CHAPTER VI - Organisational Commitment

The concept of Organisational Commitment covers the various definitions put forth by scholars, the different correlates of commitment, its antecedents and outcomes and the need and importance of studying commitment have been discussed.

One of the main objectives of the study was to determine whether any association exists between person-culture fit and organisational commitment. This has been examined with the help of Chi-square test. The kind of personal factors having a bearing on organisational commitment are also studied. Finally the nature of commitment and the commitment levels amongst Executives in the units has been analysed.

CHAPTER VII - Summary and Conclusion

This chapter provides a summary of findings and conclusion of the study.
CHAPTER II

REVIEW OF LITERATURE

Organisational Culture is receiving much attention in the business press. An article in Fortune describes how the CEO at Black and Decker\(^1\) transformed an entire corporate culture replacing a complacent manufacturing mentality with an almost "manic, market-driven way of doing things". Similarly the success of Food Lian, a $3 billion food-market chain that has grown at an annual rate of 37% over the past 20 years with annual returns on equity of 24% is attributed to a culture which emphasises hard work and simplicity. Other well known firms like Johnson and Johnson and Apple have been routinely praised for their innovative culture. Even the success of Japanese firms in the U.S. has been partly attributed to their ability to change the traditional culture developed under American Managers. Peters and Waterman report how a U.S. television manufacturing plant, under Japanese Management, reduced its defect rate from 140 to 6, its complaint rate from 70% to 7% and the turnover rate among employees from 30% to 1% all due to a changed management philosophy and culture.

Again the true "motor city" is no longer Detroit, but Toyotashi or Toyota City, from where Toyota has become the world’s number one auto-maker by utilising a uniquely powerful organisational culture. Now Toyota is making cars in plants around the U.S. where it has inculcated the Toyota culture in its American work force.
These Japanese cultural norms have been successfully introduced in Toyota's American plants with little difficulty and worker response has been strong and positive. Production is high, quality is high, and worker morale is high.

Culture is not always a positive force. It has also been implicated when firms run into difficulties. The CEO of a financially troubled computer land, William Tauoscher (1989), had attempted to restructure the firm, noting that "a low-cost culture is a must". Henry Wendt CEO of Smith Kline Beecham (1989) had attributed his firm's difficulties to complacency. "We have been victims of our own success... I want to create a new culture". Corporate culture has also been implicated in problems faced by Sears, Bank of America, Polaroid, General Motors and others. Even difficulties in mergers and acquisitions are sometimes attributed to cultural conflicts which make integration of separate units difficult. Failure to merge two cultures can lead to large number of conflicts, a loss of talent and an inability to reap the benefits of combined action.

2.1 WHAT IS ORGANISATIONAL CULTURE?

Some argue that organisational culture is simply "the way we do things around here". It is an attempt to give meaning to the uniqueness of a specific set of human relationships in an organisational setting.

To some people, the word culture may seem to be no more than a fancy way of saying "this is how we operate", "or this is the personality of the organisation", but there is more to it than that (Armstrong, 1987). In a paper delivered to the MEC International Personnel Management Conference in
April 1987, Dr. Nick Georgiades, Director of Human Resources, British Airways, in describing a massive and successful culture change programme, defined corporate culture as "a system of shared values (what is important) and beliefs (how things work) that interact with a company's people, organisational structure and control systems to produce behavioural norms (the way we do things around here)".2

Peters and Waterman (1982) offer a simple description of culture as "shared values". They highlight the importance by assigning to it the central position in the figure and that indicates its over-riding influence on the other six 'S's' namely structure, strategy, system, staff, style and skills. Tunstall (1983) defines corporate culture as a general constellation of beliefs, mores, customs, value systems, behavioural norms, and ways of doing business that are unique to each corporation.

Moorhead and Griffin 19893 have defined organisational culture as that "set of values often taken for granted, that help people in an organisation understand which actions are considered acceptable and which are considered unacceptable. Often these values are communicated through stories and other symbolic means".

A key element of that definition is the recognition that each organisation develops and inculcates a set of values that is unique to that organisation. The culture of an organisation may be inferred from the things, sayings, doings and feelings that are held in common.
Another key element of the definition is that the values that make an organisation unique are often taken for granted. Cultural values do not have to be written down or made an implicit part of employee training. Organisational culture is seen as being stronger when the values are basic unwritten assumptions held by all organisational members.

The final key element of the definition of organisational culture is the emphasis on symbolic means by which the values of the organisation are communicated. These symbolic means include symbols, stories, myths, sagas, legends, folktales, heroes, slogans, language, ceremonies, rites and rituals (Trice 1984).

1. Symbols

A symbol is an object, an act, a setting or an event that conveys meanings to others. In organisations, symbols represent organisational culture and values. At Marykay Cosmetics, a pink cadillac symbolised the sales person of the year. At Rock Well International¹, a PRIDE button stood for Personal Responsibility In Daily Effort and was given for special accomplishments. Sequint Computer Systems Incorporation symbolised its family orientation and commitment by installing a computer terminal in every employee's home so that family members could communicate with each other during the work day.

Semiotics and the study of Occupational and Organisational Cultures by Stephen R. Barley 1983⁵ addresses the meanings organisation members create, particularly through the symbols or systems of signs they employ. According
to him signification refers to both the processes by which events, words, behaviours and objects carry meaning for the members of a given community and to the content they convey.

'A Structurationist Amount of Political Cultures' by Patricia Riley 1983 describes the symbols used to create the political image of an organisation's culture. According to her power is an important aspect of culture, where culture is interpreted as a product - and - process of organisation member's sense making through their ongoing interactions. Present interactions are constrained by prior commitments and the process by which power structure is created is closely parallel to the process of creating a culture.

The above constitute examples of artifacts, or material objects used by organisations to facilitate culturally expressive activities. These artifacts are supplemented by physical settings, or things that surround people physically and provide them with immediate sensory stimuli as they carry out culturally expressive activities.

2. Stories

Stories are narratives based on actual events - often combination of truth and fiction - that are repeated over and over again because the stories convey important value lessons. They give examples of what is right and what isn't. They describe the accomplishments and characteristics of the organisation's leadership.
They explain the way people are supposed to behave in the organisation. Stories come in many varieties, including myths, sagas, legends, and folk tales. At Revlon Corporation the story is told that Charles Revson, head of the group insisted that employees arrived for work on time but seldom arrived himself much before noon.

The article Uniqueness Paradox in Organisational Stories by Joanne Martin, Martha & Feldman 1983 et al all discusses organisational stories and focusses on the claim that such stories are unique to particular organisations. The organisations claim uniqueness through cultural manifestations that are common across organisations. Martin et al seek to define common elements in organisational stories and to understand why this commonality exists. The core of each story concerns conflict between organisation’s needs and member’s values: equality versus inequality, security versus insecurity, control versus lack of control. The stories provide causal explanations and self-enhancing attributions for success or failure by portraying the organisation and its employees as uniquely good or uniquely bad.

A Rumpelstiltskin Organisation, Metaphors of Metaphors in Field Research" by Kenwyn K. Smith and Valerie M. Simmons 1983 in their study portray the early days of the organisation, a time rife with emotionality and conflict. The group then began to use the fairy tale to explain their situation. The theme of this paper is that fairy tales embody deep and powerful themes corresponding to people’s experience that would otherwise be covert and inaccessible. What elements of these tales make them so powerful? Why do leaders fail and how does their failure serve the deeper symbolic and psychological needs of followers are the aspects covered in the article.
3. **A myth** is a rather dramatic story of imagined events that are usually told to describe the origins or transformations of something related to the organisation’s culture. A myth represents an unquestioned belief regarding the practical benefits of specific techniques and behaviour that are not supported by demonstrated facts.

4. **A saga** is a historical story detailing the unique accomplishments of a group and or its leaders - normally in heroic terms.

5. **A legend** is a handed-down story about some wonderful event that is ingrained in the history of the organisation or the persons involved and has been embellished with fictional exaggeration.

6. **A folk-tale** is a completely fictional narrative that communicates culturally expressive materials about the organisation, its leadership, and its people.

7. **Heroes**: Heroes are the people who exemplify the character, deeds, and attributes of a strong and identifiable culture. They are the role models for all organisational members to follow and emulate.

8. **Slogans and Language**: Slogans are short phrases or sayings that clearly and succinctly express a critical organisational value. For example, on the walkways leading to their factories, Rockwell International painted footprints with the slogan, "Walk with Pride". At General Dynamics aircraft plants, signs in the shop area called on employees to, "Do it right the first time, every time".
Language is a distinctive form or manner in which group members use vocal sounds and verbal messages to convey meanings to each other.

9. **Rites, Ceremonies and Rituals**

A rite is a rather elaborate, dramatic and planned set of activities that consolidates and communicates various forms of cultural expressions into a single event, which is staged through social interactions and usually for the benefit of an audience.

