OCTAPACE: Impact of Organisational Cultural Instrument on Employee Performance and Satisfaction

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Abstract

Today, organisations have become dynamic. Environment is constantly changing. With world becoming a global village, people are becoming smarter, more intelligent and diligent. Apart from personal growth in terms of money employees of any organisation want to have blooming relationships at work. Culture defines these objectives. Culture in the organisation depends on various factors like communication, autonomy, freedom of opinions, trust, transparency etc. This study aims to critically evaluate the impact of organisational culture on employees, performance and their satisfaction. It concludes the factors of OCTAPACE and their effects on employees. The study shed light on few suggestions on behalf of employees to integrate work culture with effective performance.

Key Words: *OCTAPACE, Organisational culture, Employee satisfaction, Employee performance.*

Introduction

According to Weber's dictionary, culture has been stated as collection of customs, ideas, skills, arts, etc. of given people in a given period. Every country, every organisation has its own norms, roles, vision and mission which builds its culture and that becomes an indispensable part of the organisation. A healthy culture is always required for a healthy working environment of the organisation. Employees need to feel safe and valued in the organisation. Only then they would put in their hearts to work. Performance has a positive relationship with organisational culture. This has been supported by many researchers in the past. Stewart (2007) has said that profitability is an organisational goal. Most important way to study improvements is to start observing the organisation's work culture. He has stated that strongest component of work culture is the beliefs and attitudes of employees. It is people who make up the culture. Positive and negative beliefs are reflected in organisation's performance. Stewart has also stated that an organisation's culture norms strongly affect all who are involved in organisation. Norms are invisible but they can be found where the performances and productivity are affected. Nash (1993) claimed that the

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profitability is best indicator to identify whether an organisation is doing things right or not and hence profitability can be used as the primary measure of organisational success. Further, Doyle (1994) has pointed profitability as most common measure of performance in western companies. Profit margin, return on equity, and return on sales are considered to be common measures of financial profitability. An organisation's culture affects all those who are part of organisation. Besides competition, innovation and a cohesive culture determine the appropriateness of a firm's activities that can contribute to its performance. Organisational culture is not just important factor of an organisation; it is central driver of superior business performance (Gallagher and Brown, 2007). Denison (1990) linked management practices with underlying assumptions and beliefs. He stated that organisation which had strong culture was assumed to be defined widely of strong shared values among its employees. Peters and Waterman (1982) claimed that high performance firms could be distinguished from low performance firms because they possess certain cultural traits.

An enabling culture is the one which employees are able to use their initiative, risk, experiment, innovate and make things happen.

Organisational climate is characterised by openness, confrontation, trust, autonomy, proactively, authenticity, collaboration and experimentation.

Openness is degree of freedom in organisation. An open environment allows effective work in organisation. Openness is defined as spontaneous expression of feelings and thoughts, sharing of these without defensiveness. Openness is both give and take. It leads to more of unbiased performance feedback, greater clarity of objectives and free interaction among people.

Confrontation is element which stresses on conflict, dispute settlement in organisation. It can be defined as facing problems rather than avoiding them. This involves taking up challenges along with deeper analysis of interpersonal problems.

Trust is extent of faith and belief present in organisation. Trust is something that comes of its own without being ordered but as a result of experience. This component in organisation helps employees to freely talk and share their feelings with each other. It is determined by maintaining confidentiality of sharing information and not misusing it. It also promotes mutual help and understanding which ensures sense of assurance that others will help when needed.

Autonomy is freedom given to employees of organisation in order to work in their own way as everyone has a pattern of doing or getting work done. This will enhance creativity and innovation in organisation. It means respecting and encouraging individual and role autonomy. It also develops mutual respect and promotes willingness of employees to take responsibility, initiative and succession planning.

Proactivity is the other name of forward thinking. It means taking initiative, preplanning and taking preventive action and calculating payoffs for alternative course before taking action. It may involve new unusual behaviour or starting a new process altogether.

