

FACTORS CONTRIBUTING TO THE ORGANISATIONAL CULTURE OF AN ENERGY-PROVIDING COMPANY

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ABSTRACT

An unhealthy organisational culture may seriously affect productivity, job satisfaction and employee behaviour. The purpose of the investigation was to explore factors of organisational culture that have an influence on an energy-providing company. A quantitative research design was used. A four-point Likert-type scale questionnaire was designed and a purposive sample was used. The response rate was 40.5%. The results of the study indicated that managing employee-employer relationships, job involvement, job satisfaction, leadership, values and organisational commitment are vital factors in order to create a healthy organisational culture.

Key words: managing employee-employer relationships, job involvement, job satisfaction, leadership, values; organisational commitment

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Introduction

The manner in which employees conduct themselves in an organisation as well as the success of a company is influenced by the culture of the organisation. Organisational culture is a crucial factor for the sustainability and success of every organisation (Roos & Van Eeden, 2008:54). Al-Yahya (2008:391) states that every organisation has an accepted standard or way according to which employees should behave, and this influences their behaviour in the organisation. The culture of an organisation has an effect on the outcomes such as communication, productivity, leadership and organisational values (Pretorius, 2004:37–45). Organisational culture is an essential element in determining the organisation's identity and it has an effect on how things are done in the organisation. Dress code, language, the way employees execute their jobs and their behaviour are influenced by organisational culture. As much as organisational processes guide employees, there is an unforeseen force that has an effect on employees, which might be the culture of the organisation (Pretorius, 2004:37–45).

The main objective of this study was to identify the main factors contributing to the culture of a telecommunications business unit within an energy-providing company. Telecommunications is a business unit in an energy-providing company. It employs engineers and technicians. Due to a skills shortage in South Africa, this business unit is competing against large telecommunications companies in South Africa. During exit interviews, most employees mentioned that they found it difficult to adapt to the culture of this business unit. As a result, they leave the organisation. In order for the business unit where the study was undertaken to retain its employees, it needs to identify factors of organisational culture that has an effect in the business.

Background

When changes take place in a business unit, employees become uncertain as to what will happen to their jobs, and some may leave the organisation. New management is likely to come up with other management styles such as different working hours, ways to do jobs and things that are not acceptable in the business unit. As a result of these changes, culture shift takes place. The current study was conducted within the telecommunications business unit of an energy-providing company. The business unit offers telecommunication services to other divisions in

terms of installing telephone lines, setting up video conferences and internet connections and maintaining the network throughout the organisation. This business unit has remote branches all over South Africa. It is a highly technical environment since it employs 80% skilled employees in the technical and engineering field while 20% are in support functions such as marketing, communication and project management. Therefore, a need existed to investigate factors of organisational culture in this business unit in an energy-providing company due to culture shift that gives rise to employees leaving the organisation.

From the literature, it became clear that two companies could operate in the same environment using the same technology and the founder using the same origins. In the long run, both companies will be functioning differently (Schein, 2004:255) due to factors of organisational culture. It is important for an organisation to conduct research on factors that influence organisational culture in order to be aware of areas of improvement where necessary (Kulvinskiene & Seimiene, 2009:28). Driskill and Brenton (2005:53) cite that factors that directly influence organisational culture are described as the macro-environment of an organisation, which consist of consumers, customers and partners.

There was a need to identify factors of organisational culture in the telecommunications business unit within an energy-providing company.

Contribution to the field

The research will add value by contributing to identifying and understanding factors of organisational culture since this is significant in order to retain employees in a telecommunications business unit in an energy-providing company.

Literature review

No organisation in the twenty-first century would boast about its consistency and sameness or status quo compared to ten years back due to factors of organisational culture (Cameron & Quinn, 2011:11). This is due to different attributes of organisational culture that have been arranged in the organisation on basis of norms and attitudes, which help in differentiating one organisation from another (Awadh & Saad, 2013:168). Stare (2011:5) states, “organisational culture is one of the most influential dimensions of the work climate and consecutively the main

driving force of the organisation.” It is important for employees, managers and shareholders to be aware of the culture of the organisation because it is a point of entry for a broader understanding of critical reflection upon organisational life and work (Alvesson, 2002 as cited by La Grange & Geldenhuys, 2008:38). Organisational culture and its influence on the behaviour of the members of an organisation needs to be understood, as organisational culture could be dysfunctional and be in conflict with the behaviour required to support the business strategy (Amos, Ristow, Ristow & Pearse, 2009:267).

