

Creating a High Performance Organization with Strategic Organization Culture and Values

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Abstract: Every organization has its own culture. Since many employees spend 40 or more hours at their workplace, their organization's culture noticeably affects both their work lives as well as their personal lives. The identity of the company becomes identity of the people who work in it. Organizational culture refers to the beliefs, ideologies, principles and values that the individuals of an organization carve up. This culture is a determining factor in the success of the organization. It defines the way how an employee interacts and completes a given task. It was in this context that a study was undertaken to see the cultural match among the Essar employees based on Daniel Denisons (1990) model which asserts that organizational culture can be described by four general dimensions – Mission, Adaptability, Involvement and Consistency. For this, a survey was conducted on 100 employees of the firm; their views were taken and recorded. Seven hypotheses were made and tested.

Results revealed positive correlation between Adaptability and Mission. Results also showed that there is high positive correlation between Adaptability and Consistency. When checked whether there is a relationship between Adaptability and Involvement, the correlation coefficient came out to be positive. Data also reveals that there is a positive correlation between mission and involvement. Data Analysis using chi square test revealed that there is high dependence of work and involvement on each other. The organization as a whole and the employees are a content lot and they believe in strong cultural values and strict code of adherence.

Key Words: Culture, Organization, Daniel Denison, Adaptability, Mission, Involvement, Consistency

1. Introduction

Human capital has been vital and central Essar's Enterprise Value Creation initiatives all through its expedition headed for distinction and escalation. Essar's employee policy scorings from a controlled and scientific progression of appreciative inquiry and is geared en route for creating quantifiable and sustainable significance by virtue of our global vision, brand values, organizational competence and business approach. Essar's people story exemplifies their earnest and

Unwavering dedication to craft an aligned and assimilated worldwide community – jointly working en route for at containing Essar's business intentions as Essar gets sensitively allied with the same value structure across varied geographies and culture. Essar's globally generic but locally tailored people products, practices and processes are all characteristic for an enterprise of this scale, range and volume-that has altered itself to an expanded global endeavor of the new-fangled

Economy. Essar believes that an organization's aptitude to integrate learning in to action is the only prolonged long term viable benefit. More than commerce and equipment,

accomplishment is an outcome of persistent belief in people backed by favorable coaching and fostering surroundings. The mettle of enterprise is entrenched in culture of Nurture with an eye on the future-at any point of time, this vivacious customs welcomes the challenge of promising future with open arms.

Essar [1] began as a construction company in 1969 and has branched into manufacturing, service and retail over the years since then. Over the past four decades it has grown through tactical global attainments and joint venture, or through green field and brown field development projects, acquiring new markets and ascertaining new raw material sources.

Industry has branched out into different sectors like Oil and Gas, Energy, Steel, Communication, Port and Terminals, Projects and other business. Essar has the characteristic of being the first Indian company to be listed in the London Stock Exchange's FTSE 100 bench mark index. With more than 60,000 people in over 20 countries worldwide and revenues of USD 15 billion it is among the top five Indian players in each of its core business [2]

At present Essar projects is escalating its third party client base, especially in pipelines, marine construction, heavy engineering and project management consultancy, as well as afar into full EPC for oil and gas, power and heavy industry sectors. Essar projects have supplemented terrific synergy and value to the group's business. The projects business persists to play a key role in each of the group's new projects across the globe. In India, these comprise the refinery expansion project, the steel plant at Paradip, Orissa; six power plants in various parts of India; and three large terminals in Gujarat [3]

Essar Group's biggest asset is its people. And it's important that Essar safeguard them, just like any other asset. Health and safety are vital to Essar's business administration system. The company is steadfast to protect the employees and others who come in contact with the company's activity. Essar's health and safety policy and management system necessities are extensively communicated and supervision of the execution is carried out. Essar has espoused numerous international standards, processes and procedures in our management system. Essar trusts in continual improvement in health and safety. More than 25 development plans across the company are under implementation to facilitate this process.

Staff involvement is vital for health and safety to function productively. To warranty this, staff located at various sites keenly participate in safety meetings, safety tours and inspections, and carry out and contribute in safety training. The attempt at Essar is to embrace health and safety at the centre of the business planning and decision making process, representing the company's accountability towards its employees, contractors and the communities where it functions.

