AN ORGANIZATIONAL CULTURE STUDY OF A HYDROPOWER PROJECT COMPANY IN INDIA

Sreekanth Vemuri[*]

Dr. Kavita Laghate[**]

Keywords:

Organization Culture;

Satisfaction Level;

Change;

Characteristics   of

Organizational Culture;

Abstract

The study examines the organizational culture of a hydropower project company in India. In the view of the recent change in the top management of the organization, our study attempts to address the employee satisfaction level in the organization. The research was exploratory. A sample size of 181 employees across various locations and offices of the hydro power plant has been taken and sampling procedure was non probability sampling (purposive and convenience).

The responses were captured manually and descriptive statistics was used to explore the data.

The study findings indicate that an average score of 3.41 has been recorded from the responses of the employees on Organization Satisfaction level (on a scale of 1 to 5; 5 being highest)

During the personal interviews and group discussions the researchers have asked respondents to furnish 5 best things about the organization and 5 areas of improvement.

- Results show that organization has a good working culture, well laid processes, professional

[*] **Research scholar, Jamnalal Bajaj Institute of Management Studies, Mumbai, India**

[**] **Professor, Jamnalal Bajaj Institute of Management Studies, Mumbai, India**

and transparent work environment, emphasis on safety and job security.

- Areas of improvement and concern include speeding up of approval process, more trainings, wage disparity and grant of leave.

1.   Introduction

The organization where culture study is attempted is a hydro power plant in India. In the recent past there was a change in the management due to take over of the project. The acquirer and acquire are inherently different. After the takeover, processes and practices in the organization are changing. Because of the different way of dealing of two organizations, there was a great turbulence. The study was intended to explore about the aspect of culture in the turbulent scenario.

In any organization, culture has a profound impact on the behaviour of people which in turn has an impact on the effectiveness of the organization by influencing how decisions are made at the workplace. Employees show resistance towards any change, unwillingness towards implementing new strategies, technology, new ways of working etc. Hence understanding the organizations culture becomes the first step to bring in any change within the organization.

"Culture is one of the most precious things a company has, so you must work harder on it than anything else." —Herb Kelleher, Founder & Chairman Emeritus, Southwest Airlines.

In this study we have considered the following aspects of organizational culture. Each of these have impact on effectiveness and building organizations.

- Innovation (Risk Orientation)
- Attention to Detail (Precision Orientation)
- Emphasis on Outcome (Achievement Orientation)
- Emphasis on People (Fairness Orientation)
- Teamwork (Collaboration Orientation)
- Aggressiveness (Competitive Orientation)

- Stability (Rule Orientation)

The value for each of the characteristics is different and when combined defines the organization's culture. Researchers endeavour through this organization culture study is to examine the organization culture characteristics and capture the employee's opinion about the way the organization operates, gain better understanding and measure employees, underlying beliefs, values and assumptions. A questionnaire was designed to determine the perception of employees on the above different characteristics related to organizational culture.

Figure1: Org Culture characteristics

2. Review of Literature:

According to Hofstede, the first use of the terminology "Organisational Culture" was utilized by Andrew Pettigrew in 1979 (Hofstede, Neuijen, Ohayy & Sanders, 1990).

"Culture refers to the norms, values and beliefs the members of an organization maintain about the purpose of work and how they are expected to go about doing the work" (Tentenbaum, 1999 p.5)

Organizational culture develops itself through the years and it is created and maintained by the owners of the company (Cameron & Quinn, 1999). According to Schein, Organization culture is a "pattern of basic assumptions – invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration" (Schein, 1985, p.9).

Organisational culture is the key to organisational excellence and the function of leadership is the creation and management of culture. The ability to perceive and assess the limitations of one's own culture and to develop the culture adaptively is the essence and ultimate challenge of leadership (Schein, 1992).

Culture is a significant factor for any organization's performance. It helps the management of the organization to better align and achieve its strategic goals. High performance firms could be distinguished from low performance firms because they possess certain cultural traits and strong culture – Perters and Waterman (1982). They further added that innovativeness, productivity through people also have positive economic consequences.

Apart from organization's performance, organization culture may directly or indirectly have an impact on Team cohesiveness, employee morale, employee performance and customer service.

Factors contributing to weak organization culture include, bureaucracy, unwillingness to change, politicized organizational environment and hostility to change. (Kotter and Heskett, 1992).

