

Cultural variances among Indian insurance organizations: With special reference to the state of Haryana

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Abstract

Objectives: The present study has been undertaken to investigate the cultural variances from the demographic perspective of the employees working with various insurance organizations across the state of Haryana, India.

Methods/Statistical Analysis: Wallach's OCI Model (1983), highlighting three types of organizational cultures i.e. Innovative, Supportive and Bureaucratic Culture has been used to measure the type of culture that is prevalent in the select organizations. The sample of 235 on-roll employees was taken from Top-4 insurance organizations of the state and the sample was calculated by using Morgan's sample size calculation technique. The data was analyzed through various statistical techniques including Levene's test, T-test, and ANOVA test by using SPSS 20 software.

Findings: The study revealed that the employee perspectives vary significantly across the existing cultural type's within the insurance organization of Haryana in terms of Nature, Gender, Designation and Qualification of employees. This signifies the demographic characteristics do impact the employee perspectives in determining the most suitable cultural types for the select organizations which in turn affects their work attitudes.

Novelty/Improvement: Variances in terms of cultural types among the employees working with insurance sector of Haryana is quite visible from the findings. Therefore, the authorities need to rectify the cultural variances and their impact on the attitude vis-à-vis the performance of their employees so as to encourage the well qualified youth of Haryana to join and expand this industry by creating more democratic, supportive and trust-worthy organizational culture.

Keywords: Culture, Demographics, Variances, Insurance organizations.

1. Introduction

Service sector is essential for the economic development of any nation in the world including India which is among one of the fastest growing economies. Insurance sector in India being one of the most flourishing sectors of the economy is growing at the rate of 15-20% p.a. The insurance industry of India consists of 53 Insurance Company's out of which 24 are in life insurance and 29 are in non-life insurance business. However, among life insurers, Life Insurance Corporation of India is the sole public sector company whereas; among the non-life insurers only six belong to public sector and rest to private sector insurers. In addition to these, there is sole national re-insurer, namely, General Insurance Corporation of India.

Due to the growing demand for insurance, more and more companies are now emerging in the Indian insurance sector. But, there are few states in India where service sector especially insurance industry has not gathered much momentum in terms of growth of business establishments, employment generation, market coverage etc. Haryana popularly referred to as "The Bread Basket of India" was a major contributor to the "Harit Kranti" i.e. the green revolution in India. Therefore, it's one of the leading states in terms of industrial production. Agriculture is the main occupation of the people rice, wheat, jowar, bajra, maize, barley, pulses, sugarcane, cottons, oil seeds and potato are the major crops grown in the state. Haryana's economy is largely dependent on primary sector and nearly 70% of the total population is engaged in farming activities. However, services for which physical proximity is inessential including long distance services, are on a rise due to technical progress, e.g., banking and insurance industry [1]. The government itself has been highlighting the need of establishing and reviving of services industries of the state especially financial services, which should be further strengthened to increase the GDP of the state and the country. The state is now emerging as a base for the knowledge industry and is a good blend of traditional and modern cultures.

2. Literature survey

Culture plays a very significant role in understanding the organizational dynamics, cultural profile and cultural types emerge within any organization over a period of time. Organizational culture has been defined in many contexts because it is heavily influenced by factors such as the industry in which the company operates, geographic location; events occurred during its history, the personality of its employees and their patterns of interaction [2-5]. As per, organizations with strong or dominant culture, do have many sub-cultural forms within their organizations for many reasons, including functional differences between the departments of the organization i.e. Finance, Human Resource, Marketing, Production, etc. or to ethnic or geographic differences among the employees. Studies have revealed that any organization that is able to maintain and sustain a strong culture is likely to flourish to higher levels of performance [6], [7]. The sustainability and success of the organization is strongly related with their distinctive type of culture rather than their financial or product capabilities [8],[9]. By focusing on creation of strong culture, and transforming the perceived culture into the preferred one, the leader can form a successful organization, [10-14]. Findings of [15], revealed that identifying type of organizational culture will produce considerable benefits to the organization. The insurance industry is dominated by the market culture and its characteristics and further diagnosis is required for the prevailing cultural profiles in terms of geographical regions and enterprise size.