Authenticity focuses on ethical and lawful processes used in organisation. It is defined as congruence between what one says and does. It is close to openness. Authenticity leads to reduced distortion of in communication. This can be seen as correspondence among members of organisation.

Collaboration is scale of team work in organisation. Employees work in collaboration which enhances their performance. It means helping others and asking for help when required. It is working together to solve problems and in team spirit. It leads to timely help, team work, sharing of experiences, improved communication and improved resource sharing.

Experimentation is application of learned skill and knowledge. Employees in an organisation should be given opportunity to show and apply what they have learnt. This will lead to invent new ideas and innovation benefiting organisation overall. It involves using new and different ways to work rather than traditional methods, using feedback for improvement, looking at things from different angle and stimulating creativity.

Organisational culture is an integrated part of organisation. All organisations focus on organisational productivity and profit earring. Work culture defines the environment which stimulates employees and their working.

Employee Satisfaction

Job satisfaction describes how content an individual is with his or her job. It is a relatively recent term since in previous centuries jobs available to a particular person were often predetermined by occupation of that person's parent. There are a variety of factors that can influence a person's level of job satisfaction; some of these factors include level of pay and benefits, perceived fairness of the promotion system within a company, quality of working conditions, leadership and social relationships, and job itself (variety of tasks involved, interest and challenge job generates, and clarity of the job description/requirements).

Objectives

* The main objective is to explore studies on OCTAPACE culture variables and how are they perceived by the employees and the organisation.
* To find out the impact of organisational culture on employee performance
* To find out that to what extent employee satisfaction is effected by organisational culture variables.

Research Methodology

This paper is concerned with relationship between organisational culture and its impact on employee performance and satisfaction. To construct methodology paper has employed qualitative approach. Study is a descriptive research design using literature to describe the

relationship between the variables of OCTAPACE model with performance and employee satisfaction.

Review on Related Literature

Review reflects that HRD influences the performance in organisation. Development is dependent on prevailing culture of organisation as it plays a vital role in the development of a learning organisation.

Nazir A Nazir (2005) surveyed Person-culture Fit and Employee Commitment in Banks. Main findings of study showed moderate to strong person-culture fit score was found in one private and two foreign banks and weak to moderate person-culture fit score was found in rest of banks studied. Research on OCTAPACE culture for marketing personnel in selected IT companies of India by showed that sample organisation differed significantly in their OCTAPACE culture and having varying level of OCTAPACE culture.

A conical Correlation Analysis conducted by Sharad & Hardik (2008), attempted to explore relationship among organisational culture and learned helplessness attributions for R&D professionals of pharmaceutical industry in India. The study revealed that organisational culture variables were negatively related to the learned helplessness attributions, role of organisational culture was significant in order to create or remove learned helplessness attributions played important role in causing depression and vulnerability situations. Outcome dimensions of learned helplessness was fairly well predicted by set of organisational culture profile variables brought on by uncontrollable, stress-creating factors including time and performance pressures, lack of free time, competitive and demanding nature of research projects and lack of opportunity to socialise or engage in recreation.

Anil, Pankaj and Bhumija (2011) surveyed organisational culture in management Institutions with special reference to Jaipur, Rajasthan which threw light on organisational culture and its impact on management education of Rajasthan employee's effectiveness and efficiency. Management faculty believed that sharing of information was major variable that affected organisational culture. Level of commitment would increase and bring positive work environment if information is flowed properly from top to bottom.

Mufeed, Hamdani & Mufeed (2015) worked on finding organisational culture and its impact on growth in health care sector in Jammu & Kashmir. The research revealed that the organisational culture had an impact on the behaviour, performance, knowledge management of employees. It suggested that culture affects feedback strategy, organisational effectiveness, learned helplessness, total productive maintenance and organisation dynamism of employees. Researcher said that organisations should focus more on good culture to ensure satisfaction of employees so that productivity and effectiveness could be enhanced.

