CHAPTER II

REVIEW OF LITERATURE

Culture is a process of reality construction. People see and understand particular events, actions and situations in distinctive ways, which provide a basis for making their own behaviour sensible and meaningful. Organisations are mini-societies with distinctive patterns of such shared meanings and understandings which influence members’ perceptions and events. Meaningful action arises out of such ‘filtered’ (Birnberg et al., 1988) perception. The system of shared meaning held by members (Becker 1982; Schein 1992) distinguishes each organisation from every other organisation.

Organisational culture is conceptualized as shared values and beliefs (Chatman et al., 1994; Hofstede et al., 1990; Deal et al., 1982; Parsons 1970), a set of values, norms, and common expectations (Buono et al., 1985), and as symbolic systems (Frost et al., 1991; Kroeber et al., 1952), all of which guide individuals and groups in an organisation to interact and work (Jones et al., 2000) to achieve organisational goals. The sum of these shared values, beliefs, norms, common expectations, attitudes, philosophies, assumptions and symbolic systems bind the organisation together to solve problems, to achieve specific goals and maintain itself over time.

Schein (1990) provides the most comprehensive account of organisational culture. He proposes a theoretical model to underpin his explanation. According to him, culture can be defined as a pattern of basic
assumptions, invented, discovered or developed by a given group. The utility of such a pattern is seen while confronting problems of external adaptation and internal integration. McClure (1989) describes the organisation in terms of factors of external adaptation and internal integration. He supports the view that among other things, shared values strongly influence what occurs in an organisation. When the pattern stands the test of time, its validity is accepted and is taught to new members, considering it as the correct way to perceive, think and feel in relation to those problems.

Culture is seen as existing on three levels (Schein 1992). At the level of artefacts, it is visible in organisational structures and processes. As espoused values, it is seen in strategies, goals and philosophies. The unconscious, taken-for-granted beliefs, perceptions, thoughts and feelings constitute the basic underlying assumptions at the third level.

The most notable alternative conceptualisation of organisational culture is that of Rousseau’s (1995) model which is based very much on Schein’s (1990,1985) ‘onion skin’ conceptualisation. It includes layers of basic assumptions, values, norms and artefacts. Hofstede (1991), while adopting a similar conceptual framework, extends the analogy of the ‘onion layers’ and brings within it symbols, heroes and rituals- all underpinned by values- with organisational practices spanning the three uppermost levels of culture.

While some aspects of organisational culture are readily visible, many are less apparent. In line with Herman’s (1984) observations, Stoner et al., (1996) compare organisational culture to an iceberg. The formally expressed
organisational goals, technology, structure, policies and procedures and financial resources constitute the overt or open aspects. The informal aspects of organisational life, which are covert or hidden lie beneath the surface. These include shared perceptions, attitudes, feelings, a shared set of values about human nature, the nature of human relationships and group norms. Culture, embracing both the overt and covert aspects, defines what it means to work in a particular organisation.

Chatman et al., (1994) and O'Reilly et al., (1991) suggest seven primary characteristics of organisational culture. They are innovation and risk taking, attention to details, outcome orientation, people orientation, team orientation, aggressiveness and stability. According to them, these form the essence of organisational culture. Robbins (1996) is of the opinion that appraising the organisation on these seven characteristics provides a composite picture of the organisational culture.

Lemos (1996), while assessing organisational culture across four cultural dimensions, namely, power, role, achievement and support, indicates dissatisfaction among employees with current cultural orientations. Persons in the age category of 55 – 64 are seen as exhibiting greater dissatisfaction with current emphasis on power and role than is the case with other age categories. While measuring the psychological, sociological and historical penetration of culture in two types of organisations, Mohan (1988) identifies five factors of organisational culture comprising vision, productivity, tradition, destiny and mission.
Litwin et al., (1968) identify structure, standards, responsibility, recognition, support, and commitment as six dimensions of organisational climate. Since organisational culture is not exclusory, but is inclusive of these dimensions, they have a direct and measurable impact on the motivation and performance of the employees of an organisation. The organisational culture is seen as evolving and subsequently manifesting itself through different aspects such as rituals, stories, symbols, power structures, control systems and organisational structures (Johnson et al., 1994).

Various researchers identify a variety of organisational cultures. The entrepreneurial culture (Peterson 1981; Maheshwari 1980) favours big goals, bold decisions, growth and risk-taking. The management systems culture (Daniels et al., 1988; Clelland et al., 1972) believes in the use of tools of 'professional' 'scientific' management. While the mechanistic culture (Burns et al., 1961) emphasizes the values of bureaucracy and feudalism, the organic culture (Burns et al., 1961) stresses on flexibility, shared understanding of organisational problems, communications and opportunities and higher values to expertise rather than to assigned authority. Authoritarian culture (Likert 1967) values concentration of authority in the boss and stresses on obedience by subordinates. Widespread participation in decision making to arrive at a consensus decision is the basic premise of participative culture (Likert 1967). Paternalistic or familial organisational culture (Ouchi 1981; Dayal 1977) is one in which the head of the organisation is looked upon as a father figure and employees identify themselves totally with the organisation and their personal and social needs are taken care of by the organisation. This kind of a culture is common in contemporary India and Japan. Selfless social service or the
pursuit of some great ideal is the basic notion of the altruistic culture (Kumar 1982; Greenleaf 1977). According to Van de Ven (1981), given the internal differentiation in management functions, hierarchy, products, technologies, systems and so on, one may find an admixture of different cultures within larger organisations.

