



Organisational Culture: A Comparative Study of Public and Private Sectors

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INTRODUCTION

The word 'organisational culture' is the combination of two words - one 'organisation' and second 'culture'. First of all, we will understand the meaning of the term organisation and then culture. The term organisation is derived from the word 'organism' which means a structure of body divided into different parts that are held together by a fabric of relationship as one organic whole.¹ As in a human body, there are different parts and the brain is the master. It controls the whole body, orders the different parts of the body to act and co-ordinates them. Similarly organisation groups together the different functions of an enterprise and helps in the achievement of the desired goals. It does the co-ordination and establishes the inter-relationship between different departments of the enterprise.

The term culture is borrowed from the field of Anthropology. It is extensively used by sociologists, anthropologists and behavioural scientists. It is the primary and basic quality which is inside every human being. It plays the role of guide and philosopher. It is passed on from generation to generation. Culture, in simple term, is a set of important understandings that members of a community share in common. Every organisation has described culture in its own way and in its own words. Some of them are ideology, philosophy, style, vision, way, purpose, patterns, manners etc. According to Patterson², "Culture is the learned and shared behaviour of a community of interacting human beings.....We could however, expect that such factors as the social class system, the political system, the state of economic development of society, family beliefs etc. would play important roles in creating the culture". This concept of culture is nowadays used in organisations. It is generally found that different organisations have different types of culture because peoples working in the organisations come from different families, castes, cities, states or countries etc. These cultures of the organisations have a considerable impact on the performance of the employees, their attitudes and behavior, their job satisfaction



and even on their absenteeism and turnover. It has a considerable impact on organisationally and individually desired results such as commitment, loyalty, satisfaction, behavior etc. Different studies have shown that organisational culture has the capability to change, guide, influence the thought, feeling, interaction and performance of the employees in the organisation.

For the present study, organisations selected are from financial service sectors of Punjab only. Here in this study, the organisational culture of four organisations from service sector has been taken, which are:-

- I. State Bank of India (SBI)
- II. Life Insurance Corporation of India (LIC)
- III. ICICI Bank
- IV. ICICI Prudential Life Insurance Company Ltd.

REVIEW OF LITERATURE

A large number of studies have been conducted to show the impact and relationship of organisational culture on organisational effectiveness, leadership styles, organisational performance, knowledge management system, family-friendly benefits, corporate policies, e-learning etc.

Denison et al. (1995)³ investigated the impact of organisational culture on organisational effectiveness by taking sample of 969 organisations. The results showed that there was a strong support for the involvement index as a prediction of effectiveness. The results for consistency index were less significant, adaptability index was a significant predictor and mission index was the strongest of the four predictions.

Ogbonna and Harris (2000)⁴ conducted an empirical study to show the links between different types of organisational culture, leadership styles and organisational performance. For this purpose, a sample of 1,000 units (medium and large sized firms) of multi-industry was taken from the FAME database of UK. The researchers found that leadership style was not directly linked to performance but competitive and innovative cultural traits were directly linked with performance. It was also found that combined study of all the three of these concepts had been lacking.



Aluko (2003)⁵ conducted a study to identify the cultural variables affecting organisational performance and found out the relationship between culture and organisational performance in selected textile mills in Nigeria. For this purpose, data was collected from 630 respondents by using both qualitative and quantitative methodologies and was analyzed with the help of parametric and non-parametric statistics. The researcher found organisational context, organisational culture, nature of the economy and polity, the availability of the needed equipments, electricity, economy, technology etc. as cultural variables affecting organisational performance. The researcher also concluded that though there was positive relationship between organisational culture and organisational performance but only positive variables did not translate to high level of performance in these mills because some other variables viz. economy, technology, murky political climate etc. also affect performance.

Sinha et al. (2010)⁶ conducted a study to find out the dominant work culture prevalent in two public sector organisations A and B and to find out the impact and correlation of work culture on motivational level of employees. For this purpose a sample of 250 employees was taken. The results of the study reflected that Technocratic culture was the most dominant type of organisation culture in organisation B and organisation A was dominated by Autocratic culture and there was a significant difference with respect to the profile of culture type prevalent in the two organisations. Further, the result showed that there existed a negative correlation between Autocratic culture and motivation and positive correlation between Technocratic culture and motivation.

Nongo and Ikyanyon (2012)⁷ conducted a study to examine the impact of corporate culture of the organisation on employee commitment. The corporate culture includes four variables i.e. involvement, consistency, adaptability and mission in this study. Data was collected from 134 employees of 18 selected SMEs in Makurdi metropolis by the use of standardised questionnaires measuring corporate culture and organisational commitment. The collected data was analysed by using Karl Pearson correlation, regression analysis, T-test and ANOVA. The result of the study was found that involvement and adaptability was significantly correlated with commitment, while consistency and mission did not correlate with commitment.

Yesil and Kaya (2013)⁸ conducted a study to examine the relationship between organisational culture and its financial performance basing on the assumption that a large number of studies have been conducted on this relationship and empirical findings seem to be mixed and inconclusive. In this study, an attempt has been made to investigate further on this relationship. Data was collected from managers of 54 firms located in Gaziantep city of Turkey using questionnaires and the data was analysed by using SPSS with regression and correlation analyses. The results show that organisational culture dimensions have no effect on firm financial performance.

OBJECTIVES AND RESEARCH METHODOLOGY

On the basis of the research gap provided by the literature review, the following objective have been finalised for this study:-

1. To study the impact of variables on Organisational Culture in selected units of Punjab.
2. To study sector-wise impact of variables on Organisational Culture in selected units of Punjab.

The present study covers a sample of 600 employees from service sector in Punjab. Data was collected from 150 employees of SBI, LIC of India, ICICI Bank and ICICI Pru Life Insurance Pvt. Ltd each working in Punjab. The data has been collected with the help of a well designed questionnaire.

This study uses various statistical methods in order to analyse the objectives. In order to study the association of different variables with organisational culture, Chi-square test has been applied. The interaction of variables with various factors of organisational culture has been examined with the help of mean and standard deviation. In order to study this relationship more logically, ANOVA test has been applied.

Organisational culture can get impacted with interaction of different variables. In this section, the association of different impacting variables with organisational culture has been analysed. Based on the questionnaire, the following impacting variables are made:-

1. Work Environment



2. Trust and Relationship
3. Employees Welfare
4. Leadership and Supervision Qualities
5. Recognition to Excellence and New Ideas
6. Policies and Procedures
7. Autonomy
8. Communication and Feedback.

ANALYSIS AND FINDINGS

When data was analysed, it was found that all the variables impacting organisational culture are positively associated. The Chi-square values showing the association were also statistically significant. So it can be concluded that the factors chosen are associated with organisational culture. The association may be more or less.

For analysis of organisational culture, all the factors impacting organisational culture viz. work environment, Trust and relationship, Employee welfare, Leadership and supervision qualities, Recognition to excellence and new ideas, Policies and procedures, Autonomy and Communication & feedback have been compared in public and private sector.

The results from the analysis about the association of ownership structure with organisational culture show that there is significant difference of satisfaction level in case of public and private sector employees, which has also been approved by the Chi-square test. The analysis shows that in case of work environment, autonomy and communication & feedback, the private sector employees have more satisfaction as compared to public sector employees. Whereas in case of trust & relationship, employee welfare, leadership & supervision qualities, recognition to excellence & new ideas and policies & procedures the public sector employees have more satisfaction as compared to private sector employees. As far as the overall organisational culture is concerned, the public sector employees are more satisfied.

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