" It is difficult to say that the organizational culture guarantees the success of the company but the companies with strong corporate culture always have more chances to become successful than their competitors" Jarratt and O'Niell (2002).

Understanding and interpreting organization culture is an important task for the management as it affects its productivity and growth.

3. About the Study:

The research is exploratory/ descriptive in nature. The primary data for the research was gathered from the responses received to the questionnaire from the employees.

A bilingual questionnaire (Hindi and English) was used to capture the data as the sample contains employees in worker category to executives and heads of departments. The responses on Likert Scale were obtained on 40 statements where 1 represents strongly disagree and 5 represents strongly agree.

The researchers have read out questions to the respondents wherever it was felt necessary More than 250 employees were contacted and group discussions were held across the job levels to capture the pulse of the situation. . A sample of 181 respondents have shared their inputs that was captured in the form of questionnaire.

Out of the sample of 181, only 2 female respondents were found. It is due to the nature of the business, it is highly skewed towards the male gender. The responses provided by the respondents are only considered for analysis.

Study Setting: The study was conducted in a Natural (non-contrived) setting. The researcher in no way is in a situation to influence and the data collected is accurate in reflecting the real life behaviour rather than contrived behaviour.

4.   Problem Statement:

There is a change in the Top management of the organization due to the recent takeover. The acquirer of the business is fundamentally different from the previous management. This is the pivot reason why the study is conducted. The study was conducted after almost 1.5 years after the takeover. It was sufficient time to understand the pulse of the employees in general. The change in the management has induced a change in perception of the employees. The acceptance of the cultural shift will help the new management to manage the business as they want. Hence the problem statement is "what is the employee perception on the Organization culture on various culture characteristics?".

5.   Hypothesis:

The assumption is that the level of perception on seven characteristics is on lower side. For example- employees feels the organization is low on innovation. Hence we set the following Hypotheses.

Ho1: Employees perceive that the Organization is not innovative ($u_1 <= 3$)

Ha1: Employees perceive that the Organization is innovative ($u_1 > 3$)

Ho2: Employees believe that the Organization does not emphasizes on attention to detail ($u_1 <= 3$)

Ha2: Employees believe that the Organization does emphasizes on attention to detail ($u_1 > 3$)

Ho3: There is no significant emphasis on the outcome in the Organization ($u_1 <= 3$)

Ha3: There is a significant emphasis laid on the outcome in the Organization ($u_1 > 3$)

Ho4: There is no significant emphasis on the people in the Organization ($u_1 <= 3$)

Ha4: There is a significant emphasis laid on the people in the Organization ($u_1 > 3$)

Ho5: Organization does not emphasize on Teamwork ($u_1 <= 3$)

Ha5: Organization emphasizes on Teamwork ($u_1 > 3$)

Ho6: Organization is not competitive/aggressive ($u_1 <= 3$)

Ha6: Organization is competitive/aggressive ($u_1 > 3$)

Ho7: Organization does not emphasize on rules ($u_1 <= 3$)

Ha7: Organization does emphasize on rules ($u_1 > 3$)

6.   Research Methodology

A study was carried out at various locations and offices of the organization in April, 2016.

- Non probability purposive and convenient sampling was used
- Primary data was collected through a questionnaire
- A five point Likert scale is used to get the responses

7.   Data Analysis and results discussion

7.1.   Characteristic Scores:

Average scores on the 7 organization culture characteristics have been summarized in the table below:

Characteristic	Average Score
Innovation (Risk Orientation)	4.05
Attention to Detail (Precision Orientation)	3.93
Emphasis on Outcome (Achievement Orientation)	4.19
Emphasis on People (Fairness Orientation)	3.97
Teamwork (Collaboration Orientation)	3.97

| Aggressiveness (Competitive Orientation) | 4.02 |
| Stability (Rule Orientation) | 3.80 |

Table1: Average score on the culture characteristics
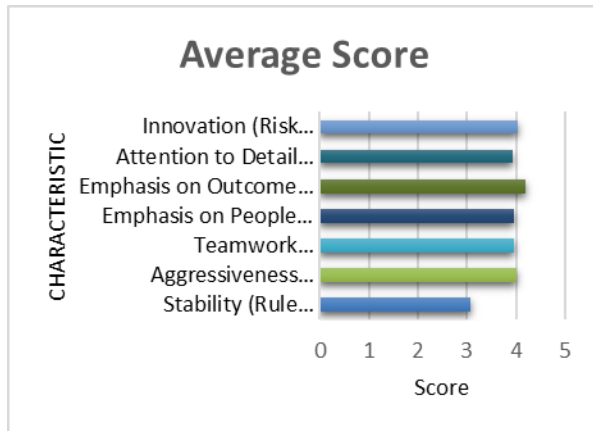

Figure2: Bar graph depicting the average score on the culture characteristics

7.2. Satisfaction Level:

Researchers wanted to gauge the overall satisfaction level of employees as there was a recent change in the management. Respondents were asked a direct question to rate their satisfaction level on a scale of 1 to 5 where 1 represents least satisfaction and 5 represents high satisfaction.

