ORGANIZATIONAL CULTURE: A STUDY ON MANAGERS OF PRIVATE AND PUBLIC UNDERTAKINGS

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ABSTRACT
Culture as a concept and a key point of study has been the mainstay in the field of anthropology. Organizational behaviour researchers have started giving attention to this concept only in recent years. Organizational culture has been recognized as a major dimension for studying organizational behaviour and practices. In an attempt to understand the complexities of organizational culture, to simplify it and make use of it, the present research intends to examine the perception of Organizational culture among managers of private and public undertakings. The study was carried out in different private and public organizations located in Delhi. Data were collected from 100 managers (50 managers from private and 50 from public undertakings). A modified version of Organizational Culture Scale was used to assess numerous dimensions of organizational culture. Analysis of the data was done using t-test. Results revealed significant difference between managers of private and public undertakings on Organizational Culture variable. The findings imply that the organizations in both the sectors need to understand and manage Organizational Culture and provide them with suitable interpersonal climate to enhance their Organizational Culture so that their level of performance in the organization could be enhanced. Results are explained in the light of present scenario in existing private and public undertakings.

Keywords: Organizational Culture, Manager, Private, Public, Undertakings.

INTRODUCTION
Culture as a concept has a long history and rooted in anthropology has been used by laymen to indicate sophistication, by anthropologists it refers to the customs and rituals that societies develop over the course of time. But of late the organizational researchers used to refer to the climate and practices that the organizations develop around their handling of people or to the values of an organization. Edgar Schein (1984), one of the most prominent theorists of organizational culture, gave the following very general definition: The culture of a group can be defined as: a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

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Denison argues that culture literature addresses “the creation and influence of social contexts in organizations” (Denison, 1996). Zitkus and Junevicius (2007) state that culture most often occurs as a constituent part of the external environment of the company, which, together with economic, social, political, technological and other factors affects the development of the companies as well as the solutions and actions of the managers.

In other words, as groups evolve over time, they face two basic challenges: integrating individuals into an effective whole, and adapting effectively to the external environment in order to survive. As groups find solutions to these problems over time, they engage in a kind of collective learning that creates the set of shared assumptions and beliefs we call ‘culture.’

In the recent past, the concept of organizational culture has gained wide acceptance as a way to understand human systems. From an “open-systems” perspective, each aspect of organizational culture can be seen as an important environmental condition affecting the system and its subsystems. The examination of organizational culture is also a valuable analytical tool in its own right. This way of looking at organizations borrows heavily from anthropology and sociology and uses many of the same terms to define the building blocks of culture.

Most organization scholars and observers recognize that organizational culture has a powerful effect on the performance and long-term effectiveness of organizations. Empirical research has produced an impressive array of findings demonstrating the importance of culture to enhance organizational performance (Cameron and Ettington, 1988; Denison, 1990; Trice and Beyer, 1993).

Organizational culture helps to explain why an organization behaves the way it does and shapes the beliefs of the employees of a firm regarding what is important and what is unimportant (Gray and Balmer 1998). Essentially it is something that a firm is rather than what it has (Lozano and Sauquet 1999; Smircich 1983). It is acknowledged that the strength of the ethical behaviour of a firm can be traced to its organizational culture as well as the leadership of the firm in the promotion of the core ethical ideals (Brien 1998).

The concept of organizational culture is an important element in determining the ultimate ethical success of an organization. It can be defined as a complicated set of beliefs, values, symbols, and assumptions that determine the way in which an organization undertakes its business (Barney 1986).

Schein (1997) highlights nine elements of organizational culture. The first incorporate the customs, the traditions, and the language of the firm. The second is the norms of the group and their related values and standards. The third is the espoused or ones that are formally acknowledged. The fourth is the official philosophy or the mission of the organization. The fifth is the “rules of the game” which applies to all who are a part of the organization. The sixth is the climate within the firm and how different groups interact. The seventh is the embedded skills that are present. The eighth concerns thinking and shared knowledge. The final is shared meanings of the group. It is proposed that a firm that possesses a strong organizational culture will develop a strong Corporate Social Responsibility orientation (Andrew, 2008).
A strong and productive culture can be an important source of sustainable competitive advantage because it is difficult to imitate. Culture in popular managerial parlance, usually refers to how people feel about the organization, the authorities system, the degree of employee involvement and commitment, (Nyaw & Ng, 1994).

Pettigrew (1990) associates culture is the forces of ‘coherence and consistency’ in the organization. Culture is seen as a system of informal guidelines (Deal and Kennedy, 1982) and as a form of social agreement that helps people understand how life in the organization (Wilkins, 1983). Organizational culture will, for example, be evident in the symbols and rituals of the organization, as well as in the beliefs and ideologies of management (Pettigrew, 1979). The impact of culture is reflected in several key aspects of organizational functioning, like problem solving styles (Schwartz and Davis, 1981), as well as organizational structure preferences, control systems, reward systems, and social concerns (Pettigrew, 1990). Other noted effects of organizational culture are: influencing perceptions about the distribution and legitimacy of power or authority (Pettigrew, 1979; Pettigrew, 1990), and applying a form of social control that makes people conform to group norms (O’Reilly, 1995).

