Chapter - II

LITERATURE REVIEW

Work is an important event, a fact that is inevitable in the life of an individual whatever form, it is done; it is an activity and a source of satisfaction ones needs. Employee tries to find satisfaction in what they do and as a result the manager should be able to understand the problems faced by his workers and find a way of satisfying their needs and aspiration. The general assumption is that an adequately motivated worker will in turn give his or her best towards the attainment of a general consensus. Consequently when a worker is motivated the question of poor performance and inefficiency will be forgotten issue in an organization. A manager who is successful in motivating employees are made often providing an environment in which appropriate or adequate goals called incentive are made available for the needed satisfaction of the employee. A good number of workers are adequately paid in their jobs so as to work hard and maintain a high standard of productivity while some even work hard but do not receive much material gain to show for it. The issue under consideration is how does a worker in an organization with a particular set of needs achieve the reward he desires? General management does withhold rewards to motivate employee to achieve high performance or productivity. Today manager cannot rely solely on the manipulation of pay, benefit or working conditions encourage workers to perform effectively and efficiently. Rather manager in organizations has top shoulder the responsibility by developing a work environment that makes use of the enormous energy that is within every person. Simply put it is the duty of the manager to create and develop an effective environment in which employee will be motivated to become productive members of the organization by striving for what will bring them reward. Campbell and Richard (1980) came up with the following assumption about human behavior. (1) All human behavior has a course, which can be traced to the effect of the environment. (2)
The root of human behavior is also traceable to needs wants and motives. (3) Human behavior is goal seeking, people would release their effort in the direction they believe will help to satisfy their personal needs. This chapter shall attempt to look at how the subject of motivation has evolved over the years and some known literature that have been written and that have relevance to the subject. An attempt will also be made to find out any knowledge gap that exists in current literature on the subject and how this research can bridge some of this gap. Review of literature helps the researchers to organize the research on the proper lines and bring about refinement in the study. The research work carried out by various researchers as related to the problem under study has been reviewed here below.

Previous Research Identified that positive culture can contribute to stronger employee motivation (Goleman, 2000; Hay group (2000)), productivity (et al, 1973) Empowerment Job satisfaction and commitment (Laschinger, 2001) strong driver for bottom level performance (Stringer, 2002).

2. **Robinson et al.** (2004) claimed that employee engagement predicted employee outcomes, organization success and financial performance, e.g. Total Shareholder Return. (Bates, *2004: Saks & Rotan, 2006*). Shy and D’Annunzio (2005) stated that all matrix forms have inherent flaws and that CEOs adopt the matrix because they believe the strengths outweigh the flaws. Matrix organizations are usually adopted for four primary reasons (Sy & Cote, 2004): To allow companies to focus on multiple business goals; To facilitate the management of information;

2. **Basset-Jones and Lloyd** (2005) describes an employee culture and turnover that, employee satisfaction is a closely related predictor of turnover. The loss of employees is a disruptive event. Organizations often pursue innovative ways to reduce employee turnover, often with limited success.
2. **Schein (2001)** states that organizational performance comprises the actual output or result of an organization as measured against its intended outputs (or goals and objectives). According to **Harung and Dahl (1995)** as cited by Holbeche (2005:36), there are four stages of organizational development that lead to the breakthrough improvements in individual and organizational performance:

a) **Task-oriented:** Workers perform a single or a few tasks which, when seen in isolation, may often seem insignificant. Coordination is achieved through an extensive vertical command and control hierarchy. Initiative and decision-making are concentrated at the top. This type of organization is often characterized by internal competition, where the priority may be on pleasing superiors rather than, for instance, the customers.

b) **Process-oriented:** Work is performed by teams and centered on holistic processes that encompass a number of tasks. Jobs are multi-skilled. Teams are, to a large extent, autonomous, and reveal a flatter organizational structure. The emphasis is on performance and contribution rather than on seniority.

c) **Value-or-culture-driven:** The main focus is on making sure that all employees have a sound and healthy values—i.e., that the organization’s culture is advanced. There is a higher degree of empowerment and self-management than in process-oriented organizations. Emphasis tends to be on mutual support and coaching.

d) **Development-oriented:** In later stages of human development, the individual automatically exhibits sound values, high creativity and effectiveness. Therefore, the focus in this type of organization is in realizing that which is most important—me. e. Development of consciousness.

2. **According to Pettigrew (1990)** quoted by Morrison, Brown and Smit (2006:40), the associates culture with the forces of ‘coherence and consistency’ in the organization. Culture is seen as a system of informal guidelines and as a form of social agreement that helps people understand how life in the organization, including reward and punishment. Organizational culture will, for example, be evident in the symbols and rituals of the organization, as well as in the beliefs
and ideologies of management. The impact of culture is reflected in several key aspects of organizational functioning, key problem solving styles, as well as organizational structure preferences, control systems, reward systems, and human resources practices. Organizational culture is potentially also a dysfunctional factor.

Stokes and Harrison (1992) as cited by Holbeche (2005:84), develop an organizational culture diagnosis. This is based on their definition of the four types of organizational culture:

1. Achievement-based on competence whose dominant values are growth, success and distinction.
2. Support-based on relationships whose values are mutuality, service and integration.
3. Power-based on strength whose values are directional, decisiveness and determination.
4. Role-based on strength, structure and systems whose values are ordered, stability and control.

2. 5-(Keyton, 2005). (Robbins 1990, cited in Holzhausen, 2002) This paper highlights the Organisations exist as ordered and purposeful collections of people drawn together to produce an outcome; that is, to achieve the organization’s goals (Keyton, 2005). This outcome may be a service, a product or to provide an accumulation of wealth, whether the outcomes may benefit an individual, a group of people (shareholders or stakeholders) or a community. In order to achieve their goals organizations develop specific structures that determine task allocation, reporting lines, and formal coordination mechanisms and interaction patterns (Robbins 1990, cited in Holzhausen, 2002).

2. 6-Michelle Shuler Key, et al., (Apr 21, 2011) Organizational culture is more than just another buzzword. Learn about the origins and importance of
organizational behavior and how to apply this knowledge to employee hiring, motivation and retention. The importance of studying organizational behavior is rooted in psychology. Noted behaviorist B. F. Skinner was speaking in a larger cultural context when he published his book, "Science and Human Behavior" in 1953, but his theories on how a culture is created and reinforced have since been adopted by the human resource profession to aid in understanding and adapting corporate culture to fit the needs of the industry. Skinner postulated that, "cultural practices which are advantageous will tend to be characteristic of the groups which survive and which, therefore, perpetuate those practices." If we translate this statement for the modern business world, we learn that companies which adapt to the prevailing culture of their industry thrive, whereas those that do not risk extinction. When you hire based on a perceived organizational culture, beware that you are walking a fine line between hiring in your industry and falling victim to stereotypes. The fact that an industry is primarily populated by men -- the engineering field is one example -- should under no circumstances be interpreted as a reason for discrimination in hiring practices. What you can take from a field like engineering, though, is the strong drive toward aggression in research and development. Hiring managers in these fields who don't pay attention to the trends and hire less ambitious personalities will find their companies less successful than those who focus on filling positions with driven individuals. The importance of studying organizational behavior when hiring can be seen in the results. When you understand your industry and hire based on the most successful personality types in the field -- and those that best fit in your office -- your entire business will benefit. What you can take from a field like engineering, though, is the strong drive toward aggression in research and development. Hiring managers in these fields who don't pay attention to the trends and hire less ambitious personalities will find their companies less successful than those who focus on filling positions with driven individuals. Once you’ve learned your industry and populated your office with like-minded
employees, the importance of studying organizational behavior truly comes into play. An equation by R. K. Dwivedi, author of "Organizational Culture and Performance," clarifies the issue. Dwivedi suggested that: \( \text{Attitudes} \times \text{Situation} = \text{Motivation} \). The attitudes are taken care of by hiring based on the prevalent culture of your industry. The situation in this case is the one that best suits the attitudes you hired. In other words: don't populate your office with aggressive, ambitious types and then fail to set goals and direct that ambition. Provide bonuses, contests or performance-based pay. On the other end of the spectrum, if you've populated your non-profit with the service-focused individuals who are usually attracted to working for a cause, make sure to provide an environment focused on people.

2. In paper C. Jayan, Calicut University, Calicut, et al., (2006), shows that, Emotional intelligence is one of the most widely discussed topics in current industrial, work, and organizational psychology. The term emotional intelligence had not been coined by James Dozier provided a vivid example of what it is in 1981. Later Mayer et al (2000) conceived it as “The ability to perceive and express emotion, assimilate emotion in thought, understand and reason with emotion, and regulate emotion in the self and others”. Emotional intelligence has recently emerged in both academic and popular literature. Accordingly, to Goleman (1995), EI consists of “abilities such as being able to motivate oneself and persist in the face of frustration; to control impulse and delay gratification, to regulate one’s moods and keep distress from swamping the ability to think; to empathize, and to hope”. Goleman (1998) defines an ‘emotional competence’ as a learned capability based on emotional intelligence that results in outstanding performance at work. Goldman has recently made a distinction between emotional. This paper explored the role of predictive variance of emotional competencies, personality variables and job attitudes in job performance. The sample consisted of 204 middle level managers, who completed an Emotional
Competency Inventory, Type A Personality Pattern, Job Attitudes Scale and Performance Rating (Self) Scale. Co-worker rating and Superior ratings for these managers were also obtained. Stepwise regression analysis showed that R² increased from 0.1155 to 0.3369 with the addition of each of the seven variables that contributed significantly to the prediction of job performance. Intelligence and emotional competencies. Integrating the work of Goleman (1995, 1998) and Boyatzis (1982), Boyatzis et al. (1999) have stressed that emotional intelligence is observed when a person demonstrates the competencies that constitute self-awareness, self-management, social awareness and social skills at appropriate times and ways in sufficient frequency to be effective in the situation. Emotional Intelligence scores are found to be significantly associated with measures of Performance, in a correlation study conducted among college principals. (Sala, 2000). The subject’s self-awareness and social awareness cluster ratings have been significantly associated with organizational retention rates. In 2001, Nile has demonstrated a significant relationship between ECI competencies and performance. An integrated concept of emotional intelligence offers more than a convenient framework for describing human dispositions, it offers a theoretical structure for the organization of personality, linking it to a theory.

2. Mr. Stephen Ackroyd, University of Lancaster, et al. (2008) shows that, Pre modern societies are marked by more violence and other indicators of open conflict (assault, murder, mayhem, riots, insurrections and local wars) than modern ones. After reviewing much historical and anthropological evidence on aggression, violence and conflict, the evolutionary psychologist Steven Pinker conclude: “The homicide rates in the most vicious American urban jungles today are twenty times lower than in many foraging societies. Modern Britons are twenty times less likely to be murdered than their medieval ancestors.” (Pinker, 1997:518). This sort of generalization is supported, though usually inexplicitly and indirectly, by much other evidence and argument from researchers,
including many working in the organizational studies field. Indeed, as we shall see, there is much reason to think that the development of organizations has contributed to a transformation of conflict. Very simply put, what happens with the development of numerous organizations is a significant increase in the number and variety of the relationships in which people are enmeshed (a greatly increased network density), making clear lines of cleavage and allegiance more difficult to sustain. Modern social life rests, not on a complete absence of conflict, but on a complicated gradation of the aversions, indifferences and antipathies.

