

A Study on Organizational Culture at Shardlow India Ltd

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Abstract

The culture of an organization is an amalgamation of the values and beliefs of the people in an organization. It can be felt in the implicit rules and expectations of behaviour in an organization. It is usually set by management whose decisions on policy reflect the culture of the organization.

The culture of the organization, if it is positive and helpful can help to motivate staff or at least prevent them from becoming dissatisfied. At I.B.M., the attitude of management towards their employees is an attraction to prospective staff. If the climate does not satisfy the needs of staff, then it will probably become a demotivator, - that is, it would cause dissatisfaction and so people would become less inclined to work towards the organizational goals.

This research has been conducted to study the type of culture which prevails mostly at different levels of Managerial staff, Unionized staff & Workmen in Shardlow India Limited, Chennai and give suggestions to improve the culture which is mostly suitable for different levels of personnel.

Introduction

Shardlow India Limited was established in the year 1960 in technical collaboration with AMBROSE SHARDLOW & CO. LTD., U.K., a leading manufacturer of forged and machined crankshafts, a unit of M/S GKN Forgings, and M/S UEF LTD., over the years.

Shardlow India Limited has got two locations. Location 1 at Huzur Gardens, Sembiam, Chennai-11. Land area-13.58 acres. Built area- 98600sq.ft. Location 2 at Sipcot Industrial Complex, Hozur.

Shardlow India Limited is a leading group consisting of 36 companies, 27 manufacturing plants with a work force of 12000. Group turnover exceeded Rs.32 billion.

The company develops products mainly for automotive, defence and tractor industries over 400 numbers. It is currently manufacturing 90 components with emphasis on

- Crankshafts
- Axle shafts
- Heavy upset forging like torsion bars piston rods etc.

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- Connecting rods
- Front axle beam and stub axles.

The company's main focus is

- To achieve premier position on crankshafts, can rods, transmission components and axle beams.
- To effectively service niche opportunities.
- To achieve committed relationship with OEMs.
- To intensify export of forging and machined crankshafts.
- Excellence in product and process capabilities with utmost customer satisfaction.
- Continuous up gradation of skills and capabilities in the company.
- Logical extension of activity with added value features with machining of components.

The major Indian customers of Shardlow includes

- Tata Engineering and Locomotive Co. Ltd.
- Ashokleyland Ltd.
- Tractors and Farm Equipment Ltd.
- Simpson and Co.Ltd.
- Kirloskar Oil Engines Ltd.
- Heavy Vehicles Factory
- Vehicles Factory, Jabalpur.
- Engines Factory, Avadi.
- L&T Komatsu Ltd.
- Spices India Ltd.

- Greaves Ltd., Pune.
- Diesel Locomotive Works, Varanasi.

Major Foreign Associations are

- | | |
|------------------------------------|--|
| Collaborator | - Product |
| Massey Ferguson U.K. | - Tractors |
| Federal Moghul U.K. | - Piston, Piston rings, Pins & Cylinder Liners |
| NPR, Japan | - Steel piston rings |
| Yuasa, Japan | - Lead-acid batteries |
| SAFT, France | - Nickel cadmium batteries |
| Perkins, U.K. | - Diesel engines |
| ACL, Austria | - Thin wall bearings |
| Valeo, France | - Clutch assemblies, driven plates, fly Wheel, ring gears. |
| United engineering & Forging, U.K. | - Forging. |

Scope of the study

Currently the three most popular organizational topics are Leadership, Organisational Learning, and Organisational Culture. The primary role of leadership is to multiply power in organization, build the organization as a learning organization, and

develop an appropriate culture, ethos and climate. In this connection this study has been conducted to find the type of culture that prevails in Shardlow India Limited.

Objectives of the study

- To study the organizational culture prevailing in Shardlow India Limited.
- To study the type of culture (Autocratic, Bureaucratic, Technocratic, Entrepreneurial) which prevails mostly at different levels like Managerial staff, Unionized staff & Workmen.
- To give suggestions regarding the type of culture which is most suitable for different levels.

