

Values , Organizational Culture & Organizational Effectiveness in India

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This study examines the direct relationship of diversity factors such as personal values and organizational culture with organizational effectiveness in the Indian context. The results of this empirical research, with data collected using a self-administered questionnaire on a sample of 210 employees working in consulting and banking sectors in India, and analyzed using structural equation modeling, add to the existing body of research by providing a granular and deeper, empirically tested perspective on the subject. It shows that most dimensions of diversity factors such as employee's values and organizational culture are significantly and positively related to dimensions of organizational effectiveness. We believe that organizations will benefit from an understanding of such relationships while designing overall organizational goals.

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Introduction

Globalized business environments and increased labor mobility have added to the diversity of organizations. Business leaders recognize diversity which goes beyond employees' demographic or physical characteristics to include organizational culture, intellectual capability, skills, behavior and personality (O'Reilly et al., 1991) as a source of competitive advantage for organizations. Past research also focuses on the impact of attributes (Robbins & Judge, 2013) like values, personality, skills, inner being, beliefs etc., but mostly at the individual level. Research on the impact of both employee values and organizational culture on organizational effectiveness in a single study has largely remained unexplored. Since employee values and organizational culture are intricately linked, and can potentially impact each other, the dearth of research of the impact of these diversity factors on organizational effectiveness in a single study is a crucial research gap. This paper contributes to the

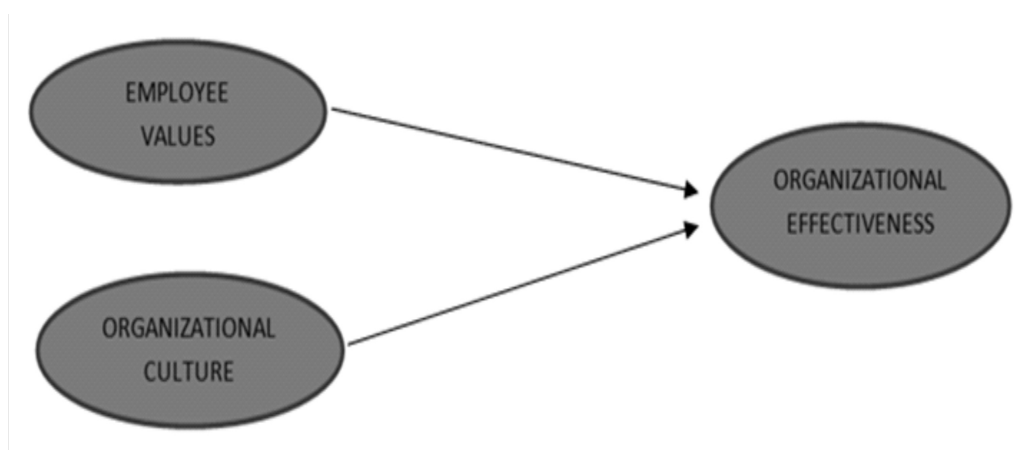
existing pool of knowledge on the relationship of employee values, and organizational culture with organizational effectiveness in the Indian context. Different dimensions of values, culture, and organizational effectiveness have been tested to provide a granular and deeper understanding of this relationship. Fig. 1 represents the proposed conceptual model of the relationship between Employees'

Values and Organizational Culture, with Organizational Effectiveness.

Objective of the Study

The objective of this study is to examine the direct effects of diversity factors like values and organizational culture on organizational effectiveness in the Indian context.

Fig. 1 Conceptual Model Showing the Relationship between Employees' Values and Organizational Culture, and Organizational Effectiveness



Importance of Values

Values are described as beliefs that a person holds desirable or undesirable. Values may vary from person to person, but hold special importance in every individual's life (Aman & Ahiauzu, 2014), and ultimately determine our behaviors (Gregory et al., 2009; White, 2005).

Very few countries in the world are as diverse as India is (Buddhapriya 2013). Migration of youth and educated people to other parts of the country in search of better job opportunities has led to greater diversity within geographies

and a diverse value grid within organizations. The Indian context therefore makes for an interesting case study for research on values. Past research, however, has focused mostly on employee attitude and personality; literature on studies of values is scant (Connor & Becker, 1975).

In this paper, we have studied four types of values - self-realization values, status enhancement values, sulphitic values, and socio-economic values (Sinha, 1990). The first type, self-realization values, comprises values like ability utilization, achievement, advancement, and

peace. The second type, status enhancement values, comprises those like authority, altruism, prestige and physical activities. The third type, sulphitic values, includes autonomy, creativity, lifestyle, risk-taking, and variety. The fourth type, socio-economic values comprises social relationships, interactions, working conditions, comforts, and dependency. These values, though reviewed intensively, have not been taken up extensively for empirical studies. In the Indian context, of the four types of values, employees consider self-realization values to be more important than the others (Sinha, 1990).