2. 9-M. A. O. ALUKO, et al., (2003) ObafemiAwolowo University, Nigeria, his study examines the multidimensional impact of culture on organizational performance in selected textile firm from Lagos, Asaba and Kano in Nigeria. The main objectives of the study were to (i) identify the cultural variables which influence organizational performance (ii) determine the nature of the relationship between culture and performance (iii) identify other determinants of performance and (iv) determine the ways in which culture interact with other factors to influence organizational performance. The data were collected using both qualitative and quantitative methodologies. The former were collected through interviews and observations while the latter were collected via structured questionnaire and from documents. In all, 630 respondents were used for the study. The respondents were selected using multiple sampling techniques - comprising of (i) stratified random sampling (ii) quota sampling and (iii) systematic sampling techniques. The data were analyzed using parametric and non-parametric statistics. The main finding of the study was that irrespective of their cultural backgrounds, workers in the textile industry appeared to have imbibed the industrial way of life. The results of the analysis of the cultural variables showed a high level of commitment to work, low level of labor turnover and absenteeism, positive beliefs about work, positive work values, attitudes, and norms in all the firms studied. But these positive
attributes of the cultural variables did not translate directly to high level of organizational performance in these mills because some other variables were at work. This was an indication that culture was not the sole determinant of organizational performance. Other factors most especially exogenous variables such as the economy, technology and the murky political climate all influence organizational performance significantly and much more than endogenous variable such as size, structure, and style of management. In the main the study showed that there was a significant positive relationship between culture and organizational performance. This notwithstanding, the study also found that the selected firms were not performing very well because of some peculiar problems. These included the problem of the inadequacy of technology and social infrastructures most especially electricity and the incessant fuel crisis. Coupled with this was the problem of low effective demand for domestic pints and the preference of the average Nigerian for imported wax. Low level of effective demand had also meant a low level of capacity utilization that prevented these mills from making profits. Moreover, there was the problem associated with the globalization and liberalization of trade and the impact of the murky political climate most especially in the years between 1993 and 19998. The study concluded on the note that organizational performance is a multi-dimensional phenomenon as it largely depended on the contingencies confronting a particular organization.

Teagarden and her coauthors, et, al. (1995) provided a rare review of the process of conducting cross cultural collaborative research. The authors used a four-stage model to organize their report of their experiences studying human resource management practices in 10 countries and in collaboration with researchers from 18 countries. These researchers had not anticipated many problems at the outset and had to substantially adjust the research design in order to maintain adequate rigor. Adjustments included having to adapt the
wording and content of the main survey instrument to fit local circumstances and needs and shifting from random sampling to theoretical sampling because of the problems posed by corporate access in some countries. Above all, it was recognized that the quality of the relationships between researchers and between researchers and informants was crucial to the successful implementation of the project. The present report describes a contrasting study, based on fieldwork methods, through which many of the insights offered by Teagarden and her colleagues were confirmed and extended. This research project, conceived in the mid-80s, reflected concern in the U. K. Business community about the quality of business relationships between the United Kingdom and China. It was felt that these relationships could be improved if more insider information were obtained about actual decision-making processes in equivalent organizations in each country. Accordingly, the first author and several colleagues decided to conduct case studies of two major decisions made in each of four U. K. And four Chinese companies matched as far as possible by the size and products. The work was ultimately designed and conducted by a team comprising seven Chinese academics and eight United Kingdom academics from five different universities. Thus, in both national settings studied, the research team contained both insiders and outsiders, as Bartunek and Louis (1996) recommended. Substantive results from the project have already been published elsewhere (cf. Chen, 1993; Easterby-Smith, Malina, & Lu, 1995; Lu & Heard, 1995); in this report, we consider the methodological issues that arose in conducting the project. Our study differed from that of Teagarden and colleagues (1995) in two important respects; First, the design was idiographic. It involved extensive fieldwork within a small number of companies conducted to investigate major capital investment and human resource decisions. Each decision was written up as a unique case, and analysis took the form of the researchers' attempting to understand the reasons for the similarities and differences observed. This design contrasts directly with the nomothetic design of the Teagarden study, whose researchers
relied principally on a single survey instrument to gather data on human resource management practices of a large number of companies in ten different countries, in order to describe general patterns and practices in these countries.

2. **Shazia Zamir et al. / Elixir Soc. SCI. 40 et, al., (2011) 5357-5362-5357**

Relationship between occupational stress (OS) and Organizational citizenship behavior (OCB) of academic staff working at higher educational level. The present study was aimed to analyze the relationship between occupational stress and organization citizenship behavior of academic staff working in Higher Education Institutions of Pakistan. Qualitative and quantitative approaches have been used to explore the relationship of occupational stress and organization citizenship behavior by using a sample of 240 academic staff of public sector institutions of higher education located in Islamabad, Pakistan. Data were collected through personal visit to the offices of academic staff. Two research instruments myself. e. Occupational Stress Inventory–Revised (OSI-R) and OCB inventory by Podsakolf and Mackenzie were used to collect data. For data analysis Pearson Correlation was applied. Data analysis revealed that the significant negative relationship was found in responses of academic staff regarding occupational stress and organizational citizenship behavior. Education is very important for an individual’s success in life. Education is generally seen as the foundation of society which brings economic wealth, social prosperity and political stability. In recent years, inclusive education has risen, which issued as the creation of a learning environment that promotes the full personal, academic and professional development of all learners, irrespective of race, gender, disability, religion, culture, sexual preference, learning styles and language. Higher education helps in maintaining a healthy society which prepares health care professionals, educated health care consumers and maintaining a healthy population. Higher education is recognized as the best investment for the economic and social development of a country today. Institutions of higher
education have the main responsibility for equipping individual with advanced knowledge and skills mandatory for positions of senior concerning government, business and other professions. The rate at which universities are established in Pakistan by not only the Federal and State governments but also by individuals and religious bodies is a totally welcome development which informs of the acceptance of education as the essential thrust for individual and national development. This nevertheless, has led each university into setting new goal in a bid to defend its existence as capable of having both competent staff and equally capable of producing the much needed professional manpower required by the nation. These then have placed great challenges on the academic staff which may likely cause stress especially if they are dissatisfied with the course of carrying out their duties. In accordance with the above cited the role of academic staff is very important with all the areas of responsibility apropos of the educational system. Organizational Citizenship Behavior (OCB), an important characteristic of academic staff, is referred as a set of workbased behavior patterns that exceed the basic job requirement of the employees (Begum, 2005).

The obeying of organizational rules, regulations and procedures even when no one is looking, extending cooperation with colleagues and helping to resolve their issues refer to organizational citizenship behavior. OCB is considered as a key driver of high level productivity of the employee and ultimately the effectiveness of the organization. In such a complex scenario, academic staff may seriously be affected by the occupational stress. Enduring stress that is narrated with the place of work is called occupational stress. The concept of occupational stress and organizational citizenship behavior are innermost aspects of modern day and dwell inacademics’ and practitioners’ attention now for more than half a century. But the relationship between occupational stress and organizational citizenship behavior is still a prey to researchers’negligence and lacks the imperial investigation. The present study aims to analyze the relationship between occupational stress and organization citizenship behavior and of
employees working in public sector higher education institution in Pakistan. The present study is an effort in this regard.

2.11-VIEWS FROM INSIDE AND OUTSIDE: INTEGRATING EMIC AND ETIC INSIGHTS ABOUT CULTURE AND JUSTICE JUDGMENT

MICHAEL W. MORRIS, ET AL., (1999), Stanford University, KWOKLEUNG, Chinese University, of Hong Kong, DANIEL AMES, University of California at Berkeley, BRIAN LICKEL, University of California at Santa Barbara, the analyze forms of synergy between emic and etic approaches to research on culture and cognition. Drawing on the justice judgment literature, we describe the dynamics through which the two approaches stimulate each other's progress. Moreover, we delineate ways in which integrative emic/etic frameworks overcome limitations of narrower frameworks in modeling culture and cognition. Finally, we identify advantages of integrative frameworks in guiding responses to the diverse justice sensitivities in international organizations.

In the study of cognition in organizations, and in social science more broadly, there are two long-standing approaches to understanding the role of culture: (1) the inside perspective of ethnographers, who strive to describe a particular culture in its own terms, and (2) the outside perspective of comparativist researchers, who attempt to describe differences across cultures in terms of a general, external standard. Pike (1967) designates these approaches the emic and etic perspectives, respectively, by analogy to two approaches to language: phonemic analysis of the units of meaning, which reveals the unique structure of a particular language, and phonetic analysis of units of sound, which affords comparisons among languages. The emic and etic perspectives are often seen as being at odds—as incommensurable paradigms. In this article we argue that these two approaches to culture are complementary. Drawing on the justice judgment literature, we delineate forms of synergy between the two research perspectives that go beyond those identified previously (e.g., Berry, 1990; Brett, Tinsley, lines, bars, & Lytle, 1997). We first analyze ways in which emic and its research programs have stimulated each other's progress. Then we analyze the advantages of frameworks
integrating emails and accounts—both as middle-range theories of culture and
cognition and as applied guides to responding to diverse justice concerns in
international organizations. EMIC AND ETIC PERSPECTIVES The emic and etic
perspectives have equally long pedigrees in social science. The emic or inside
perspective follows in the tradition of psychological studies of folk beliefs
(Wundt, 1888) and in cultural anthropologists' striving to understand the culture
from "the native's point of view" (Malinowski, 1922). The attic or outside
perspective follows in the tradition of behaviorist psychology (Skinner, 1938) and
anthropological approaches that link cultural practices to external, antecedent
factors, such as economic or ecological conditions, that may not be salient to
cultural insiders (Harris, 1979). The divide between these two approaches
persists in contemporary scholarship on culture: in anthropology, between
interpretivists (Geertz, 1976, 1983) and comparativists (Munroe & Munroe, 1991),
and in psychology, between cultural psychologists (Shweder, 1991) and cross-
cultural781782 Academy oi Management Review October psychologists (Smith &
Bond, 1998). In the literature on international differences in organizations, the
divide is manifest in the contrast between classic studies based on fieldwork in a
single culture (Rohlen, 1974), as opposed to surveys across many (Hofstede,
1980). Likewise, in the large body of literature on organizational culture, there is
a divide between researchers employing ethnographic methods (Gregory, 1983;
Van Maanen, 1988) and those who favor comparative survey research
(Schneider, 1990). The conceptual assumptions with which Pike (1967) defined
the emic and etic dichotomy are summarized in Table 1. Email accounts describe
thoughts and actions primarily in terms of the actors' self-understanding—terms
that are often culturally and historically bound. For example, emic studies of
justice perceptions in North American organizations today might center on such
constructs as "ageism" and nondiscrimination, whereas studies of Japanese
workplaces might be couched in qualitatively different constructs, such as almond
gimu (see Kashima &Callan, 1998). In contrast, its models describe phenomena in
constructs that apply across cultures. For example, a country’s level of the cultural dimension of individualism-collectivism might be linked to the prevalence with which managers reason about justice in terms of the equity rule (i.e., rewards received should be proportional to contributions). Along with differing constructs, emails and etic researchers tend to have differing assumptions about culture. Emails researchers tend to assume that a culture is best understood as an interconnected whole or system, whereas its researchers are more likely to isolate particular components of culture and state hypotheses about their distinct antecedents and consequences. Although, of course, the emic/etic contrast is, in practice, a continuum, this dichotomy has played a central role in the meta theory debates in many social science disciplines (see Headland, Pike, & Harris, 1990). Some scholars have used the terms emic and etic in ways that depart from Pike’s definitions (see Headland et al., 1990). A narrower usage refers to the contrast between culture-specific versus culture-general constructs. This misses the essence of the distinction, because culture-specific constructs do not necessarily resonate with cultural insiders’ self-understandings. A broader usage refers to the underlying interests of understanding versus control (Habermas, etc. And emic approaches traditionally have been associated with differing research methods. As Table 1 summarizes, methods in emic research are more likely to involve sustained, wide-ranging observation of a single cultural group. In classical fieldwork, for example, an ethnographer immerses him or herself in a setting, developing relationships with informants and taking on social roles (e.g., Geertz, 1983; Kondo, 1990). Yet, emic description also can be pursued in more structured programs of interview and observation (e.g., Goodenough, 1970). Methods of ethical research are more likely to involve brief, structured observations of several cultural groups. A key feature of its methods is that observations are made in a parallel manner across differing settings. For instance, matched samples of employees in many different countries may be surveyed to uncover dimensions of cross-national variation in
values and attitudes (e.g., Hofstede, 1980), or they may be assigned to experimental conditions in order to test the moderating influence of the cultural setting of the relation among other variables (e.g., Earley, 1989). In