A ceremony is a system of several rites connected with a single event or special occasion. Ceremonies are used to transmit and reward critical cultural values and behaviour. Sales organisations often stage testimonial dinners to honour the top sales people of the year. Most organisations host ceremonies for special awards for achievements, promotion, introduction of new products, opening of a new facility, or retirement of a distinguished colleague. Many organisations are known for their annual family picnics, sporting contests, music festivals, and other socially-oriented programs.

A ritual is a standardised, detailed set of technique and behaviours that manage anxieties, but seldom produce intended, technical consequences of real importance.

One of the most accepted concepts of culture is the one put forth by Edgar Schein\textsuperscript{10}. Schein suggests that culture exists on three levels: artifacts, espoused values and underlying assumptions.
Artifacts

Are the things that one sees, hears and feels when one encounters a new group with an unfamiliar culture. Artifacts include products, services and even behaviours of group members.

DEC\textsuperscript{11} work places worldwide are generally clean, spacious and well kept; a fact which is a symptom of high level of employee commitment as well as senior management concern. Staff at all levels tend to change their jobs and functions frequently. With the result that employees are usually broad minded and feel relatively unconstrained by rule or procedure.

Espoused Values

Schein calls the second level of culture espoused values. Espoused values are the reasons that we give for doing what we do. Schein argues that most organisational cultures can trace their espoused values back to the founders of the culture. At Du Pont for e.g many procedures and products are a result of the espoused value of safety. New members learn these espoused values and learn their meanings in the organisational context.

At Alpha\textsuperscript{12} it is widely believed that "truth" is discovered or produced by teams rather than individuals, that loyal individuals can expect a job for life and that technical achievement is more important than delivering the finished product on time or at a profit. These beliefs and values have their origin in the technical vision of the founder of the organisation.
Basic Assumptions

Schein's third level of organisational culture, are the beliefs that organisation members take for granted. Culture prescribes "the right way to do things" at an organisation, often through spoken assumptions. Before 1980, Managers at AT & T took as a basic assumption that any service they offered had to be available for customers.

The basic assumptions of General Motors under Alfred Sloan\textsuperscript{13} are well documented. Sloan created a company which relied on organisation teamwork, which implicitly believed that General Motors could withstand all competition and retain its dominance in the corporate world in the future. Unfortunately for General Motors, Sloan's simple formula of decentralised operations with centralised financial controls, market segmentation between and within operating divisions, committees to co-ordinate activities (such as purchasing, R & D) that divisions shared, failed to meet the Japanese challenge of the 70s. The example of the General Motors is a salutary lesson for organisations. It illustrates that leaders must be aware of the limitations which their companies basic assumptions place on its capacity to change and adapt. These basic elements are represented in the figure below.
Mary Jo Hatch (1993) argues that Schein's model continues to have relevance but it would be more useful if it were combined with ideas drawn from symbolic-interpretive perspectives. Dynamism is introduced into organisational culture theory by reformulating Schein's original model in processual terms. Four processes are examined (i) Manifestation (ii) Realisation (iii) Symbolisation and (iv) Interpretation.

i. Manifestation

Permits cultural assumptions to reveal themselves in the perceptions, cognitions and emotions of organisational members. Manifestation helps in constituting organisational culture by translating intangible assumptions into recognisable values. Manifestation occurs in two ways:
a. Proactive Manifestation

Refers to what organisational members assume to be true shapes what they value. This shaping occurs through the processes of proactive manifestation wherein assumptions provide expectations that influence perceptions, thoughts and feelings about the world and the organisation. Members recognise these reflections they both like and dislike and on this basis they become conscious of their values.

b. Retroactive Manifestation mode

Addresses the contribution of values to assumptions. This contribution consists of two possibilities: Values retroactively maintain or alter existing assumptions. In retroactive maintenance values and assumptions are harmonious and no further processing is necessary. In this case, the alignment of assumptions and values reaffirms basic assumptions as organisational members experience a confirmation of their culture. With respect to retroactive alteration of assumptions, the assumptions can be altered by the introduction of new values and the experience of success attributed to them. If new values provide successful outcomes then their maintenance over time will lead to their being taken for granted, at which point they become part of the culture’s core assumptions.

ii. Realisation Process

Culture dynamics claims that realisation brings the tangibility aspect out of artifacts. Cultural realisation is defined as the process of making values real by transferring expectations into social or material reality and by maintaining and altering existing values through the production of artifacts.
Symbolisation processes

From the cultural dynamics perspective, artifacts must be translated into symbols if they are to be apprehended as culturally significant objects, events or discourses. Such an apprehension bestows the status of recognised existence of certain forms within the culture with the implication that although all artifacts can be symbolised not all will be, at least not at all times and places for all organisational members.

Interpretation

Contextualises current symbolisation experiences by evoking a broader cultural frame as a reference point for constructing an acceptable meaning. The prospective mode of interpretation maintains or challenges basic assumptions, whereas the retrospective mode reconstructs the meaning of symbols. Cultural assumptions momentarily exposed during the process of interpretation, are opened to the influence of new symbols. In this way, the moment of interpretation makes it possible for culture to absorb newly symbolised content into its core.

The process of the cultural dynamics model is identified by considering how cultural elements are related. The circularity of the cultural dynamics model permits the start either in a clockwise or counter clockwise direction. All of the processes co-occur in a continuous production and reproduction of culture in both its stable and changing forms and conditions.
Fig 2: THE CULTURAL DYNAMICS MODEL

Values

Realisation

Artifacts

Symbolisation

Symbols

Interpretation

Assumptions

Manifestation


This new model called Cultural dynamics provides a framework within which the dynamism of organisation culture is discussed.

Culture may also be thought of as a potential social control system in which common agreements exist among people. Unlike formal control about what constitutes appropriate attitudes and behaviour systems that typically assess outcomes or behaviours only intermittently, social control systems can be much more finely tuned. When we care about those with whom we work and have a common set of expectations we are "under control" when ever we are in their presence, if we want to be accepted, we try to live up to their expectations. With social control we often feel as though we have great autonomy, eventhough paradoxically we are conforming much more.
Thus from a management perspective, culture in the form of shared expectations may be thought of as a social control system. Howard Schwartiz and Stan Davis 1989\textsuperscript{15} offer a practical definition of culture as "a pattern of beliefs and expectations shared by the organisation's members. These beliefs and expectations produce norms that powerfully shape the behaviour of individuals and groups'.'

Redfield's (1941)\textsuperscript{16} operational definition of culture is "shared network of common understandings". Some of these understandings are overt, physical and observable, but not all of them. Based on the above definition Margulies (1969) opined that there are two types of culture: Observable Culture and Inferable Culture. Observable culture is "the way in which work is organised, the degree to which tasks are integrated and interchangeable and the resulting interactions from such arrangements. There are certain inferable cultural elements associated with a particular observable culture - certain values and certain attitudinal and behavioural norms. Together they comprise the cultural systems of the organisation.

T.E. Deal and A.A. Kennedy 1983\textsuperscript{17} in their article feel that every organisation develops a core set of assumptions, understandings and implicit rules that govern day-to-day behaviour in the workplace. Transgressions of the rules on the part of executives and employees result in universal disapproval and powerful penalties. Conformity to the rules becomes an important basis for reward and upward mobility. It is not a coincidence that employees at Disneyland and Disney World appear to be almost universally attractive, clean looking with bright smiles. That's the image Disney seeks. The company selects employees who will maintain that image. And once on the job, both the informal norms and formal rules and regulations ensure that Disney employees will act in a relatively uniform and predictable way.
Robbins proposed that culture "is a relatively uniform perception held by the organisation; it is a descriptive concept, and it has common and stable characteristics that make it possible to distinguish one organisation from another". According to Robbins, first organisational culture is a perception, but it exists in the organisation, not in the individual. As a result, individuals, with different backgrounds or at different levels in the organisation tend to describe the organisation's culture in similar terms. They perceive a unique set of characteristics that are substantially organisation-specific. Second, organisational culture is a descriptive term. It is concerned with how members perceive the organisation, not whether they like it or not. It describes rather than evaluates. Finally, what is culture a perception of? The following seven characteristics tend to best represent an organisation's culture:

(1) Individual autonomy (2) Structure (3) Support (4) Identity (5) Performance reward (6) Conflict tolerance and (7) Risk rolerance. The organisation's culture is then a composite picture formed from these seven characteristics (Robbins, 1984). Amsa (1984) measured the sub-culture of a number of plants in terms of beliefs, values, norms and traditions prevailing in those organisations.

According to Mintzberg & Quinn (1991) "Culture is not an article of fashion, but an intrinsic part of a deeper organisational character in which the collective interest and unity of an organisation is built up through shared beliefs, habits, and traditions."
Morgan (1986) sees Corporate (Organisational) culture as: shared meaning, shared understanding and shared sense making. In talking about culture we are really talking about process of reality construction that allows people to see and understand particular events, actions, object utterances or situations in distinctive ways. These patterns of understanding also provide a basis for making one's own behaviour sensible and meaningful.