Demographic characteristics of employees are also very important perspective to be extensively discussed in relation to different organizational variables. Organizational culture and employee attitudes impact the development and sustainability of any organization. However, [16] found no direct correlation between organizational cultures and gender. Further [17], revealed that there is no significant difference with respect to organizational culture and gender. In [18], observed that there exist differences between organizational culture perception and gender, age and education level, whereas, there are no significant differences between organizational culture perception and duration of experience in service enterprises. Level of education is an important determinant in development of conceptual perspective as well. It is, therefore, expected that employee's perception of organizational culture will indicate differences according to their level of education, whereas, revealed some disparities with regard to employee gender and organizational culture with the exception education levels that did not find to effect on the concerned variable. In [19], found that age and years of experience has no effect on the participant responses, unlike gender and the levels of education. In [20], revealed that age, years of experience, gender and level of education did not impact the responses of participants on organizational culture except in terms of gender ($p > 0.05$) in Egypt and Mexico. In [21], found that differences exist between organizational culture perception and gender, age and qualification levels and there are differences between organizational culture perception and duration of experience in selected IT companies in the capital region as well.

3. Significance of the study

In view of the research review cited above, it is evident that, the state of Haryana can offer best opportunities for the development of insurance industry. Therefore, it becomes imperative to identify the organizational culture with its different types within existing insurance organizations from the employee's perspective to maintain and sustain the best possible culture for the upliftment of this industry.

4. Objectives of the study

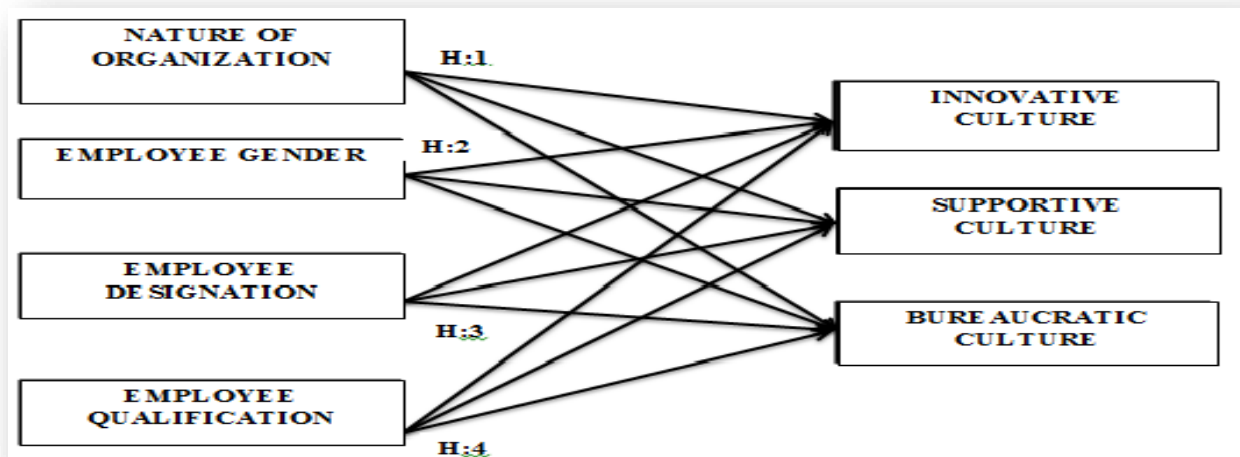
In light of the above mentioned facts, the present study aims to achieve the following set of objectives;

1. To study the demographic profile of the sample study respondents.
2. To ascertain the variances in the prevailing organizational culture across demographic variables identified in support of literature in the sample study organizations.
3. To provide suggestions based on the results of the study enabling select organizations to identify the variances among the prevailing organizational culture and sustaining the positive culture.

5. Research hypothesis

1. There are significant variances between organizational culture types and Nature of organization.
2. There are significant variances between organizational culture types and employee Gender.
3. There are significant variances between organizational culture types and employee Designation.
4. There are significant variances between organizational culture types and employee Qualifications as shown in Figure 1.

Figure 1. Hypothetical model of the study



6. Materials & Methods

To investigate the existing cultural type’s only four top insurance organizations of the state namely, LIC of India, United India Insurance Corporation Ltd., HDFC life Pvt and ICICI Lombard Pvt. were selected for the present study. The sample was calculated by [22] sample size calculator to determine the accurate size for the present study which came out as 235 and was obtained by using Proportionate Probability Stratified Random Sampling (PPSRS) Technique. Wallach’s (1983) most popular 24 items Organizational Culture Index (OCI) scale was found to be more appropriate to measure the various types of cultures prevailing within the select organizations of the Haryana [23]. Wallach has defined three types of culture viz; (a) Bureaucratic, (b) Innovative & (c) Supportive and each of the three types is assigned 8 items. The Wallach’s scale had been used by many other researcher’s [24], [25].