The Essar Group is both a people driven and people centric organization. It prides itself on being a leader in social responsibility, universal citizenship and sustainable business practices and has always allied its corporate social responsibility with its business strategy.

In keeping with this belief, Essar has evolved the E3 initiative, an overarching strategy suited to the unique requirements of organization. Under umbrella of the Essar Family Foundation, the 3 tactical areas of focus of the E3 enterprise are Entrepreneurship, Education and Environment.

Organizational culture helps to keep employees motivated and loyal to the management of the organization. If employees view themselves as part of their organization's culture, they are keener to want to contribute to the entity's accomplishment. They feel a higher sense of triumph for being a part of an organization they care about and work harder without having to be driven.

Healthy contest among employees is one of the results of a mutual organizational culture. Employees will endeavor to achieve at their best to earn gratitude and admiration from their superiors. This in turn increases the eminence of their work, which helps the organization thrive and prosper.

Guidelines have a say in the organizational culture. They provide employees with wisdom of direction and prospects that help employees continue on the task. Each employee understands what his roles and responsibilities are and how to realize tasks earlier than the established deadlines.

An organization's culture spots its identity. An entity's way of doing business is alleged by both the individuals who encompass the organization as well as its clients and customers, and it is dogged by its culture. The values and beliefs of an organization have a say in the brand image by which it becomes known and respected.

Every organization has its own culture. Since many employees spend 40 or more hours at their workplace, their organization's culture noticeably affects both their work lives as well as their personal lives. Organizational culture refers to the beliefs, ideologies, principles and values that the individuals of an organization carve up. This culture is a determining factor in the success of the organization.

Organization culture [4] is the behavior of humans who are part of an organization and the meanings that the people affix to their actions. Culture includes the organization values, visions, norms, working language, systems, symbols, beliefs and habits. It is also the prototype of such shared behaviors and assumptions that are taught to new organizational members as a way of perceiving, thinking and feeling. Organizational culture influences the way

people and groups interact with each other, with clients, and with stakeholders.

2. Literature Review

Denizen and Spreitzer [5] in their paper titled 'Organizational Culture and Organizational Development: A competing values approach, introduce the competing values model of organizational culture and sets it in the broader context of general literature on culture and organizational development. The paper provides an overview of the four studies of organization culture based on the competing values model. It reaches the conclusion that research on organizational culture could benefit from the application of a wider variety of methods. It says that the concept of culture is inherently method neutral and that few reliable qualitative methods are available

Daniel et.al. [6] This paper introduces a model of organizational culture developed from a stream of research that has focused on organizational culture and organizational effectiveness (Denison, Denison & Mishra, Denison & Neale, [12] Fey & Denison, [13]. The paper presents a statistical validation of the sixty-item, twelve-index organizational culture survey developed to measure the key constructs in the model, using responses from 35,474 individuals in 160 organizations. The model is based on four cultural traits of organizations: involvement, consistency, adaptability, and mission. Each of these four traits is measured by three five-item indexes.

Confirmatory factor analysis models show good support for the theoretical structure implied by the framework. Within group agreement indicators show a high degree of homogeneity within organization. Finally, a number of significant correlations ratings and measures of organizational effectiveness demonstrate a substantial link between culture and organizations' performance. The paper concludes with a discussion of the potential application of the model and method as an approach for diagnosing organizational cultures.

Daniel et.al [6] present two studies that examine the link between corporate culture and effectiveness in a variety of national settings. The first study compares results from 230 organizations from Europe, North America, and Asia and reveals a surprising level of similarity of results across these regions. The second study presents the results from targeted samples of 218 supermarkets from Canada, Australia, Brazil, USA, Japan, Jamaica, and South Africa. These results show a common pattern of results in five of the countries, and a divergent pattern of findings in Jamaica and Japan.

The results suggest that it is quite possible to measure and compare the cultural traits of organizations and their impact on business performance across nations and to find empirical

support for a general framework. But how can these findings be reconciled with the vast literature on cross-cultural differences? Discussion of this point reaches an interesting conclusion: Perhaps there are a common set of cultural traits that can be used to understand the effectiveness of organizations, but that these common traits are *expressed* quite differently in different national settings

Keeping the varied demographics into mind Essar group tried to develop a culture that is favorable to all the people in the organization

The management has tried to take into account the augmented interests of the group and the diversified interests of the employees and have a cultural structure wherein all the employees feel affiliated to. It was in this context that a study was undertaken to see the employees vs cultural match among the Essar employees based on Daniel Denison's model of culture

Daniel Denison's model

Daniel Denison's model (1990) asserts that organizational culture can be described by four general dimensions – Mission, Adaptability, Involvement and Consistency. Each of these general dimensions is further described by the following three sub-dimensions.