Gruber (2000) focuses on aspects of organisational culture that influence the sharing of explicit and tacit knowledge. In that way, organisational culture is viewed as being a set of knowledge shared among members of an organisation. He identifies five factors, namely, openness, trust, availability and use of communication channels, top management support of knowledge sharing and a reward system linked to the sharing of knowledge. The results of his study suggest that all the factors influence the sharing, while the reward system in the organisation appears to be the key component of a culture, which supports sharing of knowledge.

Kyro (1997) describes the meaning and purpose of entrepreneurship as an ever-changing reflection of culture, as a phenomenon searching for new forms in the course of history. According to him, entrepreneurship has been found to be important and meaningful in society at two points of transition. First at the transition from traditional to modern, and now at the transition from modern to post-modern. The study reveals the latent, cultural role of entrepreneurship in both points of transitions. The role of entrepreneurship, it is suggested, can be regarded as an instrument for changing the culture of an era.
O'Toole (1991), in a cross-organisational analysis of gender and culture in higher educational institutions shows that while the proportion of women in administrative positions is inversely related to higher scores on an organisational index, the presence of gender equity policies and institutional activities are strongly related to supportive cultures for women. Bierema’s (1994) study shows that corporate cultures, besides making executive women to define and negotiate the culture, help them to cultivate self-confidence and maximize learning opportunities. It is therefore corporate culture, which is shown to assist women executives to function and develop.

Through identifying the shared values and beliefs and priorities of 564 organisational members, the existence of a strong collective culture is shown to be most inconsistent with the shared aspirations of organisational members in respect, of ‘opportunity for advancement’, ‘training’, ‘good relations with superiors’ and ‘ability to fully utilize skills’ (Bashah 1989). However, consistency between the non-management group and the management group in their perception of culture is shown by Lock (2001). Therefore, strategies which conform to organisational cultures have a greater likelihood of success, according to Tice (1987). Strong supportive evidences are shown by Wasmer (1994) that organisational culture influences implementation of marketing orientation. Inasmuch as individuals are seen as capable of shaping culture, McClellan (1995) concedes that organisational culture significantly impacts on the use of technology.

Hills (1998) in his study concedes that culture is the result of the ongoing interactions among organisational members. According to Shearer
(1999) organisational culture is dynamic and all members have an impact on it. In a descriptive study to determine, at the level of individual, perceptions of the organisation’s cultural norms and expectations and perceived and observed behaviours of individuals in work groups, Tiemann (1998) reveals that demographic data show significant relationships between culture style and education and salary. Positive relationship between group development scales and participant age and tenure with the organisation is also seen. Experience with the company is shown to have a strong impact on employees’ association with organisational culture (Thomson 1987).

Organisations have many small, sometimes competing ‘sub-cultures’ within a larger culture. Keiser (2000) in his study shows that members desire to have an integrated organisational culture, a homogenous culture characterized by shared cultural knowledge and organisation-wide consensus. Sethi (1991) compares American and Indian civil service employee attitudes towards reform and change. He illustrates that vertical sub-cultures impact considerably on employee attitudes and that there is a distinct cultural gap between functional levels in an organisation. The findings of Melnick’s (1988) study reveal that although a strong culture does exist within the organisation studied, co-existence of sub-cultures in their entirety yield a view of the organisational culture. According to Shuherk (1984) organisational cultures are multi-cultural in form, comprising of both sub-cultures and counter-cultures. Sackmann (1992) using interview techniques, finds evidence for distinct sub-cultural groupings within a single organisation differentiated on the basis of shared knowledge and communication.
Researchers in India (Gupta 1991; Chakraborty 1991; Tripathi 1990; Pareek 1988; Sinha 1988; Prakash 1982) have shown a growing concern to study the role of values and their importance in understanding the functioning of work organisations. The functioning of the structure of organisations is affected by culture specific values. Generalized norms both for the members and the system are elaborately provided by cultural values (Chatman 1991). The level at which cultural values are meaningful to the individuals and organisations has been dealt with in different ways. Many researchers (Sinha et al., 1990; Katju 1986; Prakash 1982) have conceptualized and measured values at the individual level. Values at the sub-unit level are conceptualized and measured by Enz (1988) and at the organisational level by O'Reilly et al., (1991). With a sample of 338 respondents from 11 firms in different geographical areas in Algeria, Mokadem (1990) indicates that there is a relationship between individual values, organisational values and organisational performance.

According to Karathanos (1988), given a strong shared culture, organisational values would become individual values and the attainment of those values would lead to job satisfaction. In assessing organisational culture and relational role behaviours in service encounters, Kwon (1992) shows that the relational role behaviours of customer-contact employees hinge on the organisational values (example: customer orientation and employee orientation) and work norms for customer retention (i.e. solidarity and role integrity).
In identifying organisational culture, Barnes (1992) views strength, and value congruity as determinants of organisational outcomes. The degree of latent and perceived similarity between personal and organisational values is described as value congruity. He opines that both cultural strength and value congruity have positive effects on job satisfaction and its correlate, namely, organisational commitment. On the contrary, they have negative effects on role stress.

Whiteley’s (1995) approach is based on the idea that there are core values at the heart of every organisation, which reflect a system of group values and is developed by management, employees and customers. This approach views organisational culture as a reflection of a shared vision, which governs the internal and external environment of the work place. Martins (1989) is of the view that organisational culture found on different levels of an organisation is noticeable in different assumptions or values. The interdependence of all assumptions allows the formation of certain patterns. These patterns are naturally formed by the degree of consensus or vestedness existing in employees with regard to the various cultural dimensions.

