

Organizational culture in public private universities



INTRODUCTION

An organization prospers if its culture becomes the breeding ground for its effectiveness. Higher Education Institutions provide intellectual and professional output to a society. Researchers have shown interest in studying the organizational culture and effectiveness of Higher Education Institutions throughout the world. Research conducted by Deal and Kennedy (1982) indicated that strong cultures create goal alignment, employee motivation, needed structures and controls to improve organizational effectiveness. Batista (2008) has identified that organizational culture is a key element of organizational effectiveness.

There is research evidence that constructive organizational culture facilitates goal accomplishment (Stanciu, 2008). In order to improve organizational effectiveness, it is expected from new members of an organization to seek and learn about the organization's culture (Ashkanasy, Wilderom & Petersons, 2000). Early research conducted by Pettigrew (1979), Schein (1990) and Van (1979) reflected the importance of organizational culture as a social system. The organizational culture drastically influences its effectiveness because culture helps in external adaptation and internal integration issues of the organization (Schein, 1990, pp. 49-84).

Culture is referred to as "social glue" by Schein (1990) which holds the organization together. It is highlighted by Ogbonna (1993), that "culture is the interweaving of the individual into a community which consists of values, norms, beliefs and customs that an individual holds in common with members of the social unit or group". Hence, this reveals the importance of organizational culture and effectiveness.

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This research will focus on evaluating the organizational culture and effectiveness of public and private sector universities. The Higher Education Commission has long been taking initiatives for the development of higher education sector of Pakistan by ranking of universities/Degree Awarding Institutions (DAIs). In the context of Pakistan, not many research studies have been conducted which address the culture and effectiveness of higher education institutions. Therefore, a thorough study of the organizational culture and effectiveness of universities in Pakistan will contribute to serve the purpose of developing the higher education sector and research in this area.

REVIEW OF RELATED LITERATURE

The literature review for this study is divided into three sections. Section I presents evidence of previous research studies conducted in the area of organizational culture and effectiveness of educational institutions. Section II consists of a detailed analysis of organizational culture, its characteristics, functions, models, perspectives and relevant concepts. Section III discusses organizational effectiveness, its measures and approaches. A detailed structure of this literature review is presented in 1 (p. 3).

2. 1 Research on Organizational Culture and Effectiveness

Many research studies have been conducted on the organizational culture and effectiveness of educational institutions throughout the world. A research conducted in Hong Kong examined the importance of various dimensions of organizational effectiveness of higher education institutions (Kwan, 2002). In a much similar research by Obenchain, Johnson and Dion (2004), it was discovered that organizational culture effects innovation in

higher education. The results of research by Fralinger and Olson (2007), revealed that there is a link between organizational culture, departmental performance and students' perception.

In the context of Pakistan, a much relevant research conducted by Arshad (2003) highlights the relationship between organizational culture & effectiveness of secondary schools of Punjab. Masland (1985) indicated that institutional culture is a potential source of stability because it emphasizes on the institution's ongoing values. Early research conducted by Chaffee (1984), has also shown that colleges which emphasized traditional values and culture were more successful in dealing with environmental turbulence as compared to those which merely emphasized on adaptation with the environment ignoring their tradition.

Results from a study of nearly two hundred secondary schools showed that both human resources and employee oriented processes were important in explaining and promoting effectiveness in organizations (Ostroff, 1992). Burns and Stalker (1961), have also identified two cultural extremes in their research that existed in every college, the mechanistic culture and organic culture.

The measures and evaluation of organizational effectiveness in higher education have been analytically discussed by Karagoz and Oz (2008), and nine dimensions of organizational effectiveness are suggested, (a) educational satisfaction of students, (b) academic development of students, (c) professional development of students, (d) personal development of students, (e) job satisfaction of lecturers, (f) professional development of

lecturers, (g) system clarity and environment, (h) ability to acquire source, and (i) organizational health.