Handy (1993) also has an imaginative way of looking at organisation culture when he comments... any one who has spent time with any variety of organisations, or worked in more than two or three, will have been struck by the differing atmospheres, the differing ways of doing things, the differing levels of energy, of individual freedom, of kinds of personality. For organisations are as different and varied as the nations and societies of the world... They have differing cultures - sets of values, norms and beliefs reflected in different structures and systems.

Desmond Graves on reviewing the literature on culture indicates that previous thinkers and researchers have adopted one of the three view points concerning culture:

i. The culture is a product of the context - the market in which the organisation operates, legal constraints and so on. (Payne & Pugh) 1976.

ii. The culture is a product of the structures and functions to be found within the organisation. A centralised organisation will have a different culture from a decentralised one eg. Harrison 1972.
The culture is a product of people’s attitude to their work; it is the product of the individual psychological contacts with the organisation (James & Jones 1974).

Each of these separate approaches has at sometime been combined with each of the others.

Hence the term itself is applied at different levels and with a different compass. For managers as already mentioned it has served as a meta theory for the explanation and prediction of corporate effectiveness (Deal and Kennedy 1982; Peters and Waterman 1982). For academics it has been regarded either as a variable dependent or independent, within a functionalist system-oriented approach or as a root metaphor for organisation as a process (Smircich, 1983). Despite fragmentation in the approaches to organisational culture there is considerable overlap believing in the idea that organisational culture is a useful device in predicting effectiveness and differing only in the extent to which they believe that it can be engineered.

The term Corporate Culture is most frequently used for a culture devised by management and transmitted, marketed, sold or imposed on the rest of the organisation (cf Turner 1990) with both internal and external images (Marshall 1988, Jackson and Carter 1986) yet also including action and belief - the rites, rituals, stories and values which are offered to organisational members as part of a process of achieving membership and gaining commitment. ‘Culture in Work’ (Chistensen and Kreiner 1984; Turner 1990) ‘Work Place Culture’ (Abercrombie 1990) or Organisational Culture is more organic being the culture which grows or emerges within the organisation and which emphasises the creativity of organisational members as culture makers, perhaps resisting or ironically evaluating the dominant culture.
Work Culture has been defined by Walton (1979) as the combination of attitudes, relationships, developed capabilities, habits and other behavioural patterns that characterise the dynamics of the organisation.

The emphasis is on shared meaning and the aggregation of shared cultural values overlapping across subcultures in the way accommodating greater diversity by recognising a commonality of forms whose precise meaning may differ amongst individual members yet still included in the idea of a Corporate Culture (Smircich, 1983a).

Corporate Culture is less easily viewed as a sub-cultural aggregate than is Organisational Culture, although Culture in Work might not be amenable to such aggregation at all. The dual and simultaneous functions of integration (within cultural boundaries) and of differentiation (conforming or defining the boundaries) are clear as objectives in corporate culture although their actual enactment is frequently problematic, despite their moral burden which such a culture carries. Culture in work is essentially enacted by its nature and carries a potentially more powerful if more implicit and more narrowly focussed moral injunction (Mc Auley 1980, Lustead 1984). Cultural forms in both modes can provide a means of coping with and containing contradiction, ambiguity and opposition.

Though a slight demarcation can be seen in the terms used, however the terms Corporate Culture and Organisational Culture have been used interchangeably in this study.

These are a few definitions of culture viewed and expressed by different thinkers.
2.2 TOWARD A CULTURAL ANALYSIS OF ORGANISATIONS

Previously, the concept of culture was used mostly by sociologists and anthropologists. Sociologists for the most part, use culture to describe the "ideational aspect" of social life in order to distinguish culture from society or social structure. The anthropological approach by contrast, more often takes its entire subject matter as culture. The several streams of work that have been mostly influenced by sociologists are: the study of myth and ritual (Durkhekim, 1961), symbolic interaction (Goftman, 1959) and the study of organisations as institutions. Anthropologists, like Radcliffe Brown - (1952) and Malinowski (1961) encourage the scholar to consider a group or society as a whole and to see how its practices, beliefs, and other cultural elements function to maintain social structure. Geertz (1973) has focussed on language and symbols. Cultural descriptions, according to Goodenough (1971), require the discovery and writing out of systematic rules the members of the culture implicitly use to generate acceptable behaviour.

Andrew M. Pettigrew 1979 suggests attempts to integrate concepts widely used in sociology and anthropology to the theoretical language of organisation behaviour. The focus has been to discover how organisational cultures are created. The problem has been approached through the concepts of symbol, language, ideology, belief, ritual and myth. Attention has been drawn to their value not only in understanding the creation of new cultures but also in unravelling the related processes by which entrepreneurs give energy, purpose and commitment to the organisations they bring into being.
Trice and Beyer (1984) identified 13 distinctive cultural forms (1) rite (2) ceremony (3) ritual (4) myth (5) saga (6) legend (7) story (8) folk-tale (9) symbol (10) language (11) gesture (12) physical setting and (13) artifacts.

Kohlberg (1969) & Perry (1970) argued that moral reasoning develops as individuals move from simple imperatives through more complicated analysis to the ambiguous, the uncertain and even contradictory as bases for moral decision. It was proposed that organisational analysis evolved in the same manner toward more complex, paradoxical and even contradictory modes of understanding.

Linda Smircich 1983⁴ surveys the roots of the concept of culture in anthropology and suggests relationships between the concept and organisation analysis. Smircich identifies five research themes that represent intersections of culture theory and organisation theory, comparative management, corporate culture and organisational cognition, organisational symbolism and unconscious processes. These themes form the bases of her explanation of the power, possibilities and limits of the concept of culture. In the organisational analysis culture can be either a variable or a metaphor. Smircich argues that the power and limitations of the culture concept for organisational analysis can only be assessed with reference to the particular purpose the researcher is pursuing. Whether emphasis is on symbolic means of communication, the creation and persistence and change of meaning structure within organisations; organisations as shared knowledge; or organisations as manifestations of unconscious mental or social operations, in each case attention is toward the more subjective aspects of organisations.
Anthropologist Kathleen L. Gregory 1983 focuses on natives views used in the special anthropological sense of the research subject. Her aim is to understand in their own terms the varieties of behaviour of that of functional specialists in Silicon Valley electronics firms. She emphasised that the meanings contained in a culture strongly influence individual's behaviours. Culture is defined as a system of meanings that accompany the myriad of behaviours and practices recognised as a distinct way of life. Cultural meanings are "apparently shared" following Becker who suggested that people interact as if they shared culture. The meaning and the categories for grouping respondents were drawn from the subject's descriptions.

The shared categories underline the importance of functional speciality and also show the impact of functional specialisation on perception.

Besides sociology and anthropology, social psychology has an important bearing on the development of the study of organisational culture.

"Transaction costs, property rights and organisational culture : An Exchange Perspective by Garbeth R. Jones 1983" takes a perspective on culture, blending economics, anthropology and organisation theory. Culture develops as the outcome of negotiation over property rights and the expectations that are created. Norms and values emerge to actualise rights and enact obligations among organisation members creating a context that determines the value of what is exchanged and affects the method of enforcement. The striking aspect of this study is that the external observer's view as well as the economic character of the model were considered.
Many organisational scholars have been influenced by tradition in psychology of studying the disjuncture between expressed intention and observed behaviours (e.g. Festinger, 1967; Kelley, 1977) variously developed as the study of cognitive dissonance, persuasion, and of attribution. This tradition has consistently drawn attention to the non-rational features of individual behaviours. For example, cognitive psychologists have shown systematic biases in the way people assess causality and make decisions (Kahneman and Tversky, 1979). People tend to use story or single-case information more than multiple observations to make judgements (Borgida & Nisbett, 1977).

They also engage in self-serving rationalisations of the past, attributing success to their own efforts and failure to external forces beyond their control (Weiner et al 1971). Apparently, organisations similarly attribute success to managerial skill and poor performance to a poor economy or other external forces (Staw et al. 1982).

The importance of these ideas for organisational scholars has been to support the view that decision-making in organisations is not consistently rational. Goals are often discovered or created after the organisational activities they are supposed to direct (Weick, 1979).

A second significant line of social psychology for the study of organisational culture has been the study of organisational climate (Forchand and Gilmer, 1964; Tagiuri, 1968). Studies of climate have been sometimes indistinguishable from some current studies of organisational culture.
Since 1970s, the term "culture" has been increasingly used in studies of organisational behaviour because of the growing realisation among organisation scientists and management consultants that the culture of an organisation has much influence on organisational effectiveness. The rise in interest for research on organisational culture came about because Japanese firms were, during the late 1970s and the early 1980s, widely considered to have superior operating characteristics, but the forms of organisational research dominant then emphasised formal structure and so failed to uncover any difference between Japanese and Western firms. As a consequence, researchers began to examine the possibility that different national cultures might have penetrated modern corporate forms, thus creating difference in organisational cultures. Several early studies give credence to this approach which lead to the possibility that even within a single national culture there might be local differences in the culture of firms. Perhaps it is through culture, rather than formal structure, that large firms can be bent to the will of their masters and rendered predictable and "rational" (Ouchi & Wilkins, 1985).

