Impact Oforganizational Culture on Performance of Universities in Pakistan

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Abstract: Interest in research about culture prevailing in organizations is increasing day by day. Due to intense competitive environment, employee prefers to work in those organizations whose culture is cooperative and productive for both employees and organizations. Research has been conducted on organizational culture in countries like USA, China etc but still neglected in developing countries like Pakistan. So, researcher has carried out the research on different universities of Pakistan. For this purpose, researcher has studied the relationship between components of organizational culture impacting the universities and their performance by adopting the model used by Aydin and Ceylan [1]. The result of this research will have practical implications for educational sector.

Key words: Culture · Performance · University · Organizational Commitment · Employee Satisfaction

INTRODUCTION

The complexity of environmental changes forces firms to search more efficient operational exploration for their development process. This means, increasing the efficiency will play important role in accelerating the development of the organizations. It is sure that there may be many factors affecting the organizational effectiveness and few of them are the employee satisfaction, organizational commitment and student satisfaction. Effective organizations should have a culture that encourages the employee satisfaction [2]. In the context of these statements, research analysis will investigate the organizational commitment, student satisfaction and employee satisfaction as a dependent variable.

The term culture describes the set of beliefs and values held by people while organizational culture describes common set of values, beliefs & rituals held by employees of organizations [3]. Organizational culture is getting great importance in business sector; as it affects the performance of different sectors.

Culture is a wide concept & consists of various components. Researchers has focused on only those components that are related to her research which are involvement, collaboration, learning, case about students, strategic direction, system of control, coordination integration, communication, reward & incentive systems. In order to decide whether organization is performing effectively or not, some measures of performance are used like employee satisfaction, students' satisfaction & organizational commitment.

To perform the study, researcher has focused on universities of Pakistan. Universities are selected for many reasons. As universities have to produce good quality students; so culture prevailing in universities greatly affects the quality of their product as well. Secondly up-till now, this service sector had been remaining neglected by research scholars in Pakistan.

Literature Review
Culture and Organizations: The people learn most of the behaviours and beliefs from the people they grow up with. Although each individual hasunique talents and

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personal preferences, the behaviours and beliefs of the people in the same organizations showcommon properties. This helps the organizations to create their own cultural properties. Since the members in theorganizations work together in performing a job, the created culture will enable the organization members to understandeach other easily and work effectively. definition for culture given by a scholar is, it is the patternof shared values and beliefs that help members of an organization understand organizational functioning and thus teachthem the behavioural norms in the organization [5]. Culture is the shared knowledge and schemes created by a set of people for perceiving, interpreting, expressing and responding to the social realities around them [6] and is an active living phenomenon through which people jointly creates and recreates the worlds in which they live [7]. The beliefs and ideas of the organizations have created the culture, which cannot beseen but its physical manifestations are felt in the work place. Actually, the working environment is surrounded by the culture, which shapes the job relationships and processes in the organizations. For Schein [8], the organizational culture helps the organizations to solve its problems of external adaptation and internal integration by creating a shared pattern. As the new members come into the organization, they perceive and think these problems in this shared pattern. According to these definitions; a group of people come together to perform a job, they need a set of rules to act incommon manner and they need to know how to act in various circumstances. Knowing how the other members of the organization act in the same circumstances, gathers the organization members under the same umbrella. Organizational culture is also taken into consideration in the decision making process of long-term plans for strategic planning. O'Cass and Ngo [9] state that market-oriented behaviours (which generally take place in the organizations' strategy maps) are driven by the organizational culture that manifests itself in specific behaviours. That is why the strategic planners place much emphasis on the strong role of culture. This helps the organizations to have competitive advantages and nourishes the organizational health.