Definition & Importance of Organizational Culture

Organizational culture consists of core values, rules, and norms to govern and manage the business (Barney, 1986). It is structured by its employees (Hofstede et al., 1990) - emerging from their beliefs, values, norms and social relations (Schein, 2004). Culture ultimately determines the complete personality of the organization (Nazir & Lone, 2008).

Various aspects of culture have been researched in the past. These include dimensions, types as well as determinants of culture. Organizational culture has been instrumental in differentiating successful firms from unsuccessful ones, hence a source of competitive advantage (Cox & Blake, 1991), and a management tool for steering organizations to success (Denison & Mishra, 1995).

This paper studies those cultural dimensions - humanistic, value-oriented,

conservative, and innovative – which, though observed globally, have not received much attention vis-à-vis organizational effectiveness in the Indian context. Unlike other instruments which relate to external dimensions of culture, these relate to the internal functioning of the organization. In humanistic culture, the focus is on competency, hierarchical relationships and interrelationships. In value-oriented culture, importance is given to compassion, caring, and others like concern for employees and their well-being. In conservative culture, work responsibility – focused on role clarity and ambiguity tolerance - takes precedence over demands of the family. In innovative culture, employees are provided challenging work, and encouraged to present their viewpoints, make creative decisions, and seek enjoyment through work (Pareek, 2006).

Organizational Effectiveness

Organizational effectiveness has been severally defined as the extent to which multiple goals of the organization are achieved simultaneously (Price, 1972), long-term ability of the organization to achieve its goals consistently (Kataria et al., 2013), and achievement of the organization's purpose and objective while providing maximum return to the society (Ghorpade, 1970). Different measures of organizational effectiveness have been used, viz. profitability, market share, leadership, goal attainment, productivity etc. (Richard & Johnson 2001). In this study, we have focused on dimensions like goal integration, group functioning, and job satisfaction. Goal integration indicates the level to which organization

is able to integrate its goals with the employee's abilities and desires. Group functioning encourages group achievement and assesses the sense of ownership of group members for collective tasks by exhibiting coordination, problem solving, decision making, and goal achievements in groups. Job satisfaction refers to satisfaction derived by an employee from the job, boss and overall job structure through achievements within the organization. Most studies have measured satisfaction at the individual and job level; satisfaction at the whole organizational level being less researched (Chatman, 1989). This paper addresses such past gaps.

Employee Values & Organizational Effectiveness

Due to globalization, employees from different cultures, lifestyles, family background, traditions, and values have become a part of the workforce (White, 2005). Understanding these diverse employees has become a challenge for managers. When an organization is cognizant of employee needs and values, it motivates them to work to their maximum potential to achieve the desired organizational goals (Silverthorne, 2004). Performance of an employee is greatly shaped by his value grid, which ultimately impacts the effectiveness of the organization (Connor & Becker 1975).

Organizational Culture & Organizational Effectiveness

Organizational culture is the essence of any organization that guides the over-

all behavior of the organization, impacting organizational effectiveness (Giberson et al. 2009). It has been observed that when organizational culture is aligned to the diverse needs and values of employees, individuals work at their maximum capacity (Miron et al., 2004).

Organizational culture is the essence of any organization that guides the overall behavior of the organization, impacting organizational effectiveness

Different types of culture are known to impact organizational effectiveness differently (Amsa, 1986); not all types of cultures do (Wilkins & Ouchi, 1983). In the absence of extensive empirical research in India to support the proposition that organizational culture is a predictor of effectiveness (Hartnell et al., 2011), this paper aims to bridge the gap by attempting to measure the relationship of organizational culture with the broader concept of effectiveness such as goal integration, group functioning and satisfaction.

Hypothesis

Based on the above relationships, the following hypotheses have been formulated with values and organizational culture as the exogenous variables and organizational effectiveness as the endogenous variable:

Hypothesis 1: Employees' sulphitic values are positively associated with goal integration, group functioning, and satisfaction.

Hypothesis 2: Employees' self-realization values are positively associated with goal integration, group functioning, and satisfaction.

Hypothesis 3: Employees' socio-economic values are positively associated with goal integration, group functioning, and satisfaction.

Hypothesis 4: Employees' status enhancement values are positively associated with goal integration, group functioning, and satisfaction.