Communication to Self in Organisations and Cultures by Henri Broms and Henrik Gahmberg 1983 offer a different way of approaching organisations and culture. Culture is seen as group values embedded in shared value-laden images or myths. A centre for focus is autocommunication, communication with self which produces the symbols and shared images that form culture. Strategic planning fills an important symbolic role in this process.
Hence for organisational analysis it is necessary to be able to perceive and understand the complex nature of organisational phenomena both at micro and macro levels, organisational and individual, conservative and dynamic. Organisations must be understood in multiple ways as having "machine-like" aspects, "life-like" aspects, "culture like" aspects and others yet to be identified as new ideas and new ways of looking at things can be valuable.

2.3 DIMENSIONS OF CULTURE

An important yet difficult research question arises as to the dimensions on which the culture of the units could be measured. In order to get reliable and appropriate factors that determine culture, commonly used factors were identified from the numerous studies conducted on the subject.

A brief account of the varied factors considered in several studies is presented below. Robbins Stephen\textsuperscript{25} in his authored book "Organisational Behaviour" has listed these as characteristics of Corporate Culture.

1. \textbf{Individual Initiative}

This refers to the degree of responsibility, freedom and independence that individuals have in their organisations.

2. \textbf{Risk tolerance}

The degree to which employees are encouraged to be aggressive, innovative and risk seeking in their units.

3. \textbf{Direction}

The degree to which the organisation creates clear objectives and performance expectations.
4. Integration
   The degree to which units encourage working in a co-ordinated manner.

5. Management Support
   Degree to which managers provide clear communication, assistance and support to their subordinates.

6. Control
   Number of rules, regulations and amount of direct supervision that is used to oversee and control employee behaviour.

7. Identity
   The degree to which members identify with the organisation as a whole rather than with their particular work, group or field of professional expertise.

8. Reward System
   Degree to which reward allocations (salary, increase, promotions) are based on employee performance criteria in contrast to seniority or favouritism.

9. Conflict Tolerance
   Degree to which employees are encouraged to air conflicts and criticisms openly.

10. Communication Patterns
    Degree to which organisational communications are restricted to the formal hierarchy of authority.

    Thomas Peters and Robert Waterman have explained eight attributes that emerge to characterise very closely the distinction of best run and excellent American Companies. These are:
1. **Bias for Action**

Importance is given to the concept of informality and open communication. Working in small groups, willingness to try things out, to experiment management’s ability to accept mistakes of employees, to encourage champions are viewed here.

2. **Close to the Customer**

Under this factor service obsession is the motto: internal and external customer satisfaction is measured on a regular basis, intensive training in sales, joint review of losses, role models at top, excellence in quality, reliability of performance and loyalty in dealer relationships are considered in this factor.

3. **Autonomy and Entrepreneurship**

This refers to the freedom given to employees to think innovatively.

4. **Productivity through People**

Importance is given to the individual. Better interaction and interrelations with one another is emphasised here.

5. **Stick to the Knitting** factor believes in the diversification strategy adopted around a single skill or related fields and not into a wide variety of fields.
6. Simple form, lean staff

Pertains to keeping things understandable, flexible in responding to fast changing conditions in environment. Excellent companies appear to be reorganising all the time.

7. Hands-on, Value Driven

Figuring out the value system, deciding what the company stands for, what the enterprise does to give pride to everyone and greater visible management are some of the aspects studied here.

8. Simultaneous Loose - Tight Properties

Refers to the rigidly controlled yet allowing autonomy entrepreneurship and innovation to people in the organisation. A combination of the above mentioned factors and shared values are considered as ideal for excellent companies.

Charles O Reilly's (1989)\textsuperscript{th} culture was studied as a normative order where the central norms characterise an organisation. Norms are expectations about what are appropriate or inappropriate attitudes and behaviours. It plays an important part in promoting innovation. Norms that promote innovation was approached from two aspects:

**I Norms to promote Creativity:** Covering (1) Risk Taking (2) Rewards for change (3) Openness
II Norms to promote Implementation: through (1) Common goals (2) Autonomy and (3) Belief in Action.

If these norms are widely shared and strongly held by members of the organisation, they would actively promote the generation of new ideas and would help in the implementation of new approaches.

P. Singh and G.S. Das*^ aimed at examining culture as a set of systems comprising of Leadership style, Communication pattern, Control Systems, Organisational goal setting, Delegation of authority and responsibility.

Bikash Bhadury (1991)^12 studied the dynamics of organisational work culture important in the Indian context as follows:

(1) Discipline (2) Team work and co-operation (3) Communication and Consultation (4) Delegation of Authority (5) Activation levels of individuals and groups (6) Identity - a sense of belonging and the response of individuals and groups to challenges of responsibility (7) Flexibility and work innovation (8) Role of Unions and Associations.

Another interesting study by Geert Hofstede, Bram Neuijen, Denise Daval O, Geert Sanders (1990)^14 contained a check list of questions to identify organisational values. The manifestations of culture covered in the check list were: Symbols, heroes, rituals and values. The first three are subsumed under the common label "Practices". Value items describe what the respondent feels "should be" where as the practice items of what he or she feels "is". Work goals and general beliefs deal with values and perceived practices in one's work situation were assessed and formed the basis of study.
Pratap Rudra Pardia, Purnima Mathur and Amulya Khurana 1990 have attempted to develop an instrument that can measure the culture of industrial organisations as perceived of members belonging to those organisations. According to them the following seven characteristics tend to best represent an organisation's culture (i) Individual autonomy (ii) Structure (iii) Support (iv) Identity (v) Performance Reward (vi) Conflict tolerance (vii) Risk tolerance. These variables are more or less similar to those enlisted by Robbins.

Pascale & Athos (1981) used certain variables which were described as 'hard' (ie. strategy, structure and systems) meaning that these were the more easily measurable and predictable dimensions and to some people more convincing as sources of evidence about organisational performance. The others were seen as 'soft' (i.e. shared values, management style, skills) in that they were less tangible, less predictable and implicit rather than explicit. It was observed that the so called 'soft' variables have shown themselves to be more significant to success than the 'harder' quantifiable elements.

Goldsmith and Clutterbuck (1985) in their study of successful companies, isolated a number of key characteristics of good management.

1. Leadership

(i) In the presentation and commitment to a clear vision of where the organisation is going by top management and

(ii) Where managers at lower levels have and espouse understandable objectives and the resources to support and pursue them.
2. **Autonomy**

Different companies have different areas, where they need to encourage entrepreneurial spirit.

3. **Control**

Seeking a balance between strict controls on certain issues and flexibility elsewhere. Companies tend to enforce the control perception by practice and by consensus those particular procedures as 'the right way of doing things' rather than by rule books.

4. **Employee Involvement**

By means of a variety of extrinsic and intrinsic rewards.

5. **Market Orientation**

This is basically an acceptance of the primary importance of the customer to every function of the company.

6. **Zero basing**

This refers to the practice of going back to first principles on every major aspect of the organisation's activities.

7. **Commitment to Innovation**

i.e. innovation as a means to an end being customer satisfaction and related goals.

8. **Integrity**

Adopting an honest and consistent approach to all the company's major stakeholders.
Most business enterprises and most voluntary organisations begin life as an idea in the minds of one or two individuals. One only has to think of Michael Marks and Tom Spencer in the retail world, Peter Benenson who founded Amnesty International in 1961 and more recently Bill Gates of Microsoft. What is it that these charismatic people brought to their infant organisations many years ago. How these are able to survive the changing circumstances, yet still bear cultural marks of the founder?

It is mainly the beliefs implicit in the initial vision of these charismatic individuals who developed famous enterprises on the basis of what seemed to them to be a good idea or a desperate need.

The figure below shows the initial steps that are likely to be taken in the earliest stages after the visionary idea has been sown. These will include:

1. **The recruitment of like minded individuals**
   
   Such persons will be attracted instinctively to the founders' vision and aims.

2. **The development of group norms**
   
   i.e. standards of behaviour such as working for each other - these are likely to be strongly influenced by the founders in the formative stages.

3. **Statement of espoused values**
   
   i.e. publicly stated values claimed by the organisation. The founders or initiators will have the greatest influence on these values in the early stages. The organisation's leadership must demonstrate to other stake holders that what it is saying it truly believes and acts accordingly.
4. **Production of mission statements**

   Statements which provide visible evidence of espoused values and norms, and are the platform for the organisation’s relationships with the various stakeholders.