In sum, although the two perspectives are defined in terms of theory, rather than method, the perspectives lend themselves to differing sets of methods. Given the differences between mice and etic approaches to culture, it is not surprising that researchers taking each perspective have questioned the utility of integrating insights from the other tradition. A common tendency is to dismiss insights from the other perspective based on perceived conceptual or methodological weaknesses (see reviews of this tendency in particular research areas by Harris, 1979, and Martin & Frost, 1998). On one side, emails accounts based on ethnographic observation are often discounted on the basis of inconsistency across 1971). Although there may be a correlation in some research areas between the emic versus etic perspective and orientations toward control (e.g., in studies of "organizational culture"; Martin & Frost, 1996), there is no necessary link and no strong correlation in the literature on national culture—our focus. The association between perspectives and methods is not absolute. Sometimes, in emic investigations of indigenous constructs, data are collected with survey methods and analyzed with quantitative techniques (Farh, Earley, & Lin, 1997; Yang, 1986). Likewise, ethnographic observation and qualitative data are sometimes used to support arguments from an etic perspective (Nelsen & Barley, 1997; Sutton, 1994).

2. **MOTIVATING EMPLOYEES IN R&D**  

Ryan B. McAllister & Chelsea E. Vandlen et al. (2010) shows that A new medicine can take as long as 15 years to develop and may cost a pharmaceutical research company $1.3 billion or more from the laboratory to the pharmacy shelf. The research environment is very different from most other jobs for a host of reasons: the high degree of uncertainty in the research process, the accessibility of individual contributions,
and the unpredictable impact of any given final product. As such, the practices employed by pharmaceutical companies to reward and recognize employees in research and development (R&D) functions must reflect these challenges. This report will highlight extrinsic and intrinsic motivators thought to drive innovative behavior. This report will also present additional factors that managers should consider in the design and allocation of rewards and recognition schemes. Lastly, the research offers the best practices of other companies in related industries. For decades researchers have acknowledged that both pecuniary and non pecuniary incentives play a critical role in entrepreneurship and innovation activity. 3 Extrinsic motivation and intrinsic motivation, two related constructs that were popularized by the work of self-determination theorists Deci and Ryan, 4 remain commonly used in the fields of HRM and organizational behavior. 5 The former constructs—usually associated with pecuniary incentives—is defined as “motivation deriving from external pressures or constraints,” while the latter construct refers to nonpecuniary incentives or “the motivational state in which an individual is attracted to their work in and of itself.” 6 In an attempt to identify the HRM practices that are most likely to drive innovative behavior among R&D professionals, both extrinsic and intrinsic motivators are considered below. Some researchers contend that extrinsic motivation is a more dominant component contributing to (or inhibiting) an innovative culture. 7 As such, managers are wise to reward and recognize R&D professionals in external or tangible ways. For example, in a study of 1,544 researchers in multinational enterprises decentralized R&D laboratories in Greece, the three most influential motivators included salary, opportunity for hierarchical advancement, and bonuses. 8 Interestingly, while variable pay compensation and internal promotions in R&D activities may be efficient ways to distribute extrinsic rewards, procedural justice and social comparisons.
2. Creating a Climate and Culture for Sustainable Organizational Change

Benjamin Schneider, Arthur P. Brief, Richard A. Guzzo et al., (1996) shows that, It happens all too often. A company introduces changes with high expectations of improving performance. When the changes fail to take root and produce intended results, the unfulfilled hopes lead management to introduce other seemingly promising changes. These, too, ultimately fail. The sequence repeats—an unending cycle of high expectations followed by failure and, inevitably, frustration on the part of management and cynicism on the part of workers. There are several possible reasons for these dysfunctional spirals. Here, we concentrate on one key reason: that changes introduced fail to alter the fundamental psychology or “feel” of the organization to its members. As we detail below, it is this “feel” that directs and motivates employee efforts. Without changing this psychology, there can be no sustained change. Here is the central point: organizations as we know them are the people in them; if the people do not change, there is no organizational change. Changes in hierarchy, technology, communication networks, and so forth are effective only to the degree that these structural changes are associated with changes in the psychology of employees.

When AT&T went through divestiture in the early 1980s, its greatest challenge was to change the psychology of its people, from the attitude “we are a monopoly and have time to do things the way we think best” to “we have to compete in the market and pay attention to our customers and the competition—and do so rapidly.” Divestiture provided the crisis necessary to implement the change. But it was the thousands, if not millions, of specific changes in the organization’s everyday policies, practices, procedures, and routines that altered the psychology and thus permitted the kind of changes that appear to have actually taken hold. When GM experienced huge losses in market share, the automaker took the dramatic action of establishing a whole new subsidiary, Saturn. Given GM’s entrenched bureaucracy, Saturn, to be competitive, had to be started from scratch. This meant simultaneously creating new structures, new
technologies, and new relationships, both between workers and managers and between dealers and customers. These changes, coupled with putting new people in new places, took root, yielding a Saturn “feel” that employees as well as customers clearly recognize. Most often, it takes a crisis to engender this kind of radical change—a divestiture at AT&T or significant losses of market share of GM. But whatever the stimulus, it takes equally radical action throughout the organization—through structure, through technology, and through people—to make change real and durable. And whether or not the change is sustained also depends on (1) the prevailing conditions at the start of the effort, and (2) the way the change is introduced.

2. 14-Demographic and Psychological Factors Predicting Organizational Commitment among Industrial Workers

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Samuel O. Salami et, al. , (1991), shows that, This study investigated the relationships of demographic factors (age, marital status, gender, job tenure, and educational level), emotional intelligence, work-role salience, achievement motivation and job satisfaction to organizational commitment of industrial workers. Participants were 320 employees (male = 170, female = 150) randomly selected from 5 service and 5 manufacturing organizations in Oyo State, Nigeria. Measures of biographical data, emotional intelligence, work-role salience, achievement motivation, job satisfaction and organizational commitment were administered to the sample. Hierarchical multiple regression analysis was used to analyze the data collected. Results showed that emotional intelligence, work-role salience, achievement motivation, job satisfaction and all demographic factors except gender significantly predicted organizational commitment of the workers. Findings suggest the need for organizational managements and psychologists to consider the factors investigated when designing programs for increasing the organizational commitment of the workers. Many organizations
are facing major challenges resulting in restructuring, engineer-in and downsizing. The need for factors that predict organizational commitment has become more critical. One of the factors that could lead to healthy organizational climate, increased morale, motivation and productivity is organizational commitment. Organizational commitment has emerged as a promising area of research within the study of industrial/organizational psychology in recent time. (Adebayo, 2006; Meyer and Allen, 1997; Morrow, 1993) As regards organizational commitment of Nigerian workers, there is a divergence of opinions among researchers. Some researchers believed that Nigerian workers are not committed to their organizations (Olugbile, 1996). Others believed that they are committed to organizational goals but it is the organizations that do not show commitment to the plight of the workers (Alarape and Akinlabi, 2000). They believe that organizational commitment reflects one side of the reciprocal relationship between the employer and the employee and as such each party has to play its role. Most organizations in Nigeria have experienced and are experiencing restructuring, reengineering, and downsizing which create a sense of job insecurity among the workers arising from the government’s economic reforms. Organizations need to commit workers in order to face the worldwide economic competition. Unfortunately, there has been a lack of research efforts in linking personal and psychological characteristics of workers to organizational commitment. Instead, most research efforts had been focused on linking situational factors such as job characteristics and organizational characteristics to organizational commitment (Mowday et al., 1982). Indeed some researchers found that organizational commitment is a function of several variables such as job satisfaction, motivation, participative decision making, organizational support, financial reward, communication, promotion prospects, and leadership styles (Alarape and Akinlabi, 2000; Brown, 2003; Salami and Omole, 2005). Generally, there is a paucity of researches on the correlates of organizational commitment among industrial workers in Nigeria. Therefore, this study is
designed to fill such research gaps in Nigeria. Against this background, this study will investigate the relationship of some demographic factors, emotional intelligence, achievement motivation, work-role salience and job satisfaction to organizational commitment among some industrial workers. Organizational commitment is defined as an employee’s level of identification and involvement in the organization (Mullins, 1999). Meyer and Allen (1997) defined organizational commitment as a psychological state that characterizes the employee’s relationship with the organization with its implications for the decision to continue membership in the organization. According to Meyer and Allen’s (1997) three-component model of commitment, there are three “mind sets” which each characterizes an employee’s commitment to the organization: affective, continuance and normative commitment. Affective commitment refers to employees’ perception of the emotional attachment or identification with the organization.

2. Literature review on labor turnover and retention strategies

MINTRAC commissioned to undertake a literature review examining the causes of high labor turnover in a range of industries in Australia and overseas. The review examined a wide range of factors that could contribute to high labor turnover including characteristics of employees, recruitment practices, wages and conditions and career development opportunities. Factors of particular interest to MINTRAC, such as the impact of target income workers, the role of training, industry seasonality and the consequences of rural isolation, were considered. In addition, the results of a recent study on mobility in the Australian Labor market are presented. The second part of the literature review presents some of the strategies used by employers to increase retention of staff and discusses the different ways in which turnover can be measured and costed. Causes of labor turnover: Employee turnover is a much studied phenomenon. There is a vast literature on the causes of voluntary employee turnover dating
back to the 1950s. By developing multivariate models that combine a number of factors contributing to turnover and empirically testing the models researchers have sought to predict why individuals leave organizations. Many studies are based on only a small number of variables which often only explain a small amount of variability in turnover. Another criticism of turnover studies is that they do not adequately capture the complex psychological processes involved in individual turnover decisions. A recent study of turnover by Boxall et al (2003) in New Zealand confirmed the view that motivation for job change is multidimensional and that no one factor will explain it.

