
A study of Organisation Culture in the Public and Private sectors : Impact on Job Attitude

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Abstract

This study investigates effectiveness of job attitude formation process of organizational culture using four alternative cultural styles viz. autocratic, bureaucratic, entrepreneurial and technological culture in the public and private sector firms on the basis of more than 500 respondents in NCR region. Collected data were processed using descriptive statistics, Anova and Least Square Regression technique. It was found that job attitude premium was attributed to only the bureaucratic style and overall cultural effect in the private sector organizations with contrary effect whereas none of the styles or the overall culture makes any significant contribution in the public sector organizations. Results are of immense importance for policy makers in Government and private sector organizations while formulating the differential HR strategy of the firm.

Key Words : Organizational culture, Job attitude, Public and Private firms

Introduction

Organization Culture (OC) influences how people set personal and professional goals, perform tasks and administer resources to achieve them. More extendedly, this influences the way people consciously and subconsciously think, make decisions and ultimately the way they perceive, feel and act (Hansen and Wernerfelt, 1989; Schein, 1990). Researchers have suggested that organizational culture can exert considerable influence particularly in areas such as performance and job commitment (Deal and Kennedy, 1982, Peters and Waterman, 1982). Since organizational culture varies in different organizational environment, it may have varied influence on the behavior of members and have a role in creating a sense of commitment, loyalty, involvement and identity towards the organization.

Hofstede (1991) developed four dimensions of culture based on an extensive survey conducted among IBM managers in over 50 countries for work values and

subsequently developed those dimensions of culture compatible with business practices. Later, his work was rightly validated by Hoppe (1990) and Smith (1994) who accepted the overall implication of Hofstede's cultural model and its influence on global scale. Work Culture is now seen as increasingly more important by managers, management scholars and consultants. Key attributes of any functional work culture include establishing a clear and well documented work process, treating employees fairly and consistently, participating in training and continuing education (Pool, 1997). Bryson (2008)

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addressed issues of time and perspectives which underlie the contested nature of culture by explaining the dynamics of organizational change through dominant, residual and emergent culture with a case study in New Zealand setting.

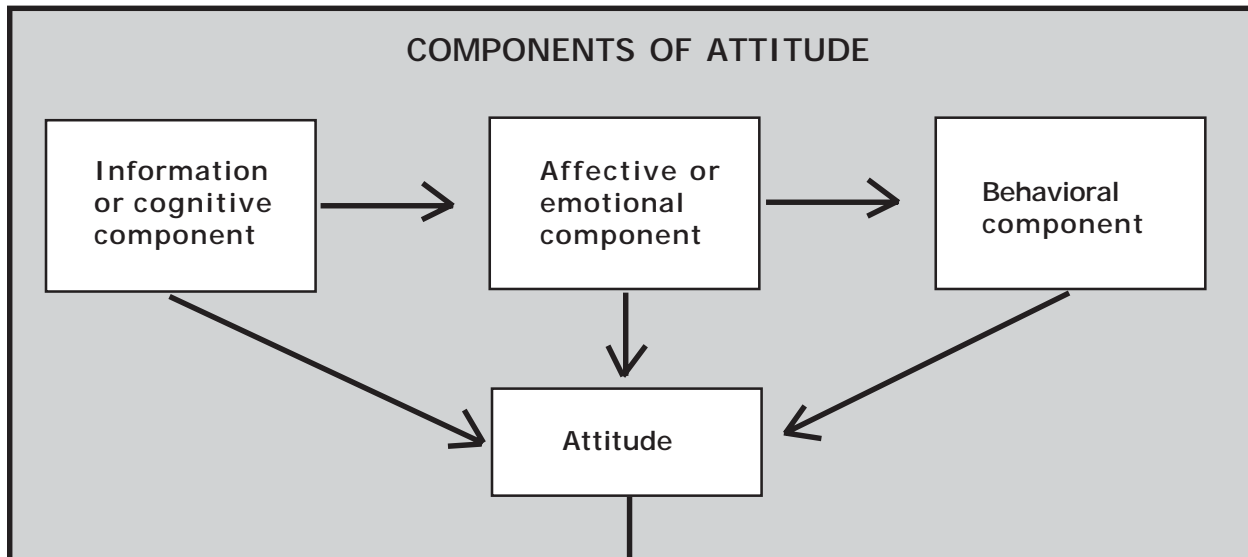
Job Attitude-Employees Engagement and Productivity

An attitude is a relatively enduring organization of beliefs, feelings and behavioral tendencies towards socially significant objects, groups, events or symbol (Hogg, & Vaughan 2005,) a psychological tendency that is expressed by evaluating a particular entity with some degree of favorableness (Eagly, & Chaiken, 1993).