1. Instrument reliability

The reliability of the research instrument for the present study was calculated by using SPSS 20 software. The Cronbach’s alpha coefficient for all the dimensions has been revealed in Table 1.

Table 1. Cronbach’s Alpha Coefficients (α) of (OCI)

Scale No. of Items	Cronbach’s (α) coefficient
Innovative Culture (8)	0.725
Bureaucratic Culture (8)	0.523
Supportive Culture (8)	0.881

2. Demographic profile of respondents

Demographic information about the various sample respondents is discussed in (Table 2) which is reflective of the fact that the public sector insurance employee’s outnumber the private ones in India which is evidenced by the fact that the sample consists of 194 respondents from public and only 41 from the private insurance organizations. Whereas, in terms of gender 144 were male respondents and 91 were female respondents.

Further, in terms of level employee designation maximum number of respondents i.e. 130 fell under clerical level, 60 were from scale-1 (i.e. Administrative officers), 40 belonged to scale-2 (i.e. Assistant Manager) whereas, 5 respondents were from scale-3 (i.e. Branch Manager). And, in terms of educational qualifications maximum respondents i.e. 120 were found to be graduates followed by 81 post-graduates, 28 respondents were having professional qualifications and only 6 were found to be under-graduates. In summary, the select industry is representative more of public sector domination in employing personnel and is also male dominated with maximum number of graduates working as clerical staff.

Table 2. Demographic information

Demographics	Frequency	Percent
Nature of organizations		
Public	90	82.5
Private	41	17.5
Employee Gender		
Male	144	61.1
Female	91	38.9
Employee Designation		
Clerical staff	58	24.8
Administrative officers (scale-1)	127	54.3
Assistant managers (scale-2)	30	12.8
Branch managers (scale-3)	14	6.0
Employee Qualification		
Undergraduate	6	2.1
Graduate	120	51.3
Post-graduate	81	34.6
Professional degree	28	12.0

7. Results & Discussion

1. Comparison of means on the basis of nature of organization

As revealed by the Levene’s test the p-value was (>.05) for all the cultural dimensions it was concluded that, there is no significant difference between the two groups in terms of homogeneity of variances. To measure the level of difference between the variables independent sample T-test was applied which revealed a comparative picture of perceived cultural types by the employees in terms of nature of their organizations (Table 3). The public sector employees core high mean (4.35) on Bureaucratic culture indicating that, their culture is more bureaucratic as there exists complete centralization of authority. Whereas their private counterparts scored high (3.75, 4.46) on supportive and innovative culture depicting that, their organizational culture is more supportive in completing their assigned tasks, there is proper decentralization of authority and due participation of employees in decision making. Besides, these organizations follow proper innovative activities to be at par with the dynamism of work culture. And the difference in such mean scores was found to be statistically significant on innovative (t= 5.462; p=.000**), supportive (t= 5.100; p=.000**), & bureaucratic culture (t= -1.153; p= .000**) at 95% confidence level. However, to measure the effect size of differences observed in responses of two sectors Cohen’s D test was applied, and the values of innovative supportive and bureaucratic culture (0.595, 0.944 & 0.625) indicated the difference between two groups is medium and large.

Table 3. Mean comparison test of cultural types in terms of nature of organization

Constructs	Nature	N	Levene’s Statistics (F-Value)	Df	Sig.	Mean	Std. Deviation	T-value	P-value	Cohen’s D (ES)
Innovative Culture	Public	194	10.50	75.73	.724	3.577	1.99008	5.462	.000**	0.595
	Private	41				4.469	.72283			
Supportive Culture	Public	194	8.68	50.75	.653	2.573	1.11000	5.100	.000**	0.944
	Private	41				3.781	1.42768			
Bureaucratic Culture	Public	194	.97	52.02	.411	4.353	.84775	-1.153	.000**	0.625
	Private	41				3.190	.69528			

