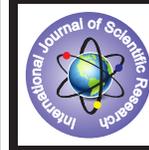


## Exploring the Cultural Value & Performance Congruence



### Psychology

**KEYWORDS :** Organizational Culture, Employee Performance, ethos.

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### ABSTRACT

*Values in an Organization are a set of forces that drive human capital of an organization towards their working. Today when most of the organizations are reframing their climate and culture to be the "best", it is very important to understand the interplay of these values and the resultants so as to define what this "best" is all about. Drawing on these principles this research is an attempt to study the effect of values; i.e., Openness & Confrontation on Employee performance. For this purpose, scale measuring openness and confrontation values was taken from the Organizational cultural profile by Udai Pareek (1997), and was administered on a sample of 208 employees. As a measure of their performance, their last appraisal scores were obtained. The obtained data was analyzed using inferential statistical procedures. The results indicate a significant relation between the variables under study; also, the results of the study leave strong implication for the organizations.*

### Introduction

Organizational values are expected to shape organizational procedures & outcomes (Deal & Kennedy, 1982; Jarnagin & Slocum, 2007), provide solutions for many problems that face the organization (Schein, 1984), coordinate and direct various organizational capabilities and activities into a cohesive whole (Day, 1994), and, however, hinder or facilitate the organization's achievement of its goals (Denison, 1990). Since the organizational cultural driven capabilities are usually inimitable due to their social complexity, it is considered a valuable source of sustainable competitive advantage (Barney, 1986; Hall, 1993; Peteraf, 1993). For the last few decades, Organizational culture has been gaining an increasing attention by researchers as one of the factors affecting organizational performance through enhancing the productivity, commitment, self confidence, team work spirit, and ethical behaviors (Deal & Kennedy, 1982; Ouchi & Wilkins, 1985). This, in turn, will be reflected significantly in the organizational financial performance (Holmes & Marsden, 1996). However, it has been observed that the organizational culture of an organization will affect its perception of the environment and consequently its interaction. Therefore, many researchers emphasized that for effective organizational performance there should be a good fit between the organizational culture and the business environment, including national culture, in which they operate (Peters & waterman, 1982).

### Value system in Organizations.

The number of studies of organizational culture is steadily increasing. Such studies have used different terminology, and the same terms have been used with different meanings. There is a need to clarify some terms, and evolve a common understanding about their use. Some of these terms are given below with a brief definition.

The various terms used in the context of organizational culture include: values, ethics, beliefs, ethos, and culture. Ethics' refers to the normative, to what is socially desirable. Values, beliefs, attitudes, and norms are interrelated. Interaction between beliefs and values results in attitude formation, which then produces norms. Values and beliefs are the core of an individual's self, while attitudes are the next layer, followed by norms of behavior. When these get institutionalized or when they accumulated and integrate, social phenomena are formed. The core consists of the values, which give a distinct identity to a group. This is the ethos of the group. Ethos can be defined as the underlying spirit or character of an entity or group and is made up of its beliefs, customs, and practices. At the base of ethos are core values. The eight important ethos relevant as describe by Udai Pareek (2002) are: openness, conformation, trust, authenticity, proactivity, autonomy, collaboration, and experimentation, indicating values needed to create a functional ethos of an organization (Pareek, 2002).

Openness as one of the important ethos in organizational culture indicates the environment where employees feel free to express their ideas and the organisation is willing to take risks and

to experiment with new ideas and new ways of doing things. Krishna and Rao (1997) surveyed the organisational climate of the BHEL which shows that the environment of openness works well among the middle and senior managers in the company. A study conducted by Rohmetra (1998) on banking sector of J & K space for determining the HRD climate showed that the environment is less open for employees. Mangaraj (1999) in her study of the HRD system in the Rourkela steel plant found that the employee's opportunities to express their view points are quite successful. Alphonsa (2000) found a good level of openness in the private hospital of Hyderabad. Rainayee (2002) in his empirical study of the climate in commercial banks found the 'SBI' successful in facilitating open communication. A study conducted by Mufeed and Gurkoo (2007) in the universities of J & K found a satisfactory level of openness present in all three universities and adds to the benefit of the employees.

Paton and McCalman (2000) consider openness to experiments and risk-taking as values that foster innovation and learning. Organizations need to create places where people can come together to hold a dialogue, convene with one another and share their ideas (Bechtold, 2000). This requires an environment of openness where people feel safe to express themselves. Garvin (1993) defines a culture that is open to criticisms as an environment that is receptive and where employees have the time to reflect and take in new ideas, are proactive and work together to identify problems and opportunities, encourage learning. Marquardt (1996) is also of the opinion that a culture that promotes open discussion and feedback, where mistakes are tolerated and people are encouraged to learn through mistakes is conducive to learning. Members should feel free to learn from one another and learners should be recognized and rewarded. The culture of the organization is then geared towards continuous improvement in quality and services and development of the human potential. Thus the importance of openness in the organizational culture cannot be ignored.

In organizations, employees face the problems and work jointly with others concerned to find its solution. They face the issues squarely without hiding them or avoiding them for fear of hurting each other. Kumar and Patnaik (2002) conducted a study on postgraduate teachers of the JNU and reported that the value of confrontation responded well among teachers. Alphonsa (2000) in his study on the HRD climate in the private hospital of Hyderabad found that there exists a reasonably good value of confrontation. Mufeed (2006) has conducted study in one of the leading hospital SKIMS about the perception of the medical staff towards the HRD climate. The result indicated that there exists a reasonably good climate for the value of confrontation. Also, Mufeed and Gurkoo (2007) in their study in the universities of J & K found a satisfactory level of confrontation present in all three universities. However, in some organisations, the value of 'confrontation' is yet to take roots. Krishna and Rao (1997), Rohmetra (1998) and Shakeel (1999) in their studies on culture found that the value of 'confrontation' was perceived at a low degree.