Hypothesis 5: Value-oriented culture has a significant positive relationship with goal integration, group functioning, and satisfaction.

Hypothesis 6: Humanistic culture has a significant positive relationship with goal integration, group functioning, and satisfaction.

Hypothesis 7: Conservative culture has a significant positive relationship with goal integration, group functioning, and satisfaction.

Hypothesis 8: Innovative culture has a significant positive relationship with goal integration, group functioning, and satisfaction.

Sample Design & Data Collection

We chose the consulting and banking sectors for our study as these sectors are good representations of diversity in a globalized world, but have largely been neglected in Indian researches. These sectors comprise a large population of employees from diverse geographical areas, values and culture and

provide useful insights into the impact on organizational effectiveness. The respondents were also rich in diversity of demographic profile in terms of age, gender, marital status, income status, tenure with current employer, and education.

An empirical approach for the study was adopted. A questionnaire - finalized after ensuring its reliability - seeking response on a five point Likert scale (1 being strongly disagree and 5 being strongly agree), along with a cover letter explaining the purpose of data collection, was randomly distributed from October, 2016 to March, 2017 via email, and in person to 300 junior and middle-level employees. A total of 240 responses were received, out of which 30 responses were omitted due to missing data. Thus, a usable sample of 210 responses was obtained, yielding a response rate of 70%. Majority of the respondents were women (52%). In terms of age, 58% of respondents were between 20 and 30 years, 32% between 31 and 40 years, 7% between 41 and 50 years, and remaining 3%, 51 years and above. The survey revealed that 47% were graduates, and the rest 53% post graduates. Among the respondents, 52% were single, 46% married, and remaining 2% divorced.

Measurement Instruments

Value System: Scale by Sinha (1990) on value grid was adopted to measure the level of values realized in the firm. There were 21 items in the questionnaire divided into 4 factors: Self-realization, sulphitic, status enhancement and socio-economic support.

Organizational Culture: Scale by Pareek (2006) on organizational culture was adopted to measure the culture of the organizations. The items in the questionnaire were divided into four sub-cultures: value-oriented, conservative, innovative and humanistic.

Organizational Effectiveness: Survey of organizations instrument by Taylor & Bower (1972) was used to measure organizational effectiveness. There were 14 items in the questionnaire divided into three factors: satisfaction, group functioning, and goal integration.

Exploratory Factor Analysis (EFA)

EFA was conducted to assess the unidimensionality of the constructs and identify any hidden dimensions (Ahire and Devraj, 2001). The adapted instruments have been used in a different cultural context and with different sample design, thus it was necessary to perform EFA to check its applicability in our context and design. Factor analysis was performed by principal axis factoring method using Varimax rotation at a significance level of $p < 0.05$, factors with Eigen value greater than one were retained. To determine the adequacy

of the data, Kaiser-Meyer-Olkin (KMO) test was carried out. When the value of KMO ranges between 0.5 and 1, the factor analysis is suitable and fit to use. In our data, KMO value has been computed as 0.832 which indicated the adequacy of the sample. The Bartlett's test of Sphericity was also significant, $p = 0.000$. As shown in Table 2, eleven items were retained to make the scale more comprehensive and relevant for the consulting and banking sectors. We eliminated items having Eigen value less than 1 or those loading on more than one. Based on our sample, four factors have been extracted through exploratory factor analysis which explained 60% of the variance. These four factors were value-oriented culture, humanistic culture, innovative culture and conservative culture. Each of these factors has Eigen value of more than one and thus were retained. Similarly, after EFA, all four values - Self-realization, sulphitic, status enhancement and socio-economic support, and all three factors of organizational effectiveness - goal integration, job satisfaction and group functioning, were retained as per the original instruments developed by Sinha (1990) and Taylor & Bower (1972).

Table I Cronbach's Alpha for Various Factors

Scale/ subscale	No. of factors	Cronbach's alpha
Effectiveness	3	.833
Satisfaction	6	.874
Goal integration	2	.803
Group functioning	6	.839
Values	4	.869
Self-realization	6	.853
Sulphitic values	4	.655
Socioeconomic support	6	.752
Culture	6	.803

Table 2 Factor Loadings from the Result of EFA of Organizational Culture

Factor	Variable Name	Eigen Value
Factor1 Value Oriented Culture	VU4	.760
	VU7	.810
Factor 2Conservative Culture	CONS1	.706
	CONS2	.764
	CONS3	.696
Factor 3Innovative Culture	INNO1	.676
	INNO2	.649
	INNO3	.622
Factor 4Humanistic Culture	HUM 1	.678
	HUM 2	.599
	HUM 3	.705
Total Variance Explained		64.960

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 9 iterations

Reliability

Reliability is defined as the ability to provide consistent and stable results by assigning the same score on repeated administration of the instrument. The widely used reliability coefficient is the Cronbach’s alpha, which estimates internal consistency based on the average inter-item correlation. The value of Cronbach’s alpha coefficient lies between 0 and 1. It is recognized by scholars that value closer to 1 indicates more internal consistency between the items or variables in the scale. The various Cronbach’s alpha values of the scale are given in Table I.