Shivani (2014) has done a study on contrasting sectors hospitality and banking and their culture difference. Aim of this research paper is to work on a hypothesis that states that

there lies a great contrast in organisational cultures of both industries. Since both sectors aim at serving customers religiously, an element of similarity does exist between these. In order to maintain a same standard throughout research, it was made sure that, hotels that were 4-star and above are chosen. Banking sector included both public and private organisations. Apart from this, research suggests that work environment at hotels is much more open. There is an element of flexibility combined with quality in their culture, whereas banks are much more formal in nature and strict in methodology.

Subhramanian & Renganthan (2013) has evaluated employees' perspective towards organisation culture in Automobile Industries with special reference to Chennai city. The aim of this study was to analyse employee's perspective towards existing organisational culture and practices in automobile industry, to determine openness and trust prevailing in organisation, to find out employees' opinion towards authenticity and teamwork prevailing in organisation and to determine their outlook towards proactive and innovative measures taken by management. In this study researcher has made an attempt to study employee's intuitivism towards existing Organisation culture and practices at automobile companies for which the researcher set objectives based on dimensions of Organisation culture and made use of OCTAPACE tool depend and customised it according to requirement of organisation based upon which questionnaire was constructed.

Jayanthi & Bhuvaneshwaari (2014) had done a similar study on OCTAPACE in Ponni Sugars Erode Pvt Limited using OCTAPACE framework. This study aims at determining outlook of employees towards proactive and innovative measures taken by management as well as identifying and measuring values and belief of employees pertaining to OCTAPACE culture of their organisations. As far as dimensions of OCTAPACE are concerned, collaboration ranked first amongst the ethos of organisation culture, following authenticity, autonomy, trust, pro-activity, openness and confrontation. In comparison to dimensions of OCTAPACE confrontation ranked lowest.

Jallavi & Petonjee (2015) studied organisational culture in Power sector organisations which was an attempt to evaluate cultural ethos using OCTAPACE profile which shows how much each ethos is valued and believed by managerial and non – managerial employees of power sector organisations. The calculated means of OCTAPACE ethos of culture have been compared with low and high norms of OCTAPACE. It is seen that Authenticity was lowest valued in comparison to other ethos while Autonomy and Experimentation are towards higher end of suggested norms while mean score of Openness, Confrontation and Trust were found to be towards lower end of norms. It is depicted from results that employees perceive their boss and their colleagues to be authentic in their behaviour.

Sulakshna, Sanjay and Luxmi (2013) have emphasized impact of organisational culture on turnover intentions of employees in BPO Sector. Present study has been conducted around Chandigarh to establish a relationship among Organisational Culture, Commitment, and Turnover Intentions of employees. Conclusion is that turnover intention of employees in

BPO sector is influenced by organisational culture and commitment. It means more BPO employees perceive organisational culture positively, the less likely they intend to quit.

Rao, T.V. and E. Abraham S.J. (1991) studied the 'HRD Climate in Organisations', with general climate, OCTAPACE culture and human resource development mechanisms. The following were some of the trends in human resource development climate as observed from survey. (i) General human resource development climate in surveyed organisations appeared to be at average level (percentage score = 54). (ii) The most important factor contributing to this seems to be a general indifference on part of employees to their own development, though they are making efforts to recognize their strengths and weaknesses. (iii) On the positive side employees seem to take training more seriously when they are sponsored. (iv) Fair performance appraisals, promotion decisions and tolerance for mistakes, are found in this study.

Aileni, Vidyadhar Reddy (1995) examined the 'Perception of Organisational Climate and Job Satisfaction'. Objective of study is to find out relationship between organisational climate and job satisfaction of lower level managers in a public sector undertaking which is in business of power in the state of Andhra Pradesh. The study reveals that there is difference in priority given to various organisational variables by satisfied and dissatisfied sample respondents. The worth noting point in this respect is that the satisfied group gave top ranks to interpersonal relationship, risk taking and management of rewards. On the other side, dissatisfied group gave top priority to (i) supervision, (ii) communication and (iii) decision-making.