The main characteristics of attitudes are:

- Attitudes are **learned** from personal experience, information provided by others and market controlled sources in particular exposure to mass media.
- Attitudes are **predispositions**. A predisposition is an inclination or tendency towards something; attitudes have motivational qualities.
- Attitudes have a relationship with **behavior**.
- Attitudes are **consistent**. However, this does not necessarily mean that they are permanent; attitudes can change.

Thus, components of Attitude are as follows :



Employee Engagement and Productivity:

There is a powerful link between the employee's attitude with job engagement, productivity and profitability. Business owners who aren't aware of their employee attitudes and opinions are missing out on significant cost-savings and profit opportunities. Keeping employees fully engaged helps keep them passionate about what they do and highly satisfied with their jobs.

Work attitudes are feelings that employees have toward different aspects of the work environment.

Job, satisfaction and organizational commitment are two key attitudes that are the most relevant for important outcomes. In addition to personality and fit with the organization, work attitudes are influenced by characteristics of the job, perceptions of organizational justice and the psychological contract, relationships with co-workers and managers and the stress levels experienced on the job. Many companies assess employee attitudes through surveys of worker satisfaction and through exit interviews.

Job attitudes such as job satisfaction and organizational commitment are criterion for

establishing the health of an Organization. Rendering effective services largely depends on the human resource. Job satisfaction experienced by employees induces the people to give their best to the organization. The attitudes are essential to enhance the performance of employees.

The study is subsequently divided in following sections. In the next section, a brief survey of literature and objectives of the study are presented followed by a section giving methodological tools of the present study. Final two sections give results, discussion. Lastly, conclusions from the analysis are drawn and recommendations are made.

Literature Survey

Kirkman and Shapiro (2001) analyze the impact of cultural values on job satisfaction and organizational commitment in North America, Europe, and Asian Countries. They, further, add that the higher level of collectivism is associated with greater job satisfaction. Secondly, they find that resistance behavior accounted for differences in satisfaction and commitment across cultures but did not explain the reason. Finally, they observe that cultural values do influence employees' resistance to the self management and team related aspects of such behaviour across countries. Lok and Crawford (2003) analyze the effect of organizational culture and leadership style on job satisfaction and organizational commitment using cross national comparison with the respondents of Hong Kong and Australian managers. Results reveal that Australian managers scored more highly on the basis of innovative and supportive culture measures and on job satisfaction and organizational commitment. Further, no significant difference between two managerial groups was found in bureaucratic organizational culture or on consideration and initiating structure leadership style. Lather et al (2010) attempt to investigate the organizational culture using selected organizations in the manufacturing sector in the NCR. There is difference between the perception of culture between executives and non-executives. The study has attempted to identify the weaker aspects of culture as well as its correlation with declining productivity of the firm so that the weaker aspects can be mitigated. Thus, in this context, a specific study is conducted to accomplish following objectives.

- To appraise the effects of various culture on job attitude in private and public firms.
- To compare differences in various cultural groups e.g. (Autocratic, Bureaucratic, Technological, and Entrepreneurial) based on various attributes in private and public firms.

Thus, the above objectives lead to following hypotheses.

H₀₁ a : There is no effect of autocratic culture on job attitude in private firms

H₀₂ a: There is no effect of technological culture on job attitude in private firms

H₀₃ a: There is no effect of bureaucratic culture on job attitude in private firms

H₀₄ a: There is no effect of entrepreneur culture on job attitude in private firms

H₀₅ a: There is no difference in various groups e.g. (Autocratic, Bureaucratic, Technological, and Entrepreneurial) based on various attributes in private firms

H₀₁ b: There is no effect of autocratic culture on job attitude in public firms

H₀₂ b: There is no effect of technological culture on job attitude in public firms

H₀₃ b: There is no effect of bureaucratic culture on job attitude in public firms

H₀₄ b: There is no effect of entrepreneur culture on job attitude in public firms

H₀₅ b: There is no difference in various groups e.g. (Autocratic, Bureaucratic, Technological, and Entrepreneurial) based on various attributes in public firms

The list of Alternate Hypotheses is as below

H₁₁ a: There is significant effect of autocratic culture on job attitude in private firms

H₁₂ a: There is significant effect of technological culture on job attitude in private firms

H1₃ a: There is significant effect of bureaucratic culture on job attitude in private firms