Source: Primary Data; For Cohen’s D an Effect Size of 0.2 to 0.3 is considered “small effect”, around 0.5 is “medium effect” & 0.8 or above is relatively considered a “large effect”

2. Comparison of means on the basis of gender

As revealed by the Levene’s test the p-value was (>.05) for the all the cultural types concluding that, there is no significant difference between the two groups in terms of homogeneity of variances. To measure the difference between the variables independent sample T-test was applied revealing a comparative picture of perceived cultural types by the employees in terms of employee gender (Table 4). Male employees scored high mean (3.87, 3.64) on Innovative and Supportive culture indicating there is proper decentralization of authority and employees are encouraged to participate in decision making processes in their organizations and is more supportive too in completing the assigned tasks. However, female employees scored high (4.31) on Bureaucratic culture depicting that, they perceive their organizations have complete centralization of authority and more rigid rules and regulations to follow. And the difference in such mean scores was found to be statistically significant on innovative, supportive & bureaucratic culture at 95% confidence level. Further, to measure the effect size of differences observed in responses of two groups Cohen’s D test revealed the value of innovative, supportive & bureaucratic culture (0.221, 0.273 & 0.158) indicate the difference between the two groups is small.

Table 4. Mean comparison test of cultural types in terms of gender

Constructs	Nature	N	Levene’s Statistics (F-Value)	Df	Sig.	Mean	Std. Deviation	T-value	P-value	Cohen’s D (ES)
Innovative Culture	Male	144	8.501	19.34	.959	3.878	1.0031	1.838	.000**	0.221
	Female	91				2.664	1.0132			
Supportive Culture	Male	144	8.683	17.68	.653	3.641	1.2752	1.102	.000**	0.273
	Female	91				3.156	1.2228			
Bureaucratic Culture	Male	144	1.244	21.89	.266	4.159	.75791	-1.590	.000**	0.158
	Female	91				4.313	.6631			

Source: Primary Data; For Cohen’s D an Effect Size of 0.2 to 0.3 is considered “small effect”, around 0.5 is “medium effect” & 0.8 or above is relatively considered a “large effect”

3. Multiple mean comparisons of cultural types in terms of employee designation

Revealed by the findings of (Table 5) Scale-3 i.e. Branch Managers score high (3.93, 4.91) on innovative and supportive culture compared to other categories of designations indicating that branch managers of all the sample organizations perceived their organizational culture are very supportive, and quite innovative type whereas, their lower level staff score very low in these types of cultures and their bureaucratic culture score (4.47) was higher compared to other types depicting they have to strictly follow the set rules and regulations of the organizations without having any say in the organizational system which needs to be reframed. However, One-Way ANOVA test found that the variances are statistically significant for supportive and bureaucratic culture at 95% confidence level. Further to interpret the relative magnitude of any difference between group’s means, the effect size was calculated using eta squared. The Eta² statistics of (0.214 & 0.360) for supportive and bureaucratic culture indicate the effect size is medium.

Table 5. Multiple mean comparison test of cultural types in terms of designation

Construct	Designation	Levene’s Statistics (F-Value)	Df	Sig.	N	Mean	Std. Deviation	F-Value	P-Value	Eta ² Effect Size
Innovative Culture	Clerical staff	2.069	229	.086	130	3.6516	1.99660	1.148	.335	----
	Administrative officers (scale-1)				60	3.4464	1.85783			
	Assistant managers (scale-2)				40	3.8000	1.13601			
	Branch managers (scale-3)				5	3.9353	1.29414			
Supportive Culture	Clerical staff	8.526	229	.000	130	3.0965	1.18901	15.545	.000**	0.214
	Administrative officers (scale-1)				60	3.8448	1.07588			
	Assistant managers (scale-2)				40	4.1917	1.22946			
	Branch managers (scale-3)				5	4.9107	.27045			

Bureaucratic Culture	Clerical staff	3.761	229	.006	130	4.4744	1.44302	32.225	.000**	0.360
	Administrative officers (scale-1)				60	4.3491	1.70546			
	Assistant managers (scale-2)				40	3.5167	.78766			
	Branch managers (scale-3)				5	3.3750	.67759			

Source: Primary Data; For η^2 Effect Size of 0.01 is considered "small effect", 0.06 is "medium effect" & 0.14 or above is relatively considered a "large effect" (Pallant, 2001.)