The chart shows overall satisfaction scores. 40% of the respondents are satisfied while 12% of the respondents are highly satisfied.

An average score of 3.41 has been received.

Figure3:   Bar   graph   showing   the   responses   for   Satisfaction   level
Figure4: Chart showing % of respondents for Satisfaction level

7.3.   Innovation (Risk Orientation):

78% of the respondents feel that Management is innovative in developing new ways and improved ways to do work are continually adopted. They also feel that the organization and their teams strive to change processes to improved performance.
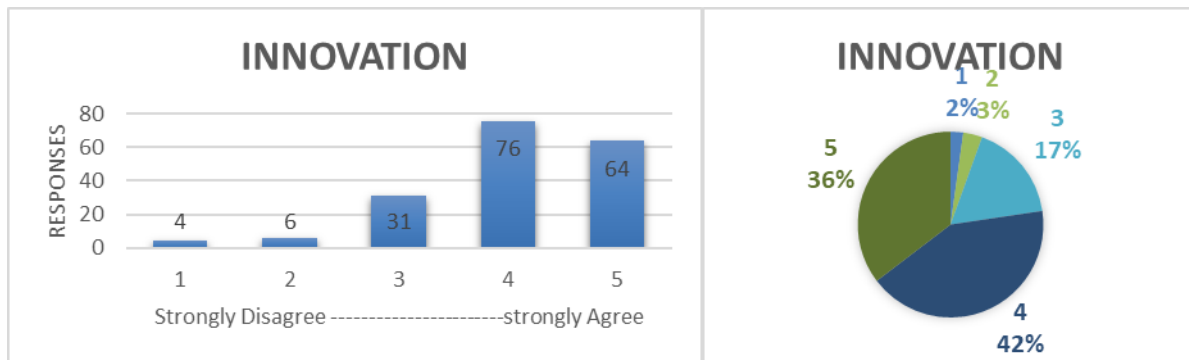
An average score of 4.05 has been received.

Figure4:   Bar   graph   showing   the   responses   for   Innovation
Figure5: Chart showing % of respondents for Innovation

7.4.   Attention to Detail (Precision Orientation):

67% of the respondents feel that the organization emphasises on attention to detail and quality of work. They opined that business operations are performed to the highest standards and minute details are given utmost importance.
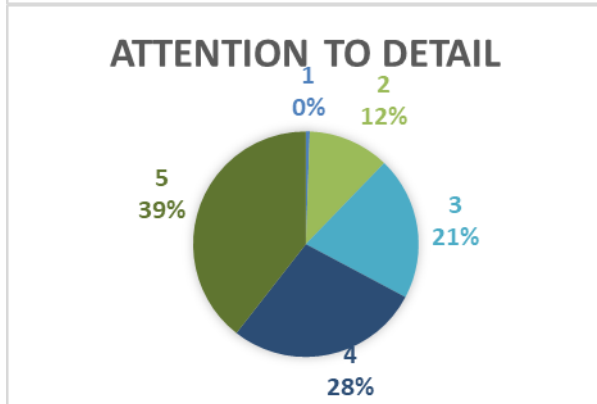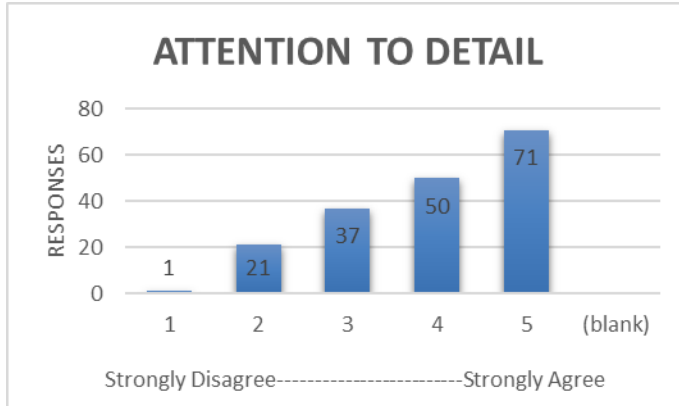
An average score of 3.93 has been received.