H1₄ a: There is significant effect of entrepreneur culture on job attitude in private firms

H1₅ a: There is significant difference in various groups eg (Autocratic, Bureaucratic, Technological, and Entrepreneurial) based on various attributes in private firms

H1₁ b: There is significant effect of autocratic culture on job attitude in public firms

H1₂ b: There is significant effect of technological culture on job attitude in public firms

H1₃ b: There is significant effect of bureaucratic culture on job attitude in public firms

H1₄ b: There is significant effect of entrepreneur culture on job attitude in public firms

H1₅ b: There is significant difference in various groups e.g. (Autocratic, Bureaucratic, Technological, and Entrepreneurial) based on various attributes in public firms

In all the descriptions, a and b denote private and public sector firms respectively.

Methodology and Data Sources

Data on job attitude, organizational culture are collected using convenience sampling with structured questionnaire from manufacturing firms in national capital region. Questionnaire is framed in 5 point Likert's scale. The total sample size of the respondents is 523 from both public and private sector respondents. Further, the organizational culture is also divided into autocratic, bureaucratic, technological and entrepreneurial culture to understand them into detail. The first part of the questionnaire developed by Pareek (1997) deals with measuring of Organization Culture profile in terms of Autocratic, Bureaucratic, Technocratic and Entrepreneurial. All four types have eight sets of variables dealing with values, beliefs, primacy, communication, leadership, ritualism meetings, celebrations, rooms and furniture. On the other hand, job attitude questionnaire was not standardized. So we began with pilot study and incorporated the point suggested by respondents

before we conducted the full-fledged study. We used following statistical tools for data processing.

- Anova (Analysis of Variance to find out differences among more than 2 organizational cultural groups e.g. the public sector and private sector. If the findings are significant, then at least one of the groups out of various combinations demonstrate significant difference in mean values.
- Regression Analysis that measures the direction as well as magnitude of relationship between two variables provided one as the cause and the other as an effect. The sign of coefficient reflects the direction of relationship. And the t statistics and p value of coefficient reflect the significance of the independent variable (causation agent). Further R square represents the explanatory potential in the regression framework under consideration.

We have used the following forms of regression equations.

$$\text{Job Attitude} = C + b \text{ (autocratic culture)} \dots \text{eq(1)}$$

$$\text{Job Attitude} = C + b \text{ (bureaucratic culture)} \dots \text{eq(II)}$$

$$\text{Job Attitude} = C + b \text{ (technological culture)} \dots \text{eq(III)}$$

$$\text{Job Attitude} = C + b \text{ (entrepreneurial culture)} \dots \text{eq(IV)}$$

Further forecasting capability of the regressions are judged by Theili Inequality Coefficient.

Data Analysis and Results

Table 1 and 2 present the descriptive statistics of organizational culture based on various attributes in public sector and private sector organizations. It is also evident that majority of the mean values are in the range of two to three reflecting the mediocre opinions. Table 3 and 4 present the one way analysis of variance among values, beliefs, room, rituals, primacy, communications, celebration, and leadership.

Results indicate that all the eight attributes of organizational culture have positive results signifying the alternate hypothesis. Thus, every attribute has four different styles viz. bureaucratic, entrepreneurial, technical and autocratic and at least one of them is significantly different justifying the differences between four different styles and their impact on various attributes of organizational culture in public sector organizations and private sector organizations.

Table 5 presents the effect of organizational culture on the formation of job attitude of employees in public sector organizations. It is evident that the all forms of organizational culture have t statistics lower than 1.96 negating significant impact of this phenomenon on the job attitude formation in public sector organizations. Thus, attributes of organizational culture do not play an important role in the job attitude of the employee. This result is also supported by favorable Theili Inequality Coefficient. Further, we also observe that the errors of respondents have negligible heteroscedasticity in response making our results more authentic. On the other side, our regression has statistically significant t statistics for intercepts reflecting the dominance of other powerful factors in

the job attitude formation in public sector organization. Thus, public sector organizations seem to be more rigid so far as style or culture of the organizations is concerned.

Table 6 presents the effect of organizational culture on the formation of job attitude of employees in private sector organizations. It is evident that the organizational culture has t statistics of -2.42 reflecting significant impact of this phenomenon on the job attitude formation. On the other hand, the bureaucratic style directly plays an important role in deciding the job attitude of the employee. This result is also supported by favorable Theili Inequality Coefficient. Further, we also observe that the errors of respondents have negligible heteroscedasticity in response making our results more authentic. On the other side, our regression has statistically significant t statistics for intercepts reflecting the dominance of other powerful factors in the job attitude formation in private sector organization. Results also point out the negative role of the bureaucratic culture on job attitude formation process.

