

A Study of Organizational Culture and Organizational Effectiveness in the Service Sector Organizations of Manipur and Meghalaya

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Abstract

Background: *Organizational culture is broadly referred to the beliefs, values and behaviours existing in an organization, society or any habitation. It is predominantly an independent variable which can be used to predict the performance or effectiveness of an organization. The pattern seems to vary from one organization to the other within and between the states. The study incorporates the objective to study the organizational culture and organizational effectiveness in some of the service sector organizations of Manipur and Meghalaya. Regarding the materials and methods used, the present study is based on a primary sample of 280 employees who are selected from two states viz., Manipur and Meghalaya with equal number of cases i.e., 140 each. The sample sized is estimated on the findings of the pilot survey, and Stratified Random Sampling, is adopted as the type of sampling. Independence Sample t-test is used as statistical formula for test of significance between the mean percentage scores of two states. It is found that there is no variation of organizational culture between the two states whereas Manipur has significantly higher effectiveness of service sector organisation than that of the state of Meghalaya.*

Keywords: Organizational culture, Organizational effectiveness, Denison model

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Introduction

The word culture has many connotations for different perspectives and field of studies. From the management perspective it is a set of important understandings (often unstated) that members of a community share in common.¹ And from organisational management point of view, it is a pattern of shared beliefs and values that give members of an institution meaning, and provide them with the rules for behaviour in their organisation.² In brief, the organizational culture is the vision and mission including attitudes, and behaviours of employees, and the organization's manner of functioning in an organization.³⁻⁶ It is a good index to gauge the performance and organizational effectiveness.⁷⁻¹⁵ Besides, the nature and pattern seems to vary from one organization to the other within and between the states. Nonetheless, there is no systematic and scientific study taken up so far on this emerging field of management in the North-East states of India. Keeping these in view, the crux of the present study is to highlight the nature and pattern as well as the discrepancy of organizational culture and organizational effectiveness existing in the organizations in the states of Manipur and Meghalaya.

Materials and Methods

The present study is based on a primary sample of 280 employees, encompasses 140 samples each from the states of Manipur and Meghalaya. The sample size is estimated on the prior information based on the findings of Pilot Survey conducted for the purpose i.e., mean percentage score of organizational culture for Manipur was $\text{mean} \pm \text{SD} = 82 \pm 14$ as against $\text{mean} \pm \text{SD} = 75 \pm 11$ for Meghalaya with an allowable error of 3 at 95% degree of precision. *Stratified Random Sampling* and organizational based *Cross-sectional Study* are adopted as the sampling technique and the type of study respectively. A well-validated *Denison model* is administered as the tool for the present study of organizational culture and

organizational effectiveness. As a survey technique, *Personal Interview Method* was administered and seven statements under 5 points Likert scale are used. After thorough scrutiny and diagnosing the data, statistical analysis was performed by using SPSS Statistics Version 21. All the mean scores are converted in mean percentage scores, and for test of significance *Independence Samples t-test* is adopted as statistical formula. All comparisons are two-sided and the P-values < 0.05 , < 0.01 and < 0.001 are taken as the cut off values for significant, highly significant, and very highly significant respectively.

Results and Observations:

In order to study the organizational culture under the adopted Denison model, there are four domains viz., Involvement, Consistency, Adaptability, and Mission and each domain is measured by 3 indices each. Involvement is measured by the indices Empowerment, Team orientation, and Capability development whilst the domain Consistency is measured by the indices -- Core values, Agreement, and Coordination & integration. Adaptability is measured by the indices -- Creating change, Customer focus, and Organizational learning whilst the trait Mission is measured by Vision, Strategic direction and intent; and goals and objectives. For organizational effectiveness, seven statements under 5 points Likert scale are used. They are -- Profitability/ROA, Sales/revenue growth, Market share, Quality of product or service, Employee satisfaction, New product development, and Overall performance. The study of Organizational Culture and Organizational Effectiveness in the service sector organizations of Manipur and Meghalaya is done in terms of mean percentage scores.

Table-1
State-wise comparison of overall Mean \pm SD of organisational culture and organizational effectiveness mean % score

	Mean \pm SD		t-value	df	P-value
	Manipur (N=140)	Meghalaya (N=140)			
Overall organizational culture mean % score	80.20 \pm 17.02	80.51 \pm 9.22	.195	278	.846
Organizational effectiveness mean % score	76.06 \pm 14.68	70.76 \pm 10.45	3.483	278	.001

*SD: standard deviation; t-value: independent samples t-test value;
df: degree of freedom; P-value: probability due to chance factor*

The overall organizational culture mean % score of employees in Manipur is found to be 80.20 as against 80.51 of employees in Meghalaya, and the difference is insignificant (P=0.846). On the contrary, the difference of overall organizational effectiveness mean % score of employees between the two states is a very highly significant (P=0.001) as Manipur has certainly higher mean % score (76.06) than that of Meghalaya (70.76).