Table I shows that organizational effectiveness, measured using 14 statements, are subdivided into three factors, and the scale exhibits high reliability as reflected by alpha value 0.833. The three subscales have a high reliability ranging from 0.803 to 0.874. Further, values mea-

sured using a 21 item scale, subdivided into four factors – also exhibit a high reliability as reflected by alpha value 0.869. The four subscales have moderate to high reliability, ranging from 0.655 to 0.869. Similarly, Cronbach’s alpha for organizational culture is also high at 0.803. High reliability scores (more than 0.7) indicated that scales were reliable for analysis (Kapetaneas et al., 2015). Before proceeding further, the normality of the factors was checked. There was no violation - skewness and kurtosis were within the acceptable range, and all assumptions of data normality were satisfied.

Confirmatory Factor Analysis (CFA)

Confirmatory Factor Analysis was employed on the original version of the scale using AMOS 18 to check the model fitness. This method is used to test the discriminant and convergent validity of the model. It tests whether the model has a significant amount of reliability and

validity before proceeding for Structured Equation Modeling (SEM) (Garg & Chauhan, 2015). Fig. 2 shows the measurement model where the four value types - self-realization, sulphitic, status enhancement, and socio-economic, and organizational culture - represented by value-oriented culture, humanistic culture, innovative culture, and conserva-

tive culture, impact organizational effectiveness factors such as goal integration, satisfaction, and group functioning. This model shows that values have been measured by 21 items, culture by 11 statements and organizational effectiveness by 14 statements. The measurement model fits the data satisfactorily as shown in Table 4.

Table 3 Properties of the Scale Used in the Study

Factors	CR	AVE
Effectiveness	.864	.690
Values	.967	.880
Culture	.782	.499

CR: Composite Reliability; AVE: Average Variance Explained

Table 4 Measurement Model Evaluation: Summary of Goodness of Fit

FIT Statistics	Model Fit Indices	Desired value
TLI	.889	.90 or higher
NFI	.962	.90 or higher
IFI	.812	.90 or higher
CFI	.908	.90 or higher
RMR	.05	.05 or lower

Convergent validity measures whether variables of a specific construct have common variance (Hair et al., 2010). This is measured on the basis of factor loadings. The factor loadings should be more than 0.50 to have convergent validity (Hair et al., 2010). Table 2 shows that all the factor loadings were more than 0.50.

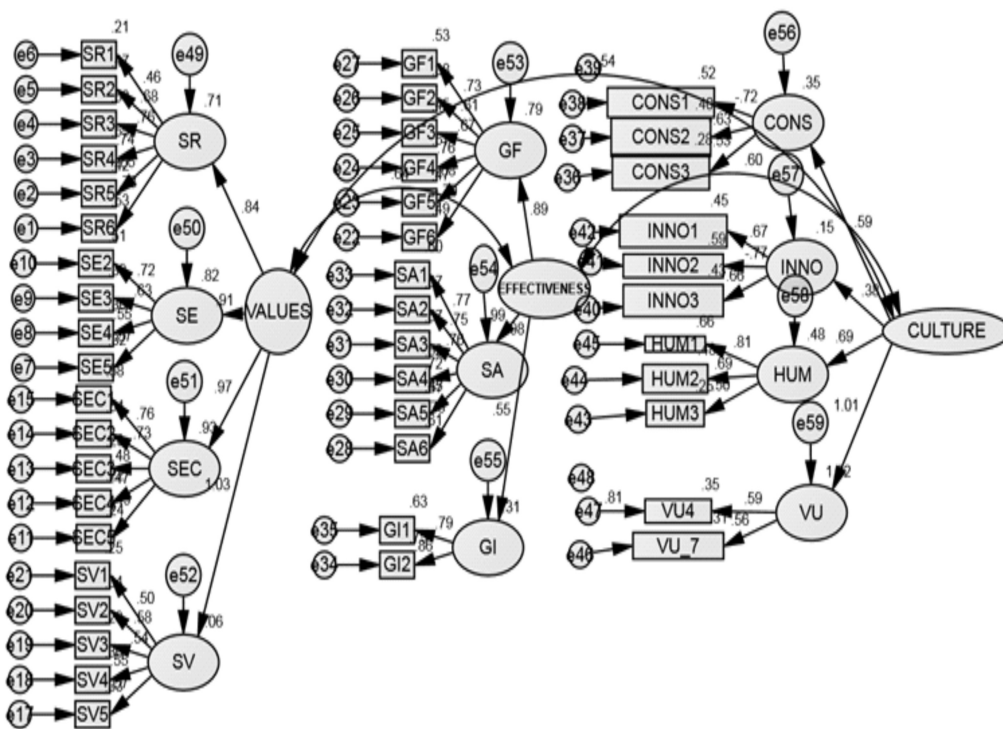
Discriminant Validity measures whether the constructs are different from each other (Hair et al., 2010). It is measured on the basis of correlation among the constructs and average variance extracted (AVE). AVE should be more than 0.5. Table 3 shows that AVE

