate entities cannot be identified.

Several authors have attempted to compare these two literatures and explore the areas of integration (Pettigrew, 1990; Reichers & Schneider, 1990) but the similarities and differences are generally been neglected in discussions of the
culture perspective (Smircich & Calas 1987; Schein, 1990; Alvesson, 1993; Trice & Beyer, 1992). This present study is an effort to identify the relationship between organizational culture and organizational climate and how they are influenced by societal culture. This study attempts to examine the issues more carefully comparing and contrasting the culture and climate literatures in an effort to understand the similarities and differences between these two perspectives. Having identified them as two separate constructs from the past literatures this study makes further attempts to quantitatively explore the nature of the relationships that exist between the organizational culture and organizational climate with respect to different societies, organizations, etc. This study also tries to examine how the relationships of these constructs are influenced by the societal culture and finally what is the implication of the findings for future research.

1.4 Organization of the Study

This study is divided into five primary chapters. Chapter one has presented the background of the study along with the nature of the problem. This chapter also includes the definition of the key terms used in the study. Chapter two presents the review of the literature. This chapter is divided into several sections. Section one explores the anthropological concept of culture, elements of the culture, and provides elaborate explanations regarding the dimensions of culture in this study. It also traces their origin, and of the various other dimensions of culture found across the literature. Section two of this chapter discusses the concept of organizational culture. It presents the evolution of the concept, empirical study of organizational culture, dimensions of organizational culture, and the dimensions identified for the present study. Third section of the chapter deals with the climate concept. It explores the concept of organizational climate as the property of the organization, as the property of the individual, the factors that determine the organizational climate in an organization, communication of the property of climate, and the dimensions of the organizational climate as present study.
The fourth section explains the relationship, similarities, and differences between organizational climate and organizational culture. It explores the relationship between the two constructs, various differences between the concepts, and the reason for the necessity of a comparative research approach between the two concepts.

The third chapter deals with the methodology of the study. It starts with the research objective addressed by the study; it relates the research design, sample, and method that include measurement tools, data gathering procedure, and validity and reliability of the instruments used for the study.

Chapter four narrates the results found from the analysis of the data and the interpretations of the results.

Chapter five deals with the implications of the findings and provides the recommendations for application.

Chapter six discusses the limitations of the study and the future scope of research.