5. **The introduction of appropriate communication systems and decision making arrangements**

   These measures are designed to assist the internal integration within an organisation.

6. **The installation of organisational procedures and rules**

   These also promote integration by setting standards for members to follow.

7. **Promotion of organisational symbols**

   Demonstrate the unity of the organisation; they come to embody a certain reputation.

8. **Development of key rituals**

   These help to establish the organisation’s ethos.

9. **Production of policy statements on key issues**

   These like mission statements, lay the basis for relations with stakeholders.

10. **Finally there will be activities aimed at**

    Assisting of learning throughout the organisation. Such activities include the induction of new employees, members, group meetings, training sessions etc.
These are a few of the crucial culture-building activities that move the organisation from its conception to the budding stage.

Earlier studies have explored on the idea of person-organisation fit but recent interest has centered on the idea that organisations have cultures that are more or less attractive to certain types of individuals. Hence congruency between an individual's values and those of an organisation may be at the crux of person-culture fit. To study this idea an extensive and detailed paper was
presented by O’ Reilly Chatman and Caldwell (1991) measuring organisation and person-culture fit using a profile comparison process. For this purpose an exhaustive organisational culture profile called the OCP containing 54 items was considered from factors like (1) Innovation and Risk taking (2) Attention to detail (3) Orientation toward outcomes or results (4) Aggressiveness and competitiveness (5) Supportiveness (6) Emphasis on growth and rewards (7) Collaborative and team orientation (8) Decisiveness.

Highly inspired and interested from the above ideas of the articles the present research work is designed to study a few organisational culture variables and to determine the extent of person-culture fit in organisations under Indian conditions and environment. The factors that characterise organisational culture have been drawn from those put forth mainly by Robbins Stephen and Thomas Peters and Robert Waterman which were considered suitable in the Indian context. These are:

1. **Action Orientation**

   Meaning work facilitation. The extent of organisational fluidity leading to quick action and use of communication - informal especially. Working in small groups other than department or division categorisation.

2. **People Orientation**

   Refers to importance given to the individual. Employees being treated with fairness. A respect for individual’s right and concern shown over the growth and development of employees.
3. **Customer Orientation**

   Periodic review of customer satisfaction, extent of involvement in monitoring complaints and feedback.

4. **Attention to detail and discipline**

   The extent of adherence to rules and regulations formulated by the organisation. The degree of over-seeing and observation of employees, importance of time consciousness at work are studied here.

5. **Risk Tolerance and Innovation**

   The extent to which employees are encouraged to raise conflicts and criticisms openly. Positive attitude and persistent support for good ideas, extent of tolerating employee’s failures by management cover this factor.

6. **Management Support and Direction**

   Is required of a nature which is rigidly controlled yet allowing autonomy and freedom to subordinates. Proper guidelines and direction in jobs and work process are examined. Extent and nature of involvement in decision-making activities permitted by the management are studied here.
7. **Rewards and growth system**

The degree to which reward allocations are based on employee performance, extent of opportunities provided for their growth are considered in this factor.

8. **Achievement Orientation**

Extent to which organisation stimulates enthusiasm for getting work done and encourages healthy competition amongst its employees.

The above mentioned eight factors have been considered for the purpose of this study. Their validity and importance is proved in the following chapters.

2.4 **STRONG AND WEAK CULTURES**

Some organisational cultures are considered strong and others weak. There are two major factors that determine the strength of an organisational culture-sharedness and intensity. Sharedness refers to the degree to which the organisational members have the same core values i.e. the homogeneity and stability of group membership and the length and intensity of shared experiences of the group. If a stable group has had a long, varied and intense history (if it has had to cope with many difficult survival problems and has succeeded), it will have a strong and highly differentiated culture. If a group on the other hand, had a constantly shifting membership or has been together only for a short time and has not faced many difficult issues, it will have a weak culture. Although individuals within that group may have very strong individual assumptions there will not be enough shared experiences for the group as a whole to have a defined culture.
By this definition one would probably assess stable companies with long survival periods to have strong cultures whereas very young companies or those which have a high turnover of key executives to be judged as having weak cultures. It should be noted that an organisation has a strong culture if the dominant coalition or leadership remains stable. The culture can survive high turnover at lower ranks because new members can be strongly socialised into the organisation. One can hypothesise that young groups strive for culture strength as a way of creating an identity for themselves but older groups may be more effective with a weak total culture and diverse subcultures to enable them to be responsive to rapid environmental change. Hence each specific group will have its own culture. If a total corporation consists of stable, functional, divisional, geographic or rank-based sub-groups, then that corporation will have multiple cultures within it. It is also possible for such multiple cultures to be in conflict with each other without a single corporate culture. On the other hand, if there has been common corporate experiences as well, then one could have a strong corporate culture over and above the various sub-cultures that are based in subunits. This requires the understanding of locating stable social units, what cultures each of those units have developed and how those separate cultures blend into a single whole. The total culture could then be very homogeneous or heterogeneous according to the degree to which sub-group cultures are similar or different.
2.5 CULTURAL PLURALITIES

According to the views mentioned above organisational culture is a common perception held by the organisation's members. Every member in the organisation would have to share this perception.

However realistically all may not do so to the same degree. As a result, there can be a dominant culture as well as sub-cultures throughout a typical organisation.

A dominant culture is a set of core values shared by a majority of the organisation's members. For example most employees at Delta Airlines seem to subscribe to such values as hard work, company loyalty, and the need for customer service. At Hewlett-Packard most of the employees seem to share a concern for product innovativeness, product quality and responsiveness to customer needs. These values create a dominant culture as well as sub-cultures throughout an organisation. A sub-culture is a set of values shared by a minority (small group) of organisation's members. Sub-cultures are a result of problems or experience, that are shared by members of a department or unit. Sub-cultures can weaken and undermine an organisation if they are in conflict with a dominant culture and or overall objectives. Successful firms, however find that this is not always the case.

As Alvesson & Melin (1987) suggest, the recognition of conditions of multi-dimensionality and heterogeneity is not in itself sufficient to justify the interpretation that a number of sub-cultures exist as parts of an overall culture. They prefer to talk of "cultural fields". This gives rise to strategic questions: Does the existence of sub-cultures or sub-cultural forms destroy the
value of an overall culture? Is attempting to create such a culture wasted effort especially in view of the evidence that many strong cultures can become monolithic and maladaptive (Johnson 1987). Should one question the validity and generalisability of the link between cultural homogeneity and organisational performance (Business Week 1984, Barney 1986, Westley 1990); should sub-cultures on the other hand be stamped out, rendered illegitimate or driven under ground?. An answer to the above questions lies in the study of Ed Young (1989)37.

Ed Young has studied the elements of organisational culture through examples and events in organisations. He is of the view that managerial literature on organisational culture concerns with the existence of shared values in organisations. However collective sentiments and values may also express divisions amongst organisational groups and interests. This narrow unitary focus neglects one of the processes marking organisational culture as a distinctive set of social relationships. These themes were illustrated by means of an account of shop-floor relationships in a small manufacturing firm. Hence a more practical focus for research into organisational culture lies in highlighting the dynamics of relationships between organisational interests.

The elements of organisational culture can be found only at the level of the everyday work routine. Detailed social processes informing relationships between organisational interests that the content of organisational culture is continuously formed and reaffirmed. What appears as common, dull detail is actually the development of norms and values whereby events and relationships in the organisation are given meaning. The mundanity of the everyday is an illusion, for it is within these details that the dynamics of organisational culture come into being and use.
The second theme puts forth the idea that the existence of diverse interests within organisations uphold a plurality of beliefs and values regarding organisational events. Therefore the manifestations of organisational culture carry multiple meanings, capable of emphasising both unity and distance. Once it is recognised that events in organisations are invested with multiple meanings and that these different interpretations are associated in turn with different organisational interests, then the idea of culture itself takes on an additional dimension. The standard definition of organisational culture also emerges as concerning relationships between interests and groups within the organisations, so that there are two levels to consider. First set of values and beliefs more or less that delineate group identity and second set delineates those social processes which condition relationships between groups.

While cultural values within the organisation may express unity and division, the common membership of organisational participants within the corporate entity acts to curtail and mask the more extreme statements of divided interest. This is one of the distinctive features of organisational cultures toward a bounded statement of internal differentiation. Disputes may exist but they are controlled in their expression usually by a mix of formal and informal codes. Consequently an organisation's culture will be distinguished by various processes and administrative devices both constraining and facilitating the manifestation of sectional interests inside the organisation. It is this tension between fragmentation and unity which the author believes to be organisational culture while the symbols, artifacts, myths etc informing organisational events are the explicit manifestation of it.
2.6 VALUES: THE ESSENCE OF ORGANISATIONAL CULTURE

Values represent basic conviction that "a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or end state of existence"\(^\text{38}\). They contain a judgemental element in that they carry an individual's ideas as to what is right, good, or desirable. Values have both content and intensity attributes. The content attribute says that a mode of conduct or end-state of existence is important. The intensity attribute specifies how important it is when an individual's values are ranked in terms of their intensity, a set of values is obtained. A hierarchy of values hence forms a value system.