However, over time there have been a number of factors that appear to be consistently linked to turnover. An early review article of studies on the turnover by Mobley et al (1979) revealed that age, tenure, overall satisfaction, job content, intentions to remain on the job, and commitment were all negatively related to turnover (i.e. The higher the variable, the lower the turnover). In 1995, a meta-analysis of some 800 turnover studies was conducted by Home and Griffeth, which was recently updated (Griffeth et al, 2000). Their analysis confirmed some well-established findings on the causes of turnover. These include: job satisfaction, organizational commitment, comparison of alternatives and intention to quit. These variables are examined in more detail below, as are a number of other factors where the evidence on the link to turnover is less conclusive.

The relationship between satisfaction and turnover has been consistently found in many turnover studies (Lum et al, 1998). Mobley et al 1979 indicated that overall job satisfaction is negatively linked to turnover but explained little of the variability in turnover. Griffith et al (2000) found that overall job satisfaction modestly predicted turnover. In a recent New Zealand study, Boxall et al (2003) found the main reason by far for people leaving their employer was for more
interesting work elsewhere. It is generally accepted that the effect of job satisfaction on turnover is less than that of organizational commitment.

2. **The link between satisfaction and commitment**

Some researchers have established a relationship between satisfaction, organizational commitment and turnover. Lum et al’s (1998) study of pediatric nurses suggested that organizational commitment has the strongest and most direct impact on the intention to quit whereas job satisfaction has only an indirect influence. They suggested that satisfaction indirectly influences turnover in that it influences commitment and hence turnover intentions. (Mueller & Price, 1990 cited in Lum). Elangovan (2001) noted that the notion of job satisfaction and organizational commitment being causally related has not been incorporated into most turnover models. His study indicated there were strong causal links between stress and satisfaction (higher stress leads to lower satisfaction) and between satisfaction and commitment (lower satisfaction leads to lower commitment). He further noted a reciprocal relationship between commitment and turnover intentions (lower commitment leads to greater intentions to quit, which in turn further lowers commitment). In summary, only commitment directly affected turnover intentions.

2. **The research conducted on the link between dissatisfaction with pay and voluntary turnover appears to be inconclusive.** Mobley et al (1979) concluded that results from studies on the role of pay in turnover were mixed but that often there was no relationship between pay and turnover. Other studies found no significant relationship. On the other hand Campion (1991) cited in Tang suggests that the most important reason for voluntary turnover is higher wages/career opportunity. Martin (2003) investigates the determinants of labor turnover using establishment-level survey data for the UK. Martin indicated that
there is an inverse relationship between relative wages and turnover (i.e., establishments with higher relative pay had lower turnover).

2. Pay and performance

Griffith et al. (2000) noted pay and pay-related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person’s performance and turnover. They concluded that when high performers are insufficiently rewarded, they leave. They cite findings from Milkovich and Newman (1999) that where collective reward programs replace individual incentives, their introduction may lead to higher turnover among high performers.

2. Flat-rate versus piece-rate pay systems

Taplin et al. (2003) conducted a large-scale turnover study in the British clothing industry. Two factors emerged as the most significant reasons for employees leaving the industry. One was the low level of wage rates in the clothing industry relative to other manufacturing sectors. The other reason referred to an industry image with staff leaving because of fears relating to the long-term future of clothing manufacture in the UK. In this study, turnover rates were highest among the most skilled workers. The study also examined the role of payment systems in turnover. The researchers found that where there were flat-rate payment systems alone, average turnover exhibited a statistically significant difference from the industry mean (i.e., they were 4.5 percent lower). However, most firms in the clothing industry adhered to piece-rate payment systems finding it to be the most effective way of regulating the effort-bargain. This is, in the authors’ view, despite anecdotal evidence that many skilled workers dislike its unpredictability and new entrants to the workforce lack the skills to maximize their earnings potential. **Attitudes to money** For some individuals, pay will not be the sole criterion when people decide to continue
within an existing job. In their study of mental health professionals, Tang et al (2000)

2. 20-Training and career development

Martin (2003) detected a complex relationship between turnover and training. He suggested that establishment that enhances the skills of existing workers have lower turnover rates. However, turnover is higher when workers are trained to be multi-skilled, which may imply that this type of training enhances the prospects of workers to find work elsewhere. The literature on the link between lower turnover and training has found that off-the-job training is associated with higher turnover presumably because this type of training imparts more general skills (Martin, 2003).

2. 21-Impact of training on mobility

Shah and Burke (2003) reviewed some of the literature on the relationship between turnover and training. In a British study examining the impact of training on mobility, Green et al (2000) concluded that, in aggregate, training has on average no impact on mobility. However, training that is wholly sponsored by the individual (or their families) is on balance likely to be a prelude to job search. In contrast, when employers pay for training the downward effect on mobility is more likely.

Lynch (1991, 1992) concluded that both on-the-job and off-the-job training has a significant effect on job mobility. While formal on-the-job training reduces the likelihood of mobility, particularly for young women, off-the-job training increases the likelihood of mobility. In a study of six local labor markets in Britain, Elias (1994) found that women who received employer-provided and job-related training had a lower probability of changing employer or making the
transition to non-employment, but for men training made no significant difference to this type of turnover.

2. 22-Effect of vocational training

In a study examining the effect of apprenticeships on male school leavers in the UK, Booth and Satchell (1994) found that completed apprenticeships reduced voluntary job-to-job, voluntary job-to-unemployment and involuntary job termination rates. In contrast, incomplete apprenticeships tended to increase the exit rate to these destinations relative to those who did not receive any training. Winkelmann (1996) reported that in Germany apprenticeships and all other types of vocational training reduce labor mobility in spite of the fact that the German apprenticeship training is intended to provide general and thus more transferable training.

2. 23-Career commitment

Chang (1999) examined the relationship between career commitment, organizational commitment and turnover intention among Korean researchers and found that the role of career commissioning was stronger in predicting turnover intentions. When individuals are committed to the organization they are less willing to leave the company. This was found to be stronger for those highly committed to their careers. The author also found that employees with low career and organizational commitment had the highest turnover intentions because they did not care either about the company or their current careers. Individuals with high career commitment and low organizational commitment also tend to leave because they do not believe that the organization can satisfy their career needs or goals. This is consistent with previous research that high career commuters consider leaving the company if development opportunities are not provided by the organization. However, this group is not apt to leave and is likely to contribute to the company if their organizational commitment is
increased. Chang found that individuals become effectively committed to the organization when they perceive that the organization is pursuing internal promotion opportunities, providing proper training and that supervisors do a good job in providing information and advice about careers.

Lee & Mitchell’s (1994) ‘unfolding model’ of employee turnover represented a significant departure from the previous Labor market- and psychological-oriented turnover literature. This model is based on the premise that people leave organizations in very different ways and it outlines four decision pathways describing different kinds of decisions to quit. A notable feature of the unfolding model is its emphasis on an event or ‘shock’ (positive or negative) that prompts some decisions to quit. Morrell et al (2004) tested the unfolding model by studying the voluntary turnover of nurses in the UK. Their findings indicated that shocks play a role in many cases where people decide to leave. Furthermore, they found that shocks not only prompted initial thoughts about quitting but also typically had a substantial influence over the final leaving decision. They also noted that decisions to quit prompted by a shock are typically more avoidable. The authors suggest that their research illustrates the importance for managers of understanding avoidability. The extent to which turnover decisions can be prevented.

2. Retention strategies Understanding turnover

The academic literature (Dalton et al cited in Abelson, 1987) suggests that differentiating avoidable and unavoidable turnover (from the organization’s point of view) can help organizations to understand voluntary turnover more fully. Avoidable reasons include employees leaving to find better pay or working conditions elsewhere, problems with management or leaving for better career opportunities. Unavoidable reasons - which are beyond the organization’s control - include, for example, an employee having to move because of relocation
by a spouse or leaving to fulfil family or caring responsibilities. If an organization can identify that much of its voluntary turnover is unavoidable it may profit better from initiatives that seek to manage turnover after the event rather than expend resources on implementing preventative measures. On the other hand, if the bulk of turnover is avoidable this offers the potential for targeted intervention. However, if managers assume the turnover problem to be largely unavoidable, they may fail to recognize turnover as a symptom of underlying problems within the organization.

In Taplin et al’s (2003) study of the British clothing industry, employer initiatives to reduce turnover included a range of measures. Improving remuneration packages was the single most common initiative with changes to the payment systems made so that workers could increase their earnings. Also important were more rigorous screening procedures for new hires, and improved training programs designed to bring new workers up to speed so that they could maximize their piece rate earnings potential. Various qualities of working life initiatives were introduced, such as flexible working hours and forms of employee participation (e.g. Works councils).

A recent study (Davies et al, 2001) examined the effect of three human resource strategies (performance appraisal, salary and benefit strategies), and training and development initiatives in the Western Australian accommodation industry. The authors concluded that only training and development indicated a reduced turnover of employees.

A study of turnover in ‘Fly-In Fly-Out’ (FIFO) mining operations in Australia (Beach et al 2003) showed that turnover rates between mines operating within the same general labor market varied considerably, suggesting that the main drivers of turnover were often internal, rather than external to mine sites. In terms of managing turnover, sites which had lower turnover, was attributed to
a combination of four factors: equitable remuneration; commitment to training and skills development; good management; and developing and maintaining a positive organizational culture. Managers at some sites indicated they tried to control turnover by recruiting for a good ‘person-organization’ fit.

The retention strategies outlined here are based on organizational-specific initiatives. One of the problems with organizational-case studies is that their experience may not be generalisable, given that the causes of turnover and the resulting strategies are likely to be specific to a particular organization, a site or even a particular group of employees. Another problem is that were a combination of measures are used (which is often the case) it is very difficult to attribute success to one particular element of the strategy. Nevertheless, some common practices can be drawn from these experiences that appear to be successful in helping to improve retention.

The first two examples are academic studies while the following table summarizes the main features of the retention strategies adopted by a range of UK organizations to successfully improve retention.

A Canadian study by Lum et al (1998) assessed the impact of certain pay policies upon the turnover intentions of pediatric nurses. Two types of salary supplements were introduced – bonuses to intensive care nurses only and a 5 percent salary differential for all staff nurses – to reduce turnover. The supplements were structured in such a way as to have the most favorable influence on the senior staff nurses who were presumed to be the most experienced and those most valuable employees. Satisfaction with pay had both direct and indirect effects on turnover intent. They found that although pay satisfaction (unlike job satisfaction) was significantly associated with reducing intended turnover, its indirect effect upon turnover intent, mediated through job satisfaction and organizational commitment was weaker. In particular, nurses with greater
experience were more satisfied with their pay and were less likely to leave, which was the anticipated effect of the salary supplements. The anecdotal evidence showed that the senior nurses perceived the pay supplements to be an important recognition of their contribution to the organization.