was greater than 0.5 in case of values and organizational effectiveness, and 0.499 in case of culture.

Composite Reliability measures the reliability of the CFA model. A value greater than 0.7 is considered satisfactory (Hair et al, 2010). In Table 3, all the factors had a CR value of more than 0.7.

Model Fitness: Several tests were carried out to ensure robustness of model fitness. Goodness of Fit index (GFI) is a marker of proportion of covariance, and ranges from 0 to 1. Root Mean Residual (RMR) is associated with residual in the trust model. It ranges from 0 to 1, where

Fig. 2 CFA of the Factors



smaller RMR predicts better model. Higher values of Incremental Fit Index (IFI), Normed Fit Index (NFI), and Comparative Fit Index (CFI) predict a better model. Table 4 shows that our model fits the data since values of GFI (0.889), CFI (0.908), NFI (0.962), and IFI (0.812) are at acceptable levels, being greater than or close to 0.90 benchmark (Hair et al., 2010). Further, RMR value at 0.05 is also acceptable.

Structured Equation Modeling (SEM)

Structured Equation Modeling is used to test the hypothesis. We used SEM to predict the relationship between diverse personal values, organizational culture,

and organizational effectiveness. SEM comprises two components namely the measurement model and the statistical model. It is the second generation multivariate technique that combines multiple regression with CFA to analyze simultaneously the interrelationships among the constructs. This method estimates path strengths and direction of relationships among constructs. Using SEM, we tested the relationship between the four types of values, and the four types of organizational culture with the three dimensions of organizational effectiveness simultaneously.

Structural Model: The hypothesized conceptual model was tested using SEM. Table 5 shows that the model, as per the

Table 5 Goodness of Fit of the Whole SEM Model

FIT Statistics	Model Fit Indices
TLI	.870
NFI	.910
IFI	.821
CFI	.892
RMR	.05

relevant indices, is adequate and fit for purpose. TLI, NFI, IFI, CFI values are 0.870, 0.910, 0.821, 0.892 respectively. RMR is 0.05, which is acceptable, and Goodness of Fit measure is close to the threshold limit. Thus this study has considered the proposed model for further analysis.

Testing of the Hypotheses

The SEM diagram in Fig. 3 pertains to results of the hypothesis tests where beta values explain the impact of values and culture on organizational effectiveness. The analysis was conducted using SPSS and AMOS statistical software. The results of SEM (Fig. 3) show that values and organizational culture impact organizational effectiveness significantly.

Majority of the hypotheses were accepted. R² value explains the strength of the model. In our study, 58.9% variation in organizational effectiveness is explained by individual values and organizational culture.

Values and organizational culture impact organizational effectiveness significantly.

