

Organizational Culture as a Tool for Sustainable Development: A Study on ONGC

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Abstract

Work culture evolves in response to the demands placed on and perceived by the organization members over a given period of time. With a change in demand patterns, both internal and external, the prevailing work culture would tend to become a hindrance to the capability of employees to re-define the transformed reality and to re-direct their responses in meeting the challenges. Work Culture thus becomes the main focus of any organizational change efforts which can provide the basic principles and conceptual framework around which organizational structures and processes are designed for sustainable development. It is therefore, necessary to assess the existing work culture with the goal of developing a responsive work culture that may enable the organization to gain, retain and maintain competitive edge in the world of business.

This paper intends to find that how far OCTAPACE culture plays an important role in enhancing employee and organizational effectiveness. The importance of this lies in the fact that culture reflecting OCTAPACE can be viewed as an approach to supplement organizational strategy and to develop the capabilities of the organizational members for continuous growth. To understand the dimensions of culture and sustainable development, the study has been conducted at ONGC and data was collected from different levels in the organization. Instrument developed by Udai Pareek, has been used to collect data which,

indicated that ethos in ONGC is at an average level. It has emerged that some of the values are distinguished enough to make the culture a performance oriented culture.

Public sector enterprises play a significant role in the all round development of the country. They need to operate at the maximum level of efficiency and productivity. Productivity improvement in their working gives a fillip to national economy and prosperity for the entire nation. In order to introduce the spirit of productivity and efficiency of the workforce, there is a need to develop a new work ethic as well as corporate culture.

Key Words: Organization Culture, Sustainable development, Public sector enterprises

I. Introduction

Work Culture evolves in response to the demands placed on and perceived by the organization members over a given period of time. With a change in demand patterns, both internal and external, the prevailing work culture would tend to become a hindrance to the capability of employees to re-define the transformed reality and to re-direct their responses in meeting the challenges. The culture thus cannot be left to evolve on its own through evolutionary process of change. There has to be a deliberate and conscious effort to design such cultures as are capable of withstanding and proactively responding to challenges in this age of increased uncertainty, discontinuity, unpredictability and complexity (Srivastava, 2007). Work Culture thus becomes the main focus of any organizational change efforts which can provide the basic principles and conceptual framework around which organizational structures and process are designed for sustainable development. It is therefore, necessary to assess the existing work culture with the goal of developing a responsive work culture that may enable the organization to gain, retain and maintain competitive edge in the world of business.

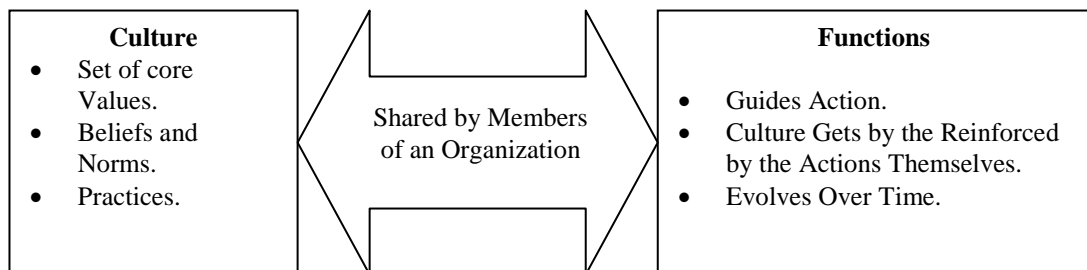
This paper intends to find that how far OCTAPACE culture plays an important role in enhancing employee and organizational effectiveness, thus leading to sustainable development. Importance of this lies in the fact that culture reflecting OCTAPACE can be viewed as an approach to supplement organizational strategy and to develop the capabilities of the organizational members for continuous growth. To understand the dimensions of culture and sustainable development, the study has been conducted at ONGC and data was collected from different levels in the organization. Instrument developed by Udai Pareek, has been used to collect data which indicated that ethos in ONGC is at an average level.

