

Determinants of Culture: An Analytical Study of Business Organizations Working in Faisalabad, Pakistan

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Received: December 16, 2010

Accepted: January 18, 2011

doi:10.5539/ass.v7n6p177

Abstract

This study was aimed at investigating basic determinants of culture that contribute to differentiate culture of export-based textile organizations from one another. For this concern, different factors (degree of frankness, language, attire, working hours, work experience, activities other than work, infrastructure, procrastination, group orientation, and organizational behavior) were identified and their degree of contribution to culture of export based organizations is examined. For this purpose, Faisalabad city was selected as universe and a sample of 100 respondents from textile organizations was analyzed. After collecting information certain statistical tools (mean, bivariate, multivariate and Pearson correlation) were applied to evaluate the intensity of cultural determinants. This study indicates that the degree of frankness, procrastination, infrastructure, working hours, group orientation, work experience, and activities other than work are the strong predictors of culture. Attire and language were less significant to determine the culture of export-based textile organization. Open communication and management style contributed and effected the intensity of determinants of culture and helped to understand overall culture of organization.

Keywords: Culture, Determinants, Export based organizations

1. Literature review

Culture of an organization is a focus of study for many researchers these days. Culture of an organization is a predictor of organizational environment, work climate, values of organization and its employees and overall profitability. "Practitioners and academics attempt to better understand the trends and changes in organizational culture because of their important ramifications on the daily operations of any corporation" (Lankford & Wimsatt, 1999). In simple terms, culture refers to shared values of people. Kuper's (1999) idea about culture is that It's "a matter of ideas and values, a collective cast of mind". Hofstede (1984) and Hofstede and Bond (1988) came with the idea to define culture on basis of power distance, uncertainty avoidance, individualism, masculinity versus femininity, and long term orientation. Further, many researchers defined culture in detailed manner. "culture is like a binding element, and through identification and management of taboos, rituals, attitude towards time, social stratification, kinship system, modern managers will find ways to remain competitive in competing markets and could help to achieve harmony" (Bohlander, Snell, & Sherman, 2001).

Cartwright and Cooper, 1993 (as cited by Schraeder & Self, 2003) defined culture as to an organization what personality is to an individual. Research on culture is refreshed day by day and people appear with their ideas. "The shared understandings and practices that unify a community and define everything from labor market to attitudes towards risk taking" (Saxenian, 1994). Main feature of culture is uniformity. It suggests that environment of any organization is comprised of many variables that differentiate culture of one organization from the other. Lankford and Wimsatt (1999) conceptualized culture in terms of fourteen dimensions including: External vs. internal, Task vs. social focus, Safety vs. risk, Conformity vs. individuality, Individual vs. group

rewards, Individual vs. collective decision-making, Centralized vs. decentralized decision-making, Ad hockery vs. planning, Stability vs. innovation, Cooperation vs. competition, Simple vs. complex organizations, Informal vs. formal procedures, High vs. low loyalty, Ignorance vs. knowledge of organizational expectations.

Cultural variations are observable in our surroundings. As we move from one person family to another family, one place to other, one country to other country different dimensions of culture are observed. People of America are more individualistic while in Pakistan behavior is of collective nature (Suh, Janda & Seo, 2006). People have studied concept of culture in many ways. Contextual factors are really important as they are bases of culture in any organization. Today's successful organizations which are scattered all around the world have now developed their own cultures by swallowing values and traditions of societies and nations where they operate (Oliver & Kandadi, 2006). So culture of one organization is different from other. These differences could be because of many reasons as described by Hofstede (1984).

Swe and Kleiner, (1998) came up with the concept that strength of a culture depends on three factors including pervasiveness of the norms and behaviors in the explicit culture and the pervasiveness of the values and beliefs in the implicit culture, pervasiveness of the beliefs and behaviors themselves, and the consonance between the explicit and implicit cultures. Further they explained that strong culture is really important factor that contributes to the success of organization. Culture has to deal with many issues in organization. It controls behavior of employees, deals with delegation of power, authority and responsibility, setting of goals and social processes (*ibid*).