2. 2 Organizational Culture: An Explanatory Review

2. 2. 1 Organizational Culture

Organizational culture represents the unwritten part of the organization in which everyone participates but it generally goes unnoticed. Organizations realize the power of culture only when they try to implement new strategies or programs that go against basic culture norms and values (Daft, 2000, p. 314).

Organizational culture exists at two levels as articulated by Schein (1990) and illustrated in 2. On the surface are visible artifacts and observable behaviors they way people dress and act and the symbols, stories and ceremonies organization member share. The visible elements of culture, however, reflect deeper values in the minds of organization members. These underlying values, assumptions, beliefs, and thought processes are the true culture.

The most associated scholar in the study of organizational culture, Schein (1990) defined culture as:

A pattern of basic assumptions - invented, discovered, or developed by a given group as it learns to cope with the problems of external adaptation and internal integration - that has worked well enough to be considered valuable and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

More recently Martin (1992) discussed the differing perspectives of the cultures in organizations as:

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When individuals come into contact with organization, they come into contact with dress, norms, stories people tell about what goes on, the organization's formal rules and procedures, its formal codes, rituals, tasks, pay systems, jargon, jokes only understood by insiders and so on. These elements are some of the manifestations of organizational culture.

When cultural members interpret the meanings of these manifestations, perceptions, memories, beliefs, experiences, and values will vary, so interpretation will differ - even of the same phenomenon. The patterns or configurations of these interpretations, and the way they are enacted, constitute culture (p. 3).

A conceptual framework is provided by Lundberg (1985), to understand the process of cultural change that is grounded in organizational learning theory and incorporates internal and external contingencies that facilitate and hinder efforts to intervene in the culture change cycle.

In other words, organizational culture is quite complex. Although there are a number of problems and disagreements associated with the conceptualization of organizational culture, most definitions, including the preceding, recognize the importance of the shared norms and values that guide organizational participants' behavior. In fact, there is research evidence that not only these cultural values are taught to newcomers, but newcomers seek out and want to learn about their organization's culture (Ashkanasy, Wilderom & Petersons, 2000).

2. 2. 2 How Organizational Culture Starts

Schein (1990) describes that organizational culture can develop in a number of different ways; the process usually involves some version of the following steps:

1. A single person (founder) has an idea for a new enterprise.
2. The founder brings in one or more other key people and creates a core group that shares a common vision with the founder. That is all, in this core group believes that the idea is a good one, is workable, is worth running some risks for, and is worth the investment of time, money and energy that will be required.
3. The founding core group begins to act in concert to create an organization by raising funds, obtaining patents, incorporating, locating space, building, and so on.
4. At this point, others are brought into the organization, and a common history begins to be built.

2. 2. 3 How Cultures are embedded in Organizations

An organization's initial culture is an outgrowth of the founder's philosophy. Over time, the original culture is either embedded as is or modified to fit the current environmental situation. A well known organizational behavior scholar, Schein (1983) explained that embedding a culture involves a teaching process. That is, organizational members teach each other about the organization's preferred values, belief, expectations, and behaviors. This is accomplished by using one or more of the following mechanisms:

1. Formal statements of organization philosophy, mission, vision, values, and materials used for recruiting, selection, and socialization.
2. The design of physical space, work environment, and buildings.
3. Slogans, language, acronyms, and sayings.
4. Deliberate role modeling, training programs, teaching, and coaching by managers and supervisors.
5. Explicit rewards, status symbols (e. g. titles), and promotion criteria.
6. Stories, legends, and myths about key people and events.
7. The organization activities, processes, or outcomes that leaders pay attention to, measure, and control.
8. Leader reactions to critical incidents and organizational crises.
9. The workflow and organizational structure.
10. Organizational systems and procedures.

Organizational goals and the associated criteria used for recruitment, selection, development, promotion, layoffs, and retirement of people.