Review of Literature

The importance of organizations for man and society can hardly be over-estimated. From life to death one or other form of organization plays a role in the life of the individual and impact on societies, nations and communities, be it political, religious, cultural, educational, judicial, economic, industrial or sport organizations, etc. Organization is the vehicle through which groups; collectives and individuals work to achieve their goals, aims and objectives.

Being an age old phenomenon, almost universal in its appearance and application, there is little doubt that a well led, well organized, well managed, well planned, well resourced, well

monitored organization can be a powerful tool to improve quality of life or product or process to achieve excellence, to benchmark, to excel, to develop, to grow, to optimize the condition of man or to produce and to profit. The opposite however is also true.

Today we want to focus on two aspects of organizations in addition to the pivotal role of leadership namely organisational culture and organization change as major determinants of organisational effectiveness, efficiency, sustainability and overall success as instruments for development.

Loosely defined an organization is a collectivity where people work together to achieve fairly specific goals, objectives with a fairly formalized structure and processes often strongly influenced by environmental factors.

Organisational culture entails all that govern, guide and shape the organizations people-relationships.

Organisational change is defined by Meyer and Botha – as “.....the movement of people from a current state to a defined state, different, improved and desired new state through a set of planned and integrated interventions.

With these loose imperfect definitions in mind we would like to focus on the role of organisational culture and organization change in organizations.

The Factors that have influenced Organisational culture

- **HISTORY AND OWNERSHIP**

The one-person business, The Family business, the small-group entrepreneur will determine influence, power, and style, due to its centralized ownership.

- **SIZE**

As the enterprise grows and expands, tight ownership and control may dwindle and others will start influencing style and culture.

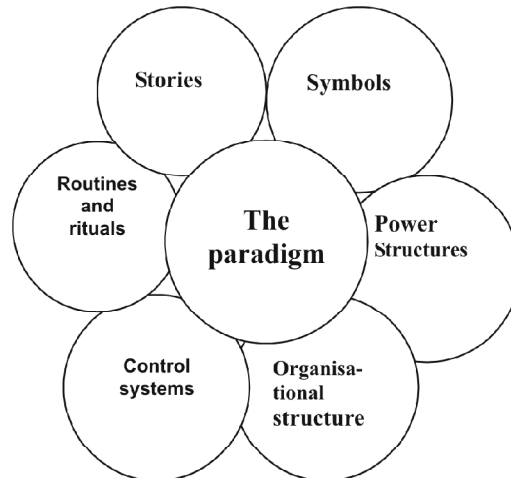
- **TECHNOLOGY**

High cost, high-tech, high touch, fast changing technologies like in telecommunications might require a more flexible culture than those technologies that are expensive (machinery) where a more formal, well-structured culture will be required.

- **LEADERSHIP AND MISSION**

Individuals and their values will impact on the culture of the organization.

The cultural web as instrument in analyzing the elements of the organization culture



- **STORIES:** What people talk about, what matters, what is defined as success, failure.
- **ROUTINES:** What is the normal way of doing things, procedures, and practices?
- **RITUALS:** What does the organization highlight? Long service, quality, performance, and innovation.
- **SYMBOLS:** Symbols like office size, size, type of car.

- **CONTROL SYSTEM:** Formal, informal, bureaucratic.
- **ORGANISATIONAL STRUCTURE:** Who reports to whom on a formal basis and who have an informal relationship?
- **POWER STRUCTURES:** Who makes the decisions, which influences the decisions? How. When.

What do we understand then when we use the concept organisational culture? Lynch explains "... it's a set of beliefs, values and learned ways of managing - and this is reflected in its structures, system and approach to the development of corporate strategy. Its culture derives from its past, its present, its current people, technology and physical resources and from the aims, objectives and values of those who work in the organization " .