There is no definite definition of organisational culture; however, different authors define it in different ways. Robbins and Judge (2008:557) define organisational culture as “a system of shared meaning, held by a member that distinguishes the organisation from other organisations”. Van Heerden and Barter (2008:38), DuBrin (2007:337) and Kreitner and Kinicki (2004:64) agree that organisational culture is a system of shared values and beliefs that influences worker behaviour. Colquitt, LePine and Wesson (2010:275) define organisational culture as the social knowledge within an organisation regarding the rules, norms and values that shape attitudes and behaviours of employees. Buttles-Valdez (2008:9) defines organisational culture as “a complex system composed of learned behaviours, norms, values, beliefs and symbols that members acquire to become part of the organisation”. Armstrong (2009:303) defines organisational culture as the pattern of values, norms, beliefs, attitudes and assumptions that may not have been expressed but it shapes the way in which people behave and the job gets done.

Schein (1985 cited by Nelson and Quick, 2010:557), developed a model of organisational culture consisting of three interrelated levels, namely artefacts, values and basic assumptions.

- Artefacts often communicate specific symbolic messages that are important to the meaning of that total experience (Haugtvedt, Machleit & Yalch, 2009:10–11). Schein’s model of organisational culture identifies certain artefacts of organisational culture: personal enactment, stories, ritual, symbols, ceremonies and rites.
- Values refer to the importance a person attaches to something that serves as a guide to action (DuBrin, 2007:69). Schein’s model of organisational culture explains that values of organisational culture are testable in the physical environment and only by social consensus.
- Basic assumptions outline for the organisation what to pay attention to, what things mean, how to react emotionally to what is happen or taking place in the organisation and which

actions to take in various kinds of situations confronting the organisation (Schein, 2009:29). Schein's model of organisational culture classifies the following basic assumptions of organisational culture: relationship to environment, nature of reality, time and space, nature of human nature, human activity, nature and relationships (Schein, 1992 cited by Schnurr, 2012: 68-70).

It is clear from the literature review that there is a gap in the model of organisational culture, in terms of identifying factors of organisational culture. Organisational culture is described and defined and the model is explained in the literature review by various authors. However, factors of organisational culture are not mentioned in the literature review. With reference to the above literature the question was: What are the factors of organisational culture in an energy-providing company?

Research design

This study adopted a quantitative approach and a questionnaire was developed to gather data on a telecommunications business unit's employees, their biographical details and perceptions of what organisational culture is comprised of. Purposive sampling was utilised. This sampling involved a selection of participants (Gerrish & Lacey, 2010:57) and only employees from the telecommunications business unit took part in the study.

Research participants

In this study, the population consisted of employees of the entire telecommunications business unit. The population consisted of 410 employees. A total of 166 employees completed the questionnaire, resulting in a response rate of 40.5%.

The sample covered seven occupational levels across the business unit. The highest number of respondents was technical staff (40%) versus top management (0.6%), senior management (2.4%), middle management (33.3%), admin staff (14.5%) and support staff (9.1%). In terms of gender, the highest number of participants was males (53.3%), while there were 46.7% females. This is because the business unit was dominated by male employees. With regard to age distribution, the highest number of participants comprised employees between the ages of 30 and

39 (55.4%) and the lowest number of participants comprised those between the ages of 18 and 29 (15.1%). Most participants had been working for the organisation for at least five years (35%). Only 5.5% of employees had been employed by the organisation for more than 30 years.

Measuring instrument

Dimensions of organisational culture were used to design a questionnaire based on the literature review. Questionnaires are used to measure attitudes, generally by asking respondents to give their views on a series of statements (Smith, 2010:123). Close-ended questions were posed. Face validity was used by receiving input from the senior manager of the telecommunications business unit in order to determine if questions asked were valid. A 4-point Likert scale was used in this study where 1 = strongly disagree, 2 = disagree, 3 = agree and 4 = strongly agree. The 4-point scale was used to ensure that participants would find easy to answer the questionnaire and that no void responses such as not sure or maybe would be given. Close-ended questions were asked and questions were formulated in a way that respondents would easily understand what was being asked. The Cronbach's alpha coefficient was utilised to measure the reliability of the questionnaire.