Public sector enterprises play a significant role in the all round development of the country. They need to operate at the maximum level of efficiency and productivity. Productivity improvement in their working gives a fillip to national economy and prosperity for the entire nation. Public sector enterprises have twin objectives viz, commercial and non-commercial. In a private enterprise, the process of goal setting is comparatively simpler and is primarily influenced by economic considerations. In a public enterprise, goal setting is a complex socio-techno economic process, which is influenced by the perceptions of different stakeholders namely, employees, government, politicians and society.

II. Organizational Culture

Organizational culture plays a very significant role in making organizations get the best out of themselves. Culture provides the energy needed to function well by ensuring that there is proper circulation of blood through all organs.

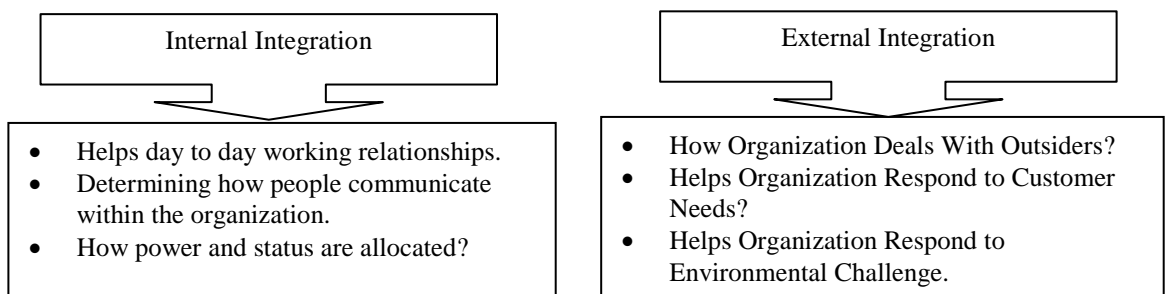
Organizational culture shapes the values and beliefs of the members. Organization culture is defined as shared managerial beliefs and assumptions about employee nature and behavior (Ayeen et al., 2002) Geert Hofstede (1980) has clearly brought out a strong influence of culture in organizational working. Linda Smircich (1985) brought out the direct link between concepts of culture and organizational behavior. Pettigrew (1979) referred culture as a system of publicly and collectively accepted meanings operating for a given group. Louis (1983) also came up with the idea of common understanding. Thus it is rational and logical to say that culture with its different dimensions has a significant influence on organization's performance. Organizational culture is concerned with how employees perceive the characteristics of an organization's culture, not with whether or not they like them. That is, it is a descriptive term. It also represents a common perception held by the organization's member. Culture plays an important role in shaping any organization. It evolves with the business perspective, internally and externally.



Schein (1985) proposed culture as a cumulative preference for some states of life over others (values), the predispositions concerning responses towards several significant issues and phenomenon (attitudes), organized way of filling time in relation to certain affairs (rituals), a ways of promoting desired behaviors and preventing undesirable ones (sanctions).

The conception of organizational culture advanced by Schein (1985) also holds the notion of collective understandings. It has been defined as the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and 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 these problems.

Schein further argues that to understand the content and dynamics of culture, one should know those aspects, which provide information about how basic assumptions arise and why they persist. He categorizes these aspects into two groups viz., external adaptation and internal integration as shown in figure below.



Source: adapted from Hatch M J

Organizational culture is considered as an internal variable which means that there is something that organization has. This perspective of culture has been taken by a number of researchers. It has been described as a set of assumptions (Schein, 1985), rituals and ceremonies (Deal and Kennedy, 1982), shared management practices (Hofstede, 1998) and shared values (O' Reilly, 1991). Peters and Waterman (1982) argued that a strong culture distinguishes successful organizations from their organizations. They emphasized that any organization, in order to survive and achieve successes, must have a sound set of beliefs. If an organization has to meet the challenge of a challenging work, it must be

prepared to change everything about itself except those beliefs as it moves through corporate life. They argued that the “Soft” is hard.

Ouchi (1980) viewed that strong culture facilitates coordination and communication and these give strong-culture companies a competitive advantage over their competitors.

