Chapter Six
CONCLUSION AND SUGGESTIONS

The ensuing chapter concludes the results drawn from this study. It also makes an attempt to present the limitations of the study and provide suggestions for improving the culture in the organizations studied.

The aim of the study was to assess the relationship between organizational culture and organizational effectiveness in select organizations in the State of Jammu and Kashmir. Also, the study was aimed at assessing whether the firms under study have different cultures. There is substantial evidence that organizational culture has an impact on an organization’s performance/effectiveness. First, based on the results of the study, it can be safely concluded that organizational culture is associated with organizational effectiveness.

The model used in this study to assess the organizational culture provides an opportunity to highlight the strengths and weaknesses of the cultures. The outcomes of such investigations are helpful for organizations to identify their cultural strengths and weaknesses so that they can capitalize on their strengths and overcome their weaknesses to be able to deliver services successfully and enhance their overall effectiveness.

The findings of the study showed that different cultural traits are associated with different elements of organizational effectiveness. The findings are consistent with the earlier findings that have shown a similar link between organizational culture and organizational effectiveness measures (see for example, Fisher and Alford, 2000; Denison, 1990; Denison and Fey, 2003; Denison and Mishra, 1995; Cameron and Whetten, 1983; Pennings, 1976; Coffey, 2003).

The results of the study reveal that the four cultural traits viz involvement, consistency, adaptability and mission are positively correlated.
with measures of organizational effectiveness like: sales growth, market share, profitability, quality of products, new product development, employee satisfaction and overall organization performance.

Involvement is the most important cultural trait for the firms focusing on new product development and overall organizational performance. Involvement in this model has been defined as building of human capability, ownership, and responsibility. Individuals have the authority and initiative, ability to manage their work. So firms should focus on these dimensions by developing their employees skills to stay competitive and meet employees desire to be developed. By building teams to get the work done, as through working together people gradually develop their own way, a habitual or sometimes taken for-granted way to achieve unitary objectives. The organizations should empower their employees with real responsibility so that they feel a sense of ownership and pride in discharging their obligations in a desired way.

The findings of the study reveal that consistency trait is related with market share; thus the firms interested in increasing their market share should focus on this trait. They should try to reach at agreements on critical issues and have a common goal to share. Further, organizations should share common set of values in order to create a strong sense of identity and clear set of expectations in organizational members.

On the basis of the findings of earlier and this study it is possible to conclude that if the organizations are high on adaptability i.e., if the organization is able to translate the demands of business environment into opportunities, the organization can achieve high level of profitability and employee satisfaction. In addition, these organizations are able to read the business environment and anticipate future changes. So if the organization wishes to maximize its profitability it should focus on satisfying customers, understand them and show a concern for them in order to survive in the changing business environment. Flexibility in organizations can instill a sense
of hope and expectation in knowledge workers and result in coping up with the changing demands of the customers. One of the ways to be effective in the market place is to retain your customers, organizations need to focus on their culture because, culture of an organization has as much influence on external stakeholders through behaviour and attitude of service personnel as do the formal corporate communication and visual identities (Wilson, 2001). Kotter and Heskett (1992) found that firms with cultures that valued the key stakeholders (customers, shareholders, and employees) significantly outperformed firms that did not have those cultural values.

The results of the study also certify that mission is the most important cultural trait related with 5 out of 7 measures of organizational effectiveness. The firms can achieve high sales targets, increased market share, higher levels of profitability, will have satisfied employees and will achieve the overall organizational performance, if the firms are clear about their mission i.e., why they are in business and where they are going? Mission is seen as a fundamental unit of culture and as such the failure to address mission impedes quality improvement efforts. To achieve breakthrough results, one must look to motivating leadership to enhance fundamental units of culture such as mission and involvement (Fisher and Alford, 2000). Further, the firms should be clear how every one could contribute towards the end and every one should be provided with clear-cut directions about their work.

Though there may be several factors that can influence the success of an organization, but the effect of organizational culture should not be underestimated. Based on the results of the present study and earlier studies, successful firms do posses certain cultural traits, so it can be concluded with some precautions that the organizations low on these traits will not be that effective compared to those high on these traits. It is therefore, suggested that organizations should focus on these traits in order to improve their organizational effectiveness. In other words, the firms low on the traits like:
involvement, consistency, adaptability, and mission should address these cultural problems in order to have a positive impact on many of the organizational barriers to success. We can draw a conclusion on basis the research evidence that effective organizations are high on all the four traits like, involvement, consistency, adaptability and mission. The four traits help to acknowledge two contrasts: the contrast between internal integration and external adaptation and the contrast between change and stability. So to be effective in the market place organizations need to strike a balance between internal and external focus and between flexibility and stability.

It may not be an overestimate to conclude that to stay in competitive globalised business world, which is characterized by increasing uncertainty and volatility, the organizations need to focus on their cultures as one of the key ingredients for their success. Smith and Kleiner (1987) argued that a firm that ignores the importance of organizational culture develops, several competing sets of values with conflicting interests, or a weak culture that does not contribute to its effectiveness. Likert (1961) also emphasized the need for a corporate culture of cooperation and demonstrated that there is a significant correlation between employee attitudes and performance. Also, researchers like Van der Post, De Conning and Smit (1998) highlight the importance of the culture of a work group, which was found to have a greater impact on productivity than technology and working conditions.

Further, some researchers (see for example, Maignan and Ferrell, 1999; Rashid et al., 2003) found culture associated with improved levels of employee commitment. Strong cultures can enhance employees motivation and performance because they perceive that their actions are freely chosen (O’Reilly, 1989; O’Reilly and Chatman, 1986), it affects employee participation and involvement (Zamanou and Glaser, 1994), while Geiger (1998) found importance of cultural values as escalation of organizational commitment and Kaliyamoorthy & Kumar (2001) believe that organizational commitment is an
upshot of organizational culture essential for an upward trend of an organization.

The focus of this study was on the relationship between organizational culture and performance/effectiveness. Several studies have been undertaken to discover how the sustained financial performance can be achieved. The above mentioned and many other studies have discovered that organizational culture seems to create a unifying force that boosts organizational performance and that affects both employee behaviour and the financial performance of the organization.

Thus in the light of the present and earlier studies, organizations need to pay due attention towards their cultures, specifically to the above mentioned cultural traits which are expected to result in overall organizational effectiveness.

LIMITATIONS OF THE STUDY

Going by the famous saying that there is always scope for improvement, the study cannot by any means be an exception to this saying. As such, the study has several limitations and deficiencies, which are expected to be plugged by future researchers. The limitations can be put forth as under:

1. The instrument used in the study (Denison’s Organizational Culture Survey) has been designed and validated in American context. No data is currently available for its validation in India and particularly in the State of Jammu and Kashmir.

2. The research was conducted in six manufacturing firms only and did not include any service sector organization. This might constrain the generalizability of the findings and conclusion.

3. The study followed a quantitative approach, which measures the more observable elements of culture, and thus does not tap into the unconscious elements of culture.
4. The study used subjective measures of organizational effectiveness because the firms were not willing to share their financial information.

5. Some of the respondents were less educated and the researcher translated the questionnaire items in their local language, thus in these cases accuracy of responses may be limited.

Summary

The chapter concluded that organizations need to pay due attention towards strengthening their cultures as culture was found profoundly responsible for the effectiveness of organizations. Also specific cultural traits like: involvement, consistency, adaptability and mission need to be properly addressed for their significant relationship with various organizational effectiveness measures.