

A Conceptual Study on Organizational Culture on Selected Industries in Chennai, India

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ABSTRACT

Organizational culture studies have proliferated in the management literature in current trend. This is because of the study of the culture concept prompts researchers to question commonly held assumptions about organizations and their value to the Stakeholders. This research is tries to describe and characterize, at an exploratory level, the culture in Organisation Industries wise on Chennai city. Those Results of the questionnaire survey of 40 managers regarding their firms' organizational culture show that specific industries may share common cultural characteristics along the organic-mechanistic and integration differentiation continues, and that some of those common factors might be explained by similarities in their Prevailing culture, customer requirements, and societal expectations. These results, however, have yet to be verified by similar explorations into other demographic variables.

Keywords: *Organisational Culture, Stakeholders, explorations, societal expectations*

INTRODUCTION

In India today's industrial society, the organization is viewed as a collectively to which employees belong rather than just a workplace comprising separate individuals. Organizations are mini-societies that have their own distinctive patterns of culture and subculture. Organizational culture has been recognized as an essential influential factor in analyzing organizations in various aspects. Its importance to create competitive advantages or its impact on organizational performance has engaged scholars for many years.

The concept of culture is useful for organizational analysis because it prompts researchers to question commonly held assumptions about organizations and their value to society. However, despite agreement about the importance of culture as an organizational variable, consensus about its definition and measurement is lacking. The varying cultural perspectives have led to several theoretical dilemmas in defining and measuring organizational culture for example, choosing between definitions of culture in both anthropology and organizational studies, the distinction between culture and climate, the appropriate level of analysis, whether to use survey or ethnographic measurement, and the distinction between culture and subcultures.

Nevertheless, it would be worthwhile encouraging the development of a stream of research on organizational culture, because, firstly, there will have to be a theoretically acceptable way in which to describe the 'culture' in given

organizations, and secondly, the measurement of the emergent cultural variables is necessary if we are to relate them to such organizational characteristics. as: Industry size, Industry performance, Market performance, Business ethics, satisfaction of the employee, Industries success factors, marketing and selling effectiveness, and various other performance variables. The first of these reasons is what this study seeks to achieve: to describe and characterize, at a Conceptual Understanding level, the culture in Chennai organizations.

OBJECTIVE OF THE STUDY

1. To identify the Pre-dominant culture Pre-vailling in the selected organisation in various industries in chennai.
2. To classify the different cultures on relation to the Industry type in chennai.

SCOPE OF THE STUDY

Given that organizational culture is an important concept to warrant investigation and exploration, and given that organizational culture is what the employees perceive and how this perception creates a pattern of beliefs, values, and expectations, it would be good to apply a tenable theoretical framework for characterizing the cultures in the Chennai business environment.

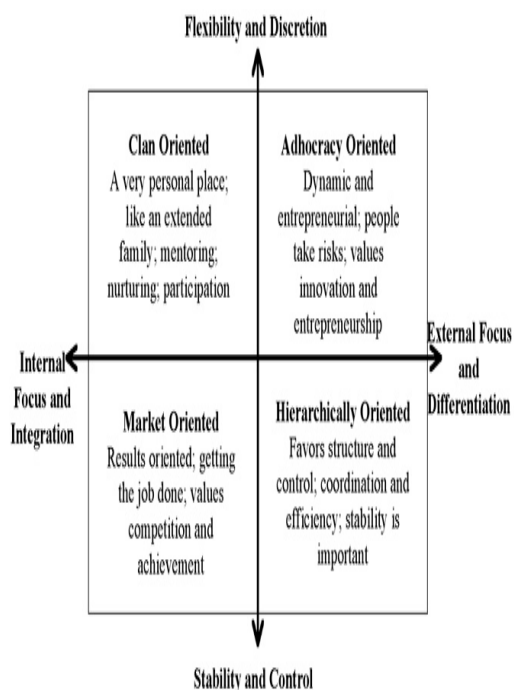
The study uses the construct of Deshpandé, Farley and Webster, who in turn develop their model based on Cameron and Freeman, and Quinn. Deshpandé, Farley and Webster have shown that a model of culture types can be derived. The model they develop and use is

defined by two key dimensions, which represent a merging of two major theoretical traditions from the organizational behaviour literature: the systems-structural perspective, and the transaction cost perspective, which is grounded also in economics. One axis describes the continuum from *organic* to *mechanistic* processes, that is, whether the organizational emphasis is more on flexibility, spontaneity, and individuality, or on control, stability, and order. The other axis describes the relative organizational emphasis on *internal maintenance* (i.e., smoothing activities, integration) or on *external positioning* (i.e., competition, environmental differentiation).