Research procedure

A letter to conduct a study within the telecommunications business unit was written to the senior manager of the telecommunications business unit and permission was granted to conduct the study. The questionnaire was distributed to 410 employees across the business unit in different parts of the country by making use of electronic mails and some were hand-delivered to employees who did not have access to electronic mail. The completed questionnaires were returned after three weeks since most of the employees who took part in the study were not based in the office; they were doing field work and other were not based in the Gauteng region so questionnaires had to be posted since the researcher is based in Gauteng region.

Statistical analysis

In this study, factor analysis was used in order to reduce data to small factors in order to identify factors of organisational culture. Data was analysed using SPSS version 20 as data analysis

instrument. The advantage of using SPSS is that it has all the major analytical tools for handling a large amount of data (Sarma 2010:256).

Internal consistency of questionnaires was measured by making use of Cronbach's alpha coefficient. Questions were deemed valid since Cronbach's alpha coefficient was above 0.7.

Results

The following results are discussed: age distribution, gender distribution, designation, results from the factor analysis and mean scores.

The highest number of employees who took part in the study was between the ages of 30 and 39 (54.4%) representing the large number of employees in this age group in the business unit. Further age distributions were 18–29 (15.1%), 40–49 (17.5%), 50–59 (10.2%) with the age group 60 and above the smallest at 1.8%. Employees in the telecommunications business unit in the age group 60 and above often opt for early retirement. During an exit interview they mention that they can no longer explore other opportunities in the business since they are old.

In terms of gender distribution, the results indicated that 88 (53.3%) males and 77 (46.7%) female employees participated in the study. One reason for this distribution is that in this business unit technical jobs were dominated by male employees such as technical senior officials, technicians, senior technicians and engineers however all job categories were surveyed. Males mostly favour these kinds of careers (Hepburn and Simon, 2006:16) agree that men choose science and engineering fields. Most females in the business unit were in the support and administration services such as communications, project management and secretarial positions; thus, it seemed as if this section of the business was dominated by female employees.

Technical staff who participated in the study comprised approximately 40% of the sample because the business unit is highly technical by nature. Admin staff represented 14.5 % and support staff made up the remaining 9.1% as mentioned.

Table 1: Six factor analysis results

	Factor					
	1	2	3	4	5	6

I think that communication in our organisation is effective.	0.674					
The flow of information in the organisation is effective.	0.623				0.304	
My direct superior ensures that I have the necessary knowledge and skills to do my job.	0.580			- .472	-.266	
Proper procedures are followed when resolving conflict in this organisation.	0.524	0.207				
My wellbeing is a priority to this organisation.	0.522					
The organisational structure of my department is effective.	0.493					
I have sufficient resources to complete my job.	0.485					-.261
I am satisfied with the manner in which change is managed.	0.482		0.236		0.289	
I get along well with my co-workers.		0.639			0.273	
I complete tasks on my own.		0.617				
I go the extra mile in doing my job.		0.577			-.213	
I am satisfied with my salary/pay.			0.793			
I will not leave the organisation because I will encounter difficulties when I change jobs.			0.612			
I am satisfied with my job.		0.231	0.576			
There are communication barriers in this organisation.			0.483			
Promotion opportunities in the organisation are fair.	0.416		0.472			
I am involved in making decisions.			0.350	- .344		0.216
My direct superior's leadership style has a				-		

negative impact on the subordinates.				.880		
My direct superior motivates me to be more productive.				-.823		
My direct superior has healthy relationships with his/her subordinates.				-.685		
My direct superior encourages correct behaviour.		0.224		-.671		
I have a good relationship with my supervisor.		0.233		-.516		
Employees blow the whistle when noticing unethical behaviour.			0.223		0.569	
Employees use the code of conduct as a guideline for their behaviour.		0.223			0.567	
The employees in this organisation show integrity.					0.556	
Employees strive for excellence in this organisation.	0.202				0.555	
I think there is misuse of power in this organisation.			0.269		0.312	-.257
I am emotionally committed to this organisation.						-.683
I am loyal to the organisation.		0.256				-.660
I am engaged in my daily activities regarding my job.			0.282			-.355
I will not compromise customer satisfaction.				-.215		-.271

The colour-coded segments in Table 1 indicate six factors identified. Colquitt *et al.* (2010:275) describe organisational culture as the social knowledge within an organisation regarding the rules, norms and values that shape attitudes and behaviours of employees. Based on this description of organisational culture, the following factors were categorised: managing

employee–employer relationship, job involvement, job satisfaction, leadership, values and organisational commitment.