Adaptability - the idea that norms and beliefs that enhance an organization's ability to receive, interpret, and translate signals from the environment into internal organizational and behavioral changes will promote its survival, growth, and development.

High performing organizations have the ability to perceive and respond to the environment, customers, and restructure and re-institutionalize behaviors and processes that allow them to adapt.

Creating change: High-performing organizations welcome new ideas are willing to try new approaches to doing things, see creating change as an important part of the way they do business.

A) Customer focus: Employees recognize the need to serve both internal & external customers and continually seek new and improved ways to meet customer expectations.

B) Organizational learning: Thoughtful risk taking is encouraged. Organizational learning means we gain knowledge from successes and failures. Our first reaction to reasonable mistakes is not 'Who is to blame?', but rather 'What can we learn?'

Mission - the idea that a shared sense of purpose, direction, and strategy can coordinate and galvanize organizational members toward collective goals.

High performing organizations have a mission that tells employees why they are doing the work they do, and how the work they do each day contributes to the why.

A) Strategic direction and intent: Strategic direction & intent typically refers to the multi-year strategies — high priorities established to ‘operationalize’ the vision.

B) Goal and objective: Goals & objectives are the short-term, specific goals established that help every employee see how his/her daily activities connect to the vision & the strategy.

C) Vision: Vision is the ultimate reason you are in business – your purpose – what you are ultimately trying to achieve.

Consistency- the idea that a common perspective, shared beliefs and communal values among the organizational participants will enhance internal coordination and promote meaning and a sense of identification on the part of its members

Consistency provides a central source of integration, coordination and control, and helps organizations develop a set of systems that create an internal system of governance based on consensual support.

A) Core value: High-performing organizations have a clear set of core values that help employees and leaders make consistent decisions and behave in a consistent manner.

B) Agreement: By engaging in dialogue and getting multiple perspectives on the table people can reach agreement when difficult issues and problems arise

C) Coordination and Integration: Employees understand how the work that they do impacts others and how other's work impacts them. They make sure that work is coordinated and integrated to serve the organization as a whole.

Involvement- the idea that involvement and participation will contribute to a sense of responsibility and ownership and, hence, organizational commitment and loyalty.

Highly involved organizations create a sense of ownership and responsibility. Out of this sense of ownership grows a greater commitment to the organization and an increased capacity for autonomy.

A) Empowerment: They clarify those areas where employees can make decisions have input, or those areas that are beyond an employee’s scope of responsibility. This promotes ‘informed’ empowerment.

B) Team orientation: Teamwork is encouraged so that creative ideas are captured and employees support one another in accomplishing work goals.

C) Capability development: Capability development is practiced in a variety of ways, including training, coaching, and giving employee’s exposure to new roles and responsibilities.

I. Objectives

II. To study the organizational culture of Essar Group

III. To find the correlation between different variable that affect type of culture.

IV. To test the dependency of mission of an organization on the adaptability of employees.

V. To test whether the consistency to work and involvement are independent of each other.

3. Materials and Methods

The study follows a systematic and scientific approach. The Research Methodology used here is descriptive in nature. This study is aimed to gain further insight into the factors identified in the Daniel Model and tries to look at it with a new perspective. For this, a survey was conducted on 200 employees of the firm, their views were taken and recorded.. These questions then later were divided into further four categories like: adaptability, mission, innovation and consistency. Answers in each category were studied individually and then group wise to find the relationship among all of them.

There are four major factors which affect the organizational culture of any firm or organization. The factors taken into consideration here are adaptability, mission, innovation and consistency.

4. Results

Looking at all the four factors, the responses show that the factors very closely affect the culture of Essar. The inquisitiveness now is to know how there are and how much they are related. The test of correlation is applied among all the different factors to know the relationship between them.