Table 1 : Descriptive Statistics in Organizational Culture in Public Sector Organizational

Group		Values	Rooms	Beliefs	Rituals	Primacy	Communication	Celebration	Leadership
Autocratic	Mean	2.89	2.70	2.33	2.95	2.77	2.77	3.02	2.91
	N	295	295	295	295	295	295	295	295
	Std. Deviation	1.173	1.207	1.005	1.219	1.331	1.346	1.225	1.164
Bureaucratic	Mean	2.86	2.55	3.06	2.59	2.48	2.40	2.57	2.51
	N	295	295	295	295	295	295	295	293
	Std. Deviation	.888	1.391	1.158	1.222	1.145	1.114	1.193	.981

Group		Values	Rooms	Beliefs	Rituals	Primacy	Communication	Celebration	Leadership
Entrepreneur	Mean	2.55	3.25	2.59	2.71	3.06	2.97	2.43	2.62
	N	295	295	295	295	295	295	295	295
	Std. Deviation	1.444	1.026	1.324	1.044	1.312	1.306	1.187	1.274
Bureaucratic	Mean	2.74	3.02	2.93	2.72	3.07	2.76	3.05	2.25
	N	295	295	295	295	295	295	295	293
	Std. Deviation	1.073	1.108	1.116	1.115	1.186	1.041	1.241	1.278
Total	Mean	2.76	2.88	2.72	2.74	2.85	2.72	2.77	2.57
	N	1180	1180	1180	1180	1180	1180	1180	1178
	Std. Deviation	1.168	1.220	1.190	1.158	1.268	1.224	1.241	1.202

Table 2 : Descriptive Statistics in Organizational Culture in Private Sector Organization

Group		Values	Rooms and furnitures	Beliefs	Rituals	Primacy	Communication	Celebration	Leadership
Autocratic	Mean	2.41	2.60	2.17	2.65	3.13	2.98	2.66	2.54
	N	372	372	372	372	372	372	372	372
	Std. Deviation	1.087	1.158	1.036	1.236	1.093	1.195	1.313	1.145
Bureaucratic	Mean	2.86	2.57	3.04	2.81	2.92	2.71	2.52	2.83
	N	372	372	372	372	372	372	372	372
	Std. Deviation	.978	1.208	1.043	.980	1.080	1.004	1.171	1.022

Group		Values	Rooms	Beliefs	Rituals	Primacy	Communication	Celebration	Leadership
Entrepreneur	Mean	2.81	2.87	2.62	2.42	2.68	2.59	2.83	2.80
	N	372	372	372	372	372	372	372	372
	Std. Deviation	1.316	1.089	1.151	1.034	1.324	1.175	1.014	1.108
Technological	Mean	2.66	3.05	2.73	2.72	2.73	2.43	2.80	2.50
	N	372	372	372	372	372	372	372	372
	Std. Deviation	1.008	1.175	1.050	1.143	1.229	1.088	1.101	1.304
Total	Mean	2.54	2.77	2.64	2.65	2.86	2.68	2.70	2.67
	N	1488	1488	1488	1488	1488	1488	1488	1488
	Std. Deviation	1.124	1.174	1.115	1.111	1.197	1.135	1.160	1.158

Table 3 : Analysis of Variance (Various Attributes of Organizational Culture in Public Sector Organizations)

		Sum of Squares	df	Mean Square	F	Sig.
Values	Between Groups	21.546	3	7.182	5.318	.001
	Within Groups	1588.102	1176	1.350		
	Total	1609.647	1179			
Rooms	Between Groups	88.694	3	29.565	20.851	.000
	Within Groups	1667.458	1176	1.418		
	Total	1756.152	1179			

		Sum of Squares	df	Mean Square	F	Sig.
Beliefs	Between Groups	96.457	3	32.152	24.037	.000
	Within Groups	1573.031	1176	1.338		
	Total	1669.487	1179			
Rituals	Between Groups	19.162	3	6.387	4.809	.002
	Within Groups	1562.034	1176	1.328		
	Total	1581.196	1179			
Primacy	Between Groups	69.413	3	23.138	14.903	.000
	Within Groups	1825.824	1176	1.553		
	Total	1895.236	1179			
Communication	Between Groups	49.817	3	16.606	11.373	.000
	Within Groups	1717.010	1176	1.460		
	Total	1766.827	1179			
Celebration	Between Groups	89.365	3	29.788	20.291	.000
	Within Groups	1726.475	1176	1.468		
	Total	1815.840	1179			
Leadership	Between Groups	65.023	3	21.674	15.545	.000
	Within Groups	1636.903	1176	1.394		
	Total	1701.926	1179			