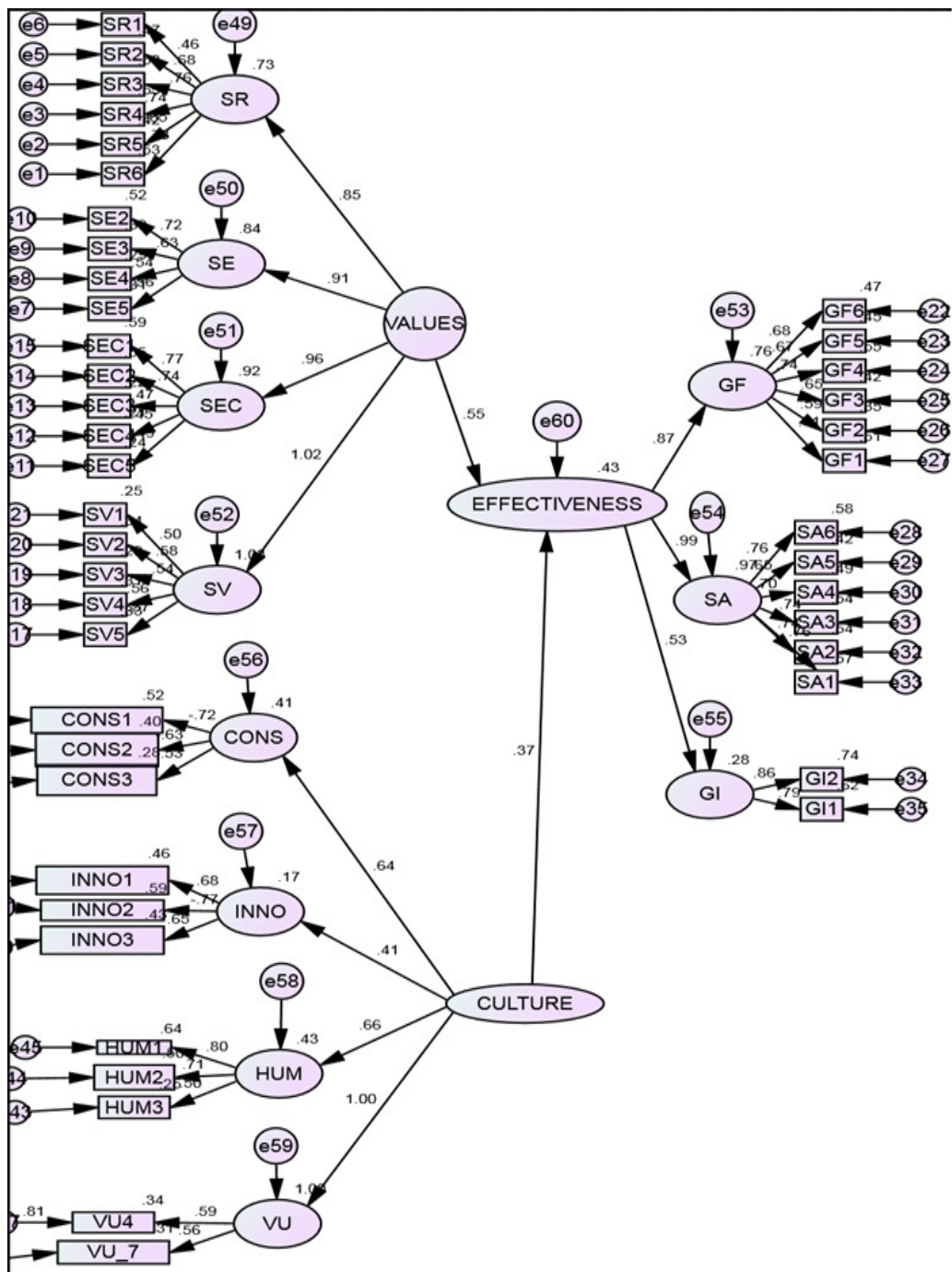
Table 6 presents the relationship of the exogenous variables - values and organizational culture, with the endogenous variable - group functioning. Self-realization values (beta=0.246, p=0.001), status enhancement values (beta=0.167, p=0.049), sulphitic values (beta=0.147, p=0.002), and socio economic values (beta=0.577, p=0.002) have a significant

Table 6 Relationship between Employees' Values, Organizational Culture & Group Functioning

Factors	Beta	Significant
SR	.246	Significant
SE	.167	Non –Significant
SV	.147	Significant
SEC	.577	Significant
VU	.867	Significant
HU	.350	Significant
INNO	.196	Non – Significant
CONS	.132	Significant

Paths are significant at p < .05 , SR- Self Realization, SE- Status Enhancement, SEC- Socio-Economic , SV- Sulphitic Values, VU- Value Oriented, HU- Humanistic Culture, CONS- Conservative Culture, INNO- Innovative Culture , GF- Group Functioning (Endogenous variable)

Figure 3 SEM Model Depicting the Relationship between Organizational Culture, Individual Values and Organizational Effectiveness



positive relationship with group functioning. Similarly, except for innovative culture (beta=0.196, p=0.231), value oriented culture (beta=0.867, p=0.000), humanistic culture (beta=0.350, p=0.004), and conservative culture (beta=0.132, p=0.003) have a significant and positive relationship with group functioning.