In a study of retail salespeople (Firth et al, 2003) found that job stress (eg work overload, job ambiguity) are the factors that trigger the chain of psychological states that lead to intention to quit. They suggested that supervisor support can reduce the impact of stress on psychological states and intentions to quit. Monitoring workloads and supervisor-subordinate relationships by management may not only reduce stress but increase job satisfaction and commitment to the organization. Impact Assessment Of Corporate Culture On Employee Job PerformanceOluOjo et al, (2009)This research study assesses empirically the impact of corporate culture on employee job performance as well as organizational productivity using Nigerian banking industry as the Training in an area, which had to face apathy of even the largest industrial sector so it goes without saying that it is also discarded in small-scale unit. Paucity of time and other resources especially money are the most important reasons for its negligence. The training activities if they at all exits are restricted to only technical training for all strata of supervisory and non-supervisory employees, and the most popular mode of training is non other than On-the – Job training (OJT). In not a single unit HR and conceptual training is found to be imparted. Even people were not aware of the feasibility, possibility and utility of such training. Training infrastructure is mostly undeveloped or underdeveloped in as majority of units. Only in a few of the units surveyed training classrooms are being found out with few audio visual aids like LCD projector and other presentation kits. But even in such units where training facilities are developed they are really being utilized. Most these facilities are being used for internal conference and meetings. But the majority of SSPU is having a very obsolete
training infrastructure for them it means only the workshop which they feel is the only place where manpower can be trained and chiseled and they very well recognize the futility of spending even a farthing in developing any training infrastructure whatsoever.

Performance Appraisal is another area where not much is done in SSPUs. In as many as 98% of the units surveyed no formal PA system was noticed. In these organizations as promotion, transfer, salary increment and other administrative and HR decisions are not frequently taken which are often based on PA data so it is not discerned as essential and inevitable function. There are very few organizations where the performance of the employees is recorded and kept for future reference. The owner manager is again found to be the only decision maker who does not need such a formal system. The PA system, wherever available, is of closed type only based on the confidential remarks of the International Journal of Enterprise Computing and Business Systems seniors. In less than 1% of the organizations even open appraisal in combination with the self appraisal is found to be prevalent. But a major portion of these appraisals is based upon trait based rating scales, which might not be very objective, truly reflective and without personal predilections.

Overall the PA system is not being taken very seriously as an employee related decision making tool. If it is at all present and practiced then it is not in many cases formalized/structured. So in most of the units the whims and fancies of top management/owners play the only dominating role. Their rating / recommendation is the final verdict in all employee related decisions like transfer, promotion, demotion, termination, development, training etc.

Efficient management of human resource is a crucial factor in determining the growth and prosperity of business enterprise. This is particularly true in the case of small industry where owners are forced to have a close and more
personal association with their employees. To develop a strategic plan for small scale pharmaceutical units located in Bangalore and improve the present process, recommendations of activity elimination, activity reduction, and activity sharing are suggested. Furthermore support from the top executive management to create a special department and appointment of HRM and to allocate resource is needed for the efficient implementation and long term success of the ear of business.

(Keyton, 2005). (Robbins 1990, cited in Holzhausen, 2002) This paper Highlights the Organisations exist as ordered and purposeful collections of people drawn together to produce an outcome; that is, to achieve the organization’s goals (Keyton, 2005). This outcome may be a service, a product or to provide an accumulation of wealth, whether the outcomes may benefit an individual, a group of people (shareholders or stakeholders) or a community. In order to achieve their goals organizations develop specific structures that determine task allocation, reporting lines, and formal coordination mechanisms and interaction patterns (Robbins 1990, cited in Holzhausen, 2002).

(Weick, 1995, cited in Francis, Bessant, and Hobday, 2003). This article states that An organization at its foundation brings with it the values and behaviors of its founders and these become the organization’s cultural effects or elements. As the organization progresses or develops through time these elements become embedded into the organizational property, shaping core values, defining assets acquired and the organization’s distinctive persona that defines its intentions, priorities, routines and sense-making activities (Weick, 1995, cited in Francis, Bessant, and Hobday, 2003).

(Sanchez 2004) The culture of an organization dictates how that organization operates in its environment and how it is to achieve ongoing success (Sanchez 2004). An understanding of organizational culture is
fundamental to understanding organizational behavior and the role employee engagement has on that culture and visa versa.

(Trompenaars, 2006). Each organization has its own unique organizational culture. Often this culture has been developed by the organization’s founder management; however it may be changed and affected by the behavior of groups and individuals, as well as external forces. Organisational culture is seen by academics and practitioners alike as being fundamental in how the organization meets its missions and its effectiveness as a business (Trompenaars, 2006).


Cameron & McCollum (1993) in researching the communication and its relationships to organizational culture concluded that organizations with “meaningful interpersonal communication may achieve a better shared definition of the organization and hence a better communication environment” (p. 215). Van der Waldt (2003), suggests that organizations are continually changing and that high quality internal and external communication” can ease the pain” of change and”enhance the effective management of the organization”. Cameron (1993) and Van der Waldt (2003) both endorse the concept that communication plays an important role in organizational culture.

(Sanchez, 2004). “When an organization chooses to express itself – irrespective of the topic – it is telling its internal and external constituencies something about its unique character and its aspirations. The outgoing message reflects the culture of the organization and also further reinforces or helps change
the very culture that is giving rise to the substance and the style of the communication” (Sanchez, 2004).


(Robbins, Millett and Waters-Marsh (2004); Vecchio, Hearn and Southey, (1998); McShane & Travaglione (2005) and Pettinger (2000). This perspective of the importance of organizational culture appears to draw upon organizational theories and behavior from a range of sciences, including sociology, psychology, anthropology (Robbins, Millett and Waters-Marsh (2004); Vecchio, Hearn and Southey, (1998); McShane & Travaglione (2005) and Pettinger (2000).

Pettinger (2000, p. 186), (Davidson, 2000; Sanchez, 2004), (Schein, 2004. p. 17), states the “organizational culture is an amalgam and a summary of the ways in which activities are conducted and standards and values adopted. It encompasses the climate or atmosphere surrounding the organization, prevailing attitudes within it, standards, morals, strength of feelings towards it and general levels of goodwill present”. Many definitions of organizational culture (Davidson, 2000; Sanchez, 2004) reflect the generalized core view expressed by Schein, (2004. p. 12) that organizational culture is “an enduring and embedded set of basic assumptions and characteristics developed by the organization”, and that it is “shared and valued by its members, in relation to how the organization is and how it operates in order to deal and cope with external adaptation and internal integration”. (Schein, 2004. p. 17).
A common theme expressed in the literature is that culture is deeply embedded and not easily changeable but is able to change or be changed given time. Winnard and Cannibal (2001), although they view organizational culture as embedded beliefs and values, suggest that organizational culture has the ability to be changeable to meet the changing needs of the organization. Davidson (2000) suggests that it is changeable but over a long period of time or through intensive change management processes.


One line of thought proposed by trainers (2006) suggests that organizational culture and organizational change are often intertwined with one another. Turner’s proposal is that organizational culture develops continuously as organizational change occurs along a transition curve. Change is usually being affected particularly by the organization’s leaders to suit their own preferences or changing market processes and in doing so affects the decision making processes. This appears to parallel with Schein (1986) who suggests that the function of leadership is the creation and management of culture and the key to organizational excellence.

Winnard and Cannibal 2001) and Baker and Newport (2003) in researching organizational behavior suggest that culture is flexible and dynamic and can be affected by internal and external problems including dysfunctional
managerial behavior that will affect employees in areas such as poor job performance, job dissatisfaction, absenteeism, turnover, and burnout.

(Susanto, 2003). Mabin (2001) as cited in Susanto (2003) An additional behavior that can be identified in organizations, especially those undergoing change is resistance by employees to changes in the work environment. Whether the organization is undergoing major restructuring or is in a process of change due to constant innovation and improvement, employees may balk and resist change, especially if they do not understand the changes (Susanto, 2003). Mabin (2001) as cited in Susanto (2003) suggests that the prerequisites for successful change including changes in vision, mission, culture, communication and leadership all need to be met, and a failure to be successful in them all will result in the whole change failing.

Additional factors affecting how well individuals accept the organization’s culture or changes to it are related to their personal primary socialization factors that they bring with them to the organization. These are the learned behaviors and ethics that drive their lives and have learned from the time of birth from their environments. Once in an organization’s individuals have to take on board secondary factors that are the organization’s culture. The closer these are to one another the more the employees’ behaviors will be supportive of the organization. Should a divergence of primary and secondary socialization occur due to change then there may be resistance to the change or alternatively new learning and adaptation to suit both the organization and the individual.

The literature has been used to indicate how organizations are established to achieve specific goals and their culture is determined by their founders and their management. It has also indicated that management and leadership can change the structure and an organization’s process along the way and may
therefore change the organizational culture. Organisational culture is considered to be an embedded characteristic of an organization however it is affected by the way individuals, groups and management relate to one another, and is affected by and can affect the organization’s culture.

(Vecchio, Hearn and Southey, 1998), (Vecchio, Hearn and Southey, 1998; McKenna, 2006; McShane and Travaglione, 2006). Groups have been identified as one element within the organization that affect the organizational culture and the individuals within them. This next section explores the characteristics of groups, subcultures within them and their effects on the organization and individuals. Groups may be characterized as either formal or informal groups (Vecchio, Hearn and Southey, 1998). Formal groups within organizations are defined by the organizational structure, with designated work assignments establishing tasks aimed at fulfilling the organization’s objectives; whereas informal groups are natural formations in the work environment. Behaviors within formal groups are those stipulated by and directed towards organizational goals, whilst in contrast, informal groups are alliances that are neither formally structured nor organizationally determined and that appear in response to the need for social contact (Vecchio, Hearn and Southey, 1998; McKenna, 2006; McShane and Travaglione, 2006). There may also be grouped within groups, for example health professionals as a group may also consist of sub groups of nurses, doctors and administrative support. Collectively they will all be working towards achieving the organization's goals, but also their sub group goals.

(McKenna, 2006). Individuals within an organization are by default a part of the larger group (the organization), however employees will, if at all possible, show an affinity, or identify, with, smaller groups or group tasks that have similar values or knowledge or skills (McKenna, 2006). Within an organization, people not only function as individuals, but also have a tendency to form groups. This section considers how individuals are drawn to groups and how
communication dynamics occur within an organization to affect organizational engagement.

Robbins, Millett and Waters-Marsh (2004) suggest that belonging to small groups provides greater personal security, provides status as a means of securing recognition, as a means of providing individual members with self-worth, for social needs for interaction, to achieve outcomes that can be achieved by numbers where individuals are unable, and to feel powerful through the achievements of the group. Hunt (2001) suggests that as a member of a group, the achievement of task-oriented activities is an important and tangible benefit rather than attempting to achieve goals of an organization that promotes missions and values that appear remote and unattainable for the individual.

Vecchio, Hearn and Southey, (1998) and Johnson and Johnson (1994). Group dynamics are a well studied area within organizational behavior. Issues of leadership, employee attitudes, motivation and performance, group dynamics, power and politics, conflict, and organizational structure are just some of the areas of concern according to Vecchio, Hearn and Southey, (1998) and Johnson and Johnson (1994). This part of the review will explore the literature that draws on communication research and links it to the dynamics of groups and organizations and the role of individuals within them.