Among these the theory propounded by Edgar Schein has been most influential in understanding organizational culture. Culture exists at three levels ranging from latent to manifest. At the latent level lies a core of beliefs and assumption, in middle the values and at the manifest level are artifacts. Schein believes that the core of basic assumptions and belief is the essence of culture. This core guides the values and behavioral norms, which the members recognize, respond to and maintain.

Pareek (1988) relied on the functionalist approach to study culture. Culture related concepts can be seen as multi-level concepts. Values, beliefs attitudes and norms are inter-related. Pareek (1997) discussed the concept of ethos, as the underlying spirit of character or group and is made of its beliefs, customs or practices. At the base of ethos is the core value i.e., “people need to vie and get something from the occupation that goes beyond simply earning a salary”.

A healthy organizational culture rests on eight strong pillars of “OCTAPACE” referring to Openness, Confrontation, Trust, Authenticity, Proactive, Autonomy, Collaboration and Experimentation. Udai Pareek and T.V. Rao pioneered the concept of HR Culture and propounded the OCTAPACE culture. These values are discussed below.

A. *Openness:* The spontaneous expression of feelings and thoughts, giving the receiving feedback are the outcomes of openness.

- B. Confrontation:** It is defined as facing rather than shying away from problems. Deeper analysis of interpersonal problem is also confrontation.
- C. Trust:** It is defined as maintaining the confidentiality of information provided by others and not misusing it.
- D. Authenticity:** Congruence should be there in what one feels, says and does.
- E. Proaction:** It means taking the initiative, preplanning and taking preventive actions. Autonomy: It means using and giving freedom to plan and act in one's own sphere.
- F. Collaboration:** Collaboration is giving help to others and asking for help, and working together.
- G. Experimenting:** This means using and encouraging innovative approaches to solve problems, encouraging creativity, and taking a fresh look at things.

III. Oil and Natural Gas Corporation Ltd.

ONGC is a blue chip and leading public sector company in India and is engaged in E&P (Exploration and Production) activities in India and overseas. It is the only fully-integrated petroleum company in India, operating along the entire hydrocarbon value chain. It is not only the largest E&P Company in India but also one of the most valuable companies. Moody's has assigned ONGC Baal-highest ever credit rating to any Indian corporate.

ONGCs success rate is at par with the global norm and is elevating its operations to the best-in-class level, with the modernization of its fleet of drilling rigs and related equipment. It has a unique distinction of being a company with in-house service capabilities in all the activity areas of exploration and production of oil and gas and related oil field services. It is the only fully integrated petroleum company in India, operating along the entire hydrocarbon value chain:

- Holds largest share (57.2 per cent) of hydrocarbon acreages in India.
- Contributes over eighty four percent of India's oil and gas production.
- Every sixth LPG cylinder comes from ONGC.

ONGC has adopted best-in-class business practices for modernization, expansion and integration of all:

- Changing people: Recruiting people of different profiles.
- Changing people's Position: Right people on right jobs.
- Changing beliefs and attitudes: Encouraging mutual trust and co-operation.
- Changing systems: Using information as a tool rather than power.
- Changing structure: Empowering frontline managers to take decisions.
- Changing the corporate image: To get internal and external positive attitude with focus on stakeholder's interest.

IV. Objectives of Study

1. To assess the organizational ethos, culture of ONGC on eight dimensions namely, OCTAPACE.
2. To find out the reasons behind the deterioration of culture (if any).

V. Research Methodology

Research design used was descriptive in nature. OCTAPACE profile is a 40-item instrument giving the profile of organization's ethos on eight values was used for the study. Population of interest was the employees of ONGC (Delhi), which include both management and working staff. A total of four hundred employees was the population. Out of which a sample of one hundred employees was taken using systematic sampling

method. Every fourth element in the list was selected, which formed the part of sample. Sampling frame was the employee list provided by the company. Data has been collected from the employees and management using a standard questionnaire.

The staff was divided into the three broad groups, i.e.,

E1 – E3 – Jr. Management.