2. 2. 4 Characteristics of Organizational Culture

Organizational culture has number of important characteristics. Some of the most readily agreed upon are following (Luthans, 2005):

1. Observed behavioral regulations. When organizational participants interact with one another, they use language, terminology, and rituals related to deference and demeanor.
2. Norms. Standards of behavior exist, including guidelines how much work to do, which in many organizations come down to “ Do not do too much, do not do too little”.
3. Dominant values. There are major values that the organization advocated and expects the participants to share. Typical examples are high product quality, low absenteeism, and high efficiency.
4. Philosophy. There are policies that set forth the organization’s beliefs about how employees and/or customers are to be treated.
5. Rules. There are strict guidelines related to getting along in the organization. Newcomers must learn those “ ropes” in order to be accepted as full-fledged members of the group.
6. Organizational climate. This is overall “ feeling” that is conveyed by the physical layout, the way participants interact, the way members of the organization conduct themselves with customers or with outsiders.

2. 2. 5 Functions of Organizational Culture

An organization’s culture fulfills four functions as articulated by Smircich (1983). Following are the four functions which are also illustrated in 3:

Give members an organizational identity:

This function of culture helps to give a common identity to all of the employees.

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Facilitate collective commitment:

This function of culture helps the organization to raise the level of commitment among the employees. Employees tend stay for long periods of time, because they like values, environment and facilitation.

Promote social system stability:

Social system stability reflects the extent to which work environment is perceived as positive and reinforcing, and conflict and change are managed effectively.

Shape behavior by helping members: This function of culture helps employees understand why the organization does what it does and how it intends to accomplish its long-term goals.

2. 2. 6 Relevant Concepts of Organizational Culture**2. 2. 6. 1 Organizational Values**

Organization values and beliefs constitute the foundation of an organization's culture. They also play a key role in influencing ethical behavior. Value is enduring belief in a mode of conduct or end-state (Schwartz, 1992).

He further explains that value possesses five key components which are (a) concepts or beliefs, (b) desirable end-states or behaviors, (c) transcend situations, (d) guide selection or evaluation of behavior and events, and (e) relevant importance.

Two types of generic values are discussed by Schein (1983).

(a) Exposed Values

Exposed values represent the explicit stated values and norms that are preferred by an organization. They are generally established by the founder of a new or small company and by the top management team in a larger company.

(b) Enacted Values

Enacted Values, on the other hand, represent values and norms that actually are exhibited or converted into employee behavior.

2. 2. 6. 2 Value System

The fact is highlighted by Schwartz (1992) that culture reflects the patterns of conflict and compatibility among values, not the relative importance among values. It highlights the point that organizations endorse a constellation of values that contain both conflicting and compatible values (p. 4).

2. 2. 6. 3 Culture Strength

Arogyaswamy and Byles (1987), have referred culture strength to the degree of agreement among employees about the importance of specific values. If the widespread consensus exists about the importance of those values, the culture is cohesive and strong; if little agreement exists, the culture is weak.

Strong culture can have a powerful impact on organizational performance, and is typically characterized by frequent use of ceremonies, symbols, stories, heroes, and slogans. These elements increase employee commitment to the values and strategy of a company. In addition, managers

who want to create and maintain strong corporate culture often give emphasis to the selection and socialization of employees (Daft, 2000).

2. 2. 6. 4 Uniformity of Culture

Uniformity of the culture is discussed by Morey and Luthans (1985) that all organizations have culture in the sense that they are embedded in specific societal cultures and are part of them (p. 221). According to this view, an organizational culture is a common perception held by the organization's members. Everyone in the organization would have to share this perception. However, all may not do so the same degree. As a result, there can be a dominant culture as well as sub cultures, throughout a typical organization.

2. 2. 6. 5 Dominant Culture

A dominant culture is a set of core values shared by a majority of the organizations members.

2. 2. 6. 6 Subculture

Important, but often overlooked, are the subcultures in an organization. A subculture is a set of values shared by a minority, usually a small minority, of the organization's members. Subcultures are typically are a result of problems or expectations that are shared by members of department or unit.