"(McShane and Travaglione 2006), Jablin (1988), Individuals within groups will tend to mimic the performance and communication of other members of the group as a means of supporting their own security, norms or behavior. This “emotional contagion”(McShane and Travaglione 2006), where individuals joining subcultures take on, often subconsciously, the culture of that group, serves to provide empathy with other group members, helps to share emotions and bonds people together. This view is also shared by McShane and Travaglione (2006) and by goblin (1988) as cited in McMurray, Scott, and Pace
(2004) suggested that “the perceptions of the climate of an organization by new employees were strongly influenced by their initial encounters in the organization” (p. 162), and that the “socialization processes serve a very useful and critical function in acclimating new employees to the organization”.

Cameron and McCollum (1993), The establishment of groups with substantially different beliefs or cultures may have implications for communication within an organization. Cameron and McCollum (1993) found that where management and other employees shared similar beliefs, that organizational communication was more easily transmitted and assimilated, than where non-management employees had their own set of deeply enmeshed interpersonal belief systems. Winnard and Cannibal (2001) support these observations referring to non-management groups as sub-cultures responsible for the dynamics of organizational cultures as they adopt their own perceptions and their own characteristics of the organization. An example of this may be found in zoos. The Life Sciences divisional staff all believe that the animals may be appreciated for their intrinsic value and also their value as an equal partner with the natural environment and as such should not be subjected to anthropomorphic values and used only as creatures for the entertainment of visitors, whereas management and marketing divisions may view more animals from a commercial perspective and as an attractant to get visitors in the gates. The strength of this common shared belief by Life Sciences staff in Australia was responsible for the removal of the demeaning chimpanzee tea parties and the ending of elephant rides in zoos in the past twenty or so years.

An understanding of the dynamics of groups and sub-cultures and those within them is another way of understanding the complexity of a process of engagement or disengagement with the organizational culture. This applies equally in cases where existing employees are experiencing a process of change, and where new employees are introduced to the culture of an organization for
the first time. This can be explained by using an example from Zoos SA, where a change of structure has included a new line manager situated between the old manager and the staff that the manager works for; however the old staff have a tendency to go straight to their old manager rather than the new assistant manager. This avoidance of the new assistant manager is observed by new staff and becomes part of the new employees’ way of approaching management.

Campbell, (1993, cited in Winnard and Cannibal, 2001) explains subcultures using the chaos theory, which suggests that attractors cause dynamic systems that tend to evolve towards the state they represent, like fireflies are attracted to lights. Organisational culture, considered to be the embedded core missions, policies and practices of the organization can then be considered an attractive, as individuals coming into it tend to adopt the values and behaviors inherent within it (Bechtold, 1997 as cited in Winnard and Cannibal, 2001). Complications in group dynamics occur as individuals usually come to an organization with specific skills and knowledge that provide the individual with preconditioned notions, preconceived norms and a culture associated with a particular set of skills that may be in conflict with the norms of the organization. Organisations can possess distinctive, incompletely overlapping sub-cultures (Bate, 1994 as cited in Waterhouse, 2003), or ‘mini-attractors’. Therefore, newcomers tend to adopt the values and behavioral patterns that are inherent within a particular mini-attractor rather than those of the overall culture. However, these mini-attractors still need to be considered part of the overall organizational culture (Bate, 1994 as cited in Waterhouse, 2003).

In progressing the theme of this review that communication affects organizational culture the literature will be explored to establish how communication is the driving mechanism for organizational culture and organizational climate.
2. Organisational culture and organizational climate – Differences in definition

(Davidson, 2000; Wallace, Hunt and Richards, 1999, and Sanchez, 2004). This section will provide a review of the literature on organizational climate and organizational culture. The literature shows marked differences between authors on the use of the term organizational climate and organizational culture and these are often used interchangeably within the literature. What is sometimes referred to as culture is considered by others to be organizational climate (Davidson, 2000; Wallace, Hunt and Richards, 1999, and Sanchez, 2004).

McKenna (2006) suggests that organizational climate is distinct from organizational culture, describing culture as being deeply rooted in the structure of an organization, and is more enduring being based upon values, beliefs and assumptions by its members. McKenna identifies climate as the current atmosphere and present social environments that fluctuate more readily to the day to day environment, is considered temporary and can be measured by a broad set of employee behavior, perceptions of management and leadership characteristics, along with a perceived view by employees of the organization’s achievement in meeting its organizational vision, mission and goals. Human resource practitioners often use climate surveys to measure organizational climate. Surveys are undertaken at a given time and reflect the behaviors and perceptions of the employees at that given time. Measuring organizational climate at intervals (annually) over time is one approach to measuring an organization’s culture. Should the organization’s organizational climate result in favorable values at both or more surveyed intervals then the organization’s culture is considered to be favorable, whereas if the climate surveys indicate poor climate values then the organization’s culture is poor.

Davidson (2000) and McKenna (2006) suggest that the two terms can be differentiated on the basis of their use in the literature, in that climate tends to
capture the organization from its stakeholders’ perceptions and their behavior within a specific time period (a snapshot view). At the time of a survey or research project it was suggested that climate is not as subtle or enduring as is culture.

3. 4. 1 Organisational climate

Schubert (2001) suggests that organizational climate [manifested in the internal language and communications of its diverse internal sub-cultures] is one part of organizational culture and that in this sense, climate affects culture. Schubert (2001) indicates that supporting and developing the diverse sub-cultures will yield positive advantages and improve or add value to the more difficult embedded organizational culture.

Research by Riordan, Vandenberg and Richardson (2005) utilized the climate of employee involvement as indicators of organizational effectiveness and concluded that there were relationships between a positive climate of employee involvement and organizational performance. Employee involvement is characterized by an environment where employees could a) recognized they had the power to make decisions, b) information was shared throughout the organization, c) they were provided with the necessary training, and d) they will be rewarded for using their participation in decision making, information sharing, and training to positively influence organizational outcomes. It is important to link employee climate performance to organizational performance as a means to create an understanding of the correlations between the two so that an organization’s management is able to gain a clear understanding of issues and influences that can be managed to improve organizational outcomes.

The dependent variables affecting organizational performance suggested by Riordan, Vandenberg and Richardson (2005) were financial performance, employee turnover rate, and workforce morale and were all associated with
organizational performance although some of the practices and behaviors were more strongly linked than others.

The study by Riordan, Vandenberg and Richardson (2005) was conducted using a climate survey methodology in the insurance industry in the USA and Canada where the employees were found to all share a positive level of organizational commitment.

In further discussing organizational climate Riordan, Vandenberg and Richardson (2005) concluded that it would be worthwhile for a company to create “a climate of employee involvement, where there was appropriate resourcing, training and information to do their job”. Additionally Riordan, Vandenberg and Richardson (2005, p. 485) suggest that “it is important to give employees appropriate authority and decision-making power to do their jobs effectively. Information about company goals and performance should be shared with employees – information is vital to understanding the business”. Rewards that are tied to the performance standards desired by the organization were suggested as being “fundamental for reinforcing desired behaviors that contribute to the long-term effectiveness of the organization” (Riordan, Vandenberg and Richardson 2005, p. 485). Riordan, Van den Berg and Richardson (2005) provide evidence of empirical relationships between organizational behavior and climate.

Research by DeRidder (2004) using two general performance indicators: organizational supportive attitude [1] (OSA) and organizational citizenship behavior [2] (OCB) concluded that good internal communication did not in its own right foster employee commitment to the organization’s strategic direction, however; good internal communication played a role in positively effecting employees’ supportive attitudes and employee citizenship behaviors. Both OCB and OSA are measures that identify behavioral attitudes that directly reflect
whether the employee is engaged and connected to their organization, or conversely, disengaged and disconnected. OCB reflects the way employees are supportive of, and identify with, the organization’s strategic goals and the management in carrying on the business. That is, the employees don’t differentiate between their own goals and those of the organization’s activities and the employees trust the integrity of those in management (DeRidder, 2000). OCB is reflected in behaviors where employees go the extra mile to support the organization. These behaviors may be that they promote the organization’s strategic goals and missions in their general discussion with colleagues or friends, customers or strangers. OSA reflects employees’ commitment to the organization, as seen in behaviors that are manifested as leaving late, arriving early or doing extra work activity that is not normally part of their job; that is, they go the extra mile in the performance of the job.

The concept of OSA and OCB developed by DeRidder (2004), Hewitt (2005) are then closely related to the concept of engagement, which has been defined by Hewitt (2005) as “the state of emotional and intellectual commitment to an organization or group (by employees)…. The extent to which you (the management) have captured the hearts and minds of your employees… a measure of energy, passion and enthusiasm”. Hewitt (2005) further identifies engagement-positive behaviors as “employees consistently speaking positively about the organization to co-workers, potential employees and most critically, customers;

satisfaction is broadly defined by Robbins, Millett and Waters-Marsh (2004) as an individual’s general attitude towards his or her job, while Vecchio, Hearn and Southey, (1998, p. 163) describes it as a “function of the perceived relationship between what one wants from one’s job and what one perceives it is offering”. Job performance is described by Pincus (1986, p. 398) as being “linked to efficiency or perception-oriented terms (e. g. Supervisory ratings, goal accomplishment)”.

Job satisfaction and job performance are psychological and behavioral characteristics of an individual’s relationship with the organization. Pincus (1986) concluded that there was a positive relationship between job satisfaction, job performance and communication and that this positive communication environment substantially contributes to organizational effectiveness.

2. 26-Organisational communication

(Pettinger 2000 and Vecchio Hearn and Southey, 1994). (D’Aprix, 1996). (Cook and Hunsaker, 2001). A seminal component of the functioning of organizations is organizational communication. Communication drives relationships and frames behavior of people in the workplace and is a significant factor in the effectiveness of organizations (Pettinger 2000 and Vecchio, Hearn and Southey, 1994). Communication is affected by the organizational structure, communication strategies and systems, employee-management relationships and by management and leadership styles and skills. Dependant upon how each of these factors is managed and employed in the workplace they can both promote good communication and constrain it. A lack or failure in any one of them can contribute to poor communication, conflict, lack of employee performance, employee engagement and will be reflected in the capacity of the organization to meet its’ goals. Leadership style and communication skills, along with the use of power and control and reactionary communication behaviors are all constraining factors in achieving communication competence (D’Aprix, 1996). Leaders need to
have a high level of emotional intelligence if they are to develop good relationships with their employees. The attributes assigned to emotional intelligence include self awareness, impulse control, persistence, confidence, self-motivation, empathy, social deftness, trustworthiness, adaptability, and the ability to work collaboratively (Cook and Hunsaker, 2001).

McMurray Scott, and Pace (2004) concluded that “One way to develop organizational climate and, concomitantly, commitment is for managers to identify the many constraints, such as time limitations, in which task issues take priority over relationship issues and devise ways to remove those constraints”.

(Pettinger, 2000 and Vecchio, Hearn and Southey, 1994). Previously identified how a seminal component of the functioning of organizations is organizational communication. Communication drives relationships and frames behavior of people in the workplace and is a significant factor in the effectiveness of organizations (Pettinger, 2000 and Vecchio, Hearn and Southey, 1994).