To differentiate culture of one organization from other is not easy. Lund (2003) conformed this idea by expressing that "Organizational literature also acknowledges the difficulty of measuring and identifying a typology of organizational cultures, mainly, because the shared assumptions and understandings lie beneath the conscious level for individuals" According to Wallach (1983) organizational cultures could be of different types. He gave three types of organizational culture; bureaucratic; innovative; and supportive. Study of Taormina (2008) confirmed that "leadership behaviors and the domains of organizational socialization are related to, and predictors of, organizational culture; findings that have implications for both management and research". So he defined a new perspective regarding organizational culture where leadership and socialization were taken as study focus.

Bititci et al. (2006) worked over culture in a different way. He studied management style, organizational culture and performance measurement concept. A key finding of paper was that organizational culture and management style seem to be interdependent throughout the lifecycle of the performance measurement system. So importance of cultural change was also highlighted in the process of performance management to achieve more collaborative management style (*ibid*). Thus, culture is an element that acts as a facilitator, plays supportive role and contributes to overall success of an organization.

In paper of Bellou, 2008 (as cited by Van Maanen & Barley, 1985) explained concept of subcultures to describe subsets of organizational members who interact regularly with each other, identify themselves as a distinct group within that organization, share the same problems, and take action on the basis of a common way of thinking that is unique to the group. Subcultures are a part of every organization and also an important challenge. Subcultures mainly have identity in culture as they have core values derived from culture of organization. Difference between cultures and subcultures could be that the former refers to the overall organization while the latter to multiple small cultures existing within a specific organization (*ibid*).

Within the context of organization, groups and teams are formed. Many intra group conflicts arise. Culture of organization is a source that could help to get rid of all conflicts and problems. Conflicts can be harmful for organization, as synergy of organization is a necessary concept for proper functioning and conflicts could act against harmony and synergy. "We argue that both organizational culture intensity and content have an impact on the work group functioning of diverse groups, depending on the degree of intensity and the cultural content embedded in the members in the workplace"(Chuang, Church & Zikic, 2004). Shared culture can be a solution to many complex natured problems. Many organizational functions (innovation, knowledge management) and processes require culture as supportive element.

Another point of view was given by Rashid, Sambasivan and Rahman, (2004). They gave four types of culture; communal culture, fragmented culture, network culture and mercenary culture. Again the effect of organizational culture was studied on performance of organization. Culture is like a hub that connects whole organization together and facilitates all functions of organization. "The results suggest that interpersonal trust and collectivistic tendency have significant impacts on the employees' motivation to collaborate; in turn, through the

organizational supportive learning culture, they have positively significant impacts on the employees' organizational commitment" (Song, Kim, 2009).

2. Study inquiry

In this study, the focus was on studying determinants of organization culture on basis of some factors that could differentiate one organization from the other. This study was carried out on textile organizations which were export-based in Faisalabad in Pakistan. This study identified the determinants and their intensity to determine the culture of export-based textile organizations. It helped to focus on factors, which are critical in forming culture of organization.

Objectives of the study would be:

- To identify intensity of determinants (independent variables) in relation to organizational culture.
- To study the role of management and individual characteristics as intervening in strengthening/weakening relationship of determinants to organizational culture.

3. Method

3.1 Participants and data collection

This study was based on quantitative approach; respondents in this study were employees of export-based textile organizations. The study universe was export based four textile organizations (Ibrahim Fibers, Chenab textiles, Masood textile mills & Naveed nawaz textiles) in Faisalabad. Data was collected from 100 respondents (including middle level managers and lower level employees). All the respondents were assured about their anonymity and confidentiality. And it was made sure that data would be reported in aggregate.

The only limitation was that environment of Faisalabad does not support participation of women in business organizations much, so number of female respondents is less than males.