Related Dimensions of the Organizational Culture: It is widely accepted in the literature that the organizational culture is a complex concept. It may be analyzed from various perspectives. In accordance with our research analysis, the multidimensional nature of organizational culture will be investigated in terms of involvement, collaboration, transmission of information, learning, care about clients, strategic direction, reward and incentive system, system of control, communication, coordination and integration [10]. For Ginevicius&Vaitkunaite [10], the first dimension -involvement- is providing favorable conditions for all the members of the organization for decision making and giving various ideas or suggestions. Collaboration is the encouragement of the teamwork rather than individual work. Transmission of information is defined as the reaching of new or other important information to the employees in due time. Learning is the process of the activities to increase the existing knowledge. Care about clients is related with the satisfaction of the students. Strategic direction deals with achieving the pre-identified goals and plans of the organization. Reward and incentive system provides motivation for the employees. System of control assists the managers in supervising the employees. Communication is the lifeblood for an organization that builds bridges among the employees within the organization. Coordination and integration is different from communication that it ensures to work effectively with the persons from other departments or groups when carrying out common activities.

Culture and Organizational Performance: One of the earliest quantitative studies on the culture-performance link was conducted by Denison [3] who used data from 34 American firms over a five year period. The author examined characteristics of organizational culture in these firms and tracked their performance over time. To measure performance the author used data on returns on investment and sales. For organizational performance responses on a one time survey regarding the perceptions of work organization and participation in decision making were gathered. Although, the author found that organizational culture is correlated with financial performance, some of his measurement indicators differ in the strength of the relationship between culture and performance. Decision making and work design were associated with long term financial performance while supervisory leadership was associated with short term financial performance. Even though it has encouraging results, this study is not without limitations. The most important criticisms refer to the use of employee perceptions which suggest that the study had obtained a measure of organizational climate rather than a measure of organizational culture [11].

Rousseau [12] tried in his study to overcome some of the limitations in measuring organizational culture. He gathered data from 32 voluntary service organizations using as a performance measure the amount of money raised from a recently completed fund-raising campaign and the Organizational Culture Inventory promoted by Kotter and Heskett (1992) [13] to measure organizational culture. The results of this study showed no significant positive correlations between performance and culture.

Marcoulides and Heck [14] analyzed the relationship between organizational culture and performance using data collected from 26 organizations. The authors proposed a model in which organizational culture was measured using several latent variables (organizational structure, organizational values, task organization, climate and individual values and beliefs) and organizational performance was measured using capital, market and financial indicators. The results of this study showed that all of the latent variables used to measure organizational culture had some effect on performance with workers attitudes and task organization activities being the most significant variables.

More recently, Ogbonna and Harris [15, 16] analyzed the relationship between organizational culture and performance by including the leadership style as a third variable in the model. They used a sample of 1000 units from the Financial Analysis Made easy database of registered British companies. To measure performance they used variables such as: Student satisfaction, sales growth, market share, competitive advantage and sales volume. For organizational culture they used measures such as: competitive culture, innovative culture, bureaucratic culture and community culture. The results showed that all four measures of organizational culture were associated in some way with corporate performance.

Aydin and Ceylan [1]; conducted a research on metal industry and empirically investigated the role of organizational culture on effectiveness of organizations. Researchers found that 60% of total variance in organizational effectiveness in explained by organizational culture.

Research was conducted in 2009 by Ceylan and Aydin on metal industry. Scholars empirically tested the relationship between Culture and employee satisfaction and spiritual leadership and employee satisfaction. Researchers found that impact of organizational culture on employee satisfaction is greater than the effect of spiritual leadership.

Researchers Vallabah [16] theoretically explained the relationship between organizational culture and organizational effectiveness. Scholar concluded that good organizational culture results in better workplace, an improved quality of products and services and a satisfied workforce.

So, after reviewing the literature, it becomes clear that impact of culture on organizational performance had been measured either in financial sector or in manufacturing sector; but the educational sector was still neglected. So, hypothesis will be:

Hypothesis: Organizational Culture impacts the Performance of the Universities

MATERIALS AND METHODS

This section explains about the methodology adopted by researcher in order to empirically test the hypothesis postulated in preceding section. Four sub-sections of the present section are developed. First sub-section consists of targeted population and plan of the research, while in second sub-section, methods and procedures used for data collection purpose are discussed. Third sub-section discuses about the definitions of the variables while in last sub- section, techniques used for coding and analysis of data are presented.