2. 2. 7 Models/Perspectives/Types of Organizational Culture

A useful model for understanding organizational culture was developed by Vijay (1983), a Harvard researcher. Four general manifestations or evidence of organizational culture in his model are (a) share things called objects, (b) shared sayings called talk, (c) shared doings called behavior, and (d) shared

feelings called emotion. One can begin collection of cultural information within organization by asking, observing, reading, and feeling.

2. 2. 7. 1 Adaptive Versus Unadaptive Perspective of Organizational Culture

Adaptive corporate cultures have different values and behavior than unadaptive cultures (Kotter & Heskett, 1992). In adaptive cultures, managers are concerned with customers and employees as well as the internal processes and procedures that bring about useful change. Behavior is flexible and managers initiate change when needed, even if it involves risk. In unadaptive cultures, managers are more concerned about themselves or their own special projects, their values discourage risk taking and change. Thus, strong healthy cultures, such as those in learning companies, help organizations adapt to the external environment, whereas strong unhealthy cultures can encourage an organization to march resolutely in the wrong direction.

Adaptive Corporate Cultures

Unadaptive Corporate Cultures

Core Values

Manager care deeply about customers, stockholders, and employees. They also strongly value people and processes that can create useful change (for example, leadership initiatives up and down the management hierarchy).

Managers care mainly about themselves, their immediate work group, or some product (or technology) associated with that work group. They value the orderly and risk-reducing management process much more highly than leadership initiatives.

Common Behavior

Managers pay close attention to all their constituencies, especially customers, and initiate change when needed to server their legitimate interests, even if it entails taking some risks.

Managers tend to be some what isolated, politically and bureaucratic. As a result, they do not change their strategies quickly to adjust to or take advantage of changes in their business environment.

Developing and Preserving an Adaptive Culture

The adaptive perspective assumes that the most effective cultures help organizations anticipate and adapt to the environment change (Daft, 2000, p. 80). Kilman, Saxton and Serpa (1986), a team of management experts defined this culture as follows:

An adaptive culture entails a risk-taking, trusting and proactive approach to organization as well as individual life. Members actively support one another's efforts to identify all problems and implement workable solutions. There is shared feeling of confidence: the members believe, without a doubt, they can effectively manage whatever new problems and opportunities will come their way. The members are receptive to change and innovation (p. 356). This process is illustrated in 5.

Adaptiveness is promoted over time by a combination of organizational success and a specific leadership focus. Leadership must get employees to buy into a timeless philosophy or set of values, that emphasizes service to the organization's key constituents – customers, stakeholders, and employees – and also emphasizes the improvement of leadership.

Management does this by consistently reinforcing and supporting the organization's core philosophy or values of satisfying constituency needs and improving leadership.

2. 2. 7. 2 Types of Organizational Culture

There has been considerable research to identify and measure various types of culture to study the relationship between types of culture and organizational effectiveness. There are three generally types of organizational culture and each associated with a different set of normative beliefs (Cooke & Szumal, 1993). Normative beliefs are discussed by Kreitner and Kinicki (2001) as individual thoughts and beliefs about how members of a particular group or organization are expected to approach their work and interact with others (p. 75).

(a) Constructive Culture

A constructive culture is one in which employees are encouraged to interact with each other and to work on tasks and projects in ways that will assist them in satisfying their needs to grow and develop. Four normative beliefs are endorsed by this type of culture, which are (a) achievement, (b) self-actualizing, (c) humanistic-encouraging, and (d) affiliative (Kreitner & Kinicki, 2001, p. 75).

The behaviors in this group help people meet satisfaction needs – the kind of satisfaction derived, for instance, from reaching one's potential. People balance expectations for thinking independently and taking initiative with expectations to work consensually and share power. They regularly voice unique perspectives and concerns while working toward agreement.

Constructive cultures are evident in environments that value (and reward)

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quality over quantity and creativity over conformity. Cooperation is believed to lead to better results than competition.