Figure5: Bar graph showing the responses for Attention to detail

Figure6: Chart showing % of respondents for Attention to detail

7.5. Emphasis on Outcome (Achievement Orientation):

Respondents feel that the conditions in their department allow them to perform to a high standard. They also feel that their work is challenging, and they like their work. Respondents feel that they constantly stretch their goals to continuously improve. An average score of 4.19 has   been   received.
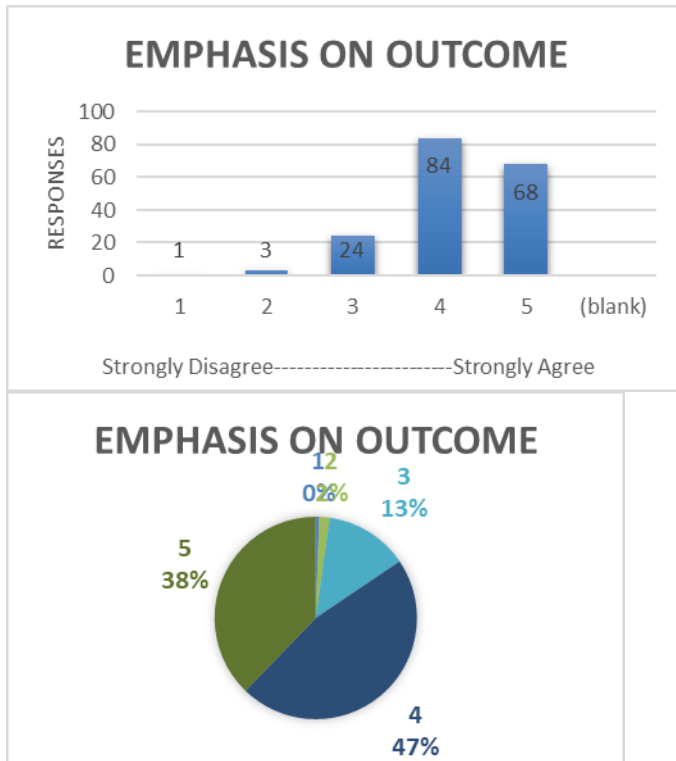
Figure6: Bar graph showing the responses for Emphasis on Outcome

Figure7: Chart showing % of respondents for Emphasis on Outcome

7.6. Emphasis on People (Fairness Orientation):

Respondents feel that they are valued at work and they are free to express their opinions without worrying about negative consequences. Most of them feel that the morale in their department is generally high.

In comparison to other statements within this characteristic response received for whether they are treated with respect, and the conditions in their department allow them to perform to a high standard the responses tend more towards the neither agree nor disagree, which implies that this needs to be probed further. Respondents feel that they receive enough recognition for their work and hard work is usually rewarded. They are aware that if they perform a good job then they have a better chance of getting ahead.

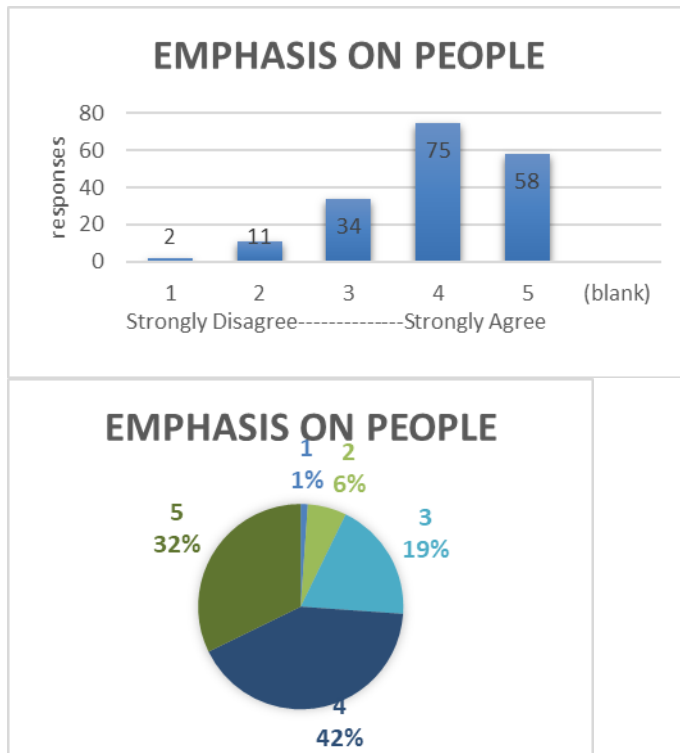An average score of 3.97 has been received.

