

# ORGANIZATIONAL CULTURE AND EMPLOYEE MORALE: A PUBLIC SECTOR ENTERPRISE EXPERIENCE

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**Abstract** Organizational culture is the collective behavior of employees who form the core of an organization. It is shaped by organization values, visions, norms, working language, systems, and symbol. It also includes beliefs and habits of employees. Employee morale describes the overall outlook, attitude, satisfaction, and confidence that employees feel at work. When employees are positive about their work environment and believe that they can meet their most important needs at work, their employee morale gets boosted up. Such a positive morale can lead to better organizational performance. But when employees are negative and unhappy about their workplace and feel that their work is not appreciated, their employee morale becomes negative or low. If the morale of the employees is low, the productivity of the company will be affected as employees will not be able to meet their goals. The prevailing culture in an organization can have an impact on the morale of the employees. The study was conducted in order to find out the Impact of Organizational culture on employee morale. From this study it was found that the culture existing in public sector undertakings is bureaucratic culture and the morale of the employees is low. But on further analysis it becomes clear that level of bureaucratic culture has no effect on employee morale. Results also pointed that employee morale vary among male and female employees. Level of morale was found to be more for male employees than their female counterparts.

**Keywords:** Organizational Culture, and Organization Morale.

## 1. INTRODUCTION

Edward Hall (1959), equates culture to a silent language, and defines it as “that part of man’s behavior which he takes for granted, the part he doesn’t think about, since he assumes it is universal or regards it as idiosyncratic.” Geert Hofstede (1993) is one of the first to attempt to quantify culture, and defined it as “the collective programming of the mind which distinguishes one group or category of people from another.”

Organizational culture can be defined as “A pattern of shared basic assumptions invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration, that have worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.”

Employee morale is the relationship that a particular employee or a group of employees have with their work and the organization they work for. High employee morale

means that employees are happy, and that is reflected in the kind of work they produce. On the other hand, low employee morale results in less productivity and pessimism among employees. It is important for every organization to keep the employee morale high. Employee morale is part of workplace culture and it is important in the company. When workers are happy, they tend to be more efficient because they enjoy their work. It is important that employees are not developing a feeling of work as a burden. Employee morale is determined by organizational culture and how employers treat their workforce. Morale of an employee is developed on the basis of his attitude towards the organization.

This study is an attempt to find out the relationship between organization culture and employee morale in public sector undertakings of Kerala. From the study it was found that the bureaucratic culture is dominant in the public sector undertakings. The autocratic culture, technocratic culture, and entrepreneurial culture follows bureaucratic culture. Study also demonstrated that the popular belief that the

employee morale is related to organizational culture is wrong. It was found that there is no relationship between culture of the organization and the morale of employees. A variation in morale was found among male and female employees. Level of morale was found to be more for male employees than their female counterpart.

## 2. OBJECTIVES OF THE STUDY

- To measure the organizational culture that is prevailing in public sector enterprises.
- To evaluate the impact of organizational culture on the morale of employees of public sector undertakings.
- To examine the relationship between cultural level and morale of the employees.
- To analyze the variance in morale among employee groups.

## 3. RESEARCH METHODOLOGY

Primary and secondary data was explored for the requirements of the study. The primary data is directly collected from the employees of public sector undertakings in Kerala. Survey using a questionnaire was adopted for the study. The questionnaire was circulated to the respondents as per the research design. The questionnaire includes instruments for measuring the culture of the organization and morale of the employees.

### 3.1. Research Instrument

Questionnaire was prepared with the objective of collecting all relevant information required for achieving the research objectives. Opinion from experts and information from previous studies were considered while preparing the questionnaire.

### 3.2. The Population

The population taken for the study was the managerial employees of the public sector enterprise. There were 850 employees in this cadre.

### 3.3. Sample Size

This study was executed in a public sector enterprise. Samples were selected from managerial employees of each department. Around 850 managerial employees were included in the defined population. Sample size was estimated to be 51 by keeping margin of error as 10%,

confidence level as 95%, and response distribution as 50%.

### 3.4. Sampling Procedure

The sample quota for each department was fixed in proportion to the number of employees of each department. The sample size was selected randomly.

### 3.5. The Instrument and its Administration

Organizational culture profile measures four organizational cultures: autocratic/feudal, bureaucratic, technocratic and entrepreneurial/organic/democratic. The instrument has eight sets dealing with values (1), beliefs (3), primacy (6), communication (7), leadership (4), rituals in meetings (5), celebrations (8), and rooms and furniture (2). The figures in the parentheses refer to the serial numbers of the sets in the instrument. This instrument is circulated among the employees of public sector undertakings. The respondent is required to rank the four statements in each set in terms of their applicability to the organization concerned. The ranks are from 1 (most closely describing the organization) to 4 (least accurate). The instrument is attached as Appendix 1.