An important factor in analyzing organisational culture is to look for details. Details provide evidence of the organisational culture almost like a guide on a hunting trip, its to no avail only to know what a lion looks like, its imperative to know the footprint of the lion, to look for the broken twig, to look for evidence of the resting place, whether the lion is alone or with cubs in a pack. Analyze the details" Analysis is important because culture influences every aspect of the organization and has an impact on the performance of organizations". In view of the above we would like to propose the following framework for analyzing organization culture.

The power culture

"The organization revolves around and is dominated by an individual or a small group" (Lynch 282). Discussions and often most of the initiatives refer back to the centre, which in turn dominates work styles, beliefs, and even practices in the organization. A problem with this kind of organization is that it becomes increasingly difficult for the centre to keep control

and manage the organization as it grows and expands. Even if subgroups of managers develop their plans and initiatives it reflects the preferences of the top or centre.

The role culture

"This organization relies on committees, structures, logic and analysis" (Lynch 283). In this context a small group of managers/leaders will make the final decision but they will rely on procedures, systems and well-defined roles of communication.

The management of change is often a problem in this kind of organization especially in an unstable environment the managers often do not see the changes coming or do not know how to manage it.

The Task culture

"The organization is geared to tackle identified projects or tasks. Work is undertaken in teams that are flexible and tackle identified issues".

In this organization power rests with the team and experts are utilized to facilitate group decisions.

A problem with this kind of culture is that it is less capable of large-scale work and control relies largely on the efficiency of the team and top management is obliged to allow the group day-to-day autonomy.

The personal culture

“The individual works and exists purely for her or himself. The organization is tolerated as the way to structure and order the environment to certain useful purposes, but the prime area of interest is the individual. An obvious problem with this kind of culture is that each individual feels little loyalty to the organization and is therefore difficult to manage.

Lynch applies three criteria related to cooperative strategy to analyze the strategic implications of the four cultures. The three criteria is:

- Fit with prescription or emergent strategic routes
- Delivery of competitive advantage
- Ability to cope with strategic change

He comes up with the following conclusion on the four types of culture.

Table 1 : Conclusions on the four types of culture

	Prescriptive or emergent strategy	Delivery of competitive advantage	Ability to cope with strategic change
Power culture	Prescriptive	Enhanced but individuals may miss competitive moves	Depends on individual or group at centre
Role culture	Prescriptive	Solid, slow and substantive	Slow, will resist change
Task culture	Emergent	Good where flexibility is important	Accepted and welcomed
Personal culture	Possible emergent	Depends on individual	Depends on individual

He does add three important qualifications however:

- Organizations change over time (Movement from one culture to another possible).
- Several types of culture usually exist in the same organization.
- Different cultures may predominate pending on the centralization in the company. (Test for strategic fit with the current strategy)

In conclusion from the above it is clear that there are not only different cultures but they impact

differently on the organization. Kreitner and Kinicki identified four functions of organisational culture – There might well be more – but it is noteworthy what those functions are:

- Gives members an organisational identity, in other words, attracts develop and keep talented people. Serve as a magnet. A feeling of belonging exists among employees.
- Facilitates collective commitment. People own the company, are prepared to give of themselves. Salaries are high, dividends are high productivity is high.

- Promote social system stability, strict standards – tight controls more than just discipline - a mystique. Low turnover. Passionate commitment to work hard – strong identification with the company.
- Shapes behavior by helping members to make sense of their surroundings. (Organisational culture – social glue).

Every organisation has its own unique culture even though they may not have consciously tried to create it. Rather it will have been probably created unconsciously, based on the values of the top management or the founders or core people who build and/or direct that organisation. Over time individuals (particularly the organisation's leaders) attempt to change the culture of their organisations to fit their own preferences or changing marketplace conditions. This culture then influences the decision-making processes, it affects styles of management and what everyone determines as success.

When an organisation is created it becomes its own world and its culture becomes the foundation on which the organisation will exist in the world. People's actions in organisations are not always 'their own' but are largely influenced by the socialisation processes of the specific culture to which they belong.