Population and Sample: Up till now, none of the study on this area has been conducted in Pakistani context. The purpose of this research is to investigate the effect of organizational culture in service industry of non-secular context especially in Pakistan. For this purpose, universities of Pakistan especially The islamia university of Bahawalpur, BahauddinZakariya University, Multan; COMSATS Institute of Information and Technology, Lahore Campus; University of Central Punjab; PAK AIMS and University of Lahore. Stratified random sampling had been used to select the representative sample and to collect the data. Strata had been constructed based on the public, federal government universities and private universities.Two are public universities, one is federal government university and three are private universities.

Data Collection Method and Procedure: Questionnaires have been used to collect the data. Survey has been personally administered. In order to define about the research purpose, face to face meeting has been

conducted with head of departments before the questionnaires had been distributed. Theyhad been given surety that collected data will be utilized only for educational purpose and all the information provided will be kept confidential. The questionnaires had been administered personally to each respondent.

After distribution, some time has been given to respondents. After a few days, filled questionnaire had been collected and those who had not filled the questionnaire had been given reminder. Then after a few days, remaining filled questionnaires had been collected.

Operational Definition of the Variables: The first dimension of organizational culture -**involvement**- is providing favourable conditions for all the members of the organization for decision making and giving various ideas or suggestions.

Collaboration is the encouragement of the teamwork rather than individual work. **Transmission of information (TOI)** is defined as the reaching of new or other important information to the employees in due time.

Learning is the process of the activities to increase the existing knowledge.

Care about clients (CAC) is related with the satisfaction of the Students.

Strategic direction (SD) deals with achieving the pre-identified goals and plans of the organization.

Reward and incentive system(R&I) provides motivation for the employees. System of control assists the managers in supervising the employees.

Communication is the lifeblood for an organization that builds bridges among the employees within the organization.

Coordination and integration (C&I) is different from communication that it ensures to work effectively with the persons from other departments or groups when carrying out common activities.

All items measuring Organizational Culture are adopted by Aydin and Ceylan [1]. Total 39 items are there; 3 for involvement, 3 are for collaboration, 4 for transmission of information, 4 for learning, 5 for care about clients, 5 for strategic direction, 5 for reward and incentive system, 3 for system of control, 4 for communication and 3 for coordination and integration. 7 point Likert scale had been used to measure the elements of organizational culture.

Outcomes Criterion
Organizational Commitment (OC): It means employees are attached with, loyal to and want to stay in those organizations that have cooperative and productive culture. Total four items will beused for measuring organizational commitment of employees.

Employee Satisfaction (ES): Employees are more loyal and committed when they are satisfied. To measure employee satisfaction, 8 items will be used.

Demographic Variables: The demographics included in the study are:

Age: Age was measured in term of years.

Gender: Gender of employees was coded as 1 and 2. (1 for female and 2 for male).

Education: Education was measured through number of years employee had been studying.

Total Tenure at Current Position: It was measured through number of years employee spent at his/her current position.

Total work Experience: Tenure was measured through number of years employee had been working throughout his life, either for same organization or for different organization.

Data Coding and Analysis Techniques: For sake of analysis purpose, data which had been gathered through questionnaire had been assigned different codes and then entered into SPSS in order to get the statistical results. Correlation and regression analysis had been used to test the relationship between organizational culture and organizational performance.

Results and Analysis: After defining the operational definition and research methodology, this section is going to cover about the results and discussions. The expected relationship among the variables is given below:

Respondents' Demographic Profile: In this section, analysis of demographics of the respondents is given.

Composition By Gender: It is clear from analysis that 40% females have participated while 60 percent were males who responded to questions.