Schein (1992), Alvesson (1987, 2002), Pettigrew (1979) and Smircich (1985) argue that one of the most important features of organizational culture is that certain things are shared and held in common by groups. The beginning of formal writing on the concept of organizational culture started with Pettigrew (1979) when he defined the organizational culture through notion of publicly and collectively accepted meanings, which are operating for a given group at a given time. In his definition Pettigrew already brings out the collective nature of organizational culture by referring that the human collective accepts certain things and this collective knowledge is used by them to interpret the processes and relationships that evolve in the organization. It presupposes that organizational members share similar values and assumptions in order to be ready for accepting the common meanings.

Smircich (1985) brings forth a similar idea by claiming that organizations are systems of meanings that are shared to various degrees. Alvesson (1987) claims that the members of an organization can be characterized by cultural similarity in terms of shared beliefs, understandings, values, norms and symbols that make them differ to some extent from other groups outside the organization.

Organizational culture is potentially a dysfunctional factor. Sometimes in attempting to establish Corporate Social Responsibility as a core management discipline, especially in an organization with a functional hierarchy past, unexpected resistance may come from the culture of the organization. Organizational culture is known for nurturing self-sustaining forces that tend to preserve past successful behaviours and sources of power, not recognising the need to adapt to changes in the environment or strategy (Deal & Kennedy, 1982; Kilmann, 1985; Kotter & Heskett, 1992).

Cultural anthropologists have proposed diverse and complex theories of culture that may be characterized by their particular assumptions and emphases. A brief classification of concepts from cultural anthropology provides a variety of different notions with which to examine and position the concepts of culture found in the organization theory or management literature.
A first and critical distinction is drawn between those theorists who view culture as meshed into the social system and those who conceive of it as a conceptually separate, ideational system. In the former view, the cultural and social realms are integrated into a socio-cultural system, postulating harmony, consonance between these two realms. The culture is swallowed into the social and vice versa; manifest behaviour is the product of this socio-cultural system.

Disagreeing with this view, Kroeber and Parsons (1958) proposed a conceptual and analytical distinction between social systems and cultural systems. ‘The social-system focus is on the conditions involved in the interaction of actual human individuals who constitute concrete collectivises with determinate membership. The cultural-system focus, on the other hand, is on “patterns” of meaning, e.g., of values, of norms, of organized knowledge and beliefs, of expressive form.’ (Parsons et al. 1961)

A first and striking observation is that the large body of literature, including many of the classics on organization theory, tacitly assumes that the social and structural components are (must be) fully integrated, synchronized and consonant with the ideational, symbolic dimensions of the organization.

In the views of earlier anthropological concepts of culture, organizations are conceived more or less explicitly as socio-cultural systems. Their ideational components (i.e. pattern of shared meanings and values, systems of knowledge and beliefs) are meshed with the social structure component in a holistic concept of organizations. In this tradition, research and theories tend to centre on the structures, functioning and evolutionary processes of these socio-cultural systems, and on the development of typologies to explain the large variety of forms and processes observed. Obviously, as the symbolic and formal aspects of organizations are assumed to be attuned and mutually supportive at all times, little attention is paid to the possible dissonance or in congruency between the cultural and socio-structural aspects of organizations or to the study of their distinct, ideational, realm.

Keeping in view different perspective of organizational culture, in the present study the definition of Organizational Culture by Priya Nair and C.N. Daftuar is used. According to them, it is operationally defined in terms of eight factors namely Ability Utilization, Growth and Innovation, Help and Support, Low Stress, Personalized Relationships, Individual Dignity and Goal Achievement, Bureaucracy and Shared Outlook.

**MODEL OF ORGANIZATIONAL CULTURE**

To create our model we turned to the literature and identified those variables that have demonstrated links to organizational culture. Moreover, we added all those dimensions in the present model which assesses and constitute our measuring scale. The entire study is based up on these dimensions such as Ability Utilization, Growth and Innovation, Helping Behaviour, Low Stress, Personalized Relationships, Individual Dignity and Goal Achievement, Bureaucracy and Shared Outlook.
**Ability Utilization:** The quality of being able to do something, especially the physical, mental, financial, or legal power to accomplish something.