### 3.6. Scoring

The scoring key (appended) is used to score responses. The total of each culture type is found out for each individual. The total for each cultural type can vary from 8 to 32. The total of all the four cultural types for each individual will be 80. When the score is low for a particular culture, it indicates that culture is prevailing in the firm.

## 4. LITERATURE REVIEW

According to Leung, K., & Ang, S (2012) the role of national culture in international business has received considerable attention partly because of the seminar work of Hofstede on cultural dimensions. In this research tradition, national culture is typically defined by subjective constructs, such as values and beliefs. However, the cultural perspective also encompasses the ecology of a culture and other objective elements such as physical infrastructure and formal institutions. In a different line of research guided by institutional theory, cultural differences in the choices and behaviors of firms are explained by differences in institutional variables across societies.

Gelfand, Erez, & Aycan (2007) observed that with the increasing globalization of organizations and diversification of domestic workforces, understanding why some individuals

**Table 1. Descriptive Statistics of Culture Measurement**

	<b>Autocratic</b>	<b>Bureaucratic</b>	<b>Technocratic</b>	<b>Entrepreneurial</b>
Mean	19.6275	17.8235	20.1569	20.8039
Median	19.0000	18.0000	21.0000	21.0000

Source: Survey Data

**Table 2: Measurement of Employee Morale**

	<b>Percentage</b>	<b>Valid Percentage</b>	<b>Cumulative Percentage</b>
Low morale	68.6	81.4	81.4
High Morale	15.7	18.6	100.0
Total	84.3	100.0	
Not Responded	15.7		
Total	100.0		

Source: Survey Data

function more effectively than others in culturally diverse situations has become more important than ever.

Edgar H Schein (1983) claims that we must dig below the organization's surface—beyond the “visible artifacts”—and uncover the basic underlying assumptions, which are the core of an organization's culture.

Geert Hofstede (1990) looks at culture from the perspective of integration (organization-wise consensus), differentiation (sub-cultural consensus, but the relations within its manifestations such as inconsistency and ambiguity are channeled to other subcultures) and fragmentation (where there is no consensus, but a multiplicity of views, focusing on ambiguity).

Maryam Alavi, Timothy R Kayworth, and Dorothy E Leidner (2006) explain about the relation between organizational culture and knowledge management. According to them knowledge management is to facilitate the creation, storage, transfer, and application of knowledge in organizations and this has received wide attention in practice and research in the past several years. It is often cited that a significant challenge in knowledge management practices is the issue of organizational culture.

According to Schein (1989), culture is a coherent system of assumptions and basic values, which distinguish one group or organisation from another and orient its choices. Hence, organizational culture implies a pattern of basic assumptions – invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration – that has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

## 5. ANALYSIS

### 5.1. Measurement of Culture

The scoring pattern indicates that lower the score higher does the culture exist. From the table below, it is clear that the lowest mean is for bureaucratic culture with a mean of 17.8. Thus bureaucratic culture is more prominent in public sector undertakings. Entrepreneurial culture has got the highest mean (mean=20.80), so the least prevailing culture is entrepreneurial culture. Next to bureaucratic culture comes the autocratic culture with a mean of 19.62, and then comes the technocratic culture with a mean of 20.15.

### 5.2. Measurement of Employee Morale

Table 2 indicates that only 18.6% of the total respondents are having high morale and the rest of 81.4% are having low morale. Thus it could be said that majority of the employees in public sector undertakings have got low morale.

Now the next question that needs to be addressed by the researcher is whether the reason for this low morale is the existing bureaucratic culture.

### 5.3. Testing Normality

When the test of normality was conducted it was found that the data was not normal. Kolmogorov-Smirnov test showed  $p > 0.05$ , so null hypothesis was accepted which states data distribution is normal. Hence parametric test could be attempted by the researcher.

**Table 3: Tests of Normality – Employee Morale**

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	Df.	Sig.
Morale	.082	51	.200*	.984	51	.733

Source : Survey Data

### 5.4. Testing the Variation of Employees' Morale across Bureaucratic Culture Levels

Group statistics of Table 4 denotes that employees who belong to low bureaucratic group have got high morale (with a mean of 48.67) as compared to employees who belong to high bureaucratic group (with mean 43.55). This shows that employee morale changes with the different level of bureaucratic culture. However it can be confirmed only if the difference in mean is found to be significant. In order to test the significance in variations of the mean, an independent sample T test is attempted.

### 5.5 Hypothesis for Testing Equality of Variances

To test the equality of variances the following hypotheses were formulated.

$H_0$ : The variance in morale of employees belonging to low and high bureaucratic group is the same.

$H_1$ : The variance in morale of employees belonging to low and high bureaucratic group is not the same.

It can be interpreted that Levene's test for equality of variance was found to be not significant with  $p > 0.05$ . Hence we accept the hypothesis which states that equality of variance is assumed.