3.2 Instrumentation

Testing instruments of regression (Note 1) (beta test) and Pearson correlation (Note 2) are used to measure the intensity of different determinants of culture along with highlighting the most relevant determinants of culture in context of export-based textile organizations of Faisalabad. In order to identify whether the relationship is spurious or non spurious, the multivariate analysis (Note 3) is carried out. The multivariate analysis also enables the researcher to find the relative significance of each independent variable in determining the dependent variable. The multivariate analysis also tells about the suitability of the independent variables in exploring the dependent variable (culture).

4. Results

Well structured questionnaire was prepared that included several questions with likert scale to collect responses on variables. Before any statistical analysis, frequencies were calculated for the background variables and basic statistical (Mean) test was applied. Beta test, multivariate and Pearson Correlation tests were used to identify the determinants and their intensity to determine the culture of export-based textile organizations.

In table II; Bivariate analysis was used to examine the determinants and the degree at which these determinants contributed to measure the culture of organizations. The model signifies that the determinants (working experience, degree of frankness, procrastination, working hours and activities other than work) are highly significant predictor of organizational culture. Infrastructure of an organization is less significant than other predictors where as gender and language have no significance towards culture.

Further it is analyzed that some of the determinants have significant relationship with culture. As degree of frankness, procrastination, working hours, activities other than work, infrastructure, attire and group orientation very much contribute to determine the culture of export-based textile organizations in Faisalabad while language has a fewer impact in determining the organizational culture. (Table III). When all of these variables were entered simultaneously, they accounted for 0.87 coefficient of the variation in determining the culture. Average of 4.10 respondents strongly agrees over the concept that degree of frankness is a significant predictor of organizational culture. Management style in any organization plays a vital role in shaping the culture. Management's role could make a difference as all factors (determinants) are controlled and managed by organization. So certain policies and rules formed by management can influence all the determinants, and the route of organizational culture will vary among different organizations.

The results of correlation coefficients helped to confirm the relationship obtained through bivariate test between the predictor and outcome variable that are determinants and organizational culture.

The relationship or degree of association is further verified by the estimation of Pearson Correlation Coefficient values. The value of correlation coefficients for independent variables such as: degree of frankness, procrastination, working hours, activities other than work, infrastructure, attire, group orientation, language and management style are associated with culture. Table IV shows that all these variables were significant at one percent level of significance (0.05 percent) except age of respondents. A similar type of relationship had been identified in bivariate analysis.

5. Discussion

As it has prescribed that culture is a set of shared values, norms and beliefs. It represents unwritten, but really important part of organization. All employees contribute to the culture but generally culture goes unnoticed. "What happens in organizations is fairly easy to observe; for example, leadership failure, marketing myopia, arrogance based on past success, and so on; but in the effort to understand why such things happen, culture as a concept comes into its own" (Schein, 2004). Cultures of organizations vary from one another on the bases of factors which determine the culture. Culture performs two important functions in organization: to integrate members so that they can perform well and increase productivity, and to help the organization respond to external environment in an effective manner (Daft, 2004). To understand the overall philosophy of organizations these determinants (degree of frankness, procrastination, group orientation, attire, infrastructure, management style, working hours, activities other than work and language) provide better insight to measure the culture. As Daft (2004) states that many dimensions can determine the culture such as extent of collaboration verses isolation among people and departments, the importance of control and where control is concentrated, or whether the organization's time orientation is short-range or long-range regarding objectives.

In the study of universe export-based textile organizations (Ibrahim Fibers, Chenab textiles, Masood textile mills & Naveed nawaz textiles), it is observed that employees inside the organizations are strongly in favor of collectivism, and they have strong associations with their colleagues. This strong relationship implies that degree of frankness has significant association with culture. Infrastructure (working environment, office setups, place, and systems) and attire (appearance) also have impact on culture. Working environment illustrates the type of culture which differentiates the organizations from each other. Certain organizations have different rules and policies regarding attire, so it is examined that attire is also a base to differentiate the culture. Management style plays the role of an intervening predictor, and it could shape organizational behavior towards determinants that will differentiate the culture. In social context, group orientation and activities, what employees perform other than work is having impressions of organizational behavior. Punjabi language is being in practice in the under study organizations that confirm informal orientation of organization toward culture. Timely completion of assignments is highly appreciated in organizations, and delay in work is treated as a negative concept by management. This study indicates that the degree of frankness, procrastination, infrastructure, working hours, group orientation, work experience and activities other than work are the strong predictors of culture. Attire and language less contribute to determine the culture of export-based textile organizations. Open communication and sharing information from top to bottom increase the degree of frankness. And management style and communication play effective role in effecting determinants and differentiating organizational culture.