H1: There is a relationship between Adaptability and Mission

Ho: There is no relationship between Adaptability and Mission

The combined values of adaptability which is based on creating change, customer focus and organizational learning and that of Mission which is based on strategic direction and intent, goal and objective and vision are calculated on the basis of responses obtained from the employees on a likert scale. When calculated the correlation coefficient between the two factors is 0.99

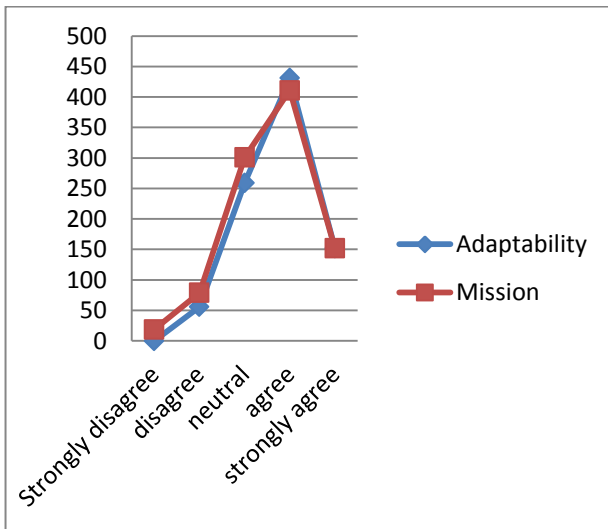


Fig: 1 The Correlation of Adaptability and Mission

Fig: 1 shows that there is a positive correlation $r = .99$ between the two factors. The factors are actually moving very closely towards the perfect positive relationship. This shows that whenever mission of the company gets clearer to employees, they find it easier to adapt in the organization. In other words, when the clarity of mission increases the adaptability quotient also increases. Both the factors move in the same direction. Most of the employees agree that $r = .99$ indicates that there is a strong relationship between the two factors. Therefore H1: There is a relationship between Adaptability and Mission stands accepted.

H2: There is relationship between Adaptability and Consistency

H0: There is no relationship between Adaptability and Consistency

Consistency is the harmonious uniformity or agreement among things or performance of employees. The adaptability in organization affects the consistency of work and performance of employees.

When calculated the correlation coefficient between the two factors is 0.97

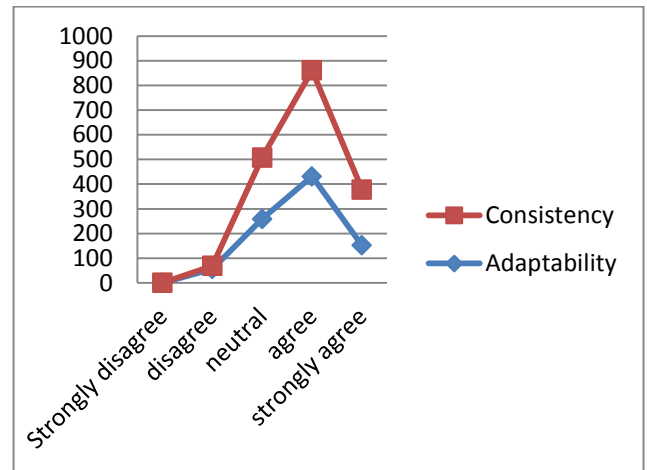


Fig: 2 The Correlation of Consistency and Adaptability

Analysis: Fig: 2 shows that there is a positive correlation $r = .97$, between the two factors. Most of the people agree that when adaptability increases then consistency also increases. This shows that when the employees of the organization adapt in the culture their consistency of work increases. In other words, the comfortable culture and the ease of work always motivates the employees to work better and perform the substantial work when Most of the employees agree that there is a strong relationship between the two factors. Therefore H2 There is relationship between Adaptability and Consistency stands accepted.