Nason’s (1989) study focuses on how cultural meanings are socially created and defined and how they come to be shared. He indicates that this shared nature develops through a non-conscious, informal negotiation process of symbols and their meanings. The study on organisational culture by Melnick (1988) reveals that through the manifestation of powerful symbols and language, the leader strongly influences the culture of the organisation.
PERSON - ORGANISATION FIT

Rousseau (1990) indicates that cultural characteristics play an important role in determining how well an individual fits into the organisational context. Prakash's (1982) study on person-organisation fit and organisational outcomes reveals that P-O fit leads to enhanced job satisfaction, job involvement, greater commitment, and reduced role stress. The findings clearly demonstrate that congruence in personal and organisational values is a positive factor in the functioning of the organisation. In a study of the nature of relationship between various personal values, family, environment and organisational factors, Menon (1990) demonstrates that values contribute to the integration of members in the organisation.

In a qualitative case study in a large business corporation to discover if organisational culture supports movement of minority employees into management positions, the findings of Reid (1992) show that the minority managers interviewed exhibit their ability to ‘fit’ into the organisation and besides gaining acceptance, their advancement beyond lower or middle management positions becomes patently visible. Chen (1990) in his cultural analysis to examine the Taiwanese Voluntary Buddhist Association suggests that loss of personal meaning and purpose is not necessarily an inevitable sacrifice that needs to be made by organisational members to fit into the organisation.

Tepeci (2001), while measuring the effect of culture, values and the ‘fit’ between the two on job satisfaction and behavioural intentions shows that
the dynamic interaction which occurs between employees and the organisation develops a strong P-O fit. Findings of past research emphasise that positive outcomes result when employees’ values are congruent with the organisational values. Lack of cultural fit, according to Dawe (2000), could result in severe degradation in performance.

CULTURE AND ITS DIMENSIONS

Organisational culture is a multi-dimensional construct. It influences all aspects of man-power management. An organisational culture is considered as strong and having a positive impact on an organisation when it provides enough guidelines and points the behaviour of the members of an organisation in the right direction.

Culture and Structure

Sturges (1995) suggests that two major components comprise an organisation's culture, one relating to the individual/group and other to the organisational or structural level of culture. He suggests a variety of organisational factors, mission/vision, policies, procedures and rules, all at the structural level, as fundamental to the creation and retention of an organisation's culture.

Organisational culture is shown to have a strong influence on the work life of members (Donald 1997). Conversely, organisational structure shows no such influence on the quality of work life. Isolation and groupthink are present to some degree, but appear to be in balance.
In identifying management practices which support or impede creativity and innovativeness in organisational culture, Derksen (1998) indicates that leaders and members identify similar salient organisational characteristics as true of creative culture. The agreement between them are highest where the organisation is loose in structure and promotes actively innovative norms and values. Reger (1997) suggests that organisational structure and culture mediate each other. He reveals that organisational structure can create ‘ niches’ for the development of multiple cultures and collective identities.

Organisational network structure should be well maintained along with specific strategies to build a strong, positive work culture geared towards excellence. Sullivan (1993) identifies culture as being high in ‘structure’ while determining the effects of leadership training and organisational culture on leadership attitudes of marine drill instructors in U.S.A. Sweetman (1993) shows that policies, structures and processes, the facets of organisational culture, impact on work stress which in turn can affect the marital relationship.

Culture and Standards

Moran (1985) shows that organisations with more positive cultures display greater adequacy of goal focus and performance standards. Neumann’s (1997) research on over 400 individuals reinforces the concept that organisations to be successful need to be aware of their internal culture and the impacts this culture has on individuals’ actions and productivity.
Binkert (1995) opines that group beliefs, an integral part of organisational culture, develop and impact collective individual performance. If groups believe in their success as a group, it would positively impact on performance.

Culture and Responsibility

Gudgel (1997) indicates that companies with strong cultures exhibit greater responsibility for problem solving and greater clarity about the problems than companies with weaker cultures. Responsibility may be equated with empowerment in the sense that conditions are created in such a way as to make employees to use their inner power effectively.

Companies with weak culture fight shy to entrust responsibilities and in the process, identification of problems and decision making activities consume more time. On the other hand, companies with stronger cultures spend more time in defining problems and finding solutions.

Culture and Recognition

Smayling (1987), while analyzing the efficacy of the incentive systems, brings out the positive effect of ‘recognition’ on workers’ motivation. Alkire (1995) identifies recognition as one among the top three culture changing tools. Katz et al., (2000) bring out the role of recognition of the efforts of the women under their study as one of the main factors for them to reach and maintain their current positions. Recognition is recognized among such other factors as creativity, and opportunity to learn as the one
paving the way for women to reach and maintain senior positions of leadership.

Tomacei (1996), while perceiving the relationship between organisational culture and job satisfaction through analysis of variance, concedes that co-workers interaction, rewards and recognition, component variables of organisational culture. Organisational culture are shown to have a strong relationship with the level of job satisfaction. Dlamini (1993) identifies that the reward and benefit structure (recognition) bear a positive relationship with commitment to stay.

Culture and Support

The functions and purposes, which the culture serves within the organisation, are examined by Melnick (1988). According to him, culture strongly regulates employee behaviour by providing a good support and it facilitates a feeling of belonging and a sense of community. In addition, it helps to evolve a feeling among organisational members that they are special and privileged.

In an attempt to learn about women in leadership, Katz et al., (2000) identify support as a major factor that provides increased opportunities for women to reach senior positions in their organisations. Kopecky's (1996) study shows a positive relationship between a supportive organisational culture and greater progress in carrying out strategic plans in the organisation. Horbury's (1996) study reveals the crucial importance of trust between members of the organisation in creating a supportive work environment.
Hosseck (1993) uses organisational support for self-disclosure scale on three work place associates comprising peers, subordinates and superiors. The findings show that executives disclose significantly more to peers than to subordinates or superiors. Disclosure to superiors is significantly less among older executives when compared to younger executives. Identifying a limited friendship pattern among them, it is seen that most of them are of the opinion that organisations are not open and safe places for sharing.