Effectiveness is judged at the overall level, not just at a unit or department level. In constructive organizations, levels of satisfaction, teamwork, service quality and sales growth tend to be high. They tend to have a dual focus – on financial success today and on developing people, strategy and market share to ensure more success in the future. Employees (both staff and management) at a variety of industries – including newspapers – identify the constructive culture as the “ ideal” for their organizations. This is true even in high-reliability organizations, such as the military and power plants (Human Synergistics, 1998). The characteristics of constructive culture are provided by Stanciu (2008):

Everyone is expected to provide initiative.

Low distortion in communication.

People are encouraged to be decisive, take moderate risks, take initiative and be accountable.

Grow people rather than use them as career advancement tools.

Pursue standard of excellence.

Externally focused — beat competitors not each other.

Open, candid discussion and decision-making.

8. Non-political atmosphere.

Leadership vs. Management

Facilitating goal accomplishment rather than monitoring activities.

(b) Passive-Defensive Culture

This type of culture is characterized by overriding belief that employees must interact with others in ways that do not threaten their own job security.

Four normative beliefs are endorsed by this type of culture, which are (a) approval, (b) conventional, (c) dependant, and (d) avoidance (Kreitner & Kinicki, 2001, p. 75).

The behaviors in this group play to a need for security and low risk. People do what it takes to please others and avoid interpersonal conflict. Rules, procedures and orders are followed without question. In this highly directed environment, jobs are narrowly defined and supervision is intense. Managers rarely catch employees doing things right, but never miss when they do things wrong.

Unresolved conflict and turnover are common in such organizations, as well as low satisfaction and motivation. Passive/Defensive cultures are often found in “ protected” organizations, such as government agencies, organizations that are closely regulated by government or ones that operate as monopolies. Lack of competition and a belief that the customer base will remain constant often leads these organizations to preserve the status quo rather than look for major opportunities and improvements. (Human Synergistics, 1998). The characteristics of passive-defensive culture are provided by Stanciu (2008):

1. Systematically undermines long term performance.
2. Prevents the organization from identifying and implementing strategies and tactics that are needed to compete in an increasingly competitive world.
3. Turf wars drive decisions.
4. Win or lose based on beating your associates rather than competitors.
5. How you look, not what you accomplish is most important.
6. Achieve a dominant market position due to success, vision or luck.
7. Success leads to more success.
8. Begin believing it because of their brilliance.
9. Arrogance sets in.
10. Internal focus begins to build a bureaucracy.
11. Deterioration of long-term performance.
12. It's always someone else's fault.

(c) Aggressive-Defensive Culture

This type of culture encourages employees to approach tasks in forceful ways in order to protect their status and job security. Four normative beliefs are endorsed by this type of culture, which are (a) oppositional, (b) power, (c) competitive, and (d) perfectionist (Kreitner & Kinicki, 2001, p. 75).

The need for security is also a strong driver of behavior in this type of culture. But whereas the dynamic in a passive/defensive culture is more person oriented (for instance, avoiding interpersonal conflict), the focus here is more task oriented. People approach tasks forcefully, not to further the overall goals of the organization as much as to protect their status, security and “ turf.” These cultures encourage people to appear competent and superior, even if the underlying skills and experiences are lacking. Those who admit shortcomings or ask for help are seen as weak. There is an emphasis on confrontation, competition and criticism. An unrelenting pressure to appear perfect and expert mitigates against customer service, admission of errors, trying new and perhaps risky things and teamwork. It can also depress motivation and health. Although professing otherwise, management tends to put its own interests before those of its key constituents - customers, employees and stockholders. Often they are able to appear effective (although not indefinitely) because of the past successes of the organization. But this sort of culture prevents organizations from adapting to changes in their environment and will ultimately affect financial performance.