Organizational culture is one of the critical variables that have received an increasing attention in organizational behavior literature in the past (Kilman, Saxton, & Serpa 1985; Ouchi, 1981; Owens, 1987; Schein, 1990). And, though organizational researchers have debated the meaning and consequences of organizational culture but still do not fully understand the relationship between culture and organizational performance (Chatman.et.al, 2013). This study is an attempt to explore the relationship between organizational values; Openness & confrontation and performance.

**Objective of the study**

- To investigate the relation of Openness & risk taking and Confrontation with Employee Performance.
- To investigate if the relation of Openness & risk taking and Confrontation with Employee Performance are different across management levels (i.e. Middle Management, Junior Management, and Executive level).

**Hypotheses**

- Openness in organization culture is positively correlated with employee performance.
- Confrontation in organization culture is positively correlated with employee performance.
- Organizational culture factors relate with performance differently at different levels of management.

**Methodology**

**Sample** -The sample size was decided as 208, from the selected organization located in Delhi. Namely **Executive Level (N1=92); Junior Management (N2=83); Middle Management (N3= 33)**.

**Procedure**- The sample was drawn through purposive sampling procedure. The employees ranging from the age group of 22-50 years were taken as sample. Sample was selected from three levels of management Executive Level, Junior Management, and Middle Management level.

**Tools and techniques used** – questions from OCTACE Profiling by Udai Pareek were used for measuring Openness & Confrontation in the organization. And as the measure of the employee performance their last Performance appraisal rating were used in the study.

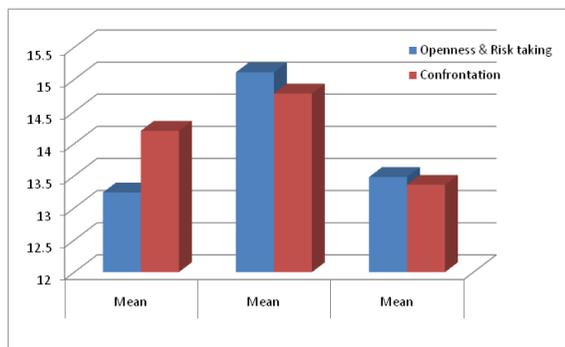
**Result & Discussion**

**Table 1: Showing the respective means and standard deviations of each of the Management levels of the organization on Organizational culture measures.**

Organizational Culture measures	Management Level					
	Executive (N=92)		Junior Management (N=83)		Middle Management (N=33)	
	Mean	S.D	Mean	S.D	Mean	S.D
Openness & Risk taking	13.24	3.007	15.11	2.066	13.48	3.318
Confrontation	14.20	2.455	14.78	2.214	13.36	2.316

Table 1 shows the means and standard deviations of each of the Management level employees on the dimensions of Organizational Culture, i.e. Openness and risk taking, and Confrontation.

The results obtained shows that the mean on Openness and risk taking was highest for the Junior Management employees (M=15.11), followed by the Middle Management employees (M=13.48), then the Executive Level Employees (M=13.24). On the Confrontation dimension of organizational Culture it was found that the mean score of Junior Management level employees was highest (M=14.78), followed by Executive Level Employees (M=14.20) and then the Middle Management Level Employees (M=13.36).



**Figure 1: Showing the respective means of each of the Management levels of the organization on Organizational culture measures.**

**Table 2: Showing the difference in the Management Levels on Organizational culture measures.**

Organizational Culture measures	df	F	Sig.
Openness & Risk taking	207	11.01	.000
Confrontation	207	4.50	.012

The table 2 shows that when mean scores of Executive Level, Junior management level, and Middle Management level were compared using ANOVA, with respect to the dimensions of Organizational Culture, i.e. Openness and risk taking, and Confrontation, the results indicate that there is a significant difference among the levels. The F- value was found to be significant when the mean values of both the measures of Organizational Culture were compared among the Executive, Junior Management Level and Middle Management level.

**Table 3: Correlation between Personality dimensions and Performance of the employees across Management Levels**

Organizational Culture measures	Management Level		
	Executive (N=92)	Junior Management (N=83)	Middle Management (N=33)
Openness & Risk taking	.24*	.06	.43*
Confrontation	-.08	.20	.28

The table 3 shows the correlation values of Executive Level, Junior management level, and Middle Management level obtained for the dimensions of Organizational Culture, i.e. Openness and risk taking, and Confrontation, in relation to their individual Performance. The results indicate while openness & risk taking in the culture is significantly positively correlated with the performance of the employees at Executive & Middle management level, it is not significantly correlated with the performance of the junior management employees. Thus the hypothesis under study that Openness in organization culture is positively correlated with employee performance is accepted.

On the other hand confrontation was not found to be significantly correlated with the performance of the employees at any management level. Thus the hypothesis under study that, Confrontation in organization culture is positively correlated with employee performance is rejected by the results.

The results also indicate that the Organizational culture factors relate with performance differently at different levels of management. The study overall significantly proves that Organizational culture factors are linked to the performance of the employee.

**Conclusion**

There is a difference in Organizational culture factors that predicts performance of the employees at different levels. Open-

ness & risk taking in the culture is significantly positively correlated with the performance of the employees at Executive & Middle management level, it is not significantly correlated with the performance of the junior management employees.

On the other hand confrontation was not found to be significantly correlated with the performance of the employees, at any management level. The study indicates that the relationship of Organizational culture factors with the performance of the employee varies across management levels. The results of the study leave strong implications for the working of policy & procedures for the development of organizational culture.

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