Culture and Commitment

Lok (1997) examines the effects of both organisational culture and sub-culture on organisational commitment. The findings suggest that the impact of organisational sub-culture on commitment is greater than the impact of organisational culture on commitment. Leadership style and intrinsic factors of job satisfaction show strong influence on commitment. While age bears a direct positive influence on commitment, the other variables such as level of education, years in position and years of experience show no such impact on commitment.

Cheng's (1989) study shows a positive relationship between length of experience and individual's organisational commitment. Melnick (1988), while examining the relationship between school culture and employee behaviour concludes that culture strongly regulates employee behaviour by creating a sense of commitment among employees.

Saffold (1987) in his study entitled 'Images of organisation, organisational culture and identity' unearths support for his hypothesis that
cultural identity is an important manifestation of culture which defines for organisational members as to ‘what they are’ and ‘what they have to do’. Such an awareness plays an important role in the generation of commitment among the members towards the organisation.

There is a relationship between organisational commitment and job involvement to a great extent. Organisational culture has a contextual effect on the relationship between organisational commitment and employee behaviour relating to voluntary turnover. Combining qualitative and quantitative methods in his integrative approach, Tidball (1986) shows that cultural congruence is positively related to commitment. Mowday et al., (1982) state that organisational commitment is negatively related to employee voluntary turnover process.

Organisational culture variables such as loyalty, working conditions, happiness and sharing information within the group are shown to have a positive relationship with organisational commitment (Jones 1998). However, length of employment is shown not to have any such influence on the relationship between organisational commitment and organisational culture. The three custodial groups examined within the same organisation by Khatib (1996) in his analysis of organisational culture, sub-cultures and organisational commitment, are reported to have exhibited similar perceptions about norms and shared values with a strong commitment to their organisation. Alvin (1994) in his analysis of organisational culture of a 1500 employee company brings out the fact that organisational culture directly and indirectly influences both desirable and undesirable employee behaviour.
While commitment is seen as promoting desirable behaviour, perpetration of undesirable behaviour remains prevented by loyalty to the organisation.

According to Guillemette (1992), an increase in the employees' perception of their organisation's sense of mission or long-term strategic vision contributes to an increase in employees' involvement and participation. This in turn leads to a significant increase in job satisfaction, organisational commitment and tenure intentions.

Nelson (1990) opines that freedom and control over one's work or ideas; supportive, communicative leadership; challenging, meaningful commitment; access to sufficient and appropriate resources; encouragement of innovative ideas (a "can do mentality"); support, recognition and reward for creative work; and sufficient time to develop innovative solutions to problems, as positive themes of organisational culture which foster creativity and innovation.

**Culture and Job Satisfaction**

While exploring organisational culture and job satisfaction of nursing faculty Johnson (2001) finds through correlation analysis that a moderate relationship does exist between organisational culture and job satisfaction.

Undertaking an investigation of the relationship between organisational culture and job satisfaction, Zabetakis (1999) identifies the top four satisfied organisational cultural components as consisting of regard for personal concern, professional development opportunities, evaluation and internal communication. The top five job satisfaction components identified are
relationship with supervisors, participation in decision-making, professional effectiveness, relationships with subordinates and relationships with peers.

Barnett (1997) shows that organisational cultural variables and personal work life predict job satisfaction and career commitment. The conclusion arrived at on the basis of analysis reveals that demographic work variables such as 'years at the present organisation' and 'who the respondent reports to' influence job satisfaction. While 91 percent of respondents report satisfaction with their jobs, 90 percent show commitment to their careers. This is indicative of the presence of a strong organisational culture.

Culture and Turnover

In a descriptive correlation study to describe the relationship among organisational culture, absenteeism, turnover and selected social characteristics among 206 respondents, Davis (2000) shows a significant relationship between absenteeism and an overall organisational culture. While no such significant relationship is seen between organisational culture and selected social characteristics as ethnicity, education, age group and tenure, turnover is found to have significant relationship with selected social characteristics.

Vukotich (1996) opines that aspects of culture are believed to play a major part in whether individuals choose to stay with or leave an organisation. While former members see the organisation as being bureaucratic, focusing on tasks and demanding long hours, current members feel that the organisation is managed in a participative and person-focused manner. These
constructs provide the organisation to find appropriate strategies for modifying culture and dealing with the turnover issue.

Culture and Total Quality Management

In identifying factors that spell ‘success’ or ‘failure’ of Total Quality Management implementation in small U.S. cities, Al Khalaf (1994) shows that successful TQM implementation is contingent upon a supportive and positive organisational culture. His study also identifies high levels of employee motivation as one of the major factors contributing to successful TQM implementation. Schmidt et al., (1992) offer five key strategies for TQM to succeed. These strategies include establishing supportive organisational structures; using the proper tools; making a long-term investment in training; creating a meaningful recognition and reward systems; and encouraging communication.

Mrozowski (2001) identifies a strong relationship between quality management and organisational culture that involve developmental features. Brydges (1997) in providing an evaluative framework for organisations opines that TQM has the potential to establish an organisational culture that optimizes resources and fosters collaboration among stakeholders in the creation of quality products and services.

In a study of organisational culture and total quality management, Chang (1996) shows that the link between organisational culture and TQM performance is less straightforward than many studies have suggested. There
seems to be no strong evidence indicating that cultural groups are significantly different in TQM programme measures.

Walker (1992) considers that TQM, for its success, calls for a fundamental change in an organisation's culture and without such a change, failure or under achievement of TQM programmes becomes patently clear.