Figure7:   Bar   graph   showing   the   responses   for   Emphasis   on   People

Figure8: Chart showing % of respondents for Emphasis on People

7.7.   Teamwork (Collaboration Orientation):

Respondents feel that all the departments are working together to achieve a common goal and all staff are friendly and supportive. They also feel that information and data is shared equally within the department and people possess interpersonal skills and technical skills to work effectively in teams.

However, they also feel that there is some need for good team work and cooperation amongst departments (inter department al collaboration).

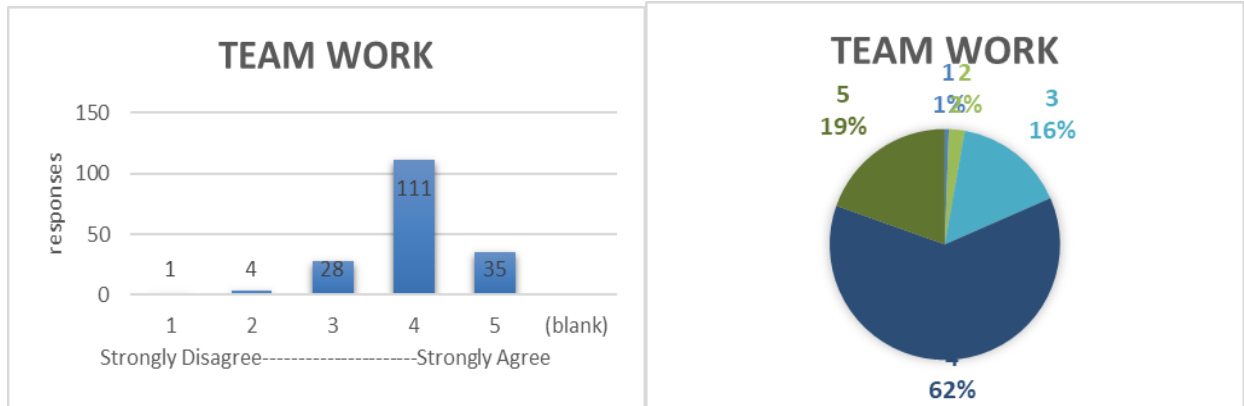An average score of 3.97 has been received.

Figure8: Bar graph showing the responses for Teamwork   *Figure9:*
Chart showing % of respondents for Teamwork

7.8. Aggressiveness (Competitive Orientation):

Respondents feel that ambitious and realistic goals are set. They strongly feel that they track their progress against stated goals and there is widespread agreement about the goals. They understand what needs to be done to succeed in the long run.

Respondents feel that most change is the result of pressure imposed from higher ups in the organization.
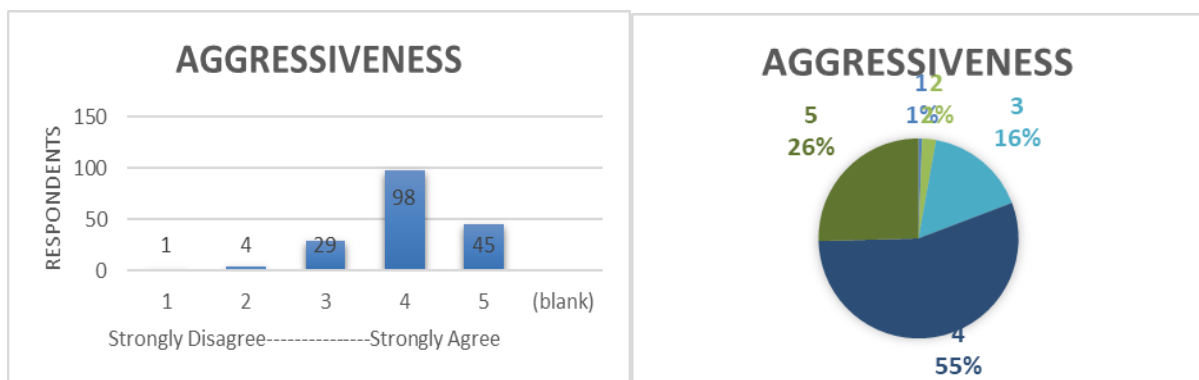
An average score of 4.02 has been received.