H3: There is relationship between Adaptability and Involvement

H0: There is no relationship between Adaptability and Involvement

When checked whether there is a relationship between Adaptability and Involvement, the correlation coefficient came out to be 0.95

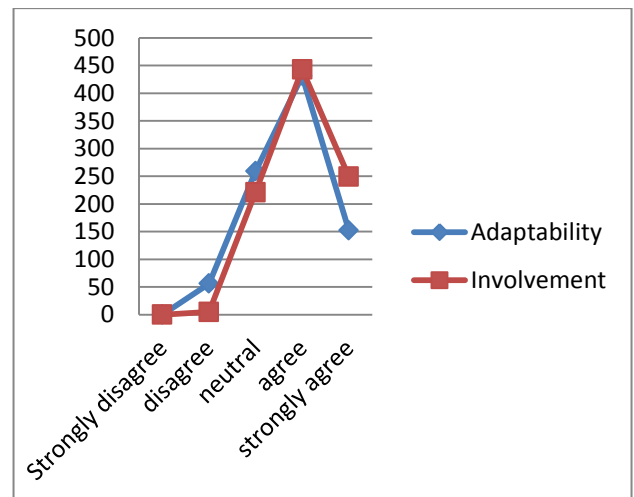


Fig: 3 The Correlation of Adaptability and Involvement

Analysis: Fig: 3 again shows that there is a positive correlation between the two factors adaptability and involvement $R = .95$. Although this relation is lower than the two coefficients calculated above but it's a positive one which again says that the two factors are strongly related to each other. Majority of employees agree and few of them strong agreed also that adaptability and involvement are closely associated. This means that when adaptability increases then involvement also increases. When the employee is adapt in the culture, he feels himself to be a part of the organization and shows interest in the processes and operations of the organization. The interest affects the involvement and hence the involvement increases.

In a similar fashion the correlation coefficient between mission of an organization and involvement, when calculated came out to be 0.917471049.

H4: There is relationship between Mission and Involvement

H0: There is no relationship between Mission and Involvement

Data reveals that there is a positive correlation $r = .91$ between mission and involvement

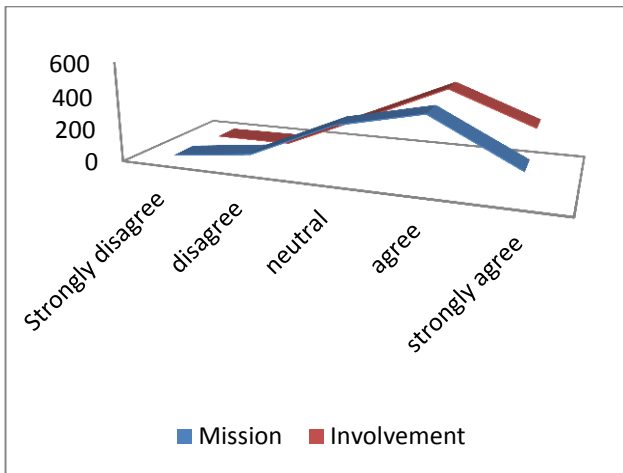


Fig: 4 The Correlation of Mission and Involvement

Fig: 4 shows that there is positive relationship between the two factors. Hence the effect of great mission or we can say that the good understanding of mission increases the involvement of employees in the organization.

H5: There is relationship between Mission and Consistency

H0: There is no relationship between Mission and Consistency

Results reveal that there is a positive correlation $r = .95$ between mission and consistency

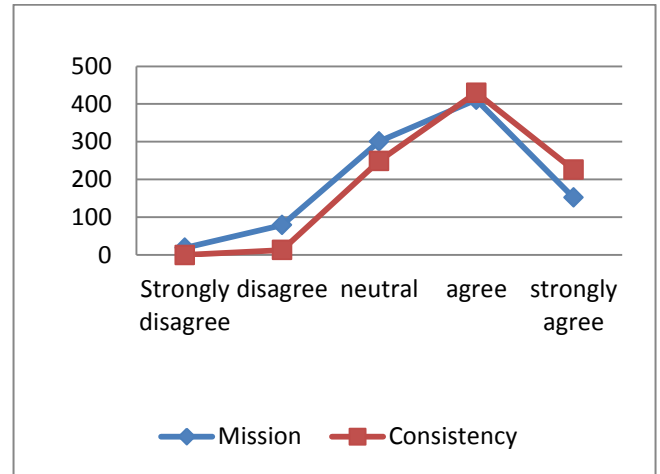


Fig:5 The Correlation of Mission and Consistency

Analysis: Fig: 5 shows that there is a positive correlation between the mission of a company and consistency. Here again the majority of the responses agree that the consistency depend on the mission of organization. Mission of an organization when understandable and is very clear to the employees, it actually gives a direction and apparent aim to be achieved which in turn helps the employees to work in a fix direction making them consistent in their performance.