Schein, (2004) highlighted the importance of culture in reference to business organizations by expressing that culture has capability to analyze the groups and organizations in a better way than total societies because of the relatively greater homogeneity of the smaller units, and because it will be possible to reconstruct the entire history of an organization in a manner not possible for total societies. So, in turn cultural importance is predicted and proved very much correlated with context of business organizations.

As business increasingly crosses geographical and cultural boundaries, leaders face difficult challenges in establishing strong cultural values with which all employees can identify and agree (Daft, 2004). To cope up with these challenges management style and effective leadership is recommended to play its role effectively. The significant relationship among cultural values, organizational environment and strategy can enhance organizational performance. So overall, culture of organization should be strong enough to contribute to goals and objectives of export-based textile organizations. As strong culture can unite all the employees together and strengthen coordination among people and groups of textile organizations.

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Notes

Note 1. Regression analysis; a statistical technique for estimating the relationships among variables (Lindey, 1987).

Note 2. Multivariate analysis (MVA) is based on the statistical principle of multivariate statistics, which involves observation and analysis of more than one statistical variable at a time (Mardia, Kent & Bibby, 1979).

Note 3. In statistics, the Pearson product-moment correlation coefficient (sometimes referred to as the PMCC, and typically denoted by r) is a measure of the correlation (linear dependence) between two variables X and Y , giving a value between +1 and -1 inclusive (Rodgers & Nicewander, 1998).

Table 1. Distribution of the respondents according to gender, marital status, *working* experience, their friends in this organization and age

Gender	No.	Percentage
Male	92	92.0
Female	8	8.0
Total	100	100.0
Marital status		
Married	57	57.0
Unmarried	43	43.0
Total	100	100.0
Working experience (in years)		
1-2	22	22.0
3-4	43	43.0
5 and above	35	35.0
Total	100	100.0
Friends got in this organization		
0-1	9	9.0
1-2	10	10.0
2-3	18	18.0
3-5	20	20.0
More than 5	43	43.0
Total	100	100.0
Age (in years)		
20-25	11	11.0
26-30	21	21.0
31-35	41	41.0
36-40	27	27.0
Total	100	100.0

Table 2. Bi-Variate Analysis Association between dependent and independent variables

Variables	Chi-square	D.f.	P-Value	Gamma
Gender	.210	2	.901NS	.124
Working experience	23.03	4	.00**	.183
Degree of frankness	51.90	4	.00**	.637
Procrastination	51.73	4	.00**	.811
Language	5.9	4	.206NS	.292
Working hours	22.25	4	.00**	.562
Activities other than work	38.42	4	.00**	.812
Infrastructure	21.58	4	.01*	.472

* = Significant

** = Highly significant

NS = Non-Significant

Table 3. Multivariate Analysis

Variables	Beta	T	Sig.
(Constant)		2.025	.046*
Degree of frankness	.106	2.148	.034*
Procrastination	.368	7.156	.000**
Language	-.102	-2.303	.024*
Working hours	.341	3.935	.000**
Activities other than work	-.425	-3.964	.000**
Infrastructure	.232	3.538	.001**
Attire	-.148	-3.326	.001**
Organizational Behavior	.655	8.239	.000**
Group orientation	.474	8.931	.000**

 $R^2 = .87$

Dependent Variable: Culture of Organization

Table 4. Pearson Correlation test between dependent and independent variables

Variables	Organizational culture
Degree of frankness	.510**
Procrastination	.724**
Language	.199*
Working hours	.447**
Activities other than work	.594**
Infrastructure	.531**
Attire	.243*
Organizational Behavior	.759**
Group orientation	.709**