(Lewis, 1987). Internal communication doesn’t just happen it needs to be managed. There are many blockages that can prevent effective communication. It is necessary for management to identify the blockages and mitigate them to ensure that the flow of effective communication occurs. From the training of leaders and managers in the basic skills of downward communication in the establishment of horizontal, upward and networked communication systems, management need to take a proactive and ongoing role in analyzing, assessing and managing the internal communication systems, plans and activities (Lewis, 1987).

Communication is a social phenomenon that allows individuals and groups to organize and share information and thoughts in order to learn and develop skills and knowledge. Communication contributes to the development and understanding of our relationships between each other. Communication
within an organization is the means by which we gain knowledge and information about how to carry out our required tasks. If the communication is successful then we will perform as required and thus contribute to the outcomes required by the organization. R3: Can you provide a visual diagram of how these facets or subsets of organizational behavior are related/linked?

Millett and Waters-Marsh (2004) and McShane & Travaglione (2005). Pettinger (2000, p. 92) clearly outlines this role stating that The critical role of communication in the functioning of organizations has been identified by various authors including Robbins, Millett and Waters-Marsh (2004) and McShane & Travaglione (2005). Pettinger (2000, p. 92) clearly outlines this role stating that

“Communication and information feed the quality of all human relations in organizations. Good communication underlies good relations and enhances the general quality of working life, motivation and morale. Bad and inadequate communication lead to frustration, and enhancing feelings of alienation, and lack of identity and unity”.

(Vecchio, Hearn and Southey, 1997; Robbins, Millett and Waters-Marsh, 2004). Inherent in organizational behavior theories is that understanding the role of individuals and the relationships between individuals and their peers, supervisor, management and the organization is an integral part of understanding organizational function (Vecchio, Hearn and Southey, 1997; Robbins, Millett and Waters-Marsh, 2004).

The influences of quality communication on the relationships between individuals, their peers, supervisors and management have been widely researched and reported using a variety of approaches that all essentially concern themselves with the quality of the communication between management and employees and the outcomes for organizational effectiveness.
(Pincus, 1986), (Hewitt, 2005), Mohan et al (1997), Robbins, Millett and Waters-Marsh (2004), (Hewitt, 2005). Mishra (1996) as cited in Ellis and Shocley-Zalabak, (2001) States that these are: Communication structure, delivery, and perceptions of employees of communication integrity of management are identified as being causally related to job satisfaction, and job performance (Pincus, 1986). Job satisfaction and job performance issues such as poor motivation, poor morale, frustration, alienation, and lack of identity and unity of individuals within an organization are attitudinal and behavioral manifestations of a poor organizational climate (Hewitt, 2005). Organisational climate is broadly defined as a manifestation of an employee’s perception and behaviors in response to the organization’s missions, values and practices at any given time (Hewitt, 2005). Communication between individuals has been well studied and a number of models have been developed. Mohan et al (1997), Robbins, Millett and Waters-Marsh (2004) provide a background to the complexity and difficulties inherent in communicating messages between individuals or groups within an organization, and suggest that the integrity of the message depends on the sender to transmit a message that is clear and unambiguous. The integrity of messages can be identified as elements of trust that form the basis of the relationships between managers and employees. These elements, based on the model of trust by Mishra (1996) as cited in Ellis and Shocley-Zalabak, (2001) are:

- Competence in organizational leadership and the organization as a whole
- Concern for organizational members of their leaders
- Openness and honesty, including sincerity of communication

These four elements may be assigned to all communication sent and received between management and employees.

(Johnson and Phillips, 2003) One problem that exists with sending messages is the congruence between the rhetoric (reliability) espoused in the messages and the observable behavior by those receiving the messages. Often
senders, whether they be a manager or a public relations announcement are scrutinized by the receivers and matched against other communication and other observed behaviors. If the behaviors of the senders are not those they want to highlight then they will deliberately exclude them. This exclusion (openness and honesty) and lack of congruence between the rhetoric and behavior when noted by the receivers are used to assign values of trust and respect held for the sender (Johnson and Phillips, 2003). Similarly the tone or appropriateness of the message may show a lack of concern for the receiver.

McShane and Travaglione (2005, p. 364), (McShane and Travaglione 2005; Hatch 1964). The ability to maintain the integrity of messages has been referred to as “communication competence” by McShane and Travaglione (2005, p. 364) and reflects a person’s ability to identify appropriate communication patterns in a given situation and to achieve goals by applying that knowledge. Communication competence is important to communicate relationships between employees and management, in that high quality communication competence provides employees with the knowledge they require to do their job. Where communication competence is high, so is the trust and integrity of management-employee communication (McShane and Travaglione 2005; Hatch 1964).

2. 27-Communication competence and communication quality, styles and issues

Francis, Bessant and Hobday (2003) in their research into managing transformational change noted that there are five organizational and managerial competencies that are necessary for effective transformation of an organizational culture; these are to recognize the challenge, to determine a transformational strategy, it requires extensive innovation, and it manages systemic change and requires upgraded leadership processes. This section of the review will explore communication competence as it is affected by a range of structural and
relationship issues and includes areas such as organizational structure, poor communication, communication styles and delivery, trust and openness in communication.

(Goris, Pettit, Vaught, 1997). Communication competence plays a large role in employee job satisfaction and job performance (Goris, Pettit, Vaught, 1997). The term job satisfaction, and job performance are connected to communication and communication competence. Communication also plays a role in employee engagement. Employee engagement has been defined by Hewitt (2005) and Adonis (2006) as the measure of employee behavior and participation in the organization that impact an organization’s success. Engagement reflects how connected employees are in their organization and how they will go that “extra mile” to work towards and achieve the organization’s goals (Hewitt, 2005; Adonis, 2006).

Adonis (2006) in discussing the role of communication in employee engagement suggests that communication as a means of providing support for employees is fundamental in engaging them in the organization. Adonis recognizes transparency as the key to communication, and suggests that communication should be regular, open and verbal to increase trust between employees and management as well as making employees feel important and reducing the chances of the employees not knowing what is going on in the organization (Adonis, 2006).

Robinson (1990, p. 28), (Robinson, 2001). In her research reviewing organizational communication, suggests that “the more layers of hierarchical structure that messages need to penetrate, the more likely it is that the level of effectiveness and assimilation of the messages will be negatively affected”. Robinson (1990) identified problems associated with poor communication between and within senior management, middle management and front line staff
as a result of the multiple layers the messages had to penetrate. Poor communication may include different variables such as lack of a shared meaning between sender and recipient, different perceptions of meanings or deliberate distortion depending on the motivation of the parties involved in the communication (Robinson, 2001).


(Graham and Brown, 2003). Dialogic and monologues communication are characterized by their differences in process, purpose, style and focus. The approaches reflect how management and staff perceive the use of communication within the organization. Dialogic communication is characterized by a bottom-up collaborative orientation of individual employees to be considered, involved and committed towards the organization’s work practices and goals; where monologues communication is characterized by top-down management considering the employees as a whole group to be informed and managed. Table 1 illustrates the key differences between monologues and Dialogic communication. (Graham and Brown, 2003).

The style and focus differences between monologues and Dialogic communication indicated in Table 1 provides a framework from which employees will view communication from managers. Where the style, typical of monologues communication, is perceived by non-management employees to
exhibit attitudes incorporating command, coercion, manipulation and exploitation then the relationship between management and non-management employees will be poor, resulting in loss of trust and integrity of management communication (Frahm and Brown 20003). The style depicted in Dialogic communication that incorporates perceptions of non-managerial staff by management by emphasizing inclusion and concern and of mutual benefit encourages strong communication relationships between non-management and management employees. The provision of an environment that enjoys trust and integrity between management and non-management employees will be indicative of positive communication competence (Frahm and Brown 2003).

DeRidder (2004) and Robinson (2001) both found that the quality of management communication between employees and management was positively related to the development of trust in management and a subsequent improvement in employee commitment to the organization’s strategic direction. DeRidder (2004) approaches organizational communication as a means of “fostering a positive attitude towards the strategic direction” by focusing on engendering a positive general spirit through the provision of “high quality internal communication”. DeRidder (2004) identified two ways of fostering a positive attitude within an organization, firstly, by creating a sense of commitment within the organization; and secondly, by establishing trust in the management. Graham and Brown suggest that “using a Dialogic approach improves communication and offers a sustainable business practice, requires sophisticated communicators willing to share their power base, suspending their beliefs and committing to alternative interpretations to build relationships”.

Robinson (1990) in her research on improving organizational communication, emphasizes an approach based upon the “quality of the relationship between supervisors and staff” that opens up the channels of communication in an environment that employees trust. Robinson (1990) found
that an increase of team meetings, opportunities for lower-level employees to meet with senior management and the clarification of job roles and tasks improved poor communication. Robinson (1990) found that poor quality communication contributed to lack of information for employees to do their job, a poor understanding by employees of the organization’s strategic direction and expectations, and a low level of trust in the management of lower-level employees. Holtzhausen (2002) and Frahm and Brown (2003) have found that improved supervisor-employee communication is achievable through improved information flow and face-to-face communication.

The approach taken by Frahm and Brown (2003), DeRidder (2004), Robinson (1990) and Holtzhausen (2002) identified valuable insights into communication as it affects individuals and groups, and in particular identifying factors that can distort messages or reduce the effectiveness of organizational communication.

Communication competence, particularly in the clarity and interpretative success of messages, is identified by McShane and Travaglione (2005), Suchan and Scott (1986) and Pincus (1986) as being important considerations in facilitating positive employee engagement.

If communication competence reflects the ability of an individual to interpret a received message as it was intended by the sender, a number of factors might influence that interpretation. The clarity of the message sent, ensuring that it is clear and unambiguous important for accurate interpretation of meaning (McShane and Travaglione 2005). However, other factors might influence the receiver’s interpretation, such as the organizational environment within which the communication occurs, as well as characteristics of the receiver, such as their own perceptions of the sender, their experiences, needs, personality, culture and education (McShane and Travaglione 2005; Robinson, 1990). Cook
and Hunsaker (2001) identify a number of barriers to communication that may alter the way employees perceive the information conveyed from management. The barriers include:

Vecchio (1997) identifies power, politics and influence as three factors that as part of a manager’s role, influence employees’ behavior. Power, according to Vecchio, has five bases; reward power, coercive power, legitimate power, referent power and expert power. Kersten (2001) suggests that there has been a focus on research and theory on the healthy organization which she contends is far from the norm. Kersten further suggests that most of us live within organizations where dysfunctional, neurotic, psychotic or otherwise problematic behaviors are the norm; where conflict, contradictions and recurring problematic behaviors (such as the relationship of power) are the norm rather than the exception.

Clarity in written communication has been highlighted by Suchan and Scott (1986, p. 25) as “serving as a powerful symbol of management’s attitude … I can point out that management is concerned, can also help establish a climate of trust, where workers and management strive together to achieve organizational goals, an environment free from worker suspicions and can serve as a reminder to employees that management does not view workers as a commodity that can be easily controlled and humiliated but as a valuable human resource.”