Organisational culture is often referred to in the same breath as organisational change - and you will often see the process of developing a new culture or changing the existing one linked into the transition curve.

Importance of culture

"Organizational culture is the key to organizational excellence... and the function of

leadership is the creation and management of culture." Edgar Schein *Organizational Culture and Leadership*

Interpreting & understanding organisational culture is an important activity for managers and consultants because it affects strategic development, productivity and learning at all levels. Cultural assumptions can both enable and constrain what organisations are able to do. The job of the consultant is often to provide a method and a structure for organisations to be able to surface the most relevant cultural assumptions. Those that will assist change and those that will hinder the process

Organisational theorists began to apply the term culture to corporate/work situations over the past 20 years. Initially the term was used to describe the leadership practices and later in the 80's management gurus defined culture in terms of symbols, slogans, heroes, rites, and rituals etc. These may be elements of culture- but they are not the heart of culture.

What is culture?

"The way we do things around here" is a common sense definition of culture. But it over simplifies the concept and misses powerful underlying concepts and processes. Its better to regard culture as referring to the shared assumptions, beliefs, values and norms, actions as well as artifacts and language patterns.

It is an acquired body of knowledge about how to behave and shared meanings and symbols which facilitate everyone's interpretation and understanding of how to act within an organisation.

Culture is the unique whole, the heart and soul, that determines how a group of people will behave. Cultures are collective beliefs that in turn shape behavior.

They can include:

Cognitive frameworks , Shared meanings and perceptions, Behavioral codes , Values, stories, heroes & heroines, Symbols & rituals

A key role for culture is to differentiate the organisation from others and provide sense of identity for its members. Cultures do not have to be logical or consistent, in fact they seldom are and can appear quite haphazard and chaotic to the outsider. Can also have subgroups with different cultures and with varying agendas. A strong culture is one that is internally consistent, is widely shared, and makes it clear what it expects and how it wishes people to behave.

Culture can be defined as “The cumulative beliefs, values and assumptions, underlying transaction with nature and important phenomena (e.g. collectively, environment, context, time, biological differences, power etc.). Culture is reflected in the artifacts-rituals, design of space, furniture and ways of dealing with various phenomena.

Distribution and concentration of power can be one basis of classifying culture. From this angle, organizational cultures can be of four types: Autocratic (or feudal), Bureaucratic, Technocratic and Entrepreneurial (or organic and democratic).

Autocratic or feudal culture is characterized by centralized power concentrated in a few

persons, and observation of proper protocol in relation to the person(s) in power. Bureaucratic culture is characterized by primacy of procedures and rules, hierarchy, and distant and impersonal relationships. Technocratic culture emphasizes technical/professional standards & improvement. Entrepreneurial culture is concerned about achievement of results and providing excellent service to customers.

Research Methodology

Data Source	: Primary and Secondary
Data Collection technique	: Questionnaire
Sample Unit	: Employees of Shardlow India Ltd
Sample Size	: 27-Managerial Staff 7-Unionised Staff 61-Workmen
Sampling Technique	: Stratified Random Sampling
Statistical Techniques Used	: Mean Median Mode Standard Deviation Fisher's t-test Analysis of Variance (F-test)

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 parenthesis refer to the serial numbers of the sets in the instrument.

Analysis and Interpretation

Table 2 : Culture scores of workmen

Employee No.	Autocratic Score	Bureaucratic Score	Technocratic Score	Entrepreneurial Score
463	13	20	27	20
488	10	25	27	18
499	12	22	28	18
501	13	20	27	20
503	18	19	22	21
524	12	23	28	17
525	12	23	28	17
577	13	19	26	22
594	13	20	27	20
607	11	21	27	21
608	12	20	25	23
615	11	22	27	20
616	13	19	28	20
622	14	17	28	21
636	14	17	28	21
639	14	17	26	23
644	16	16	29	19
647	14	17	28	21
654	14	17	28	21
655	14	20	25	21
656	16	19	25	20
665	16	19	24	21
666	16	19	24	21
670	15	22	23	20