Pillai, Prakash R. (2000) makes an attempt to study, 'Influence of HRD Climate on the Learning Orientation of Bank Employees.' It is an attempt to analyse influence of human resource development climate existing in banks on learning orientation of employees. More than two third of respondents who consider that human resource development climate as poor, have been found to have resistance for learning orientation. The association between the human resource development climate and the learning orientation is found to be significant.

Pattanayak, Biswajeet (2000) observed the effects of shift-work and hierarchical position on satisfaction, commitment, stresses and human resource development climate had been studied in a steel plant. The two factors, nature of work (shift and non-shift) and hierarchical position (executive or supervisor) in organisation were taken as independent variables. There were four dependent variables namely job satisfaction, organisational commitment, job stress and human resource development climate. The results of the present study demonstrate significant effect of shift-work and hierarchical position on total job satisfaction, extrinsic job satisfaction and general satisfaction in both executives and supervisors irrespective of their type of duty. The higher means of the executive in comparison to supervisors are consistently found in all the dimensions of job satisfaction. The inter-correlation between organisational commitment and job satisfaction reveal that

they are positively correlated for three groups except for shift executives. For non-shift executives, correlation is highest.

Salman Habib, Aslam, Hussain, Yasmeen & Ibrahim (2014) conducted a study on the impact of organisational culture on job satisfaction, Employees commitment and Turnover intentions. Results indicated that nature of organisation significantly effects on Job Satisfaction and turnover intentions. So, findings of research proved that organisational culture is important element which highly influences employee commitment, job satisfaction and retention.

Wambugu (2014) has elaborately studied the effects of organisational culture on Employee performance. The study tries to analyse influence of organisational culture on employee's performance and suggested ways in which optimum performance can be achieved as an outcome of adoption of right culture. The analysis reveals that organisation climate has a significant direct effect on employee's job performance. From analysis respondent's seem to be influenced by sense of belonging in office and perception of comfort at workplace making them work comfortably. This implies that leadership styles can affect the perception of organisation climate amongst employees and Organisation climate has direct impact on employee's job performance. The study also suggested that having a team work and team building with organisation's leadership can create a climate which is productive and harmonious, where relationships can thrive and maintained between management and employees.

Importance of OCTAPACE Culture

Every organisation has its unique way of working that becomes their culture. The beliefs, ideologies, principles and values of an organisation form its culture. The culture decides way people interact in and outside the organisation. It promotes healthy competition at workplace. Culture makes employees clear of what they have to do and how they have to do. It directs employees by clearing their roles and responsibilities. Effective culture creates brand image of organisation. Work culture unite diversified workforce. Openness as an element of organisational culture promotes flow of opinions and feelings. Employees are allowed to say what they feel. This leads to development of employees who feel that they are being listened to. Confrontation allows employees to strengthen them for every situation. People are trained to face all problems from front rather showing their back. Trust is an indispensable part of culture and performance appraisal system. Employees believe in their superiors and their decisions. Also it helps employees to work in direction of these decisions and achieve them. Authenticity is the value underlying trust. It enables employees to accept themselves and relate to others. It is related with trust. To be what you are is essence of maintaining long term relationships in organisation. Proactivity means being prepared for future. It enables employees to study environment and strategise for the same. Autonomy is degree of freedom to act and fulfil responsibilities independently. It instils quality of self-confidence and provides opportunities for growth. Collaboration means working together.

This element improves team work and synergy among employees. Experimentation is variable of culture which gives employees an opportunity to take risk and stimulate creativity.