Figure9: Bar graph showing the responses for Aggressiveness
Figure 10:: Chart showing % of respondents for Aggressiveness

7.9. Stability (Rule Orientation):

Respondents feel that the way things are done is not very flexible and easy to change and authority is not delegated so that they can act on their own. They also feel that most employees are highly involved in their work, flexible and adaptable when changes are necessary

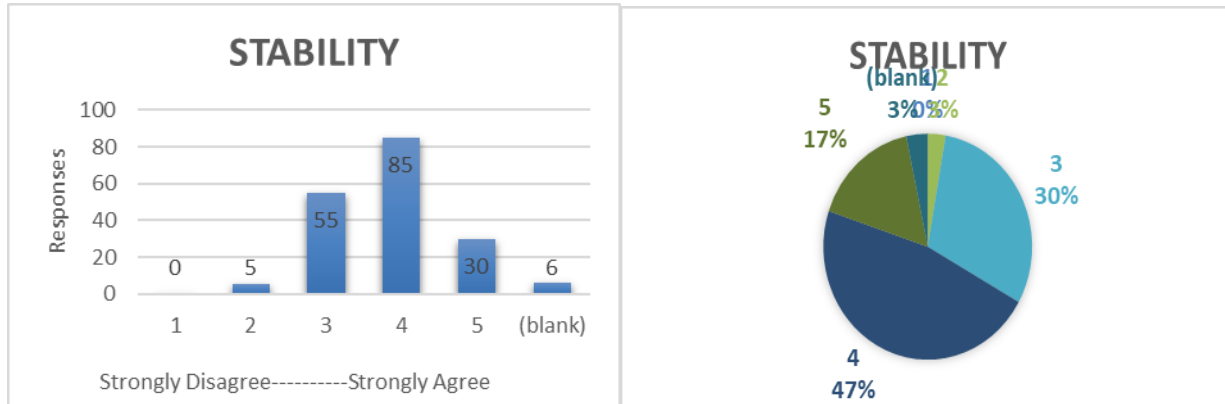An average score of 3.08 has been received.

Figure10:   Bar   graph   showing   the   responses   for   Stability

Figure11: Chart showing % of respondents for Stability

8.   Interpretations and Conclusions

Characteristics\ Statistic	Mean	Standard Deviation	n	µ	Z (Calculated) = ((Mean-µ)/SD)*Sqrt(n)	Z (Critical) @ 95% confidence level	Outcome
Innovation (Risk Orientation)	4.05	0.927			15.245	1.96	Z(Cal) > Z(Critical)
Attention to Detail (Precision Orientation)	3.93	1.058			11.827	1.96	Z(Cal) > Z(Critical)
Emphasis on Outcome (Achievement Orientation)	4.19	0.770			20.786	1.96	Z(Cal) > Z(Critical)
Emphasis on People (Fairness Orientation)	3.97	0.927	181	3	14.074	1.96	Z(Cal) > Z(Critical)
Teamwork (Collaboration Orientation)	3.97	0.703			18.570	1.96	Z(Cal) > Z(Critical)
Aggressiveness (Competitive Orientation)	4.02	0.749			18.310	1.96	Z(Cal) > Z(Critical)
Stability (Rule Orientation)	3.80	0.750			14.341	1.96	Z(Cal) > Z(Critical)

Table2: Various statistical parameters including Z scores

Below table provides a summary of the hypothesis testing.