Culture and Conflict

Jones (1998) identifies culture as the major factor contributing to conflict. In a comparative study of organisations, administrative staff are seen as relatively unaware of the importance of culture in their organisation. 'A culture of caring' and 'a culture of embattlement' are shown to characterize 'low conflict' and 'high conflict' organisations respectively.

Otto's (1998) study on the role of culture in organisational conflict identifies eight culture components through principal component analysis. The quality of communication, presence of problem solving systems, consideration of interests, productivity, quality of relationships, rationality, cooperation and directness of style are shown as constituting the culture components. His conclusion makes it clear that organisational culture is related to respondents' conflict experiences.

In identifying conflict management structures and processes, Decosta (1993) shows that organisational culture tends towards a collaborative or problem-solving approach to conflict. The organisation embracing a participative management approach identifies and develops solutions in a situation where members share similar views and beliefs.
Culture and Leadership

The concept of organisational culture provides a framework for systematically analyzing, understanding and interpreting the experiences of individuals in their organisations. Successful leadership depends on managing organisational culture by understanding it, shaping it and reinforcing it along the lines of what the internal and external environments require. Schein (1992) asserts that the principal responsibility of leadership is to create, maintain and shape organisational culture.

Bohman et al., (1991) have identified the ‘mythological’ roles that leaders, as ceremonial heads of organisations, often play in the effort to clarify responsibilities, teach organisational values and promote the organisation’s mission. The key task of those in senior positions is to develop an organisational culture, a set of shared meanings, or taken-for-granted assumptions, consistent with and supportive of the organisation’s strategic objectives (Peters et al., 1982; Whipp et al., 1989; Thomas 1985; Storey 1989).

Miller (2001) shows that by providing collaboration and opportunities with a focus on individual concerns, needs and hopes of followers, leaders can effectively shape the culture of an organisation. A leader, according to Temple (1995) is one who effectively utilizes organisational culture and symbolic leadership in a strong and effective way for establishing important ideas, beliefs and values among followers.
Biggerstaff (1990) opines that leaders demonstrate consistency in their reactions to crises, creating meaning for others. They mould and reward desired behaviours both formally and informally, select new members who share their vision; and organize their institutions to reflect values for people and work thus ensuring success. Respecting the potency of cultural phenomena unifies an organisation.

Leadership and organisational culture are important features of an organisation. They combine to create an organisational shield that provides the organisation with legitimacy and effectiveness. However, if the internal values of the organisation are not congruent with the values of the external environment, the organisational shield breaks down and organisational change becomes mandatory (Raturi 1992).

For managers to deal with cultural innovation, Trice et al., (1993) suggest some guidelines, which include organisational performance, the ‘fit’ between culture and the organisational tasks and structures, the ‘fit’ between culture and the environment, the ‘fit’ between strategy and existing culture and the characteristics and personalities of top managers. As organisations continue to operate in a cultural context, Jones (1997) suggests that managers pause to think about the impact of their actions not only on organisations, but also on the cultures and the society at large within which they operate.

According to Smith (1987) leadership inherently involves the process of shaping and maintaining a desirable culture. Leadership is a primary factor that impacts on an organisational culture. Lock (2001) shows that leadership practices positively correlate with a constructive organisational culture. While
examining organisational leadership from a cultural perspective, Perozzi (1998) finds leadership styles and philosophies shaping organisational culture.

Lee (1998) identifies a strong degree of correlation between leadership style and the nuances of organisational culture as it currently exists. The areas in need of further development, strengths of leadership style and strengths of organisational culture are seen as closely correlated. The profound influence of leadership on organisational culture is brought out by this study.

Cummings et al., (1989) suggest implementation and careful management by leaders of stages of clear strategic vision, management commitment, symbolic leadership, supporting organisational changes and changing organisational membership to achieve successful change in a company's culture aimed towards producing better performance.

MOTIVATION

Organisational culture has been treated as a variable that influences employee motivation and performance. In our daily activities, we are always in search of completion, actualization and harmony with others and it is this search that provides motivational force at the workplace. Motivation at the workplace for the Chinese, depends not only on the individuals innate quest for work and his deference to the leader's personal capabilities but also on his trust of others and his commitment to the organisation (Fox 1974).

Using such factors as are seen as having a definite motivational character, Herzberg et al., (1959) have identified satisfied workers stressing achievement, recognition, responsibility, advancement and the work itself.
Based on case studies of organisations facing major crisis, Starbuck et al., (1978) urged managers to concentrate their attention on "ideological phenomena such as morale, enthusiasm, beliefs, goals, values .... because ideological phenomena exert such powerful effects upon the visible, physical phenomena."

The most complete framework, which identifies five job characteristics, their interrelationships, and their predicted impact on employee productivity, motivation and satisfaction is the job characteristics model (Hackman, et al., 1975). The model describes the five core job dimensions such as (a) skill variety (b) task identity (c) task significance (d) autonomy and (e) feedback. The first three dimensions - skill variety, task identity and task significance - combine to create meaningful work. While the job that possesses autonomy gives the job incumbent a feeling of personal responsibility for the results, the employee will know how effectively he is performing his job in the event of a job providing feedback. Combining these five core job characteristics into a variable, Hackman et al., call this as 'motivating potential'. Motivating potential has a definite bearing on job enrichment as there is close correspondence between motivating potential and job enrichment though the present study uses the job characteristic model to assess the work outcome, performance.

The job characteristics model may be seen to have its genesis partly in Maslow's (1954) 'hierarchy of needs', since this model takes within its embrace psychological needs of higher order and partly in Turner et al., (1965) who have used 30 objective measures to identify six job characteristics
such as variety, autonomy, required interactions, optional interactions, required skills and knowledge and responsibility.