Every type of organisational culture is characterised by a set of values which are the essence of culture in an organisation. Values form the foundation or basis of the culture of an organisation. When clearly articulated and shared by all the members, values serve as the centrifugal force around which all the activities within the organisation revolve. The upheld values like innovation, customer service, quality etc. are reflected in the strategies, structures, programmes, policies, processes and in all the culture bearing mechanisms, symbols, languages, rites, rituals, myths and stories. All these collectively reinforce culture, depending upon the quality and intensity of communication and inculcation of values cherished and nourished by the organisation concerned.

What personality is to an individual, culture is to an organisation. One of the important ways of understanding the individual personalities is to decipher the personal value system that governs the individual behaviour. This is because a value system is a frame work of personal and or collective philosophy which governs and influences responses and reactions of individuals to any situation.
Just as the personal value system influences effectiveness of individual managers, the shared value system collectively influences the behaviour of the organisation members. Shared values have strong influences on the way people go about doing their jobs and help to reduce anxieties, ambiguities and uncertainties. Individuals in such groups develop similar mind sets acting in accordance with the commonly understood values, norms, beliefs, customs and other practices and the transmitted pattern of life. Consequently, the process of managing and or building a desirable culture within the organisation begins with articulation and development of a large communication network so that people within share the basic values which guide realisation of the vision and mission of the organisation.

In an abstract of the paper D. Amarchand and R. Ramesh Kumar (1996) studied and identified three groups of executives who have western, eastern and mixed world views. Indian business managers no longer are East oriented in their lenience. Some have adopted the western view while still others have both leanings. This probably signals a changing phase and some conflict is bound to arise in this process. However it must be construed as the emergence of a new Indian view when the paradigm of different forms based on a single theme shift is completed.

2.6.1 Values and Corporate Culture

As a system of shared values, the corporate culture reflects a climate within which people value the same things and apply these to benefit the corporation as a whole. One example is the dominant value of customer service at IBM. This value helps keep everyone from top management down to persons on the factory floor pulling in the same direction. To the extent employees
understand and share values, their behaviour would be uniform and consistent. Performance of individuals, groups and organisations as a whole would benefit. Research shows that managers who sense a compatibility between their personal values and those of the organisations experience feelings of success in their lines and show high regard for organisational objectives and have a healthy assessment of the values and ethics of their colleagues, subordinates and bosses. Hence strong cultures that fit the needs and challenges of the situation are "in" whereas weak or poorly matched cultures are "out".

The figure shows the values of managers from five countries. As the figure indicates, pragmatism and moralism are the major value orientations that have been observed among managers. Japanese Managers are highly pragmatic (67%) while Indian Managers are highly moralists (44%) in nature.
**FIGURE 4: VALUES OF MANAGERS ACROSS COUNTRIES**

**Indian Managers**
- N=623
- Pragmatists 34%
- Moralists 44%
- High value on stable organizations with minimal or steady change
- High value on personal goals and status orientation
- Low value on most employee groups

**US Managers**
- N=997
- Pragmatists 57%
- Moralists 30%
- High achievement and competence orientation
- Emphasis on profit maximization, high productivity, and organizational efficiency

**Australian Managers**
- N=351
- Pragmatists 40%
- Moralists 40%
- High level of humanistic orientation
- Low value on organizational growth and profit maximization
- Low value on achievement, success, competition and risk

**Japanese Managers**
- N=374
- Pragmatists 67%
- Moralists 10%
- High achievement and competence orientation
- Most homogeneous managerial value system of the five countries studied

**Korean Managers**
- N=211
- Pragmatists 53%
- Moralists 9%
- Low value on most employee groups as significant reference groups
- Self-oriented achievement and competence orientation

**Source:** Attitudes, Values and Perception - M. Gangadhara Rao and Surya P. Rao
Kaniskha Publishers, Distributors, New Delhi 1996 Edn. Pg.141
2.7 CORPORATE TRIBES: IDENTIFYING THE CULTURES

Many models have been constructed to describe organisational culture. One of the most comprehensive and widely known model is put forth by Deal and Kennedy. After examining hundreds of corporations and their business environments many companies fall into four general categories or types of cultures. These categories are determined by two factors in the market place: the degree of risk associated with the company's activities and the speed at which companies and their employees get feedback on whether decisions or strategies are successful. The four cultures are:

i) **The tough guy macho culture**: Comprising of a world of individualists who regularly take high risks and get quick feedback on whether their actions were right or wrong.

ii) **The work hard or play hard culture**: Where fun and action are the rule and employees take few risks, all with quick feedback. To succeed, the culture encourages them to maintain a high level of relatively low-risk activity.

iii) **The bet-your company culture**: Cultures with big stakes decisions, where years pass before employees know whether decision has paid off. A high risk slow - feedback environment.

iv) **The process culture**: A world of little or no feedback where employees find it hard to measure what they do; instead they concentrate on how its done. Another name for this culture when the processes get out of control - bureaucracy!
However no company precisely fits into any one of these categories. Within any single real-world company, a mix of all four types of cultures will be found. Companies with very strong cultures artfully blend the best elements of all four types in ways that allow these companies to perform well when the environment around them changes.

Harrison's (1972) model provides one realistic solution to the problem of creating a taxonomy that can be related easily to the structural elements, human values and external conditions. Based on the Tannenbaum-Schmidt power continuum, it hypothesised four basic cultures. The first 'Power-type' entails strong centralised leadership and conforming behaviour by subordinates. In such a climate conflict is to be expected but mainly of a 'vertical' nature. It is likely that the structure of the organisation will be poorly defined with power wielded by the man at the top. In the 'role-type' organisation power is still concentrated into a few hands but the role structure is clearly defined. In such bureaucratic cultures alienation and self-seeking are apparent and there is relatively less commitment to organisation goals. Harrison's third type called 'the task-culture' is meant to describe those organisations where emphasis is laid upon consultation and co-operation rather than coercion or the exercise of authority. Harrison saw a good deal of creativity arising out of the proper exercise of task culture. Finally the 'atomistic culture' is the one where there is little formalisation and little attention paid to the leader. These four cultures can be integrated using the two basic building blocks of organisation - centralisation and formalisation. Power type cultures evince centralisation but not formalisation, task type
cultures are formalised but not centralised, role type cultures are both and atomistic cultures are neither. Furthermore, it is possible to conjecture that task type cultures are more a prey to the vicissitudes of the market place than the more rigidly bureaucratic role culture or the individually controlled power culture and it is possible to show that as organisations develop and become less market dependent they move from one type of culture to another. It is also a powerful tool for analysing the need for organisation change when market conditions change and shows how changes are made across the model (eg. from power to task) create much more organisational upheaval than changes round the model (eg. from power to rule).
HIGH FORMALISATION

ROLE

TASK

HIGH CENTRALISATION

LOW CENTRALISATION

POWER

ATOMISTIC

LOW FORMALISATION


Handy has identified four main types of culture found in organisations summarised as follows:
### Fig 6: THE TYPES OF CULTURES

<table>
<thead>
<tr>
<th>Type</th>
<th>Metaphor</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Culture</td>
<td>A Web</td>
<td>Control/power emanates from the centre. Very political and entrepreneurial, resource power predominates. This culture serves the figure head and the leader.</td>
</tr>
<tr>
<td>Role Culture</td>
<td>A Greek Temple</td>
<td>Classical structure, bureaucratic nature, roles more important than the people who fill them, position power predominates and expert power tolerated. This culture serves the structure.</td>
</tr>
<tr>
<td>Task Culture</td>
<td>A Net</td>
<td>The focus is on completing the job; individual's expertise and contribution are highly valued, expert power predominates, but both personal and position power are important. The unifying force of the group is manifested in high levels of collaboration.</td>
</tr>
<tr>
<td>Person Culture</td>
<td>A Cluster/Galaxy</td>
<td>A loose collection of individuals usually professionals - sharing common facilities but pursuing own goals separately. Power is really an issue, since members are experts in their own right. This type of culture serves the individual.</td>
</tr>
</tbody>
</table>

Source: Organisational Behaviour - Gower Pg238.

Handy's model considerably oversimplifies the realities of organisation culture, which more likely is composed of elements of all four types. He admits that this typology is impressionistic and imprecise.
2.8 MANAGING ORGANISATIONAL CULTURE: FANTASY OR REALITY?

Any manager who is seriously interested in managing culture must be certain and unambiguous about what is to be managed and what outcomes desired. Specific policies and success levels will vary depending on the definition of culture and the changes desired.