The four resulting culture types are labelled: clan, adhocracy, market and hierarchy (see Figure 1). Each culture label includes assumptions relating to: dominant organizational attributes, leadership styles, organizational bonding mechanisms, and overall strategic emphases.

Figure 1

Deshpandé, Farley and Webster Model of Organizational Culture Types



The questionnaire captures and expresses clearly the four culture types described above.

While questions remain about the measures used to assess culture and while definitional problems have not been resolved, there have, nevertheless, been several attempts at the empirical testing of the theoretical models on organizational culture developed in the literature.

REVIEW OF LITERATURE

Organisation Culture, like role, lies at the intersection of several social sciences and reflects some of the biases of each specifically those of anthropology, sociology, social psychology, and organizational behaviour.

Popular best-seller books provide anecdotal evidence about the powerful influence of culture on individuals, groups, and processes. However, theoretically based and empirically valid research on culture and its impact is still quite sketchy. Questions remain about the measures used to assess culture, and definitional problems have not been resolved. There has been the inability of researchers to show that a specific culture contributes to positive effectiveness in comparison to less effective firms with another cultural profile.

These facts notwithstanding, it would be good to outline the development of the field of organizational culture, so that we may be led to an understanding of the major paradigms that have been established and to a choice of a tenable conceptual framework of organizational culture as a basis for an exploratory description of Chennai companies.

There have been varied approaches to the study of organizational culture. The main themes have been: 1. Comparative Management approach; 2. Contingency Management Perspective; 3. Organizational Symbolism; 4. Structural-Psychodynamism; 5. Organizational Cognition. Each one of these approaches is discussed in turn.

1. Comparative Management Approach

In the comparative management approach, culture can be viewed as a variable *exogenous* to the firm, influencing the development and reinforcement of core beliefs and values within the organization (e.g., a national culture). Such cross-cultural studies of management typically are motivated by a search for explanations for differences in organizational outcomes such as job satisfaction or effectiveness.

However, more comparative cultural studies are needed to better understand how culture impacts organisation. This analysis has yet to be operationalised and studied further to produce a

scale or inventory for purposes of empirical analyses and surveys.

2. Contingency Management Perspective

In studies with a contingency management perspective, culture is seen as an independent variable *endogenous* to the firm, consisting of beliefs and values developed by and within the organization. The contingency approach to organization, which has established itself as a dominant perspective in modern organizational analysis, treats organizations as open systems that need careful management to satisfy and balance internal needs and to adapt to environmental circumstances.

Thus, measures of corporate performance are influenced in significant and systematic ways by the shared values, beliefs, identities, and commitment of organizational members (Peters and Waterman, 1982). It is possible to identify and test the elements of culture given this perspective; however, there are no extant scales or inventories for purposes of empirical analyses and surveys.

3. Organizational Symbolism

In an organizational symbolism perspective, an organization is a system of shared meanings and symbols, a pattern of symbolic discourse that provides a background against which organization members organize and interpret their experience (Deshpandé and Webster, 1989).

A representative example of this paradigm is the work of Hatch (1993), which extends the work of Schein to be a symbolic paradigm of organizational culture. Whereas Schein distinguishes only three levels at which culture manifests itself, viz., (a) observable artifacts, (b) values, and (c) basic underlying assumptions, Hatch takes this dynamically, by introducing the idea that artifacts in turn give rise to *symbols* through the process of 'symbolization'. This dynamic view of culture argues for two fundamental changes to Schein's model: (a) symbols are introduced as a new element, which accommodates the symbolic-interpretive perspective, and (b) the elements of culture are made less central so that the relationships linking them become focal.

4. Structural-Psycho dynamism

In this paradigm, the research goal is to discover structural patterns that link the unconscious human mind with overt manifestations in social arrangements. Researchers see organizations as a form of human expression rather than as goal oriented, problem-solving instruments.

This perspective is analogous to the metaphor of organizations as psychic prisons, according to which we would expect the pattern of organizational life to be created and recreated in accord with the patterns or structures found in the history of myth and literature. The analysis by Ian Mitroff (1984), who has made an important theoretical contribution in this area, suggests that we may be able to understand the unconscious significance of much organizational behaviour in terms of the great themes that have shaped history (Morgan, 1997). It is possible to operationalize this perspective in the form of survey questions or scales; there are, however, no such scales or inventories for purposes of empirical analyses.