Workers' reaction to work is guided by two kinds of values: Growth need, the desire for achievement and personal development, has been shown to moderate the relationships between workers' satisfaction and motivation and features of jobs and organisational structures that influence opportunities for learning and self-direction. Workers with strong growth needs respond more favourably than do workers with weak growth needs to jobs offering discretion, skill variety, significant outcomes, distinct identity and feedback (Hackman et al., 1971; Porter et al., 1975). The relationship between five job characteristics and internal motivation in seen as moderated not only by employees growth needs, but also by their satisfaction with supervisors and their satisfaction with co-workers (Oldham, 1976).

The best predictor of motivation and performance is the expectancy theory of Vroom (1964). According to this theory, an employee is motivated to exert a high level of effort when he or she believes effort will lead to a good performance appraisal; a good appraisal will lead to organisational rewards like a bonus, a salary increase, or a promotion, and the rewards will satisfy the employee's personal goals. The key to expectancy theory is the understanding of the relationship between effort and performance, performance and rewards and between rewards and individual goal satisfaction.

Pettinger (2000) identifies expectancy theory as a mixture of three major components - expectation - effort - reward. According to Jones et al.,
(2000) expectancy theory is one of the most popular theories of work motivation because it focuses on all three parts of the motivation equation namely, inputs, performance and outcomes.

According to Campbell et al., (1976) expectancy theory identifies three major factors that determine a person's motivation: expectancy, instrumentality and valence. A person's perception about the extent to which effort will result in a certain level of performance is expectancy. For motivation to be high, expectancy must be high because members of an organisation will be motivated to put forth a high level of effort only if they think that doing so will lead to high performance. Employees will be motivated to perform at a high level only if they think that high performance will lead to (is instrumental in) outcomes such as pay, bonuses, job security etc. Instrumentality is thus a person's perception about the extent to which performance will result in attainment of outcomes. While for many, pay is the most important outcome of working, for others a feeling of accomplishment is more important. How desirable each of the outcomes available from a job or organisation is to a person is referred to as valence. When these highly desired outcomes are provided by management for high performance it motivates the members. When there are high levels of expectancy, instrumentality and valence it results in high motivation and performance.

Our knowledge on motivation tells us that employees do what they do to satisfy needs. Employees look for rewards, dichotomized as intrinsic and extrinsic, before they do anything. In the affluent worker study (Goldthorpe et al., 1968), three types of orientation to work are distinguished. Workers
with ‘instrumental orientation’ view work almost exclusively as a means to acquire income in order to enable them to support a valued way of life. A calculative relationship with the employing organisation can be expected of such workers with ‘instrumental orientation’. Whereas workers with ‘bureaucratic orientation’ render service to an organisation in return for a career. On the other hand, workers with ‘solidaristic orientation’ are seen as experiencing work as a group activity. Identification either with the employing organisation or with the work group is likely to ensue among workers with such an orientation. Social relationships and shared activities at work are seen as rewarding and work relationships within go beyond the bounds of the factory gate.

Cultural variables according to Kanungo et al., (1994) influence employee motivation by determining what specific needs would be salient at work, what employees would expect from work and what behaviours are culturally approved or disapproved in specific work contexts. The knowledge of the cultural dimensions and their effects on behaviour in specific cultural contexts help to develop appropriate motivational techniques to suit the specific demands on the employees made by the cultural environment.

Motivation is so central to management because it explains why people behave the way they do in organisations. By conducting in-depth interviews, document analysis and observation among six private institutions selected according to characteristics that promote the development of organisational culture such as size, history and stability, Weisenbeck (1989) examines the relationship between organisational culture and motivation. He confirms that
there is growing evidence to show that organisational culture can be a powerful influence on human behaviour. He also notes that intrinsic and organisational motivation appear to have reciprocal effect because of the influence of cultural dimensions.

While Polzin's (1991) analysis of factors that motivate workers to participate in workplace decision-making show that the relationships between participation and goal congruence, organisational culture, beliefs that participation would lead to desirable outcomes, age, marital status, and number of dependents are not statistically significant, Gillen (1992) illustrates in his study that participation in decision-making and the planning of change is related to increased motivation and responsibility on the part of end users.

Organisational culture has a potent influence upon individual and collective behaviours. Unstable organisational cultures are shown to be closely associated with perceived disparity between groups and low morale at key organisational levels (Mohan 1988). While finding a positive correlation between leadership scores and constructive culture scores, two significant factors, namely inspirational motivation and individualized consideration are shown by Sueki (1998) as accounting for 19% of constructive culture variance. FragaDoran (1996) shows the existence of significantly positive correlations between person-organisation-fit (POF) and internal work motivation (IM), POF and organisational commitment (OC) and internal work motivation and organisational commitment. These correlations indicate that culture fit is closely associated with organisational commitment and higher work motivation.
In a study of workplace motivation and organisational culture, Wallace (1996) shows that organisational culture offers rewards, which correspond to employee needs. The findings also reveal that a group’s motivation to meet organisational goals bears a relationship to its perception that the organisation’s mission and values are shared by other organisational members indicating a salient culture in the organisation.

Whetten et al., (1996) identify six elements of an integrative motivation programme. They are:

1. Establish moderately difficult goals that are understood and accepted.
2. Remove personal and organisational obstacles to performance.
3. Use rewards and discipline appropriately to prevent unacceptable behaviour and encourage exceptional performance.
4. Provide salient internal and external incentives.
5. Distribute rewards equitably.
6. Provide timely rewards and honest feedback on performance.