According to Deal and Kennedy in strong culture companies managers take the lead in supporting and shaping the culture. One of the major jobs a manager faces is resolving and reconciling differences among sub groups in a culture. He will,

1. **Encourage each subculture to enrich its own cultural life.**

   Rather than be afraid of subcultures pulling apart, a manager will seek to strengthen each sub-culture and generally endorse the sub culture's existence and meaning within the larger culture.

2. **Try to focus subcultures on understanding the problems of other subcultures.**

   A typical play of a manager confronted with an issue of possible cultural clash will be to assign transition each drawn from one of the subcultures in conflict - to study the problem of the other and formulate recommendations. By setting each subculture tasks that force it to understand and cope with the problem of the other, the manager will benefit both by educating the members
of each team to the problems of the other subculture and by the fresh perspectives that each team conditioned by its own experience - will bring to the problems of the other subculture.

3. **Point out how the overall culture is richer because of the strength of the subculture.**

Once the learning and sharing of experience is complete the manager will go all out to point out how each subculture brings unique strength and values to the overall culture and how the subcultures all add value. Thus the whole experience of subculture clash will be used as a forum for enriching the cultures and bonding the groups together.

Companies with strong cultures are strong because they tolerate and encompass differences. Recognising this, managers revel in opportunities to capture these differences in a productive manner. In the process, all people involved feel better about their own role in the culture and more strongly a part of the whole.

2.9 **ETHICAL AND LEGAL ASPECTS OF MANAGING CORPORATE CULTURES.**

In the rush to create more competitive corporate cultures, important principles based on ethics and law have been neglected. Hence the need for Ethical and Legal Aspects of Managing Corporate Cultures. A strong part of the appeal of the literature on corporate culture is that it cites examples of companies, such as IBM and Hewlett-Packard where employees appear to be
treated in a fair and responsible fashion. How many managers can judge what is fair and responsible treatment? Reliance solely on subjective measures can lead to vague and inconsistent management policies. Recommendations for managing corporate cultures, read alone, provide little in the way of principled guidelines for employment relationships, they focus on shaping values related to performance with out adequate regard for ethical and legal consequences. The following are four suggestions for merging the two sets of concerns in shaping and managing a more responsible corporate culture.

**Recommendation 1.** "Managers concerned should be realistic in setting values and goals regarding employment relationships. Do not promise what the organisation cannot deliver".

**Recommendation 2.** "Encourage input from throughout the organisation regarding appropriate values and practices for implementing the culture. Choose values that represent the views of employees as well as managers".

**Recommendation 3.** Do not automatically opt for a "strong" Culture. Explore methods to provide for diversity and dissent such as grievance or complaint mechanisms or other internal review procedures.

**Recommendation 4.** Provide training programs for managers and supervisors adopting and implementing the corporate values. These programs should explain the underlying ethical and legal principles and present the practical aspects of carrying out procedural guidelines.
2.10 WHY IS CULTURE IMPORTANT?

There are a few reasons why a strong culture is valuable:

1. Every firm has implicitly or explicitly a competitive strategy which dictats how it attempts to position itself with respect to its competitors. Once established, a firm's strategy dictates a set of critical tasks or objectives that must be accomplished through a congruence among the elements of people, structure and culture. The choice of a strategy also has significant implications for the informal organisation or culture: that is the norms of the organisation must help execute the strategy.

2. Culture is critical in developing and maintaining levels of intensity and dedication among employees that often characterises successful firms. This strong attachment is particularly valuable when the employees have knowledge that is instrumental to the success of the organisation or when very high levels of motivation is required.

3. Culture enhances social system stability where in it guides and shapes behaviours of individuals.

4. OD interventions are often directed at the cultural sub system to allow for the questioning of values and norms under which people operate. These activities then serve to make the culture more receptive to change facilitating the realignment of the total organisational system into a more viable and satisfying configuration.

5. Study of culture helps in understanding as to how mergers and acquisitions can be done smoothly across countries.
6. It has a boundary defining role; i.e. it creates distinctions between one organisation and others. It conveys a sense of identity for organisation members.

7. A strong organisational culture increases behavioural consistency. In this sense it can act as a substitute for formalisation. The stronger an organisation's culture, the less management need be concerned with developing formal rules and regulations to guide employee behaviour. Those guides will have been internalised in employees when they accept the organisation's culture.

8. Several studies have confirmed that strong cultures have an impact on work and performance of employees.

2.11 ORGANISATIONAL CULTURE AND PERFORMANCE

One of the most important correlates of O D intervention is between organisational culture and performance. When organisational culture acts as an intervening variable employees form an overall subjective perception of the organisation based on factors like degree of autonomy, structure, reward orientation, warmth and support provided by managers and willingness of management to tolerate conflict. This overall perception becomes, in effect, the organisation's culture or personality. These favourable or unfavourable perceptions then affect employee performance and satisfaction with the impact being greater for stronger culture.
Alan S. Welkins and William G. Ouchi 1983⁶⁶ also present a transaction cost perspective but argue that only some organisations develop culture. In culture thin organisations bureaucratic norms and rules provide the basis for organised action. Localised organisational culture is more important for clan settings and less salient in bureaucratic or market settings where alternative understandings mediate transactions, insure long term equity and thus encourage efficiency.

Culture does not have an equal impact on both employee performance and satisfaction. There is a relatively strong relationship between culture and satisfaction but this is moderated by individual differences. In general it is proposed that satisfaction will be highest when there is congruence between individual needs and the culture. Therefore job satisfaction often varies according to the employees perception of the organisation’s culture.

The relationship between culture and performance, is less clear, although a number of studies find the two related. The relationship is moderated by the organisation’s technology. Performance will be higher when the culture suits the technology. If the culture is informal, creative and supports risk-taking and conflict, performance will be higher if the technology is non routine. The more formally structured organisations that are risk aversive, feeling of opposition, that seek to eliminate conflict and that are prone to more task oriented leadership will achieve higher performance when routine technology is utilised.
Jennifer A. Chatman and Karen A. Jehn (1994) investigated how the industry characteristics affect organisational culture and particularly the cultural variations across firms and industries.

Characterising an organisation's culture in terms of its central values requires identifying the range of relevant values and then assessing how strongly held and widely shared they are. In a sample of US firms, O’Reilly, Chatman and Caldwell identified the following seven dimensions of organisational culture using an instrument they developed, the Organisational Culture Profile (OCP): innovation, stability, respecting of people, outcome oriented, detail oriented, team oriented and aggressiveness. A set of culture dimensions was established that characterise organisational cultures, to make meaningful comparisons across organisations and industries.

Hence technology and growth are the two characteristics that are related to organisational culture and account for cultural similarities among same industry firms.

The contributions made by this study are numerous (i) In a more heterogeneous and larger group of firms the underlying factor structure of earlier studies of organisational culture were replicated. Factor patterns among the firms studied here are similar and it appears that innovation, stability, an orientation toward people, an orientation toward outcomes or results, an emphasis on being easy going, attention to detail and a collaborative or team orientation are pervasive organisational culture themes. Evidence for variance was found in the degree to which cultures emphasised each of the seven
dimensions both across firms and across industries. It was found that although both firm and industry membership accounted for significant variance, industry membership accounted for more difference in organisational culture on all the dimensions except for outcome orientation.

The content and extent of cultural variation across firms and industries were examined by considering the effects of industry membership analysed in terms of differences in technology and growth rates.

It was hypothesised that firms in industries characterised by intensive technologies and high growth will have cultures that more strongly emphasise innovation and team orientation than firms in industries characterised by mediating technologies and moderate growth and firms in industries characterised by long linked technologies and low growth respectively.

Firms in industries characterised by long linked technologies and low growth will have cultures that more strongly emphasise stability and detailed orientation than firms in industries characterised by mediating technologies and moderate growth and firms in industries characterised by intensive technologies and high growth respectively. A mixed support for the above mentioned hypothesis emerged.

Similarly it was expected that intensive technology and fast growth would be associated with higher levels of team orientation, people orientation and innovation than of detail orientation, outcome orientation, stability and easygoingness and that this order would be reversed for the long-linked
technology, low growth firms and that no difference among these dimensions would emerge for the mediating technology, moderate growth firms. The results were more complex than predicted and future research in the areas are suggested to be taken by researchers and practitioners.

However the influence socialisation has on employee performance should not be overlooked.

In a study of more than 200 companies, Harvard Business School researchers John Kotter and James Heskett tried to determine which factors make some organisational cultures more successful than others. If success factors could be isolated, they reasoned, then companies could embark on programs to change their cultures in order to be more successful.

Kotter and Heskett identified two levels of culture, one visible and one invisible. First on the visible level, are the behaviour patterns and styles of the employees. Second on the invisible level, are the shared values and assumptions that are held over a long period of time. This second level is more difficult to change. Kotter and Heskett argue, however, that changes in the first level - in behaviour patterns and styles - over time can lead to a change in the more deeply held beliefs. In this way, cultural change is something "momentum" in athletics: it emerges out of behaviour.