5. Organizational Cognition

This approach is based on cognitive organization theory and is analogous to the cognitive paradigm in much of consumer as well employees behaviour research. This perspective on organizational culture focuses on managerial information processing and views organizations as knowledge systems (Deshpandé, Farley and Webster, 1993). This is the aspect of the culture metaphor that has had the greatest impact on organizational practice to date. Since the 1980s there has been a growing realization that the fundamental task facing leaders and managers rests in creating appropriate systems of shared meaning that can mobilize the efforts of people in pursuit of desired aims and objectives (Luthans, 2005).

Because of the extant culture framework developed by Deshpandé, Farley and Webster (1993), their scale is being used in this paper. Their model is in turn adapted from Cameron and Freeman (1991) and Quinn (1988), and draws largely from the cognitive theory of organizations. Concretely, it is based on the "competing values model" of organizational development, which in turn is based on an empirical analysis of the values individuals hold for organizational performance (Deshpandé, Farley and Webster, 1993)..

The framework developed by Edgar Schein falls within this paradigm in that, as he claims, a founder's beliefs and values are taught to new members and, if validated by success, undergo cognitive transformation into assumptions. His model draws as well from systems theory and from the Lewinian field theory (Schein, 1990). Schein (1990, p.111) defines organizational *culture* as:

- i. A pattern of basic assumptions,
- ii. invented, discovered, or developed by a given group,

- iii. As it learns to cope with its problems of external adaptation and internal integration,
- iv. That has worked well enough to be considered valid and, therefore
- v. Is to be taught to new members as the
- vi. Correct way to perceive, think, and feel in relation to those problems.

Summary and Problems

Here various culture paradigms stem from different theoretical bases for the concept. Researchers have variably well constructed explicit or implicit paradigms that bias not only the definitions of key concepts but the whole approach to the study of the phenomenon. In addition, there has been argued over the use of the terms 'organizational climate' ('what happens around here') and 'organizational culture' ('why do things happen the way they do') (Denison, 1996). Here those selective industries organizational culture as a perspective to understand the behaviour of employees as individuals and groups within the organizations has its limitations. Nevertheless, it should be accepted that organizational culture is an important enough concept to warrant investigation and exploration. After all, there is general agreement that organizational culture is what the employees felt and how this perception frames a pattern of beliefs, values, and expectations.

Descriptive Statistics Industries of the Sample Firms

<i>Industry Count</i>	<i>Count</i>	<i>Percentage (%)</i>
Health care	10	25%
Computer Hardware & Software	10	25%
Banking & Finance	10	25%
Aviation	10	25%
<i>TOTAL</i>	<i>40</i>	<i>100%</i>

Organizational Cultures in the Sample, by Industry:

The Organizational Culture Questionnaire contains four (12) questions each for the "Clan", "Adhocracy", "Hierarchy" and "Market" cultures. For each industry (in Table 1 above), average responses to each of these four (4) sets of

RESEARCH METHODOLOGY

This study is an exploratory survey of the organizational culture of selected industries in Chennai city. The study of cultural issues in the Chennai is important, as it has been in the rest of the world, because of the need to empirically associate or relate cultural variables with various performance, ethical, efficiency, and effectiveness indicators in business firms. Empirical data and analyses of Chennai companies' organizational cultures are lacking.

This study uses convenience sampling. The sample consists of fifty (50) Middle Level Executives and Managers. The questionnaire survey was administered in the November-December 2014 period. Since this is an exploratory study, no effort was made to conduct stratified sampling that would be representative of the entire business environment of the Chennai. Average response scores to each of the four (4) general categories of Organizational Culture were to be computed.