This culture is found in fast-paced organizations, where people have to think and take action quickly on a regular basis. Examples would be the computer and telecommunications sectors, with a high level of competition and short product cycles; the military; and emergency services where fast, physical, logistical movement is essential. It is also found in organizations that suddenly and unexpectedly experience huge sales growth (such as biotech and e-commerce firms.) The nature of such environments leads many

companies to falsely conclude that to be aggressive and compete externally they need to mirror those qualities internally. But internally aggressive cultures do not produce the best results. Quality is often sacrificed for quantity and coordination is bypassed in favor of immediate personal success. This culture is also found in organizations that have gone through downsizing or who emphasize traditional methods of quality control. For instance, putting quality responsibility at the supervisor level (Human Synergistics, 1998).

2.3 Organizational Effectiveness: An Explanatory Review

Daft (2000) discusses that an organization is created and designed to achieve some end, which is decided by the chief executive officer and/or the top management team (p. 50). Organization structure and design is an outcome of this purpose. With reference to Kotter (1973) the primary responsibility of top management is to determine an organizational goals, strategy and design, therein adapting the organization to a changing environment. Etzioni (1964) defined organizational effectiveness as the degree to which an organization realizes its goals (p. 8). It is a very broad concept and involves multiple variables and multiple goals.

Organizational efficiency is amount of resources used to produce a unit of production. It can be measured as the ratio of inputs to outputs. It is a limited concept because it only deals with the internal working of the organization (Sandefur, 1983). If one organization can achieve a given production level with fewer resources than other organization it would be described as more efficient (Steers, 1977, p. 51).

Efficiency and Effectiveness

Daft (2000) argued that some times efficiency leads to effectiveness. In other organizations, efficiency and effectiveness are not related. An organization may be highly efficient but fail to achieve its goals. Likewise, an organization may achieve its profit goals but be inefficient (p. 64).

2. 3. 1 Measures of Organization Effectiveness

It is the view of Weick and Daft (1982) that overall effectiveness is difficult to measure. Organizations are large, diverse and fragmented. They perform many activities simultaneously. They pursue multiple goals and they generate many outcomes, some intended and some unintended. Effectiveness of an organization can be measured in many different ways.

Daft (2000) categorized two types of approaches to measure the organization effectiveness. Contingency effectiveness approaches and balanced effectiveness approaches also illustrated in 7.

2. 3. 1. 1 Contingency Effectiveness Approaches

Contingency effectiveness approaches include goal approach, resource-based approach and internal-process approach. These approaches focus on sector.

(a) Goal Approach

It is one of the oldest approaches to measure organizational effectiveness. The goal approach to effectiveness is elaborated by Price (1972) as the identification of an organization's output goals, assessment of how well the organization has attained those goals and measurement of progress towards goal attainment.

Hall and Clark (1980) implied that operative goals are important to consider. Efforts to measure effectiveness have been more productive using operative goals than using official goals. Official goals are difficult to measure because they are abstract, whereas operative goals are the activities the organization is actually performing.

The application of this approach is discussed by Daft (2000) that it is used in business organization because output goals can be readily measured. Business, firms typically evaluate performance in terms of profitability, growth, market share, and return on investment (p. 66). Two problems that must be resolved are the issues of multiple goals and subjective indicators of goal attainment. Objective indicators of operative goals can be identified, such as profit, loss and growth. But subjective assessment is required for some other goals, such as employee welfare or social responsibility.

(b) Resource-Based Approach

Organizational effectiveness is defined as the ability of the organization, in either absolute or relative terms, to obtain scarce and valued resources and successfully integrate and manage them. (Russo & Fouts, 1997)

It is articulated by Daft (2000) that obtaining and successfully managing resource is the criterion by which organizational effectiveness is assessed (p. 67). He provides the following indicators of effectiveness according to the resource base approach:

Bargaining position is the ability of the organization to acquire/obtain resources.

Organization decision makers' abilities to assess the properties of external environment.

The abilities of managers to use tangible (supplies, people, machines) and in