4. Multiple mean comparison of cultural types in terms of educational qualification

The results of the (Table 6 and 7) revealed that, graduate employees scored high (3.77, 3.97) on innovative and supportive culture compared to other categories of qualifications revealing that employees with graduation perceived their organizational culture is quite supportive and innovative followed by the under-graduate employees however, their highly qualified employees possessing the degree of post-graduate and professional degrees low on these two cultures whereas their bureaucratic culture score (4.37) was higher compared to other types of cultures revealing that, they have to strictly follow the set organizational rules and regulations irrespective of their qualification levels and are not allowed to have any say in the organizational system. One-Way ANOVA test found that the variances are statistically significant for innovative and supportive culture at 95% confidence level. And, to further interpret the relative magnitude of any difference between group means, the effect size was calculated using eta squared. The η^2 statistics of (0.257 & 0.118) for innovative & supportive culture indicating the effect size is medium.

Table 6. Multiple mean comparison test of cultural types in terms of qualification

Construct	Designation	Levene's Statistics (F-Value)	Df	Sig.	N	Mean	Std. Deviation	F-Value	P-Value	Eta ² Effect Size
Innovative Culture	Undergraduate	.094	230	.964	6	3.5716	1.00623	1.124	.000**	0.257
	Graduate				120	3.7783	1.99839			
	Post-Graduate				81	2.9500	1.01103			
	Professional degree				28	3.1607	1.29111			
Supportive Culture	Undergraduate	2.687	230	.047	6	3.5542	1.89443	10.240	.000**	0.118
	Graduate				120	3.9722	1.26864			
	Post-Graduate				81	2.1500	1.09259			
	Professional degree				28	2.7232	1.12080			
Bureaucratic Culture	Undergraduate	1.529	230	.208	6	4.1000	1.41079	2.271	.546	----
	Graduate				120	4.1292	1.77146			
	Post-Graduate				81	4.3728	1.66807			
	Professional degree				28	4.3125	1.74107			

Source: Primary Data; For η^2 Effect Size of 0.01 is considered "small effect", 0.06 is "medium effect" & 0.14 or above is relatively considered a "large effect" (Pallant, 2001.)

Table 7. Summary of hypothesis test results

S.No	Hypotheses	Statistical Tools Used	Results
1	There are significant variances between the type of organizational culture and Nature of organization.	Independent Sample T-Test	Accepted
2	There are significant variances between type of organizational culture and employee Gender.	Independent Sample T-Test	Accepted
3	There are significant variances between type of organizational culture and employee Designation.	One-Way ANOVA Test	Not- Accepted
4	There are significant variances between type of organizational culture and employee Qualification	One-Way ANOVA Test	Not-Accepted

8. Conclusions & Suggestions

The comprehensive analysis of variances across the selected demographic variables in relation to organizational culture evidently revealed that, there exist visible variances in terms of cultural types among the employees working with insurance sector of Haryana. Therefore, it becomes imperative for the concerned authorities to rectify the cultural variances and their impact on the attitude as well as performance of their employees. However, the following suggestions based on the above present study results would be helpful for the sample organizations in improving their existing cultural types for the effective performance of their employees.

1. The findings suggested that the public sector organizations of Haryana need to adopt innovative and democratic type of culture and should encourage their employees to design new and creative insurance policies. Besides, allowing them to participate in organizational decision making process so as to ensure low intensity of rigid bureaucratic policies. Whereas, in case of private sector attempts should be made to enhance and enrich their existing cultures in a more effective manner.
2. In order to increase the employment percentage of female employees in this industry, authorities ought to take every measure that encourages their effective participation in various decision-making processes as well as holding better positions in the otherwise male dominated industry to increase their morale and bringing about a positive attitude of mind towards the select organizations.
3. The findings further suggest that lower scale employees viz; clerical staff should also be provided the opportunities to participate in decision making. By allowing them to discuss and share their views regarding their work procedures that will encourage them and change their perception about the existing cultural setup and will equally attract more youth to join this industry in Haryana.
4. Lastly, the study suggest that highly qualified employees with post-graduate and professional degrees perceived that, their existing rules and regulations are more stringent and rigid which discourages them to try-out their best capabilities. The existing rules & regulations governing this industry needs to be revisited and properly addressed by the concerned authorities so as to encourage the well qualified youth of Haryana to join and expand this industry within the state by creating more democratic, supportive and trust-worthy organizational culture.

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