Table-2
State-wise comparison of Mean \pm SD of organisational culture mean % score based on involvement

	Mean \pm SD		t-value	df	P-value
	Manipur (N=140)	Meghalaya (N=140)			
Involvement: empowerment mean % score	83.82 \pm 11.63	83.80 \pm 11.21	.021	278	.983
Involvement: team orientation mean % score	88.31 \pm 16.29	85.88 \pm 14.14	1.332	278	.184
Involvement: capability development mean % score	76.94 \pm 14.42	78.71 \pm 10.98	1.156	278	.249

*SD: standard deviation; t-value: independent samples t-test value;
df: degree of freedom; P-value: probability due to chance factor*

Table-2 deals with state-wise compare of mean % score for empowerment, team orientation, and capability development under the involvement of organisational culture; and found that Manipur has higher mean % score of empowerment (83.82) and of team orientation (88.31) than that of the corresponding figures (83.80 and 85.88) of Meghalaya though Meghalaya

has higher mean % score in capability development (78.71) than that of Manipur state (76.94). However, there is no variation of these categories of involvement between the states.

**Table-3
State-wise comparison of Mean \pm SD of organisational culture mean % score based on consistency**

	Mean \pm SD		t-value	df	P-value
	Manipur (N=140)	Meghalaya (N=140)			
Consistency: core value mean % score	81.68 \pm 12.72	81.62 \pm 11.66	.039	278	.969
Consistency: agreement mean % score	81.68 \pm 15.94	78.45 \pm 13.15	1.848	278	.066
Consistency: coordination & integration mean % score	79.05 \pm 24.37	78.94 \pm 12.79	.049	278	.961

SD: standard deviation; t-value: independent samples t-test value; df: degree of freedom; P-value: probability due to chance factor

Consistency of organisational culture is classified into three such as core value, agreement, and coordination and integration and their resultants mean % score for Manipur are estimated as 81.68, 81.68, and 79.05 as against the corresponding values of 81.62, 78.45, and 78.94 for Meghalaya state. The discrepancies of the scores between the states are not found significant as none of the P-values is less than 0.05.

**Table-4
State-wise comparison of Mean \pm SD of organisational culture mean % score based on adaptability**

	Mean \pm SD		t-value	df	P-value
	Manipur (N=140)	Meghalaya (N=140)			
Adaptability: creating change mean % score	75.65 \pm 26.89	77.20 \pm 11.29	.626	278	.532
Adaptability: customer focus mean % score	73.74 \pm 22.70	78.40 \pm 11.05	2.182	278	.030
Adaptability: organizational learning mean % score	79.28 \pm 22.63	81.25 \pm 9.74	.946	278	.345

SD: standard deviation; t-value: independent samples t-test value; df: degree of freedom; P-value: probability due to chance factor

Again, adaptability of organisational culture is classified into three including creating change, customer focus, and organizational learning and the mean % score for Manipur are found

to be 75.65, 73.74, and 79.28 respectively which are less than that of the corresponding mean % scores for Meghalaya i.e., 77.20, 78.40, and 81.25. For creating change and organizational learning there is no variation of mean score between the states; however, for customer focus, the Meghalaya has significantly higher score than that of the Manipur state ($P=.030$).

Table-5
State-wise comparison of Mean \pm SD of organisational culture mean % score based on mission

	Mean \pm SD		t-value	df	P-value
	Manipur (N=140)	Meghalaya (N=140)			
Mission: strategy direction & intent mean % score	81.11 \pm 24.48	81.60 \pm 13.02	.207	278	.836
Mission: goals & objectives mean % score	81.94 \pm 24.41	81.88 \pm 12.91	.024	278	.980
Mission: vision mean % score	79.14 \pm 25.24	78.45 \pm 13.03	.286	278	.775

*SD: standard deviation; t-value: independent samples t-test value;
df: degree of freedom; P-value: probability due to chance factor*

It may be observed from the table-5, Manipur has a little bit higher mean % score in goals and objectives (81.94), and vision under mission (79.14) of organisational culture than that of corresponding Meghalaya's figures viz., 81.88 and 78.45 though Meghalaya has higher mean % score in strategy direction and intent (81.60) than that of Manipur state (81.11). No variation of these categories of mission between the states is witnessed as none of the P-values is less than 0.05.

Discussion

The results demonstrate that, there is no variation of organizational culture between the two states whereas Manipur has significantly higher effectiveness of service sector organisation than that of the state of Meghalaya. Since the two states considered in the present study are neighbouring states and their overall organizational culture doesn't seem to have much

discrepancy according to the findings. Such statement is in agreement with the past findings.^{4,6,8} Further, an in-depth study based on possible cofactors is needed to ascertain the observed significant difference of organizational effectiveness between the states.

No significant variation of the traits Involvement and Consistency of organisational culture is witnessed between the states. For the trait of Adaptability of organisational culture, Meghalaya has a better mean score than that of Manipur. However, for customer focus, Meghalaya has significantly higher score than that of Manipur. In the case of categories of mission, the pattern observed in Manipur is akin to the pattern observed in Meghalaya.

Conclusion

The results reaffirmed the statement that there is no variation of nature and pattern of organisational culture between the states of Manipur and Meghalaya. Considering the four domains viz., Involvement, Consistency, Adaptability, and Mission of the organisational culture through the Denison model, no significant difference was found between the states except for the index of customer focus under the trait adaptability of organisational culture. In case of organizational effectiveness, Manipur has significantly higher effectiveness of service sector organisation than that of Meghalaya.

From the interpretative analysis, it may be inferred that the organisational cultures prevailing in the organizations of Manipur and Meghalaya are somehow similar however, the former has better effectiveness of service sector organisations than that of the latter state. It is suggested that, a more in depth study based on culture and related corporate realities,

performance, etc., on the effectiveness of service sector organisation between the states is necessitated in order to highlight the causes.

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