E4- E5 – Middle Management.

E6 & Above – Sr. Management.

Where E1, E2, E3..... represents the executive level. All the employees and management staff was included in this level, final selection of respondents was done using systematic sampling method from these three different executives group.

The important statistical measures that we used to summarize the research data are: measures of central tendency of statistical average and measure of dispersion. In “OCTAPACE Profile data” the mean value of scores of each variable out of eight variables has been calculated. Similarly the mean value of total scores of all eight variables, have been calculated. This provides overall OCTAPACE profile score of the organization.

VI. Analysis and Interpretation

In case of OCTAPACE profile data, the answer sheet is suitably designed to tabulate the scores of eight OCTAPACE variables. Classification of scores in each OCTAPACE variable has been made with the available pattern of score; lowest and highest score for each of the eight dimensions have been obtained from the responses. The classification of each variable is shown in table 1 below.

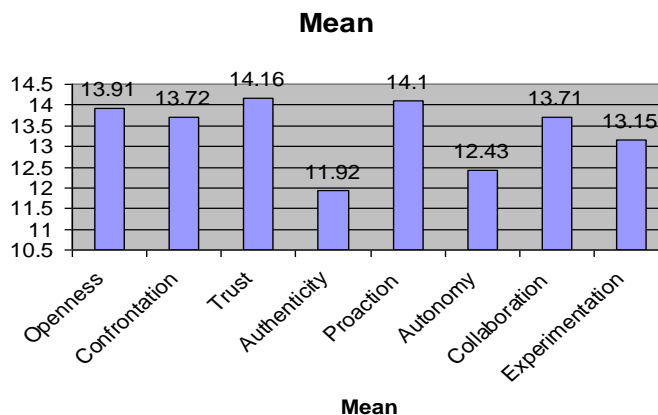
Table 1: Classification of OCTAPACE Profile

OCTAPACE Dimension	Lowest Score	Highest Score
Openness	6	19
Confrontation	5	19
Trust	7	20
Authenticity	6	17
Proaction	5	20
Autonomy	7	16
Collaboration	5	18
Experimentation	6	18

Mean value of score obtained from one hundred respondents on eight dimensions using the instrument have been compiled and presented in table II and chart below.

Table 2: Classification of OCTAPACE Profile

OCTAPACE Dimension	Mean (N – 100)	SD
Openness	13.91	2.74
Confrontation	13.72	2.68
Trust	14.16	2.45
Authenticity	11.92	2.37
Proaction	14.10	2.81
Autonomy	12.43	2.08
Collaboration	13.71	2.44
Experimentation	13.15	2.27
Total	= 107.1	

**Chart 1: Means Scores of OCTAPACE**

Pareek while conducting the cultural survey (1997) came up with the tentative norms, based on the values of mean and standard deviation. Table 3 summarizes those norms. These norms indicate the lowest and highest mean value of each dimension taken, i.e., range of each dimension.

Table 3: Tentative Norms for the OCTAPACE- Profile

	Low	High
1. Openness	13	17
2. Confrontation	10	16
3. Trust	10	16
4. Authenticity	10	14
5. Proaction	12	18
6. Autonomy	11	16
7. Collaboration	13	17
8. Experimentation	11	16
Total	= 90	=130

On comparing table 2, which shows the mean value of eight dimensions obtained from research, with tentative norms given in table 3, it was found that the scores of Confrontation, Trust, and Experimentation are much satisfactory as compared to the scores of other dimensions, as they lie in the medium to high range. The major problem areas that emerge out in this study are Openness and Collaboration, scores of these 2 dimensions are tending towards the lowest side, while the scores of rest of the dimensions namely Authenticity, Proaction and Autonomy were satisfactory/ average.

Besides tabulating the overall OCTAPACE cultures score for the company, level-wise OCTAPACE- score was also calculated to find out whether the picture/ pattern that exists at overall organization level is same as that exists at individual level. For this, all the employees and management staff was grouped in three broad levels using systematic sampling:

E1-E3 – Jr. Management — 42 respondents out of 168.