Table 7 presents the relationship between exogenous variables - values and organizational culture – and the endogenous variable - satisfaction. Except for status enhancement values (beta=0.202, p=0.222), self-realization values (beta=0.334, p=0.000), sulphitic values (beta=0.305, p=0.037) and socio-economic values (beta=0.582, p=0.033) have significant and positive relationship with satisfaction. Similarly, value oriented culture (beta=1.713, p=0.000), humanistic culture (beta=0.277, p=0.017), innovative culture (beta=0.032, p=0.002) and conservative culture (beta=0.060, p=0.003) have significant and positive relationship with satisfaction.

Value oriented culture, humanistic culture, innovative culture and conservative culture have significant and positive relationship with satisfaction.

Value oriented culture, humanistic culture, innovative culture and conservative culture have significant and positive relationship with satisfaction.

Table 7 Relationship between Employees’ Values, Organizational Culture & Satisfaction

Factors	Beta	Significance
SR	.334	Significant
SE	.202	Non –Significant
SV	.305	Significant
SEC	.582	Significant
VU	1.713	Significant
HU	.277	Significant
INNO	.032	Significant
CONS	.060	Significant

Paths are significant at $p < .05$, SR- Self Realization, SE- Status Enhancement, SEC- Socio Economic, SV- Sulphitic Values, VU- Value Oriented, HU- Humanistic Culture CONS- Conservative Culture, INNO- Innovative Culture, and SA- Satisfaction (Endogenous Variable)

Table 8 presents the relationship between exogenous variables - values and organizational culture – and the endogenous variable - goal integration. Except status enhancement (beta=0.119, p=0.381), self-realization (beta=0.473, p=0.001), sulphitic values (beta=0.676, p=0.003) and socio-economic values (beta=1.156, p=0.000) have a significant and positive relationship with goal integration. Similarly, except for humanistic

culture (beta= -0.135, p=0.002) which has a negative relationship with goal integration, value oriented culture (beta=1.383; p=0.000), innovative culture (beta=0.227, p=0.001) and conservative culture (beta=1.220, p=0.000) have a significant and positive relationship with goal integration.

Hypotheses 1 to 4 highlight the relationship between diverse employees’

Table 8 Relationship between Employees’ Value System, Organizational Culture & Goal Integration

Factors	Beta	Significance
SR	.473	Significant
SE	.119	Non –Significant
SV	.676	Significant
SEC	1.156	Significant
VU	1.383	Significant
HU	-.135	Significant
INNO	.227	Significant
CONS	1.220	Significant

Paths are significant at $p < .05$, SR- Self Realization, SE- Status Enhancement, SEC- Socio Economic , SV- Sulphitic Values, VU- Value Oriented, HU- Humanistic Culture, CONS- Conservative Culture, INNO- Innovative Culture, GI- Goal Integration (Endogenous Variable)

values and organizational effectiveness. Hypotheses 1, 2 and 3 were supported by the analysis results as sulphitic values, self-realization values, and socio-economic values were positively and significantly related to all the variables of organizational effectiveness. Hypothesis 4 was not supported by the analysis results as there was no relationship between status enhancement values and organizational effectiveness factors.

Hypotheses 5 to 8 highlight the relationship between organizational culture and organizational effectiveness. Hypotheses 5 and 7 were supported by the analysis results since there is a significant and positive relationship between value-oriented culture, as well as conser-

vative culture with organizational effectiveness variables. Partial support was found for hypothesis 6 and 8 as humanistic culture was negatively related to goal integration, and there was no relationship between innovative culture and group functioning.

Discussion & Conclusion

Managing a large and diverse workforce is a challenging task for organizations. To understand the impact of diversity on organizational effectiveness, this paper has discussed diversity in terms of value system of employees and organizational culture - empirically exploring the relationship of the dimensions of the two constructs with the former in the Indian context. As not much empirical evidence is available on their relationship, this paper fills a significant research gap by studying their relationship in a single study. The study is of much relevance in a diverse, competitive and multicultural country like India.

Humanistic culture was negatively related to goal integration, and there was no relationship between innovative culture and group functioning.