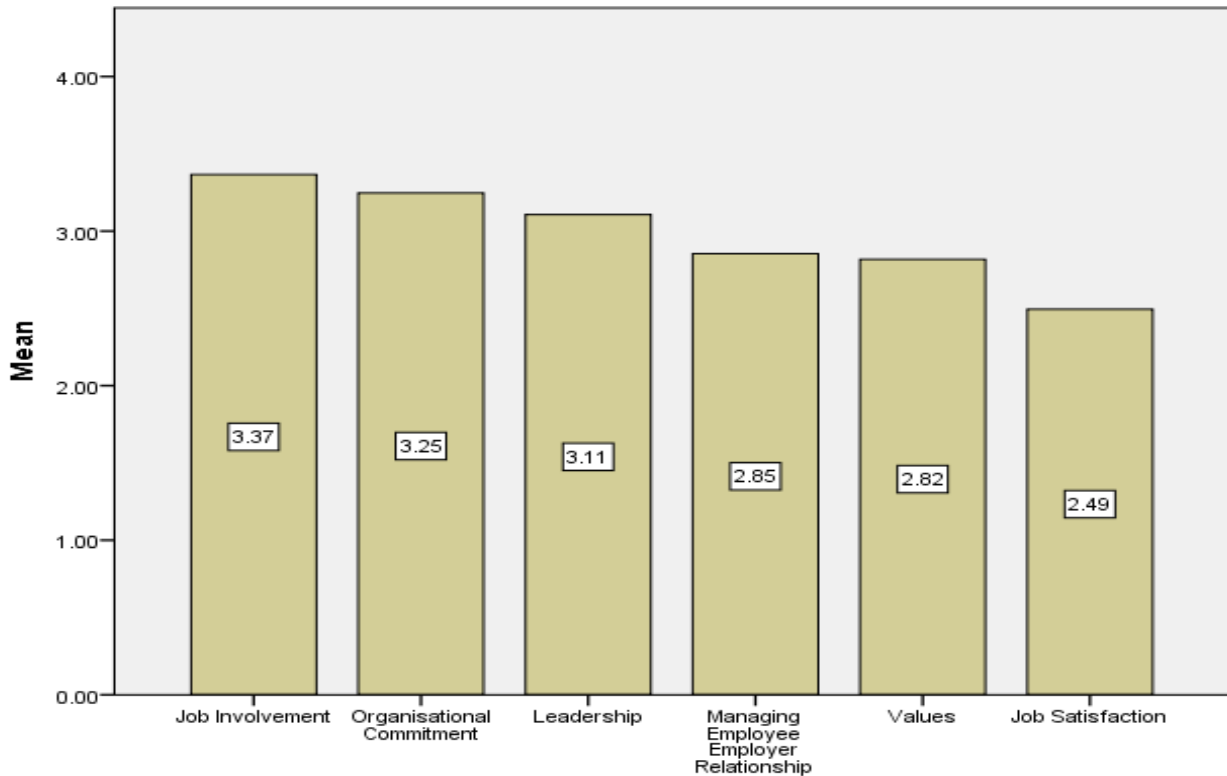


Figure 1: Mean score of identified factors

Figure 1 below shows the mean score of factors identified. It is interesting to note that all six factors are applicable and contribute to the culture of the organisation. On the mean scores, 3 represents agree whilst 2 represents disagree. The mean score indicates the perceptions of participants on factors of organisational culture that had an impact on the culture of the organisation. Participants agreed that when employees are involved and committed in their jobs and the leadership of the organisation is fair, this would influence the culture of the organisation positively. Participants disagreed that the following factors of organisational culture were not well managed and that they contributed to factors of organisational culture: managing employee–employee relationship, values and job satisfaction. According to the results of the study, these factors were mentioned as factors of organisational culture and it was agreed that they contributed to the culture of the organisational.

Ethical considerations

When conducting this study, the researcher ensured that no one was harmed and that the identities of the participants were not and will not be revealed. Questionnaires gathered will be kept strictly confidential for three years because some of the participants wrote their names and remarks on the questionnaire, even though names were not required. This will be done in order to ensure that the identities of the participants are protected. The senior manager of the telecommunications business unit granted the researcher permission to conduct the study.

Krysiak and Finn (2010:33) outline three basic principles that should guide ethical decision-making in research, and these guidelines were adhered.

- people should be treated with respect;
- beneficence in two general rules, i.e. do not harm and maximise benefits while minimising risks; and
- justice pertains who should pay the price for participation.