E4-E5 – Middle Management — 42 respondents out of 168.

E6 & above – Sr. Management — 16 respondents out of 64.

Mean values of OCTAPACE profile in these three executive levels are summarized in table 4. Although the analysis of overall OCTAPACE profile scores in three executive levels do not show much significant difference in the organizational ethos, as the total cultural scores at all the three levels are almost the same. However there are slight variations in the scores when analyzed at individual levels, which is summarized in chart 2. As for example, variations are observed in the scores of Openness, Authenticity and Experimentation. Openness is high in E6 and above level, Authenticity is low in the first two levels (E1-E3 & E4-E5) and Experimentation has come up to be highest in the first level (E1-E3).

Table 4: Comparative OCTAPACE Profile of Executive Levels

OCTAPACE Dimension	Overall Mean	E1-E3 Executive level	E4-E5 Executive level	E6 & above Executive level
Openness	13.91	13.86	13.38	14.13
Confrontation	13.72	13.21	13.14	13.31
Trust	14.16	13.83	13.88	13.75
Authenticity	11.92	11.88	11.83	12.38
Proaction	14.10	13.81	13.93	13.50
Autonomy	12.43	12.38	12.21	12.56
Collaboration	13.71	13.48	13.50	13.56
Experimentation	13.15	13.17	12.93	12.88
Total	= 107.1	=105.62	=104.80	=106.07

Comparative Analysis (Level Wise)

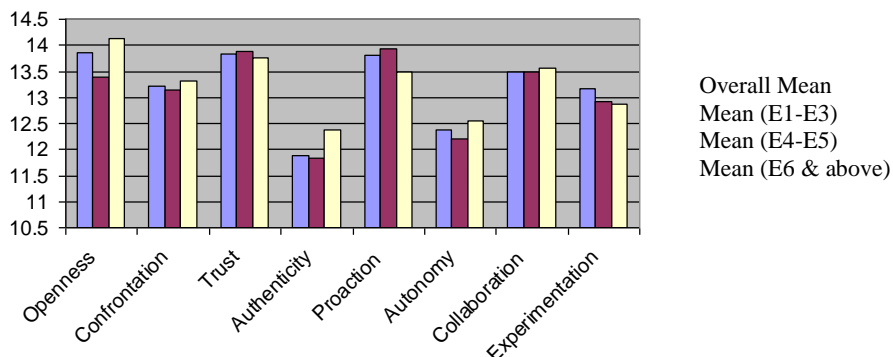


Chart 2: Comparative OCTAPACE Profile of three Executive levels

Overall Culture Score (A Comparative View): As per the tentative norms given by Pareek (1997), the overall culture score of an organization can range from a minimum ninety to a maximum of one hundred thirty. In the present study, the overall OCTAPACE culture score for ONGC has come up to be 105.35. If we compare this score with the overall culture score that we have found for the three different levels, not much difference is observed (table 5 & chart 3).

Table 5: Total OCTAPACE – Score

Levels	Total OCTAPACE Score
E1- E3	105.62
E4- E5	104.81
E6 & Above	106.06
All Levels	105.35

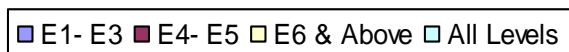
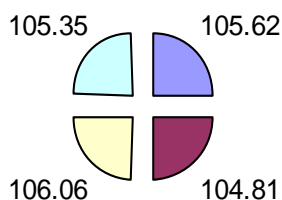


Chart 3: Total OCTAPACE – Score

VII. Findings

The study has provided useful inputs which management can use to restructure its corporate functions and build a strong culture. Following are the findings of the study:

1. The study of OCTAPACE culture, that constitutes the core values of organizational ethos have been found to be at the average level. As per the tentative standards given by Pareek, the overall organization's culture score can range from 90-130. In the present study, the overall culture score for ONGC has come out to be 105.35.
2. OCTAPACE study has revealed that, the scores of Confrontation, Trust and Experimentation are fairly good whereas there is lack of Openness and Collaboration among employees. Scores of other dimensions namely, Authenticity, Proaction & Autonomy have come up to be at satisfactory/ average level.
3. On analyzing the overall OCTAPACE, more emphasis may be given on building teams in the organization and the top management may appreciate collaborative efforts.