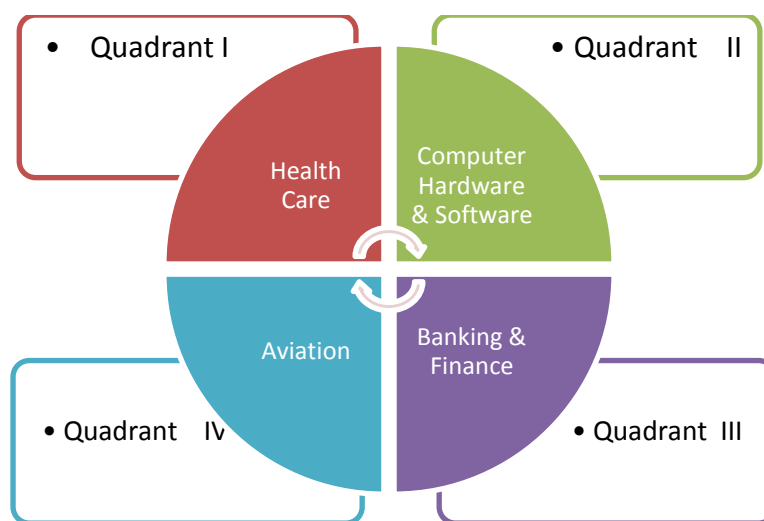
RESULTS

Descriptive Statistics

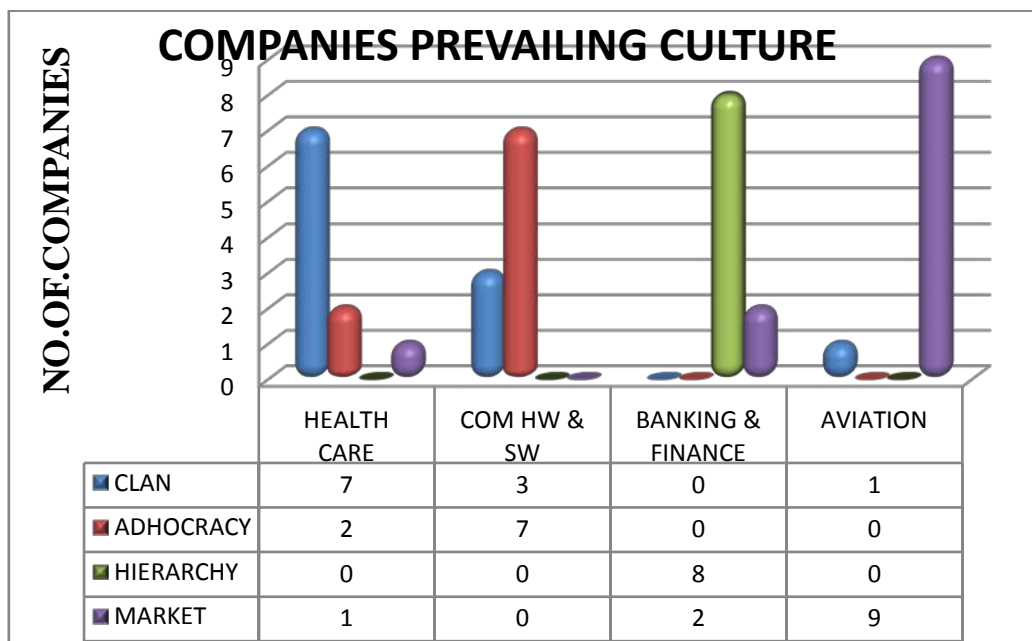
Table 1 sets forth the industries to which the respondents in the sample belong and their respective proportions in the sample.

questions were calculated. The highest average response for every industry, for as long as it exceeded "4" (neutral), was used to determine the dominant cultural characteristic of the given industry and, therefore, its approximate "location" on the "quadrants" of the Organizational Culture model of Deshpandé, Farley and Webster.

**Industries Located on the 'Quadrants' of
Deshpandé, Farley and Webster's Organizational Culture Types**



Companies falling under Different Culture



Analysis of Results

Table 2 summarizes the approximate “locations” of the industries in the sample within the Model of Organizational Culture types.

**Industry Categorization According to
Model of Organizational Culture Types Organizational Culture “Quadrant” Industries**

I (Organic Processes-Internal Maintenance)	Health care
II (Organic Processes-External Positioning)	Computer Hardware & software
III (Mechanistic Processes-Internal Maintenance)	Banking & Finance
IV (Mechanistic Processes-External Positioning)	Aviation

Gordon (1991) develops the argument that organizational culture is strongly influenced by the characteristics of the industry in which the company operates. Thus, companies within an industry share certain cultural elements that are required for survival. He identifies three classes of industry variables that have the potential for creating industry-driven cultural elements: competitive environment, customer requirements, and societal expectations. Further, Chatman and Jehn (1994) find that technology and growth are two industry characteristics that relate to organizational culture. In addition, they find that stable organizational culture dimensions existed and varied more across industries than within them.