Employee No.	Autocratic Score	Bureaucratic Score	Technocratic Score	Entrepreneurial Score
676	14	23	22	21
681	14	23	22	21
683	15	20	24	21
692	13	22	24	21
693	12	23	23	22
702	12	22	28	18
703	13	23	27	17
704	12	22	28	18
707	13	23	28	16
708	13	23	27	17
709	14	23	28	15
714	13	23	27	17
715	13	23	27	17
717	13	24	28	15
720	13	23	28	16
733	13	24	28	15
734	13	23	28	16
735	13	23	30	14
736	13	23	28	16
739	13	23	28	16
741	13	23	28	16
742	13	23	28	16
745	11	21	28	20
746	13	23	28	16
753	13	23	28	16
754	12	22	28	18

Employee No.	Autocratic Score	Bureaucratic Score	Technocratic Score	Entrepreneurial Score
756	12	22	28	18
758	13	23	28	16
764	13	23	28	16
765	13	23	28	16
766	13	23	28	16
769	11	21	28	20
774	11	21	28	20
794	12	22	28	18
809	13	23	28	16
810	13	23	28	16
812	12	22	28	18

Table 3 : Culture Scores of Managerial Level Staff

Employee No.	Autocratic Score	Bureaucratic Score	Technocratic Score	Entrepreneurial Score
4	26	15	22	17
11	27	15	22	16
12	26	15	22	17
18	26	15	22	17
21	26	15	22	17
25	26	15	22	17
27	26	15	22	17
32	23	19	19	19
28	27	21	19	13
42	28	18	20	14
44	26	16	22	16
46	26	16	22	16

Employee No.	Autocratic Score	Bureaucratic Score	Technocratic Score	Entrepreneurial Score
48	26	16	21	17
53	19	18	21	22
55	11	26	27	16
60	23	19	19	19
66	25	20	19	16
71	25	19	20	16
74	25	19	20	16
75	25	19	20	16
76	22	20	20	18
77	25	19	20	16
78	27	17	22	14
79	27	17	22	14
85	27	17	22	14
86	27	17	22	14
88	27	17	22	14

Table 4 : Culture Scores of Unionised Staff

Employee No.	Autocratic Score	Bureaucratic Score	Technocratic Score	Entrepreneurial Score
8834	13	27	26	14
8838	12	26	25	17
8843	11	22	30	17
8845	12	23	26	19
8846	13	23	30	14
8851	14	20	26	20
8853	12	17	22	19

Table 5 : Summation of Statistical Results

Culture	Mean	Median	Sum	Sum2	Standard Deviation
WORKMEN					
Autocratic	13.09836	13	799	10583	1.82
Bureaucratic	21.47541	22	1310	28402	2.12
Technocratic	26.95082	28	1644	44512	1.85
Entrepreneurial	18.47541	18	1127	21157	2.36
MANAGERIAL LEVEL					
Autocratic	24.96296	26	674	17120	3.37
Bureaucratic	17.59259	17	475	8519	2.5
Technocratic	21.22222	22	573	12231	1.65
Entrepreneurial	16.22222	16	438	7202	1.93
UNIONISED STAFF					
Autocratic	13.85714	13	97	1427	3.72
Bureaucratic	22.57143	23	158	3636	3.41
Technocratic	26.42857	26	185	4937	2.82
Entrepreneurial	17.14286	17	120	2092	2.41

Table 6 : Summary of T-test Values**(Workmen vs. Managerial Staff)**

Culture	T-Test Value
Autocratic	2.87
Bureaucratic	0.813
Technocratic	0.969
Entrepreneurial	0.539

Table 7 : Summary of F-test Values
(Workmen, Managerial Staff and Unionised Staff)

Culture	F-Test Value
Autocratic	249.72
Bureaucratic	28.99
Technocratic	88.9
Entrepreneurial	9.63