With a few exceptions, the findings of the study support the proposed model that employee values and organizational culture impact organizational effectiveness. Except status enhancement values, all other values - self-realization, sulphitic, and socio-economic - have significant relationship with organizational effectiveness factors such as goal integration, group functioning, and satisfaction. Self-realization values like achievement, advancement, ability utilization, socio-economic values such as social interaction, relationships, and working conditions, and sulphitic values such as creativity, and risk-taking, have an impact on all the dimensions of organizational effectiveness (goal integration, group functioning, and satisfaction). These results are consistent with assertions made by Chatman et al. (1991), Connor & Becker (1975), Schneider (1987), Sinha (1990), and White (2005). Organizations will therefore do well to realize the diverse value systems of the employees to boost their morale and confidence. That status enhancement value was found to have no relationship with organizational effectiveness dimensions is also intuitively appealing, since status has more to do with personal ego gratification, is divisive, and does not relate to the job being performed.

Status has more to do with personal ego gratification, is divisive, and does not relate to the job being performed.

The results of our study on the relationship between organizational cul-

ture and organizational effectiveness are also largely consistent with the hypothesis. Value oriented culture was found to be positively related to all the dimensions of organizational effectiveness. These findings corroborate the findings of Odom et al. (1990) who concluded that this culture instills a sense of satisfaction and commitment among employees towards the organization, improves group functioning, and enhances effectiveness as a whole. Similar results were found by Park & Kim (2009). Value-oriented culture also nurtures social relationships and encourages cooperative behaviors and teamwork (Berson et al., 2008; Erkutlu, 2012). In another study, Hartnell et al. (2011) found that this culture has the strongest relationship with satisfaction and goal integration; thus our study supports past researches.

Conservative culture was also found to have a positive and significant relationship with all the dimensions of organizational effectiveness. The finding is in line with assertions by Bamel et al. (2013) that enhanced role clarity and ambiguity tolerance increase employee satisfaction and goal achievement.

Our finding of significant positive relationship of innovative culture with satisfaction and goal integration dimensions of organizational effectiveness is also supported by Prajogo & Dermote (2011). This culture empowers employees to undertake risky and challenging tasks, which boosts their confidence and motivation, resulting in higher satisfaction and overall effectiveness. That it

was found to have no relationship with group functioning is also plausible and intuitively appealing as innovation stems more from personal creativity than group-think.

Humanistic culture has a positive relationship with group functioning and satisfaction, and negative relationship with goal integration.

Finally, our study shows that humanistic culture has a positive relationship with group functioning and satisfaction, and negative relationship with goal integration. The positive association between group functioning and satisfaction dimensions of organization effectiveness with humanistic culture is intuitively amenable due to the latter's focus on competency and interrelationships. This is supported by Hartnell et al. (2011) who found that humanistic culture prompts smooth functioning and teamwork. However, the finding of negative relationship with goal integration appears counter-intuitive. This view is reflected in the conflicting results of other studies. While the findings of one set of studies that culture with more rules and regulations, and hierarchy, results in less effectiveness (Turnipseed, 1988), and is negatively related to goal integration (Erkutlu, 2012) supports our counter-intuitive findings, another study (Marcouldes & Heck, 1993) stated that more formal structures and management practices help in achieving the group and team goals. We therefore recommend further exploration of this aspect of relationship.

This study, in the Indian context, makes some major contributions. First, it empirically examines the association between various organizational behavior variables (individual values and organizational culture) and organizational effectiveness. Second, it concludes that socio economic values and value oriented culture are major contributors to organizational effectiveness as they have the highest beta values (Tables 6, 7 and 8). Lastly, those cultural dimensions that have widespread applicability, but are less researched, have been empirically tested.

To conclude, this study was successful in examining the diversity factors affecting organizational effectiveness in the Indian context from two perspectives - values and organizational culture. Socio economic values and value-oriented culture are the most significant contributors to organizational effectiveness. Results are consistent with past theories and results elsewhere.

Managerial Implications

Practitioners can utilize these findings to increase organizational effectiveness. Human Resource managers need to customize their practices to better align with employees' values. Managers would do well to focus on achievement of self-realization values as these contribute most to organizational effectiveness. Since value oriented culture has emerged as the most effective culture, managers must formulate strategies to build such a culture to boost effectiveness. That no re-

relationship was found between innovative culture and group functioning is a major challenge for managers as both are desirable in an organization. Managers would do well to motivate group members to encourage innovative endeavors of individuals. Finally, we recommend further exploration of relationship between humanistic culture and goal integration due to the counter-intuitive nature of the findings.

Limitations

This study may have certain limitations in terms of applicability as a result of being conducted only in the consulting and banking sectors. Increasing the sample size, as well as geographical area to cover areas other than Delhi-NCR could add to the robustness of research. Future research could also explore role of mediators and moderators while examining impact of organizational culture and individual values on organizational effectiveness.

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