Composition By Faculty Age: Frequency analysis shows that mostly faculty ranges from age of 31 to 40 who are working as research associates or lecturers. After that age

Table 1: Effect of Organizational Culture on Organizational Performance

Organizational Culture Variables	Organizational Outcomes	
	Employee Satisfaction	Organizational Commitment
Involvement	+	+
Collaboration	+	+
Transmission Of Information	+	+
Learning	+	+
Care About Client	+	+
Strategic Direction	+	+
Reward and Incentives	+	+
System Of Control	+	+
Communication	+	+
Coordination & Integration	+	+

"+" indicates positive relationship

Table 2: Sample Composition by Gender

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	35	40.2	40.2	40.2
	Male	52	59.8	59.8	100.0
	Total	87	100.0	100.0	

Table 3: Sample Composition by Age

		Faculty Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30	35	40.2	40.2	40.2
	31-40	45	51.7	51.7	92.0
	41-50	6	6.9	6.9	98.9
	51-60	1	1.1	1.1	100.0
	Total	87	100.0	100.0	

Table 4: Sample Composition by Educational Level

		Hel			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Graduation	9	10.3	10.3	10.3
	Master	33	37.9	37.9	48.3
	Postgraduate/MPhil/MS	45	51.7	51.7	100.0
	Total	87	100.0	100.0	

Table 5: Sample Composition by Work Experience:

		Total Duration of Work Experience			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-2	11	12.6	12.6	12.6
	3-5	35	40.2	40.2	52.9
	6-8	22	25.3	25.3	78.2
	9-11	6	6.9	6.9	85.1
	12-14	6	6.9	6.9	92.0
	15-17	4	4.6	4.6	96.6
	18-20	2	2.3	2.3	98.9
	21-25	1	1.1	1.1	100.0
	Total	87	100.0	100.0	

Table 5: Sample Composition by total duration at current position

		Total Duration at current Position			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-2	27	31.0	31.0	31.0
	3-5	33	37.9	37.9	69.0
	6-8	17	19.5	19.5	88.5
	9-11	4	4.6	4.6	93.1
	12-14	3	3.4	3.4	96.6
	15-17	2	2.3	2.3	98.9
	21-25	1	1.1	1.1	100.0
	Total	87	100.0	100.0	

lies between 21 to 30 years. While only 8 percent were at the age of 41-60 who were working as lecturers. Results are shown in Table 3 and graphical representation is given in Fig. 2.

Composition By Educational Level: It is clear from the data collected and analysis done that now universities prefer to hire employees having highest degree like MS or Phd as faculty members. Almost 52 percent of faculty members were having MS degree. Results of analysis are given in Table 4 and graphical representation is given in Fig 3.

Composition by Work Experience: It has been shown by the Table 4, that maximum numbers of employees working in the organization were having 3-5 years of work experience. The graphical representation is also given below.

Composition by Total Duration at Current Position: The table shows that most of employees were at current position from 3-5 years. The graphical representation of sample composition by total tenure at current position is given below.

From, correlation analysis, it becomes clear that relationship exists between all the dependent and independent variables. So, regression analysis can be applied to calculate the affect of dependent variables and independent variables. So, in next section, regression analysis is done.