Quadrant I - Healthcare

The dominant attributes in this quadrant (organic-internal emphasis) are: cohesiveness, participation, teamwork, and sense of family. Gordon (1991) suggests that societal expectations are the third dimension of industry determinants of organizational culture, that is to say, the extent to which society holds industry expectations that have specific influences on the values likely to be adopted by the industry. In this case, it seems logical that Healthcare as societal expectations make certain demands in this area. The however, look vague, as the sample of companies does not reveal a strong organizational culture.

Quadrant II - Computer Hardware/ Software.

The dominant attributes in this quadrant (organic-external emphasis) are: entrepreneurship, creativity, and adaptability. Gordon (1991) suggests that the competitive framework in which a company operates is an important dimension on which core assumptions in the company culture are developed. It seems logical that the Computing, Consulting, Education and Engineering industries bear an organic external emphasis, that is, take on the characteristics of entrepreneurship, creativity, and adaptability, as these sectors tend to be very dynamic and need to pay attention to external positioning.

Quadrant III - Banking & Finance

The dominant attributes in this quadrant (mechanistic-internal emphasis) are: emphasis on hierarchy, i.e., order, rules and regulations, uniformity. It is understandable that industries such as Banking and Finance put emphasis on mechanistic processes and internal maintenance, as these are highly regulated sectors. As mentioned above, societal expectations are the third dimension of industry determinants of organizational culture. Gordon (1991) includes the degree of regulation or deregulation as an example of societal expectations.

Quadrant IV - Aviation

The dominant attributes in this quadrant (mechanistic-external emphasis) are: market orientedness, competitiveness, and goal achievement. Gordon (1991) suggests that

assumptions about customer requirements constitute an industry determinant of organizational culture. For instance, demands for reliability or novelty, which bear a strong relationship to the stability dynamism aspect of competition, can influence the values and assumptions held within companies belonging to a given industry. The studies mentioned here are the manufacturing and utilities firms, since they represent two ends of a continuum, ranging from highly dynamic (novel) to very static (reliable) marketplaces. The industries located on this 'quadrant' necessitate a keen market-orientedness, as they need to be adaptive to the forces acting within those industries.

CONCLUSIONS AND RECOMMENDATIONS

Results of the Organizational Culture survey of 40 Chennai managers show that specific industries may share common cultural characteristics along the organic mechanistic and integration-differentiation continuums, and that some of those commonalities might be explained by similarities in their competitive environment, customer requirements, and societal expectations.

The results may, however, be limited, as they have yet to be verified by similar explorations into other demographic variables such as company size. Policy implications in the Organizational Culture literature typically revolve around issues of socialization—whereby organizational members are 'inculturated' in the corporate culture—, culture change, and the use of Organizational Culture as a source of competitive advantage. As regards culture change, it has been suggested that there are at least two levels of potential change in the industry environment that will most likely require changes in the culture of organizations within a given industry: the level of basic assumptions and the level of values (Schein, 1990; Gordon, 1991).

For example, it has been shown that environmental changes necessitating culture change include: level of regulation or deregulation, levels of technology and growth, entrance of different types of competitors, and the like. The criticality or limitedness of these relationships, however, have yet to be confirmed by added explorations into other corporate variables and by further empirical research.

LIMITATIONS OF THE STUDY AND DIRECTIONS FOR FUTURE RESEARCH

This study is exploratory: the sampling method used is convenience sampling. The 40 responding Chennai managers and middle level Employees of organisation. This respondent base is

not representative of the population of organizations and corporations in the Chennai. Likewise, personal interviews with the manager respondents can be added in a future research. The paper can be improved or extended through the development of a local culture inventory or scale that surveys better the local business and leadership conditions. For the development of such a scale, other culture paradigms may be utilized, such as the organizational symbolism framework of Edgar Schein (1990) or its derivatives (Hatch, 1993).

Many empirical studies on organizational culture have used the Schein culture framework; methods of operationalizing these theoretical frameworks in the Chennai setting will have to be explored. Further empirical research might confirm or negate the tentative results above regarding the location of specific industries within the organic-mechanistic and integration-differentiation continuums. If other culture paradigms can be operationalized and utilized, the industry picture might turn out different. Extensions of this study could include a more complete characterization of the respondent firms, such as: company size, length of existence, average annual yearly revenues or income, etc. For future research, responses to the culture variables can be regressed or related with such organizational characteristics as: financial performance, stock price performance, ethical behaviour, work satisfaction, corporate success factors, firms' market orientedness, success in mergers and acquisitions, various other performance variables, and others.

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