Lastly, the two remaining factors are consistency and involvement. We have actually seen that adaptability and involvement are related as well as adaptability and consistency is positively related. What amuses now is to find whether the two uncommon actors with the same adaptability link are related to each other or not.

H6: There is relationship between Consistency and Involvement

H0: There is no relationship between Consistency and Involvement

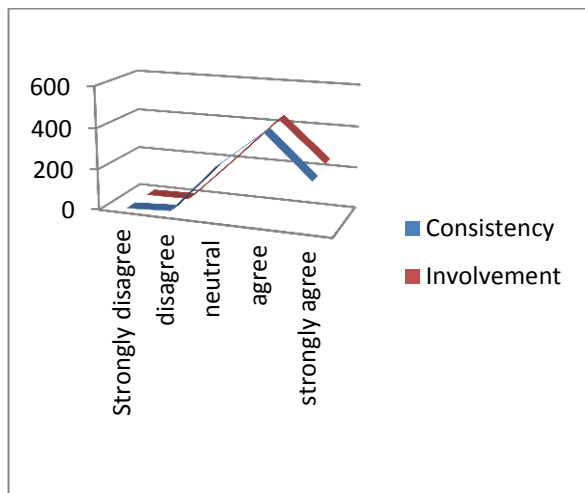


Fig:6 The Correlation of Consistency and Involvement

The correlation coefficient between the two factors is 0.99. This is another relation which is almost perfect positive. This shows that the factors consistency and involvement are very closely related to each other. The higher is the involvement by the employees the higher is the consistency of the employees.

The above discussions prove that all the four factors taken pair wise with each other share a close knitted positive relationship and that too very high. If the relationship between the factors is high then the factors should depend on each other. This idea insists us to know whether the factors are even depending on each other or independent in their working.

Therefore factors with high high correlation were identified and hypothesis was tested using the chi square tests. The maximum correlation was achieved between adaptability and mission. So, the first Hypothesis is applied between these two factors say, adaptability and mission.

H7: The mission of an organization and the adaptability are independent of each other.

H0: The mission of an organization and the adaptability are dependent on each other.

Assuming the level of significance to be 5% the calculated value of χ^2 i.e. χ^2_{cal} , came out to be 6.8008 E-121. On comparison against **p value**, it is realized that the value of χ^2_{cal} is smaller than the p value which is the tolerance value hence, H_a is accepted i.e. the hypothesis, the mission of an organization and the adaptability are dependent on each other is accepted.

The other two variables sharing perfect positive relationship in the above measures are consistency and involvement. Hence, now the dependence between them is to be checked.

The second hypothesis is:

H8: The consistency to work and involvement are independent of each other.

H0: The consistency to work and involvement are dependent on each other.

Again chi square was applied using 5% level of significance. It was found that the calculated value of χ^2 i.e. χ^2_{cal} , came out to be 5.1009E-294. On comparison against the p value, it is realized that the value of χ^2_{cal} is smaller hence, H_0 is rejected i.e. the hypothesis, The consistency to work and involvement are dependent on each other is accepted.

The tests above prove that as the variables share high relationship among each other, we can scientifically say that the variables depend on each other and that has been proved above.

5. Discussion and Conclusion

Therefore the four dimensions of Daniel Denisons model of Organization culture (Mission, adaptability, Involvement and Consistency) at Essar are adhered to and have a strong correlation with each other. The organization as a whole and the employees are a content lot and they believe in strong cultural values and strict code of adherence.

The combined values of adaptability which is based on creating change, customer focus and organizational learning and that of Mission which is based on strategic direction and intent, goal and objective and vision are calculated have the correlation coefficient of .99 which is quite high. The correlation between adaptability and consistency is again .97 which is close and high which implied that the organization is consistent in its adaptability process.

When the employee is adapt in the culture, he feels himself to be a part of the organization and shows interest in the processes and operations of the organization. The interest affects the involvement and hence the involvement increases, and correlation coefficient of .91 is an indication of the same. Mission of an organization when understandable and is very clear to the employees, it actually gives a direction and apparent aim to be achieved which in turn helps the employees to work in a fix

direction making them consistent in their performance $r = .95$. The higher is the involvement by the employees the higher is the consistency of the employees $r = .99$.

Thus we can conclude that all the four factors play an important role in creating a positive organization culture at Essar

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