Pincus (1986) in studying communication found that there were significant positive relationships between communication satisfaction and job satisfaction, and communication satisfaction and job performance. The correlation between communication and job satisfaction was more significant for superior-subordinate communication relationships than for top-management communication relationships. Although research in the relationship between knowledge and power in organizations, this view is supported by Kelly (2006)
contends that the availability of knowledge throughout an organization, in an environment of trust within employee relations, when freely shared well

Knowledge through communication however may contribute to either an acceptance of optimal organizational behavior and culture, if they are compatible with the receiver’s goals, or alternatively may result in resistance due to the conflicting nature of the goals espoused in the knowledge communicated.

2. 28-Formal and informal communication

Communication relationships within an organization take a number of forms and within different settings, all are important considerations in effecting positive communication competence. Vecchio, Hearn and Southey (1997), Newstrom, Monczka and Reif, (1974), and McShane and Travaglione (2005) all explore and consider the role of informal and formal communication processes.

According to Vecchio, Hearn and Southey (1997) communication within an organization can occur within two settings: the formal and informal. Both are important processes in the development of organizational climate. Formal communications emanate from the organizational structure and are part of the acknowledged communication process used by management to communicate missions, policies and day to day information and instructions (Vecchio, Hearn and Southey, 1997). Informal communications operate outside the formal processes and can occur between any employees, e. g. Small group meetings, working lunches, retreats, email groups, and around the water-cooler. Informal communications may include such activities as employees having lunch together, meeting as a social club, or bumping into one another in a corridor where they may communicate in an informal way (Vecchio, Hearn and Southey, 1997). The “grapevine” is another type of informal communication system that
exists with an organization (Newstrom, Monczka and Reif, 1974). These different informal communications may be social or contain work focused content.

Informal communication is usually unplanned and goes unrecorded (Vecchio, Hearn and Southey 1997). Newstrom, Monczka and Reif, (1974) see both the formal and informal settings of message transmission as important in providing a communication framework that is supportive of employees, and considers that both need to be managed to achieve positive organizational outcomes.

McShane and Travaglione (2005) recognize that informal communication processes are important to employees by filling gaps in information not available from the formal process, and strengthening and supporting social relationships. However, Newstrom, Monczka and Reif (1974) also suggest that the values of informal processes are only important for some employees, while others remain uncommitted or do not participate. Employees who are non-committed and non-participation in processes such as the ‘grapevine’ may often be characterized by their level within management; suggesting that the higher up in the hierarchical system they are found, the more committed to the organization and the more information they have about the organization (Newstrom, Monczka and Reif, 1974).

Graham and Brown (2003 ) The style of communication within the organization between management and employees can also affect how committed and engaged employees are to the organization. Graham and Brown (2003) in discussing monologues and Dialogic communication processes suggest that the monologues process limits feedback channels and that the communication using a monologue process decreases staff receptivity and affect the level of trust and integrity of management communications negatively. When biologic processes are utilized the employees are more committed to
conversation and discussion, and the level of trust in the integrity of management communications is improved. In this way, Frahm and Brown (2003) illustrate how communication processes can directly affect employee engagement and improve organizational climate. The use of Dialogic communication is the primary method used in informal communication and in one to one communication, where both parties may interact and discuss the matter at hand. Dialogic communication allows for feedback and a two-way communication and usually improves the morale of employees (Lewis, 1987) while monologues communication is more commonly used in large group meetings where discussion could become long and drawn out. Opportunities to use both communication methods in both informal and formal communication exist but require careful exercise to enhance relationships rather than to destroy them.

2. Trust and openness

Trust and openness are two key elements within organizational communication relationships identified by Robinson (1990), and D’Aprix (1996). DeRidder (2004), states they are necessary to achieving effective communication and positive attitudes in the strategic direction of an organization. Holtzhausen (2002) suggests that where openness and integrity are found in formal communication processes within an organization, then the informal system, such as the ‘grapevine’, is relied upon less.

The implication of less reliance on informal communications systems is that the employee’s perception of the communication quality supplied by management is positive and that it can be trusted (Holtzhausen, 2002). The effectiveness of formal communication within organizations can be dependant the organization’s structure. If the organization’s structure is decentralized and divisionalised due the nature of the specific tasks undertaken by each
division/department, or the organization is so large as to be unmanageable without divisions or departments that are physically separated, then the easiest way to communicate information, knowledge and decisions is by a vertical hierarchy or top-down approach. The challenge is to also provide avenues for two way communication and feedback. However, the ability to accurately and in a timely fashion distribute knowledge and information through a hierarchy is often impeded by resources and scheduling of the managers within the hierarchical structure. The ‘grapevine’ is one way that employees can easily gain and discuss the information and managers need to be aware that five out of every six messages are carried by the grapevine (Lewis, 1987). Managers according to Lewis need to “open up all channels of communication, fight rumors with a positive presentation of facts and develop long-term credibility”.

2. 30-Structures and influences on trust, openness and employee perceptions

Factors that contribute to trust and openness according to Holtzhausen (2002) include providing an organizational structure that encourages face to face communication, such as in small decentralized groups within the organization where employees feel more secure and able to freely engage in dialogue and speak the truth. An accompanying commitment by management to such a structure would also be constructive in the enhancement of the organization (Holtzhausen, 2002).

Robinson (1990, p. 28) in discussing the need for organizations to be responsive and flexible to change, expresses the view that there needs to be a “culture that enables the enhancement of trust and openness among members”. Such a culture would require that top management accepts that employees have valuable contributions to make, and demonstrate that the contributions have been heard by acknowledging and responding to each employee. DeRidder
(2004) also suggests that the development of trust between management and employees is an issue directly related to the employee’s perception of the quality of information provided by management and overall attitude of management.

Harber and Ashkansky (1997) found that the ‘grapevine’, along with other informal communication between individual employees within other groups, such as managing groups, lunch groups and social groups within the organization, had influencing effects on an individual employee’s perception of other staff, other core skill groups and of management.

Harber and Ashkansky (1997) also reported that the recognition of an employee of a disconnect between espoused values and behaviors demonstrated by others, could influence their perceptions of other employees, management and the organization, resulting in a loss of integrity of the employees and management in which these disconnects are observed. A recognition of a disconnect between values and behavior can also influence employees’ participation, decision-making, frequency of communication, and disclosure, and may lead to individuals perceiving that they are undervalued, discouraged from participating in decision-making, and lacking adequate information to do their job effectively (Harber and Ashkansky, 1997).

Johnson and Phillips (2003) This issue of disparity between the actual reality of a situation and the way words and meanings and explanations are manipulated by management is identified in Johnson and Phillips (2003). In discussing creating and sustaining a business environment of open communication that incorporates integrity, ethics, and honesty, they suggest that although telling the truth can often be problematic, that in the long run there is no other way to earn the trust and respect of employees.

The importance of the informal ‘grapevine’ is highlighted by Robbins, Millett and Waters-Marsh (2004, p. 314) who indicate that up to 75% of
employees hear about matters first through rumors on the grapevine. They further highlight three major characteristics of the grapevine. “First, it isn’t controlled by management. Second, it is perceived by most employees as being more believable and reliable than formal communiqués issued by top management. And third, it is largely used to serve the self-interests of the people within it”.

Whether the communication in the workplace is formal or informal, Vecchio, Hearn and Southey, (1997), believe that both are forms of communication within organizations that contribute to employee behavior, work-practices and a perception of the openness and integrity of communication in the organization that will contribute to job satisfaction and motivation. Furthermore, individual interactions spread system-wide and as organizational culture affects individuals, individuals affect it, which means a continuous feedback loop exists between the two (Stacey, 1995). This places the organization in a state of continual change.

2. 31-Communication links to organizational climate and organizational culture

The competence of communication within the organization is at the heart of how well engaged and connected the employees are to their organization, their missions, operational programs and in effect the organizational culture. If engagement and connection are poor then the organizational climate will reflect this and the result will also be reflected in the organization’s effectiveness.

Organisational effectiveness, Watson (1986) suggests, is defined in terms of an organization’s ability to ensure goal accomplishment, resource acquisition, satisfaction, identity and commitment of its members; adaptation to change and satisfaction of external stakeholders. Robbins (2001) expands on this perspective of organizational effectiveness by identifying the core topics of motivation,
leader behavior and power, interpersonal communication, group structure and processes, learning, attitude development and perception, change processes, conflict, work design and work stress.

This relationship between communication and organizational culture is also supported by Harber and Ashkanasy (1998) who found that there was a direct link between the employee’s perceptions of culture and communication and the perceptions of outcomes of the organization.

Cameron & McCollum (1993. p. 215) in researching the communication and its relationships to organizational culture concluded that organizations with “meaningful interpersonal communication may achieve a better shared definition of the organization and hence a better communication environment”. Van der Waldt (2004), suggests that organizations are continually changing and that high quality internal and external communication “can ease the pain” of change and “enhance the effective management of the organization”. Cameron (1993) and Van der Waldt (2004) both endorse the concept that communication plays an important role in organizational culture.

(Sanchez, 2004). “When an organization chooses to express itself – irrespective of the topic – it is telling its internal and external constituencies something about its unique character and its aspirations. The outgoing message reflects the culture of the organization and also further reinforces or helps change the very culture that is giving rise to the substance and the style of the communication” (Sanchez, 2004).

There appears to be no right or wrong definition or approach to organizational culture and organizational climate. The result is that the term organizational climate and organizational culture have been interpreted according to the preferred paradigms and approaches held by individual researchers.
The confusion that applies in identifying organizational culture as different to that of organizational climate is fundamentally a theoretical discussion of how you identify a paradigm from the manifestation of the behaviors that stem from a particular paradigm. From exploring the literature it appears that organizational culture and organizational climate are connected through the manifestation of employee behaviors and attitudes.

Organisational culture has been identified as embedded, and reflecting underpinning paradigms and beliefs deep in the organization psyche on which the organization was established; whereas, organizational climate is identified as being transient and reflecting the moment of measuring employee behavior and attitudes within the organization. The culture of the organization is reflected in its climate. A poor climate indicates the culture may be dysfunctional and conversely if the climate is good so then is the culture.

Definitions of organizational behavior like that provided by Robbins (2001) have common characteristics that emphasize the influence of the communication process for individuals, groups and structure have on behavior within an organization. This behavior is central to the organization’s effectiveness or ineffectiveness.

Through an analysis of the literature review it has been established that organizations will each develop their own culture based upon the principles, practices and values of the founding management. This culture grows over time to become embedded as a conceptual and practical expression of the values of the organization and is reflected in the behaviors of the organization and its employees. Culture as a basis for all employees provides opportunities for them to engage with the organization’s culture and to adopt it as their own. This adoption is affected by how individuals and the groups within the organization regard and perceives the culture as fitting in with their own principles, practices and values. At the heart of this adoption is how the culture, policies and
practices are communicated to the employees and the level of trust and integrity they have for communication and those that promote and send the messages.

Organisational culture is the product of the meanings members ascribe to the ongoing communication within an organization. The extent to which individuals are engaged in a culture may be dependent upon whether they share similar beliefs about the culture with other individuals and how well the organizational culture is communicated throughout the organization. Organisations depend on communication to function effectively (D’Aprix, 1976).

(Vecchio, Hearn and Southey 1997), Good communication and interpersonal processes are elements crucial to highly functional individual and organizational behavior and effectiveness. Effective communication is vital to all major management functions; it is essential to our understanding of the goals, missions and values of the organization (Vecchio, Hearn and Southey 1997).