### 5.6. Hypothesis for Testing Equality of Means

To test the equality of means the following hypotheses were formulated.

$H_0$ : Mean morale scores of both the bureaucratic groups are the same.

$H_1$ : Mean morale scores of both the bureaucratic groups are not the same.

Since equality of variance is assumed from Levene's test, it can be interpreted that the

t-test for equality of means is found to be significant with  $p > .05$ . So we accept the hypothesis, i.e., there is no difference in morale even when level of bureaucratic culture is different. The difference in mean shown in employee morale when bureaucratic culture is high and low has no statistical

**Table 4: Variation of Employee Morale across Bureaucratic Culture Levels**

	Group	Mean	Std. Deviation	Std. Error Mean
Morale Score	Low	48.6667	9.01850	5.20683
	High	43.5500	10.44141	1.65093

Source: Survey Data

**Table 5: Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.					95% Confidence Interval of the Difference		
				T	df.	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Morale	Equal variances assumed	.280	.599	.824	41	.415	5.11667	6.21149	-7.42769	17.66102
	Equal variances not assumed			.937	2.421	.433	5.11667	5.46230	-14.87207	25.10541

Source: Survey Data

**Table 6: Test for variation of Morale across Gender**

	Gender	Mean	Std. Deviation	Std. Error Mean
Morale	Male	44.9231	10.24537	1.64057
	Female	34.0000	4.69042	2.34521

Source: Survey Data

**Table 7: Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Morale Sum	Equal variances assumed	2.036	.161	2.092	41	.043	10.92308	5.22111	3.7883	21.46733
	Equal variances not assumed			3.816	6.531	.007	10.92308	2.86208	4.05559	17.79057

Source: Survey Data

significance. Hence the researcher can point out that the employee morale does not depend upon level of bureaucratic culture.

### 5.7. Variation of Morale across Gender

From the group statistics, it can be inferred that male employees have got high morale

(with mean 44.92) as compared to females (with mean 34).

### 5.8. Hypotheses for Testing Equality of Variances

In order to test the significance variations of mean, an independent sample F - test is attempted by framing the following hypotheses.

$H_0$ : The variances in morale of both male and female employees are the same

$H_1$ : The variances in morale of both male and female employees are not the same

It can be interpreted from the independent sample t test that Levene's test for equality of variance was found to be not significant, i.e., p value is  $>.05$ . Hence we accept the null hypothesis which states that equality of variance is assumed.

### 5.9. Hypotheses for Testing Equality of Means

To test equality of means the following hypotheses were formulated.

$H_0$ : Mean morale scores of both males and females are the same.

$H_1$ : Mean morale scores of both males and females are not the same.

Since equality of variance is assumed from Levene's test, it can be interpreted that the t-test for equality of means is found to be significant with  $p < 0.05$ . Hence we accept the alternate hypothesis, i.e., mean morale of both male and female employees are different. Morale of male employees was found to be greater than that of female employees.

### 5.10. Variation of Morale with Division

From the descriptive statistics of Table 8, it can be inferred that employees of Finance Division has got highest morale with a mean morale score of 46. Personnel and Administration has got a mean morale score of 44.25. Production division has got a mean morale score of 44.125. Stores department has got a mean morale score of 40. Marketing division has got the least morale score with a mean of 37.42.

$H_0$ : Employee morale is same among the divisions

**Table 8: Test for the Variation of Morale with Division**

	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
				Lower Bound	Upper Bound		
Marketing	37.4286	10.46991	3.95725	27.7455	47.1116	18.00	48.00
Personnel and Administration	44.2500	12.42310	3.10577	37.6302	50.8698	28.00	78.00
Production	44.1250	7.84561	2.77384	37.5659	50.6841	36.00	58.00
Finance	46.0000	9.73824	2.70090	40.1152	51.8848	30.00	65.00
Stores	40.0000	11.77568	2.94392	33.7252	46.2748	22.00	64.00
Total	42.6833	10.99228	1.41910	39.8437	45.5229	18.00	78.00

Source: Survey Data

**Table 9: Test of Homogeneity of Variances**

Levene Statistics	df. 1	df. 2	Sig.
0.179	4	55	.948

Source: Survey Data

**Table 10: ANOVA**

	Sum of Squares	df.	Mean Square	F	Sig.
Between Groups	507.394	4	126.849	1.054	.388
Within Groups	6621.589	55	120.393		
Total	7128.983	59			

Source: Survey Data

$H_1$ : Employee morale is varying among the divisions

Since the significant level is greater than 0.05, the test was found to be not significant, so we accept the null hypothesis. Hence it can be concluded that the morale of employees is same between groups.