It has been observed that there is not much difference in the culture score of three executive levels, but slight variations have been observed while analyzing scores of individual dimensions:

- Openness is higher in E6 and above level as compared to the other levels.
- Authenticity is low at the first two levels, i.e., E1-E3 & E4-E5.
- Experimentation has come up to be highest in E1-E3 level.
- Overall culture score has come up to be highest at E6 and above level, i.e., 106.7

VIII. Implications of Findings

1. The high scores on three dimensions, namely, Confrontation, Trust and Experimentation indicate that:

2. Employees are facing the problems and challenges they confront in the work situation and not run away from it. They go deeper into the problems, analyze them and try to find the solution.
3. Employees believe in helping and supporting each other. They trust their seniors, subordinates and peers and rely on each other without any fear in time of crisis.
4. Organization and employees believe in experimenting with their work and not just follow tried and tested ways. Organization is also taking initiative to change behavior of their employees by providing them constructive feedback, so that they can better gel-up with their work and organization.

The major problem areas that emerge out in this study are Openness and Collaboration, scores of these 2 dimensions are tending towards the lowest side. It indicates that:

- Although from the above results we inferred that employees trust each other and do provide help when needed. But at the same time there is lack of openness among them. They do not freely discuss and communicate their problems and ask for help. During meetings or discussions, they do not come up with genuine information, feeling and thoughts, due to which there exist a gap between actual feelings and perceived feelings/behavior. Thus a culture of seeking help and support when the need arises may be developed.
- Employees do not like to work often in teams, as they feel working in a team dilutes individual accountability. They like to help, but do not accept and appreciate the help provided by others. Employees are more concerned with finishing the immediate task rather than focusing on large organizational goals. Thus more emphasis may be given on building teams in the organization and the top management may appreciate collaborative efforts.

While comparing level-wise score for each dimension, variations have been observed in the scores of Openness, Authenticity and Experimentation.

1. Openness has come up to be higher in E6 and above level as compared to other levels. This implies that employees at senior post are communicating and interacting freely while employees at lower level are unable to share their problems with each other.
2. Authenticity is low in the first two levels, i.e., E1-E3 and E4-E5; this implies that employees at these levels do manipulations to get things done. They are not what they appear to be. They think that instead of telling truth it is good to tell a polite lie.
3. Experimentation has come up to be highest in E1-E3 level, which means that employees are trying new and innovative means to solve problems. They believe in taking fresh look at how things are done but these new ideas and ways are not valued much at superior level. This is due to the fact that promotions at junior level are time bound, while at upper level it is merit based. So employees at these levels hesitate to try out new ways, due to the risk attached.

IX. Conclusion

Organization where the focus is not trust, collaboration and authenticity – the positive attributes – perform better and become more productive. Fighting and adjusting to the negative attributes require patience and a lot of energy is wasted to cope with negativity shown by employees. Culture, which is based on negativity breeds, negative energy and degenerates the organizational process. In the course of time it is reflected in the poor performance of the organizational members and ultimately of the organizations. Ethos that fosters honesty and trust, replenish member's energy, build collective strength and develop emotionally intelligent culture. Thus, a positive workplace atmosphere deriving out of the unique culture is worth developing, as it becomes the foundation of true organizational success.

The unique high performing culture of any organization helps it to gain competitive advantage. Organizational culture and strong ethos help a company achieving competitive advantage because the manner in which it contributes value to the organization's products or services is rare, hard to substitute for and difficult to imitate. A competitor cannot reverse the culture of the company at the same time it cannot imitate it. Organizational culture leads to organization capabilities. In a dynamic and changing environment culture's flexibility, adaptiveness and responsiveness create organizational capabilities leading to sustainable development.

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