Table 4 : Analysis of Variance (Various Attributes of Organizational Culture in Private Sector Organizations)

		Sum of Squares	df	Mean Square	F	Sig.
Values	Between Groups	64.895	3	21.632	17.711	.000
	Within Groups	1812.522	1484	1.221		
	Total	1877.417	1487			
Rooms and Furnitures	Between Groups	58.126	3	19.375	14.443	.000
	Within Groups	1990.728	1484	1.341		
	Total	2048.854	1487			
Beliefs	Between Groups	146.228	3	48.743	42.503	.000
	Within Groups	1701.852	1484	1.147		
	Total	1848.080	1487			
Rituals	Between Groups	30.739	3	10.246	8.427	.000
	Within Groups	1804.438	1484	1.216		
	Total	11835.177	1487			
Primacy	Between Groups	45.147	3	15.049	10.702	.000
	Within Groups	2086.702	1484	1.406		
	Total	2131.849	1487			
Communi- cation	Between Groups	61.390	3	20.463	16.370	.000
	Within Groups	1855.059	1484	1.250		
	Total	1916.449	1487			

Sum of	df	Mean	F Squares	Sig.	Square		
Celebrations	Between Groups		22.573	3	7.524	5.640	.001
	Within Groups		1979.747	1484	1.334		
	Total		2002.320	1487			
Leadership	Between Groups		32.435	3	10.812	8.185	.000
	Within Groups		1960.231	1484	1.321		
	Total		1992.667	1487			

Table 5 : Regression Output (Impact of Organizational Culture on Job Attitude in Public Sector Firms)

Independent Variable	Coefficient	Standard Error	T statistics (P value)	Adjusted R Square	TIC			Heteroskedasticity Test (P value)
					BP	VP	CP	
C	4.20	0.18	22.92(9.00)	.00	.00	.00	.00	0.16
Autocratic	-0.07	0.07	-0.98(0.33)	-0.00	0.00	0.77	0.22	
C	3.98	0.20	19.32(0.00)	-0.01				0.34
Bureaucratic	0.02	0.09	0.20(0.83)		0.00	0.95	0.05	
C	4.17	0.21	19.82(0.00)		0.00	0.82	0.17	0.14
Technological	-0.06	0.09	-0.71(0.47)	-0.00				
C	4.00	0.18	22.10(0.00)		0.00	0.96	0.03	0.20
Entrepreneurial	0.00	0.07	0.11(0.90)	-0.02				
C	3.93	0.29	13.46(0.00)		0.00	0.90	0.09	0.79
Orculture	0.06	0.12	0.46(0.64)	-0.00				

Table 6 : Regression Output (Impact of Organizational Culture on Job Attitude in Private Sector Firms)

Independent Variable	Coefficient	Standard Error	T statistics (P value)	Adjusted R Square	T I C			Heteroskedasticity Test (P value)
					BP	VP	CP	
C	3.97	0.36	10.75(0.00)					0.46
Autocratic	-0.05	0.14	-0.39(0.69)	-0.00	0.00	0.91	0.08	
C	4.660157	0.375636	12.40(0.00)	0.04				0.44
Bureaucratic	-0.31	0.13	-2.23(0.02)		0.00	0.62	0.37	
C	3.86	0.36	10.72(0.00)		0.00	0.97	0.02	0.63
Technological	-0.01	0.14	-0.09(0.92)	-0.01				
C	4.26	0.33	12.87(0.00)		0.00	0.75	0.24	0.20
Entrepreneurial	-0.17	0.13	-1.33(0.18)	0.00				
C	5.79	0.81	7.12(0.00)		0.00	0.59	0.40	0.67
Orculture	-0.77	0.31	-2.42(0.01)	0.05				

Conclusions and Recommendations

a) Organizational culture contributes significantly to the job attitude process in private firms. But if we decompose the strength of the components of organization culture, bureaucratic culture is the significant contributor to the job attitude process in negative direction in private firms.

b) In public sector firms, the aggregate culture or its components have insignificant contribution.

c) HR managers and policy makers can make differential policy taking note of the perceptions of the employees thereof. Cultural focus is null and void in the public sector, whereas bureaucratic culture needs caution while dealing with employees in private sector firms.

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