The results of the Harvard study indicate that culture has a strong and increasing impact on the performance of organisations. The study had three main conclusions:
1. Corporate culture can have a significant impact on a firm's long term economic performance.

2. Corporate culture that inhibits strong long-term financial performance are not rare; they develop easily, even in firms that are full of reasonable and intelligent people.

3. Although tough to change, corporate culture can be made more performance enhancing.

Fig. 7. Kotter and Heskett's Two Levels of Culture in an Organisation

Shared Values

![Shared Values Diagram]

Important concerns and goals that are shared by most of the people in a group, that tend to shape group behaviour and that often persist over time even with changes in group memberships.
Egs: Managers care about customers; Executives like long-term debt.

Group Behaviour Norms

![Group Behaviour Norms Diagram]

Common or pervasive ways of acting that are found in a group and that persists because group members tend to behave in ways that teach these practices (as well as their shared values) to new members, rewarding those that fit in and sanctioning those that do not.
Egs: The employees are quick to respond to requests from customers; the managers often involve lower level employees in decision-making.

Kotter and Heskett discovered that some corporate cultures are good at adapting to changes and preserving the performance of the organisation, while others are not. They distinguished between "adaptive" and "unadaptive" corporate cultures and they defined the core values and common behaviours in each kind of culture.

The Limited Incorporated offers an example of the close connection between culture and financial performance. At the Limited before people can even be considered for employment, they must first show that they share the ethics and values of the company; integrity, honesty, tolerance, openness and loyalty. The Limited encourages the development of an employee community that can identify with customers, treat them courteously and be friendly to the point of making them feel at home. The culture at the Limited thus emphasises the relationship between the company, employees and customers - that ground its financial success.

**Fig 8: ADAPTIVE VS UNADAPTIVE CORPORATE CULTURES**

<table>
<thead>
<tr>
<th>Core Values</th>
<th>Adaptive Corporate Cultures</th>
<th>Unadaptive Corporate Cultures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most managers care deeply about customers, stock holders and employees. They also strongly value people and processes that can create useful changes (eg.leadership up down the management hierarchy)</td>
<td>Most managers care mainly about themselves their immediate work group or some product (or technology) associated with that work group. They value the orderly and risk reducing management process much more highly than leadership initiatives.</td>
<td></td>
</tr>
<tr>
<td>Common Behaviour</td>
<td>Managers pay close attention to all their constituencies, especially customers and initiate change when needed to serve their legitimate interests, even if that entails taking some risks.</td>
<td>Managers tend to behave somewhat insularly, politically and bureaucratically. As a result, they do not change their strategies quickly to adjust to or take advantage of changes in their business environments.</td>
</tr>
</tbody>
</table>

2.12 CULTURES ACROSS COUNTRIES

A key issue for organisation science is the influence of national cultures on management twenty or even ten years ago, the existence of a relationship between management and national cultures was far from obvious to many. Even within existing nations, regional differences became more rather than less accentuated. It slowly became clear that national and even regional cultures do matter for management.

A research project across 50 countries

In describing national cultures common elements within each nation are referred to. All the material compiled together formed the basis of a book called "Cultures Consequence" by Hofstede (1980) and deals with four dimensions of national culture, largely independent of each other:

1. Individualism Vs Collectivism;
2. Large or Small Power Distance;
3. Strong or Weak Uncertainty Avoidance;
4. Masculinity Vs Femininity.

In the first dimension the fundamental issue involved is the relation between an individual and his or her fellow individuals. At one end of the scale when ties between individuals are very loose it is referred to an Individualist society. At the other end of the scale are societies in which the ties between individuals are very tight called the Collectivist Society. These in groups help and protect individuals when in trouble. Both the individualist and the
collectivist society are integrated wholes. The individualist society is loosely integrated while the collectivist society tightly integrated. All 50 countries were placed along the individualist collectivist scale. It appears that the degree of individualism in a country is statistically related to that country’s wealth. Wealthy countries were more individualist and poor countries more collectivist. Very individualist countries were the US, Great Britain, the Netherlands, very collectivist countries were Colombia, Pakistan and Taiwan. In the middle were Japan, India, Australia and Spain.

The second dimension is labelled "Power Distance". The fundamental issue involved is how society deals with the fact that people are unequal. People are unequal in physical and intellectual capacities. Some societies let these inequalities grow over time into inequalities of power and wealth; the latter may become hereditary and no longer related to physical and intellectual capacities at all. This degree of inequality is measured by the Power Distance scale.

It was found that there was global relationship between Power Distance and Collectivism. Collectivist countries always show large Power Distances, but Individualist countries do not always show small Power Distances. The Latin European countries - France, Belgium, Italy and Spain show a combination of large Power Distances plus Individualism. The other wealthy Western countries all combine smaller Power Distance with Individualism. All poor countries are Collectivist with larger Power Distances.
The third dimension was labelled Uncertainty Avoidance. The fundamental issue involved here is how society deals with the fact that time runs only one way; some societies socialise their members into accepting this uncertainty and not becoming upset by it. Such societies can be called 'Weak Uncertainty Avoidance' societies; they are societies in which people have a natural tendency to feel relatively secure.

Other societies socialise their people into trying to beat the future. Since future remains essentially unpredictable, in those societies there will be higher level of anxiety in people, which becomes manifest in greater nervousness, emotionality and aggressiveness. Such societies are called Strong uncertainty Avoidance Societies. There are a large cluster of countries with strong Uncertainty Avoidance and large Power Distance. They are: all the Latin American countries, Yugoslavia, Greece and Turkey, Japan and Korea.

The Asian countries are found in two clusters with large Power Distance and medium to weak Uncertainty Avoidance.

Small Power Distance and weak Uncertainty Avoidance are found in Denmark, Sweden, Great Britain and Ireland are in the middle.

**Masculinity Vs Feminity**

The fundamental issue involved is the division of roles between the sexes in societies. Societies can be classified on whether they try to minimise or to maximise the social sex role division. The distribution is always such that men take the more assertive and dominant roles and women the more service-
oriented and caring roles. These societies with a maximised social sex role
division are "Masculine" and those with a relatively small social sex role
division "Feminine". Using the Masculinity - Femininity scale, the most
Masculine country is Japan, German speaking countries. Moderately Masculine
are a number of Latin American countries such as Venezuela, Mexico and Italy
c., towards the Feminine side we find the four Nordic countries and the
Netherlands. Some Latin and Mediterranean countries like Yugoslavia, Chile,
Portugal, Spain and France are moderately Feminine.

Some ideas of management which have been popularised are especially
those covering leadership models of organisation and motivation. These
theories were founded in the USA and management literature is entirely US
dominated. This reflects the economic importance of USA but culturally USA
is just one country among all others with its particular configuration of
cultural values which differs from that of most other countries.

Thus this study is an understanding of how culture in which people
grow up and is clear to them affects one's thinking differently from other's
thinking. It can also lead to better the ability to manage intercultural
negotiations and multi cultural organisations like the UN, which are essential
for the common survival of all.

In another interesting study entitled Globalisation and Culture - Three
Paradigms - by Jan Nederveen Pieterse50, it is said that Globalisation or the
trend of growing world wide interconnectedness is presently accompanied by
several coinciding and clashing notions of cultural change. A growing
awareness of cultural difference coincides with the idea of the world becoming smaller and cultural differences receding forming part of a general 'cultural turn' involving a wider self-reflection of modernity. Modernisation has been advancing very fast erasing cultural differences in its way wherein not only the gains but the losses are becoming apparent.

The main perspectives on intercultural relations highlighted here are (1) Cultural differentiation or lasting difference (2) Cultural convergence or ongoing sameness, (3) Cultural hybridisation or ongoing mixing paradigms.

The futures evoked by these three paradigms are dramatically different. Cultural differentialism translates into a policy of closure and apartheid. Cultural convergence translates into politics of assimilation, cultural mixing refers to integration without the need to give up identity. Increasing cross-cultural communication, mobility, migration, trade, investment, tourism all generate awareness of cultural difference and hence a claim to equality, equal rights i.e. a common universe of difference. This situation being extremely remote in the near future the clash between cultural diversity and globalisation may well be considered a creative clash.

Dr. Harris and Moran in their second edition (1987) of the book entitled 'Managing Cultural Differences' deal with international factors that affect cultures of organisations and anybody who is engaged in international business and communication and training. Hence the 'global manager' could be anybody who interacts with foreign nationals in any part of the country. Management's growing awareness of the pervasive influence of culture on employee
behaviour, customer relations, work and productivity has encouraged the study of inter-cultural management and relocation challenges. The emerging role of the global manager is that of a cosmopolitan, communicator, negotiator, creator of synergy, leader in change and influence of organisational work and team cultures. The extent of cross-cultural effectiveness is analysed in terms of international assignment, business protocol, family relocation and technology transfer. Special attention is given to the means and methods of human resource development, collaboration and net working among professionals and technicians.
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