Table 8 : Test results to measure the significance

T-Test	Df	Derived Value	Required Value from Tables		Remarks
			5%	1%	
Autocratic	86	2.87	1.988	2.634	Significant at 1% & 5%
Bureaucratic	86	0.813	1.988	2.634	Insignificant
Technocratic	86	0.969	1.988	2.634	Insignificant
Entrepreneurial	86	0.539	1.988	2.634	Insignificant

T-Test	Df	Derived Value	Required Value from Tables		Remarks
			5%	1%	
Autocratic	2/92	249.72	3.107	4.88	Significant at 1% & 5%
Bureaucratic	2/92	28.99	3.107	4.88	Significant at 1% & 5%
Technocratic	2/92	88.9	3.107	4.88	Significant at 1% & 5%
Entrepreneurial	2/92	9.63	3.107	4.88	Significant at 1% & 5%

Findings

- The lower the score, the higher is the value given in that culture. By seeing the scores (sum) of workmen, the autocratic culture score is less (799) when compared to other scores & Technocratic culture score is high (1644). This clearly indicates that the workmen give high value to autocratic culture and low value to technocratic culture. That is, they feel the power is concentrated on few persons and there is no much improvement in technical/ professional standards.

- At the managerial level, entrepreneurial culture has got less score (438) and autocratic culture has got more score (674). This clearly indicates that there is no a high concern for achievement of results and the company is providing excellent service to customers. This also shows that power is decentralized.
- At the unionized staff level, autocratic culture has got less score (97) and technocratic culture has got more score (185). This again shows that people at unionized staff level feel that the power is vested on few persons and there is no Improvement in technical/professional standards.
- Standard deviation shows the variance of scores on a distribution. From the calculations, there exists less variance in the case of autocratic culture at managerial level, and entrepreneurial culture at unionized staff level. This shows the perception of most of the employees at each level for the specified culture is more or less same.
- T-Test results show that there is a significant difference in the autocratic scores of workmen and managerial level staff. This indicates the means of these two samples (workmen & managerial staff) are significantly different. This means these two levels of people have got entirely opposite opinion about the autocratic culture prevailing in the company.
- When we compare the differences in the means autocratic, bureaucratic, technocratic & entrepreneurial culture scores of the three levels of staff (workmen,

managerial staff, and unionized staff) by using one-way analysis of variance (F-Test), it shows that at all levels there exists a significant difference.

Suggestions

- At the Workmen level, the most suited culture is technocratic and entrepreneurial. But the findings show that the workmen perceive only autocratic culture prevails mostly. This perception can be changed by inviting suggestions from workmen on improving technical aspects and rewarding them suitably.
- At the Managerial level, more of entrepreneurial culture and less of autocratic culture is suitable. The perceptions of managerial people matches with the findings.
- At the Unionised staff level, more of technocratic and less of autocratic culture is suitable. But the perception of the unionized staff is reverse. So, steps are to be taken to change the perceptions.

Cultural change is not achieved by simply developing skills and knowledge. Different strategies are required: Symbolic management, transformational leadership, and true empowerment. Following are the general suggestions for changing culture in an organization.

- Coaching executives and managers in the behaviours used by transformational leaders to lead cultural change.
- Identifying and measuring cultural beliefs, values and attitudes that are driving organizational behaviour.

- Changing these beliefs, values and attitudes by engendering acceptance of the new needs of the organization and the appropriateness of new behaviour.
- The manager should act as a “role model” or example for the staff by actually behaving in the way that she/he wants them to behave.
- Rewarding appropriate behaviour in some way.
- Communicating to staff what behaviour is desired in as many ways as possible.
- Providing training in order to highlight the activities that support the sort of culture that the manager is trying to encourage.
- Involving each employee in the development of change strategies.
- Demonstrate them how the new vision will meet their individual needs (e.g. for job security, professional development).
- Using early successes in some parts of the organization to reinforce further change.

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