Rewards as Motivators

Farnham et al., (1979) consider that pay is a reward for employees and cost to employers which they incur for the work employees perform. Work itself is seen as performance and pay is a reward for employees. From speculations and unsystematic observations as well as from the systematic evidences, it may be identified that organisations, in order to make the
individuals submit and to bring them more closely in line with the requirements of the organisation need to take measures of three fundamental forms either severally or in combination. Parsons (1969) sets out the three forms such as (a) coercion, (b) inducement - rewards for valued performance and (c) therapy - removal of motivational obstacles to ensure co-operation.

One of the central postulates of March et al., (1969) is that contribution (i.e. performance) is contingent upon inducements (i.e. rewards). Therefore, members of an organisation receive from an organisation inducements for which they make contributions. Rewards are seen as built into positions (Davis et al., 1962). According to them, the distribution of rewards is differentially made according to positions. Lawler et al., (1967) hold that performance produces rewards, but rewards, as a third variable help establish a relationship between satisfaction and performance. A linkage between employee involvement and performance management is provided by rewards (Magjuka 1993). With a view to spurring employee involvement, EDIS (Employee Driven Idea System) is designed for an employee to contribute to an organisations total quality programme (McDermott et al., 1993). When performance is taken to be the one that produces rewards, rewards as a third variable helps establish a relationship between motivation and performance.

Osburn (1993) study reveals that to study a preference for rewards requires attention to the mitigating effects of organisational culture and structure. He uses factor analysis to determine whether there is an underlying motivation structure within the proposed rewards and organisational characteristics that affect the perceptions of the effectiveness of rewards. The
conclusion of the study shows that both money and organisational characteristics function as hygiene factors as proposed by Herzberg’s two-factor motivation theory. Park (1986), while testing Herzberg’s theory among 100 Korean and American public employees provides supportive evidence to the influence of organisational culture upon the formulation of work motivation. According to Zerbib (1994), changes in the reward system negatively impact the work motivation, commitment, and morale of the workers. Nufrío (1998) observes that the development of reward systems helps in reinforcing changes in the organisation.

PERFORMANCE

Organisational culture is seen as a determining factor of organisational excellence. To improve performance and remain competitive, numerous organisations are striving to create and manage culture. In recent years, the study of organisational culture has been of central interest to researchers concerned with improving productivity and job performance.

Many contend that cultures contribute to a firm’s success. Many authors have established and supported the hypothesis that successful organisations have a strong culture (Chatman et al., 1994; Deshpande et al., 1993; Schein, 1992; Deal et al., 1982; Kilman et al., 1985; Peters et al., 1982; Onchi et al., 1978). Culture has been related to the financial performance of a firm (Taylor et al., 1973 and Gordon et al., 1992).

Culture can be examined both from an organisational (Marcoulides et al., 1993) and from an individual (Chatman 1991) perspective. In the
selection of factors to measure performance under a graphic system of scales, characteristics such as initiative and dependability, contributions such as quantity and quality of work are taken into consideration (Flippo 1984). The presence of influential subcultures according to Cooke et al., (1988) may have either an inhibitory or enhancing influence on performance.

A clear relationship between differing types of organisational culture and differing levels of organisational performance has been established by past research. Hause (2000) reveals that the mean of the scores (level) of culture surveys and amount of consensus among members’ responses (agreement) in totality measured as culture strength are predictive of organisational effectiveness or performance. Organisational culture, communicated in the form of leader ideology, is shown to affect both members’ behaviours and organisational performance (Sayre 1986).

Performance management systems have the power to transform organisations and focus the energy of every organisation member toward the achievement of organisational goals. Both the manager and the employee should actively participate in all the phases of this process, which includes planning, execution, assessment, review, renewal and reconstruction. Deshpande et al., (1993) observes that higher levels of business performance was most closely associated with a culture which emphasizes the values of flexibility and innovation.

In his survey covering a representative cross section of 523 Korean government officials, conducted with a view to obtain public employees’ perceptions and attitudes about workforce quality issues, Chung (1997)
identifies top five potential causes for deterioration in workforce performance. The causes so identified are low pay levels, tardy promotions, needless paperwork and reports, unfair appointments and transfers and ineffective management. The potential reform measures suggested by the respondents include increased pay levels, special allowances, fringe benefits, encouraging participation and improved work conditions.

In an integrative approach to study climate and culture from a sample of 34 large firms, Denison (1982) shows the existence of a positive relationship to organisational performance. Sawner (2000) in an empirical investigation of the relationship between organisational culture and organisational performance in a large public sector organisation reveals a statistically significant relationship existing between measures of culture and organisational performance.

Byles (1986) examines the relationship between culture and performance in six banks. According to him, both low and high performance bank groups (placed according to the financial performance of each bank) show evidences of similarity in cultures. His study also reveals that the variability in content of the cultures is not related to performance. Both the conclusions challenge the commonly held view that ‘strength’ (i.e. extent of variability) of a culture is associated with high performance organisations and that high performing firms in a particular industry have cultures that differ from their low performing counterparts. In an investigation to match organisational cultures with performance appraisal systems, Lieb (1999) uses factor analysis. Of the nine dimensions presented by him, he finds match for
seven dimensions. None of the seven dimensions show significant effect on organisational commitment or job satisfaction.

Operationalizing Parsons (1960) four functions that are critical for long-term organisational survival, namely, goal attainment, adaptation, integration of activities and maintenance of the pattern of activities, Sashkin (as quoted in Sawner 2000) looks at these functions as managing change, achieving goals, coordinating team work and building a strong shared culture. He adds a fifth scale to the goal attainment function, namely, a focus on customer satisfaction, which is now seen as important for effective goal attainment. Culture is seen to have a positive influence on the performance of organisational members. Marcoulides et al. (1993) opine that organisational culture significantly affects performance.