Impact of Organisational Culture on Employee Performance

The elements of organisational culture have a strong effect on employee performance. A healthy culture which takes care of its employees, allows them to have stake in decision making, or to be innovative, or to have faith on the top management, will have a positive graph of performance. It is because when an employee is happy with organisation it works for the organisation. It fosters employee commitment towards organisation. The employees align their goals with organisational goals and work for overall well-being of organisation. This will of course have a positive impact on performance. If there is a lack of openness that is the employees are not involved in goal setting, they will not understand the implications of tasks and will not be committed to achieve them. If employees are given autonomy for various tasks they will feel valued and will be happy that their potential is being optimally used. This will increase their motivation and morale. Thus, they will work with more zeal and again will improve their performance. The job performance has a strong impact of strong organisation culture as it leads to enhance productivity. The employee commitment and group efficiency helps in improving performance based upon organisation sustainability.

Impact of Organisational Culture on Employee Satisfaction

Openness, collaboration, trust, authenticity, autonomy or experimentation, all these elements have effect on employee and their commitment. These factors are important for organisation success and its survival in industry because these factors will increase commitment in employees and if they are positively committed they become more loyal and give their 100 percent. Mutual trust, level of cooperation, respect of opinions, thoughts of colleagues and open mindedness to seek and accept feedback among employees incorporated in organisation facilitate employees to take initiatives and risks and focus to develop liaisons with related outside community. Motivation-hygiene theory by Herzberg states motivators create satisfaction by fulfilling individual needs for meaning and personal growth. It includes work itself, personal achievement, responsibility, recognition and advancement. Those factors satisfy a person's need for self-actualisation, thus lead employee to develop positive job attitudes. It has been successfully stated that job satisfaction factors were job involvement, cohesion among colleagues' support from superiors and opportunities for autonomous action.

Conclusion

In-depth study of the research papers on organisational culture and its variables under OCTAPACE Model has stated that there is a huge impact of organisational culture on any organisations' performance. No organisation can ignore impact of culture on its employees. An open environment with a proper flow of information has been given weightage in most studies. This states that an organisation which gives proper opportunity to its employees and value their opinion in success of organisation get productive results. Collaboration, team work and synergy go hand in hand with efficiency and effectiveness. This in turn inculcates feeling of trust and strong interpersonal relationships between manager and their subordinate. This helps them to stimulate their personal goals with those of the organisation and hence enhance productivity. With constantly changing and fast moving business scenario, work culture has taken huge leap in business industry. Organisations cannot just dominate their rules and norms over their employees. This may reduce satisfaction and zeal to work. Employees feel satisfied when they can present their creativity, when they are rewarded appropriately. Employees should be given adequate responsibility and authority to utilise their potential to fullest. This brings satisfaction and leads to higher performance. Moreover, open environment promotes open door policy and allow employees to talk their problems out and prepare alternative solutions beforehand to avoid future chaos. This also has a positive impact on the performance. Such a healthy culture helps to enhance commitment of employees toward their organisation.

Suggestions

- Organisational culture has a strong impact on employee satisfaction and performance. The research papers have stated that elements of organisational culture create a positive environment in the organisation.
- Study suggests that organisation should incorporate openness which would enhance freedom of working and sharing opinions, collaboration among groups, adequate autonomy, proactivity, etc. to improve work culture and satisfy employees. This would inculcate commitment in the employees.
- Improving work culture would make employees loyal to organisation and strive to fulfil organisation goals. This would in turn improve performance. Culture is indispensable part of an organisation. Only it can bring change and comfort at same time.
- Company should focus on elements of organisational culture and allow them to bring positive results and enhance productivity.

Limitations

- The study focuses on eight variables of OCTAPACE. However, there are more components of organisational culture. The study does not include all of them.
- The study also gives a literary evidence of how organisational culture elements impact employee performance on the basis of OCTAPACE culture only and not variables outside model. The scope of the study is limited to this model.

- Further studies can be done to study the other elements of culture. Also, there can be more studies can be executed to study the impact of culture on productivity, commitment, change and development, etc.

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