**Growth and Innovation:** Growth refers to a positive change in size, often over a period of time. Innovation is about helping organizations grow. Growth is often measured in terms of turnover and profit, but can also occur in knowledge, in human experience, and in efficiency and quality. Innovation is the process of making changes to something established by introducing something new. As such, it can be radical or incremental, and it can be applied to products, processes, or services and in any organization. It can happen at all levels in an organization, from management teams to departments and even to the level of the individual. However, recent research findings highlight the complementary role of organizational culture in enabling organizations to translate innovative activity into tangible performance improvements (Salge and Vera, 2012).

**Helping Behaviour:** Helping behaviour refers to voluntary actions intended to help the others, with reward regarded or disregarded. It is a type of pro-social behaviour which includes voluntary action intended to help or benefit another individual or group of individuals such as sharing, comforting, rescuing and helping (Eisenberg and Mussen, 1989; Siegler, 2006).

**Low Stress:** We refer to the low-stress as one in which the individual consciously makes choices, undertakes experiences, and manages his own time and energies in such a way as consciously to minimize or reduce the levels of stress and the accumulated point count of stress experiences.

**Personalized Relationship:** Personalized Relationships refer to one-to-one relationships with individual clients and dedication of the organization’s resources to individual relationship. It intends to develop relationships with customers by providing vital information at every point in the interface with the customer.
Individual Dignity and Goal Achievement: Every person has a deep need to be respected as a human being and not to be humiliated. Respecting the human dignity means recognizing his or her human presence and relating to them in a way that enhances their individual being. For example, recognizing their uniqueness as human beings, appreciating something they have accomplished, recognizing their aspirations, sympathizing with their anxieties, and according respect to the group to which they belong, to their beliefs and opinions.

One of the central issues identified when looking at the difference between people who achieve their goals and people who do not, is the way they talk to themselves throughout the process. Goal achievement process is that energy and effort we will need to put in to achieve the goal. This leads to us feeling either positively or negatively about the goal achievement process, depending on our personality. This can then influence how successful we are in achieving the goal because it affects our commitment to undertaking the small steps that are necessary to achieve the larger goal.

Bureaucracy: A bureaucracy is "a body of non-elective government officials" and/or "an administrative policy-making group" (Merriam-webster.com, 2013). In a bureaucratic organizational structure, authority is generally centred at the top, and information generally flows from the top down. This usually encourages a company culture focused on rules and standards, where operational processes are rigidly controlled with best-practices methodologies and close supervision.

Shared Outlook: Organizational culture tends to be shared by all or most members of some social group; is something that older members usually try to pass on to younger members; shapes behaviour and structures perceptions of the world.

ORGANIZATIONAL CULTURE IN PRIVATE VS. PUBLIC UNDERTAKINGS

A public sector organization is assumed to operate in a different way than a private sector organization. By implication, the attitudes and behaviours of employees of those two types of organizations have been contrasted. Also Public Administration scholars tend to assume that employees across public and private sector organizations behave in significantly different ways, hence, their organizational culture differ significantly. A limited number of studies have been conducted to analyze difference between these two undertakings on their cultural dimensions.

In a general sense, obvious differences exist between private organizations and public sector organizations (Denhardt, 1991). These differences are largely due to the uniqueness of external environment characteristics shaping the boundaries and expectations of these organizations. Specifically, Gordon (1991) regards the formation of organizational culture as “an internal reaction to external imperatives”. Today, more than ever, public sector organizations are facing tremendous pressure to adapt to significant changes in the external environment (Valle, 1999).

Schraeder, Tears and Jordan (2005) highlighted some interesting similarities and differences between cultures in public organizations and cultures in private sector organizations. The differences, in particular, reinforce the importance of training and leading by example to guide public sector employees through the complex dynamics often embodied within culture
transformations in organizations. They have also yielded some important similarities between cultures of private sector and public sector organizations, the differences existing in public sector organization cultures create unique challenges for managers trying to evoke change.

Iliuta (2013) conducted a study on The Cultural Differences between Public and Private Hospitals. The main goal of the study was to highlight the significant cultural differences between the state-owned and public-owned hospitals and to assess if they have a greater influence to the institutions, as compared to common occupational values and norms. The implications of his research for the field of organizational behaviour refers to the fact that he has identified the organizational elements that are common to both public and private hospitals, influenced by a strong occupational culture, and those that differ significantly, being the result of underfunding and poor management.

It is very evident from the literature available that there exist certain similarities and differences between these two sectors in the area of organizational culture, but in what ways do public and private sector organizations and their organizational culture differ significantly? Most of these studies have been carried out by scholars and practitioners who are rooted in Public Administration; almost no private sector oriented management and organization scholars and journals paid attention to this question.

Keeping in view, the present study deals with all those important dimensions which genuinely constitute organizational culture that managers seek to adhere for their overall benefit.

OBJECTIVE
Keeping in view the paramount importance of organizational culture the objective of present study is to examine the difference in perception of organizational culture between Managers of Private and Public Undertakings.

HYPOTHESES
Based on available literature related to the present study, it was hypothesized that “Managers of private undertakings would perceive better Organizational Culture as compared to the managers of public undertakings”.