Cooper (1997) indicates that for creation of a constructive organisational culture to achieve greater organisational effectiveness (i.e. performance), organisations should score well on dimensions of performance appraisals, motivation, rewards and overall satisfaction of employees. Hennessey (1996) accepts that although available evidences only marginally support his research assumption that 'high performing organisations would also be 'high' on most culture components, there is little doubt that a relationship does exist between organisational culture and performance. Abungah (1996) investigates the relationship between organisational culture, decision-making processes and organisational effectiveness (i.e. performance). He notes that organisational culture is an essential construct that attempts to improve organisational performance. His study arrives at the
conclusion that organisational culture bears a significant relationship with total effectiveness score.

Organisational culture dimensions, according to Bollar (1996), have a positive relationship to company's performance. By correlating culture subscale score for power, role, support and achievement to total effectiveness scores, Anderson (1995) identifies that a culture, which provides a healthy climate and team building, contributes to successful performance.

Ritchie (1993), while examining the effect of organisational culture on value congruence between individual and organisation suggests that it positively affects job satisfaction, job commitment, role clarity and performance. Two components - an accurate perception of co-workers characteristics and the perception of an effort/performance/reward contingency- are seen as influential in the value congruence (internalization) process.

Sheridan (1992) finds evidence to indicate that variations in cultural values have significant impact on employee's job performance. To achieve the objective of finding the relationship between organisational culture and effective and successful goal attainment, Taylor (1993) utilizes research methodologies of participant observation, face-to-face interviews and analysis of significant background materials. He identifies that although a need to strengthen the interpersonal skills arises, the participants showing a high degree of performance have also shown a common professional goal and value.
For his exploratory analysis to find the relationship between culture and performance in a Computer Industry, Levens (1992) uses both interview and questionnaire survey methods on 292 employees from eleven firms. The study identifies characteristics of organisational culture that remain at higher levels in respect of the firms. These characteristics, namely, (1) consensus on organisational goals (2) levels of employee autonomy (3) cooperation and team work (4) informal communication (5) the importance placed on employees (6) technical and managerial competency (7) cohesion of organisational values and beliefs (8) morale and (9) a low level of written organisational rules and regulations are seen as engendering higher levels of performance.

Srivatsava (2001) in his study on organisational culture and its relationship with performance and success observes that a strong organisational culture results in better performance of employees and employees would be more productive and successful on the job. His study reveals that organisational culture is positively related with organisational performance, personal effectiveness, perceived success, pay and promotion.

Shader (1990) in exploring the possible relationships between organisational culture, training and job performance concludes that a significant relationship between all organisational culture factors and job performance is conspicuous by its absence. However, when employees consider 'quality and teamwork' as important then these show a significant relationship to job performance.
A positive correlation between organisational culture and organisational performance is generally observed in the literature when industries in private sector are considered. In exploring the impact of organisational culture on organisational performance in a public sector organisation, Sarwono (1990) observes the existence of a positive correlation between the level of organisational culture and variables of organisational performance, namely, organisational commitment, communication, cooperation, adaptability to change and job satisfaction. It is seen that stronger the level of organisational culture, the higher the level of these variables.

With a view to find the relationship between organisational culture and organisational performance, Kotter et al., (1992) in a study involving more than 200 companies, indicate that culture has a strong and increasing impact on the performance of organisations. The four main conclusions of their study are as follows: (1) Corporate culture can have a significant impact on a firm's long-term economic performance; (2) corporate culture will be an even more important factor in determining the success or failure of firms in the next decade; (3) corporate cultures inhibiting strong long-term financial performance are not rare; they develop easily, even in firms that are full of reasonable and intelligent people; and (4) although tough to change, corporate culture can be made more performance enhancing.

Ernest (1985) opines that effective business planning requires an understanding of not only the external competitive environment but also the internal corporate culture. He argues that there must be a 'fit' between
planning and beliefs, values and practices within the organisation. According to Makin et al., (1996) since an organisation's culture is potentially a key factor in its success, it is important for the organisation to have an appropriate culture for its context and type of operation. Management may at some time wish to change the culture of the organisation with the aim of producing better performance.

Johnson et al., (1993) suggest the concept of a 'cultural recipe', in which culture is seen as the influential composite of a number of variables which include, accepted symbols and rituals, the type of leadership, the type of power structure, the form of organisational structure, functional policies and management systems, the strength and intensity of each of these cultural variables, they argue, results in one organisation developing greater competitive advantage over another although both have access to similar resources.

Bentley (1996) proposes two formulas for performance related pays. The employee's formula is seen as: performance-related pay = a proportion of the value generated by performance levels achieved. This is clear, direct and can be calculated by people as they are performing and will have an immediate motivational impact on the work they do. From the organisation's point of view the formula is seen as: a fair (affordable) proportion of value generated = performance related pay. This way the organisation can calculate individual contribution of employees and afford to pay the money, because value generated more than covers, the cost of paying it.
Attempts have been and are being made to design pay systems which can be seen to be linked with performance. However money alone does not motivate higher levels of performance. People have to want to perform better for themselves first and in the process satisfy their social esteem and self actualisation needs which, Maslow (1954) calls higher order needs. According to Bentley (1996) to bridge the performance gap, management needs to provide what people need to perform and to reward them in their own preference. As Bentley opines if the human ‘Touch’ (Touch, stands for trust, openness, understanding, consideration, honesty) is missing, no amount of coercion or financial persuasion will work.

Harrison (1995) concedes that when there is personalised attention to people’s ideas, feelings, trust, needs & growth it would result in increase in the degree of personal satisfaction, growth and commitment for managers and those they manage and result in good performance.

Dwivedi (1995) in his analysis on organisational culture and performance concludes that a healthy organisational culture is an all inclusive determinant of organisational performance. It provides an augmentative environment in which men, materials, money, physical resources and technology grow to their fuller extent.