It is clear from the regression analysis that one percent change in involvement level of employees will increase employee satisfaction by 53%, collaboration will cause increase 45%, Transmission of information will cause increase by 1% only, learning will cause increase by 38%, Care about clients; i.e. students will cause increase by 75% and 67% increase in employee satisfaction will be caused by one percent increase in providing strategic direction [17-19]. Employee
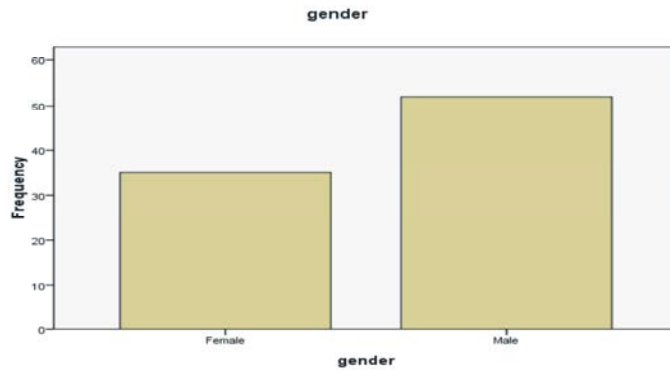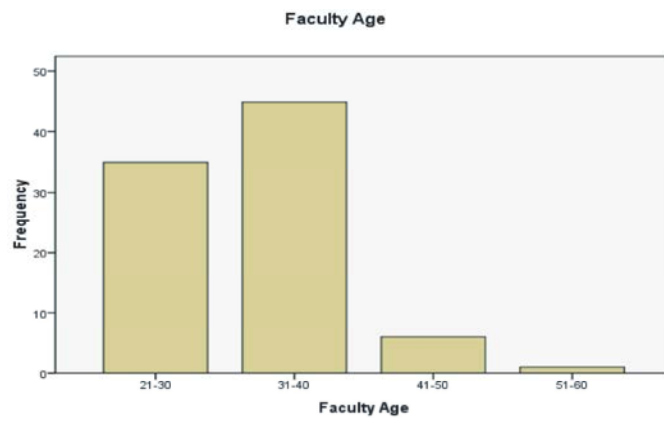
Fig. 1: Graphical representation of Gender

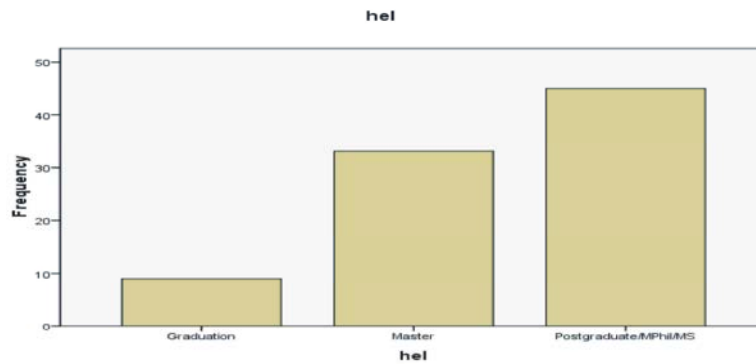Fig. 2: Graphical representation of faculty by age

Fig 3: Graphical representation of Educational Level of Employees

Fig 4.Graphical representation of total duration of Work Experience
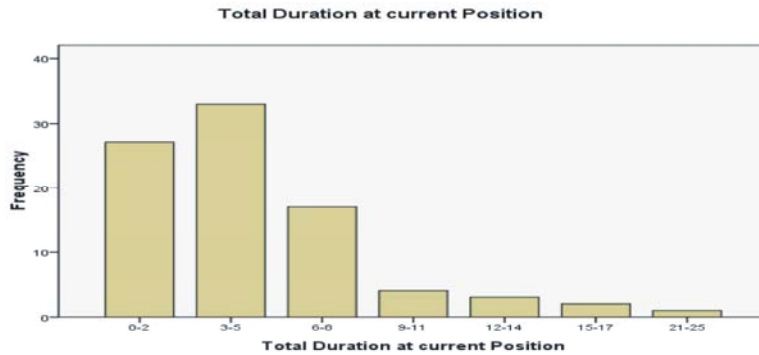
Total Duration at current Position

Fig 5: Graphical representation of total duration at current position

Table 6: Descriptive Statistics, Correlation Analysis about Organizational Culture and Organizational Outcomes:

Variable	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
Involvement	4.79	1.44	0.79											
Collaboration	4.96	1.21	0.65	0.55										
TOI	4.70	1.22	0.56	0.49	0.69									
Learning	5.10	0.98	0.56	0.55	0.58	0.65								
CAC	5.07	1.20	0.49	0.57	0.36	0.56	0.80							
SD	5.24	1.17	0.54	0.52	0.34	0.49	0.77	0.84						
R & I	4.66	1.83	0.49	0.42	0.30	0.49	0.48	0.50	0.55					
SOC	4.76	1.14	0.63	0.57	0.58	0.61	0.69	0.74	0.64	0.55				
Communication	5.13	1.03	0.61	0.58	0.48	0.49	0.68	0.69	0.57	0.73	0.68			
C & I	5.05	1.67	0.13	0.24	0.31	0.41	0.39	0.28	0.23	0.38	0.18	0.54		
ES	5.29	0.95	0.47	0.47	0.24	0.53	0.74	0.68	0.53	0.66	0.73	0.29	0.81	
OC	5.32	1.31	0.24	0.20	0.43	0.30	0.34	0.29	0.27	0.52	0.41	0.39	0.33	0.84

n=87; All correlations are significant at $p<0.01$. Scale reliabilities are on the diagonal in boldface.

Table 7: Regression Analysis of Dependent and Independent Variables

			β		t-value	
Variables	R2	F-Statistics	ES	OC	ES	OC
Involvement	0.254	9.43	0.53	0.03	3.05	0.22
Collaboration	0.25	9.37	0.45	0.03	3.04	0.26
TOI	0.24	0.85	0.01	0.27	0.07	2.60
Learning	0.33	13.59	0.38	0.04	3.40	0.51
Care about Client	0.59	40.69	0.75	0.01	7.05	0.15
Strategic Direction	0.51	28.70	0.67	0.03	5.81	0.31
Reward and Incentives	0.33	13.71	1.18	0.29	5.62	1.97
System of Control	0.54	32.23	0.63	0.28	5.89	3.65
Communication	0.57	36.48	0.77	0.18	8.07	2.73
C & I	0.21	7.35	0.16	0.30	0.75	2.09

$^*p < 0.001$

satisfaction will be increased by 77% and 16% by increasing communication level and coordination and integration level by 1%.

Organizational Commitment is increased by 2%, if we increase involvement and collaboration level by 1%. Similarly, if learning of employees, care about clients, providing strategic direction to employees, providing incentives and rewards, increasing communication and coordination level by 1% will cause increase in organizational commitment by 4%, 1%, 3%, 29%, 28%, 18% and 30% respectively.

CONCLUSION

This study is based on organizations. The term social system refers to large aggregates of human relationships such as organizations,neighbourhoods or society itself. In organizations, people come together and try to connect the interdependent parts of the mechanism to improve the efficiency for organizational development. Organization concept is being used in a wide field and it is getting great importance day by day. This is why most of researchers study this concept. Most of the studies indicate that theresults of a 'management research' may vary from one sector to another even if these sectors show close similarities.

An industry shakeout can be explained as the solidification of an industry and it requires the smaller and weaker organizations either to be acquired or driven out of business. In order not to be driven out of business, the organizations have to know the ways to improve organizational Performance. In this paper, researcher have investigated the relationship between organizational performance and organizational culture dimensions.

For the results of our study, we concluded that organizational performance has significant correlations with the cultural dimensions; involvement, collaboration, transmission of information, learning, care about clients, strategic direction, reward and incentive system, system of control, communication, coordination and integration.

The effective organizations should provide employee satisfaction and organizational commitment. This requires a well communication and coordination. Disseminating the customer concept to the organization- contributes to being a systems-thinker as well as seeing the big-picture. In consequence, we may conclude that concentrating on creating a culture in the organizations will facilitate in getting desired organizational performance.

The results of this study have original implications for businesses as well as academic researchers. Researcher believes that the strategy planners will consider the findings of this research when constructing their strategy maps. Nevertheless, as a discussion area, researcher suggests the researchers to study on the other business areas other than educational sector and compare the results to reach a sensible conclusion. As another discussion area, more 'organizational culture dimensions and organizational performance factors' may be redesigned fordifferent businesses. This involves restructuring the survey items and scales. Additionally,

organizational culture dimensions may influence each of the organizational performance factors in different levels. To reveal this, a complex model could be constructed for inferences that are more detailed.

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