## 6. CONCLUSION

The study reveals that the culture that exists in public sector undertakings is bureaucratic culture. It was noted that employees working in public sector have a low morale. It is believed that the low morale is because of existing bureaucratic structure. But it has been statistically proved that these two factors are not related. The morale of employees was also found to be the same among all divisions. However the study was able to find a difference in level of morale among male and female employees. In the study it had been found that male employees have got higher morale than that of female employees.

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## APPENDIX 1. QUESTIONNAIRE

This questionnaire is intended to find out the impact of organizational culture on employee morale. Kindly cooperate by filling this questionnaire. Your responses will be used only for academic purposes.

1. Name of the department:
2. Gender : i) Male    ii) Female
3. Educational qualification:
  - i) Under graduate    ii) Graduate    iii) Post graduate
  - iv) Professional Qualification
4. Age: i) Below 30    ii) 30-40    iii) 40-50  
iv) 50 and above
5. Length of service in year.
  - i) Below 10 years    ii) 10-20    iii) 20-30
  - iv) 30 & above

Please read the statements in each set and then rank them in order. Give rank 1 to the statement which describes your organization most closely or accurately. Give rank 2 to a good description of your organization; rank 3 to a statement not so true of your organization; and rank 4 to the statement which is the least true of your organisation. There is no right or wrong answers. Please rank all sets.

### 6. Set 1

- a. No consideration is given to values in this organisation.
- b. Values are not shared in the organization.
- c. Values are shared only at the top level.

- d. Organisation values are vitally shared in the organisation.

### 7. Set 2

- a. The size of the office and its furniture is according to a person's rank.
- b. Each senior member has a room with a large table and space for holding meetings.
- c. Generally, small tables are used by managers.
- d. Large working tables are used here.

### 8. Set 3

- a. The dominant belief here is that things don't happen, you make them happen.
- b. The belief here is that most things depend on the top management.
- c. People believe that the major constraints are managerial.
- d. People believe there are too many external constraints, which are difficult to fight.

### 9. Set 4

- a. The leaders here expect to be completely obeyed.
- b. The leaders here are role models for their people.
- c. People are expected to follow the proper channels that have been laid down.
- d. The leaders set the standards of performance

### 10. Set 5

- a. In meetings, people sit wherever they can find place.
- b. People are indifferent to meetings and try to avoid them.
- c. There is an implicit hierarchy in the seating pattern at meetings.
- d. In meetings, seats for those at the top are fixed. Generally meetings are not held without top managers.

### 11. Set 6

- a. The customer is regarded as the most important person here.
- b. A good product is given the highest importance.
- c. Rules and regulations are given high importance.
- d. The chief executive is the most important here.

### 12. Set 7

- a. Most communication is generated at the meetings of top people.
- b. All communication is in writing, and through memos.
- c. There is not much work-related communication among people.
- d. People communicate with one another to solve problems.

## 13. Set 8

- a. A lot of attention is given to updating technology.
- b. The top management have parties to celebrate good performance of the organization.
- c. High performance is celebrated with everybody joining in.
- d. People are busy streamlining rules and regulations.

Please select your degree of agreement with the following statements. SA stands for strongly agree, A for agree, NA/ND – neither agree nor disagree, DA – Disagree, and SDA for strongly disagree

STATEMENT	SA	A	NA/ND	DA	SDA
14. I am happy working in this company	SA	A	NA/ND	DA	SDA
15. I am satisfied with the working hour	SA	A	NA/ND	DA	SDA
16. Salary/ wages paid is sufficient	SA	A	NA/ND	DA	SDA
17. Sufficient leave is provided	SA	A	NA/ND	DA	SDA
18. I have respect & self esteem in the organization	SA	A	NA/ND	DA	SDA
19. I realize that company pays adequate attention to their employees	SA	A	NA/ND	DA	SDA
20. Grievance redressal method existing in the company solves problem in time	SA	A	NA/ND	DA	SDA
21. Incentives are provided purely on merit basis(no discrimination )	SA	A	NA/ND	DA	SDA
22. Relationship with my superior is good	SA	A	NA/ND	DA	SDA
23. I am involved in decision making	SA	A	NA/ND	DA	SDA
24. Discussion with my superiors for clarifying doubts are permitted	SA	A	NA/ND	DA	SDA
25. Promotion policy & procedures in the company is good	SA	A	NA/ND	DA	SDA
26. Training facilities provided by the company helped me to develop my skills	SA	A	NA/ND	DA	SDA
27. The performance appraisal system helps to get competence on the present job & provides a potential for future growth.	SA	A	NA/ND	DA	SDA
28. Health & safety measures taken by the company is good	SA	A	NA/ND	DA	SDA
29. Welfare of the employees & their family is taken into consideration	SA	A	NA/ND	DA	SDA
30. Management encourages in over all development of the employees	SA	A	NA/ND	DA	SDA
31. I have job security in my company	SA	A	NA/ND	DA	SDA