Characteristics	Hypothesis	Statistic value	Status	Interpretation
Innovation (Risk Orientation)	Ho1: Employees perceive that the Organization is not innovative Ha1: Employees perceive that the Organization is innovative	Z (Cal) > Z (Critical)	Reject Null Hypothesis and accept the alternate Hypothesis.	Organization is innovative.
Attention to Detail (Precision Orientation)	Ho2: Employees believe that the Organization does not emphasize on attention to detail Ha2: Employees believe that the Organization emphasizes on attention to detail	Z (Cal) > Z (Critical)	Reject Null Hypothesis and accept the alternate Hypothesis	Organization emphasizes on attention to detail.
Emphasis on Outcome (Achievement Orientation)	Ho3: There is no significant emphasis on the outcome in the Organization Ha3: There is a significant emphasis laid on the outcome in the Organization	Z (Cal) > Z (Critical)	Reject Null Hypothesis and accept the alternate Hypothesis	Organization emphasizes on outcome/results.
Emphasis on People (Fairness Orientation)	Ho4: There is no significant emphasis on the people in the Organization Ha4: There is a significant emphasis laid on the people in the Organization	Z (Cal) > Z (Critical)	Reject Null Hypothesis and accept the alternate Hypothesis	Organization emphasizes on people.
Teamwork (Collaboration Orientation)	Ho5: Organization does not emphasize on Teamwork Ha5: Organization emphasizes on Teamwork	Z (Cal) > Z (Critical)	Reject Null Hypothesis and accept the alternate Hypothesis	Teamwork is emphasized by the organization.

| Aggressiveness (Competitive Orientation) | Ho6: Organization is not competitive/aggressive Ha6: Organization is competitive/aggressive | Z (Cal) > Z (Critical) | Reject Null Hypothesis and accept the alternate Hypothesis | Organization is competitive. |
| Stability (Rule Orientation) | Ho7: Organization does not emphasize on rules Ha7: Organization does emphasize on rules | Z (Cal) > Z (Critical) | Reject Null Hypothesis and accept the alternate Hypothesis | Rules are emphasized by the organization. |

Table3: Summary of hypothesis testing

The research is mainly aimed to investigate the satisfaction level of employees and to explore the organizational culture in turbulent times. Results show that the organization has a good working culture wherein professional and transparent work environment is provided along with safety and job security. The results also indicate that the employees are strongly associated with the organization. Overall, the concerned areas include speeding up of approval process, more trainings, wage disparity and grant of leave.

9. Scope for further research:

There could be other organizational elements which provide link between organization's performance and HR practices. More studies regarding organization culture and organization performance need to be conducted. After a time lag, a study focusing on the impact of change in the organization culture may be taken up with a focus on employee's behavior, attitude and values. Independent studies on the new programs introduced in the organization may be taken up from time to time to understand their impact on the employees and groups/teams.

10. References:

- Cameron, K. S., & Quinn, R. E. (1999). *Diagnosing and changing organizational culture*
- Denison, Daniel R., Haaland, S. and Goelzer, P. (2004) "Corporate Culture and Organizational Effectiveness: Is Asia Different from the Rest of the World?" Organizational Dynamics, pp. 98–1 09

- Geert Hofstede, Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations Across Nations. Second Edition, Thousand Oaks CA: Sage Publications, 2001

- Geert Hofstede, Gert Jan Hofstede and Michael Minkov, Cultures and Organizations: Software of the Mind. Revised and Expanded 3rd Edition. McGraw-Hill 2010.

- Hofstede, G., Neuijen, B., Ohayv, D., Sanders, G. (1990). Measuring organizational culture: A qualitative and quantitative study across twenty cases. Administrative Science Quarterly, 35, 286 – 316

- Hofstede,G.(1991). Cultures and Organizations: Software of the Mind.London:McGraw-Hill

- House et.al., (2004). Culture's Consequences (2nd ed). California: Sage.

- House.et.al.,(2004). Culture, Leadership, and Organizations. The Globe Study of 62 Societies. United Kingdom: Sage Publications.

- Jarratt, D., O'Neill, G (2002) The Effect of Organizational Culture on Business-to-Business Relationship Management Practice and Performance, *Australasian Marketing Journal* 10 (3)

- Kotter, J.P and Heskett, J.L (1992), Corporate Culture and performance. New York: Free Press

- Peters,T.J.,&Waterman,R.H.(1982). In Search of Excellence: Lessons from America's Best-Run Companies. New York: Harper and Row.

- Pettigrew,A.M.(1979). On Studying Organizational Cultures. Administrative Science Quarterly,24, p570- 581.

- Schein, E. H. (1985). Organizational culture and leadership. San Francisco, CA: JosseyBass.

(Retrieved online: http://www.untag-smd.ac.id/files/Perpustakaan_Digital_2/ORGANIZATIONAL%20CULTURE%20Organizational%20Culture%20and%20Leadership,%203rd%20Edition.pdf)

- Tentenbaum, T.J. (1999). Beating the Odds of Merger & Acquisition: Seven Key Practices That Improve the Chance for expected Integration and Synergy Organizational Dynamics

https://geert-hofstede.com/organisational-culture.html