DESIGN OF THE STUDY
The main functions of research design are to provide information for the collection of relevant evidence with minimal expenditure of effort and time. It depends mainly on the research objectives and hypotheses. Keeping in view the objectives and hypotheses of present research two group measures designs has been used in this endeavour.

METHOD
Participants
The sample of present research consisted of a total of (N=100) Managers, 50 each from private and public undertakings. All the respondents were selected through purposive sampling method from different parts of Delhi and its NCR (National Capital Region). The age of the sample ranges from 30 to 55 years. The data was collected from following private
and public undertakings, Reliance, Kingfisher, Britannia, Ultratech, Hero Honda and MTNL, BSNL, NDPL, BHEL, GAIL, etc. The methodology of the study was planned systematically keeping in view its lofty objectives.

**Instrument**

**Organizational Culture Scale:** The Organizational culture scale developed by Nair and Daftuar (2001), adapted and standardized by Sabhapathy (2006), later was modified and reconstructed by Kamashi (2008), and adapted and standardized by James and Umaselvi (2008) was used for the study. The questionnaire consists of 38 items, distributed over the eight dimensions such as;

1. Ability Utilization.
2. Growth and Innovation.
4. Low Stress.
5. Personalized Relationship.
6. Individual Dignity and Goal Achievement.
7. Bureaucracy.
8. Shared Outlook.

Each item was rated on a 5-point Likert type rating scales ranging from strongly disagree to strongly agree (1-strongly disagree, 2-disagree, 3-undecided, 4-agree and 5-strongly agree). The maximum possible score on this scale is 190 and the minimum score is 38. The reliability of the scale was established by split-half methods. The reliability coefficient using split-half reliability by odd and even methods was found to be 0.96. The validity found by using Guilford’s formula (1954) by applying square roots of the reliability was also high and yielded a validity coefficient of 0.98. The reliability and validity coefficients were found to be highly significant and that established the reliability and validity of the tool.

**Statistical Analyses**

In the present investigation t-test has been computed to analyze the significance of difference between two groups of sample on overall Organizational Culture. Statistical Package for Social Science (SPSS) version 16.0 is used for tabulation and analysis.

**RESULT AND DISCUSSION**

**Table 1: Means, SDs and t-values of managers of private and public undertakings on Organizational Culture dimensions**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Group</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>t-value (df=98)</th>
<th>P*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>Private</td>
<td>50</td>
<td>140.72</td>
<td>14.823</td>
<td>5.189</td>
<td>&lt;0.01</td>
</tr>
<tr>
<td></td>
<td>Public</td>
<td>50</td>
<td>116.74</td>
<td>29.125</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Significant at 0.01 level.

The mean and SD in the case of managers of private undertakings for Organizational Culture dimensions were found to be 140.72 and 14.823 while in the case of managers of public
undertakings the mean and SD were found to be 116.74 and 29.125 respectively. The t-value between the two means was found to be 5.189 which were significant at 0.01 level.

The Mean and SD in the case of Private undertakings is found to be higher as compared to the Public undertakings on Organizational Culture. The Value obtained through t-test is significant on .01 level for both the group on the variable measured in the present study. Thus, it fully proves the present hypothesis of the present study that “Managers of private undertakings would perceive better Organizational Culture as compared to the managers of public undertakings”.

CONCLUSION

The main objective of this research endeavor was to analyze significant difference between managers of private and public undertakings on overall organizational culture. The result revealed that managers of private undertakings perceive their overall organizational culture better as compared to managers of public undertakings. The finding of the present study is supported directly or indirectly by many of the previous research findings, though; their context, sample and timings were different.

The difference that present study revealed can be attributed to the fact that public sector organizations are facing incredible pressures to adjust to the new, evolving demands of their constituencies. These new demands will likely necessitate changes in the cultures of these organizations. Valle (1999) suggests that managers in public sector organizations must help their employees understand these environmental changes and the urgent need for their organizational adaptation. This could, perhaps, explain why public organizations are facing pressures to adopt management techniques utilized by private organizations (Bradley and Parker, 2001). The actions of organizational leaders can also serve as triggers for changing an organization's culture (Gordon, 1991). According to Trice and Beyer (1993), managerial practices are probably the most potent carriers of cultural meaning. Cultural Diversity in Organizations should be managed through planning and implementing organizational systems and practices to manage people so that the potential advantages of diversity can be maximized (Cox, 1993). Hence, it can be concluded that dimensions of Organizational Culture such as Ability Utilization, Growth and Innovation, Helping Behaviour, Low Stress, Personalized Relationship, Individual Dignity and Goal Achievement, Bureaucracy, Shared Outlook cannot be overlooked by the competent authority including managers working in any sector in any of the organizational setup especially public undertakings.

REFERENCES