DISCUSSION

The purpose of this study was to determine factors of organisational culture in an energy-providing company. Certain factors were identified, as indicated below.

Factor 1: Managing the employee–employer relationship

This factor focuses on management of the relationship between employee and employer. Certain elements, namely resources in the organisation, organisational structure, procedures for conflict resolution, change management, flow of information and communication are the key elements of managing the employee–employer relationship in an organisation.

Factor 2: Job involvement

This factor refers to features that focus on job involvement, namely completion of tasks, going the extra mile to do a job and relationships amongst employees.

Factor 3: Job satisfaction

Job satisfaction focuses on characteristics that comprise job satisfaction, such as salary/pay, promotional opportunities and involvement in decision-making regarding jobs.

Factor 4: Leadership

Factor 4 focuses on leadership in the organisation, namely the superior's leadership style, motivation from superior's, the superior's leadership style.

Factor 5: Values

Aspects like whistleblowing, code of conduct, integrity, excellence and power focus on employee and organisational values.

Factor 6: Organisational commitment

Commitment of this type focuses on employees' emotional commitment towards the organisation, namely loyalty, not compromising customer satisfaction, emotional attachment and job engagement.

Mean is a measure of central tendency, the arithmetic average of a distribution (Jackson, 2009:34). The mean score is the average of a group of given scores. The results from Figure 1, which indicate the mean scores of each factor as follows:

- **Managing the employee-employer relationship:** the mean score was 2.85, which indicated that the relationship between the employer and the employees in the business unit was not well managed. This kind of unhealthy relationship has a negative impact on organisational culture. When the relationship between employees and employer are not well managed, conflict arises and trust between the parties is compromised.
- **Job involvement:** the mean score of job involvement across all occupational levels was 3.37, which means that participants agreed that they were involved in their jobs. This has a positive impact on culture of the organisation. When employees are involved in their jobs, they can make a meaningful contribution.
- **Job satisfaction:** the mean score was 2.49. Participants indicated that they were not satisfied with their jobs though they were involved in their jobs. When employees are not satisfied

with their jobs, it is unlikely that they will be fulfilled in their jobs, and this has a negative impact on organisational culture.

- **Leadership:** The results show that there was a fair leadership style in the organisation. A mean score of 3.11 indicated that participants agreed that leadership was fair. Fair leadership style has a positive effect on organisational culture because leaders of the organisation outline the culture of the organisation. According to Sinha (2009:312), leaders lay the foundation of organisational culture.
- **Values:** The results of the study showed that organisational values were not adhered to. The mean score was 2.82, in other words the values that were set by the organisation were not followed by employees. Values are important to any organisation; therefore, since the results indicated that employees disagreed that they follow organisational values. This has a negative influence on the organisational culture because values are standards set by the organisation and employees must live according to such values.
- **Organisational commitment:** The mean score was 3.25, which showed that, on average, participants agreed that they were committed to the organisation although they were not satisfied with their jobs. Organisational commitment can be the result of working for the organisation for a long period, as a result of trust in the organisation. Sayeed (2001 as cited by Srivastava, 2005:31) says that organisational commitment is the result of trust and confidence in an organisation. In the current study, organisational commitment had a positive influence on organisational culture because participants indicated that they would find difficulty to leave the organisation.

Recommendations and conclusion

Managing employee–employer relationships, job involvement, job satisfaction, leadership, values and organisational commitment have an impact on organisational culture since they drive the principles and strategies of the organisation and so shape the culture of the organisation. The study organisation needs to focus on these six factors of organisational culture because the culture of the organisation affects employee morale, jobs and productivity. Organisational leaders should engage employees in issues that have a bearing on them and their work. This

approach will assist in improving relationships and communicating business objectives. It is therefore the role of the human resource manager to develop interventions to –

- assist managers in managing the relationship between them and their employees properly;
- improve job involvement and job satisfaction amongst employees;
- develop the skills for improving fair leadership styles;
- align employee values with the organisation's values; and
- improve organisational commitment.

These developing interventions should be aligned with the business strategy in order to achieve the overall goals of the organisation. Specific focus should be on interventions with regard to managing the employee–employer relationship, values and job satisfaction. Future research can be conducted on developing a scorecard to assist managers within this business unit to measure the appropriateness of the aforementioned interventions. Lastly, future research can be conducted on the organisational culture within other units in the organisation under study.

It was established from the results of the study that organisational culture consists of managing the employee–employer relationship, job involvement, job satisfaction, leadership, values and organisational commitment.

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