

Study of Relationship between Open Corporate Culuter and Organizational Performance in the Telecommunication Organizations of Pakistan

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Abstract

The purpose of this study was to explore the relationship between senior management leadership and organizational performance. It has been observed that telecommunication companies of Pakistan are facing tough contest and no empirical research has been known to be conducted in Pakistan within the context of senior management leadership and organizational performance. This study examined the relationship between senior management leadership and organizational performance. 500 questionnaires were administrated to managers of telecommunication organizations. Out of which 250 received back and 207 were valid. Data was analyzed through statistical techniques such as regression analysis, factor analysis and Cronbach's alpha. The results were found positive and significant among senior management leadership and organizational performance. This research revealed that top management should develop such type of strategies in order to keep employees involved in their particular tasks, to optimize the performance of the telecommunications organizations of Pakistan. This study will also help to senior managers, how employees are; to a greater extent involved to become more competitive in the market. This research would also help to deep and better understand the relationship between employee involvement and organizational performance.

Keywords: Quality culture, open corporate culture, organizational performance, competitive advantage.

INTRODUCTION

In today's situation those telecommunication organizations can make space among competitors. Corporate culture is a central force in driving organizational performance since it delineates how organizations treat its customers (Oteng, Ntiamoah, Egyiri, & Siaw, 2014). The results also revealed that open corporate culture contributed almost 74% in the improvement and enhancement of performance of telecommunication companies of Pakistan and results proved that open corporate culture has remarkable and terrific affect in determining the performance of telecommunication companies. The ordinary culture of the organizations cannot be changed towards quality culture without proper guiding principles from senior management even it is enough and well planned (Iqbal, 2011). There is an additional trait of open corporate culture which focused by this research is that full chance should be given to employees to complete the tasks, that can also can foster the performance.

Telecommunication organizations build culture of mutual respect by keeping success. This means the culture is thus, the key factor in order to achieve future prosperity and to sustain a competitive advantage. Senior management leadership has become conscious about cultural problems. A corporate culture is such a culture which is embedded in the minds and hearts of employees (Ibidunni, & Agboola, 2013). Cultural issues are important but are too intricate to deal with. Many telecommunication organizations already realized that their only way of surviving in nowadays competitive global market is to become successful organizations. Corporate culture can be defined as the recognized pattern of relationships among different entities of organization (Kibe, 2014).

LITERATURE REVIEW

The general pattern of doing jobs and tasks of employees in an organization is called corporate culture (Umobuarie, 2013). The literature demonstrated that corporate culture and total quality management programs are always critical and essential basics in achieving and retaining competitive advantage of organizations (Akbari, Hasani, & Arabi, 2012). Over the past few years lot of literature has been written on technology and its role influencing the association between corporate culture and successful performance of organizations. (Orlikowski, 1992; Sherman, 1993; Collins and Porras, 1996; Stewat, 1997; Bateman & Snell, 1999; Daft, 2003; Sorensen, 2002, Christensen, 1999, Peters and Waterman, 1982, Kotter & Heskett, 2011). Corporate culture is considered as personality of the successful organization (Ibidunni, & Agboola, 2013). According to Gupta (2000), open corporate culture of the organizations consist on six most fundamental elements; information system people, process, leadership reward

system and organizational structure, cited in Al-Alawi, Al-Marzooqi, & Mohammed (2007).

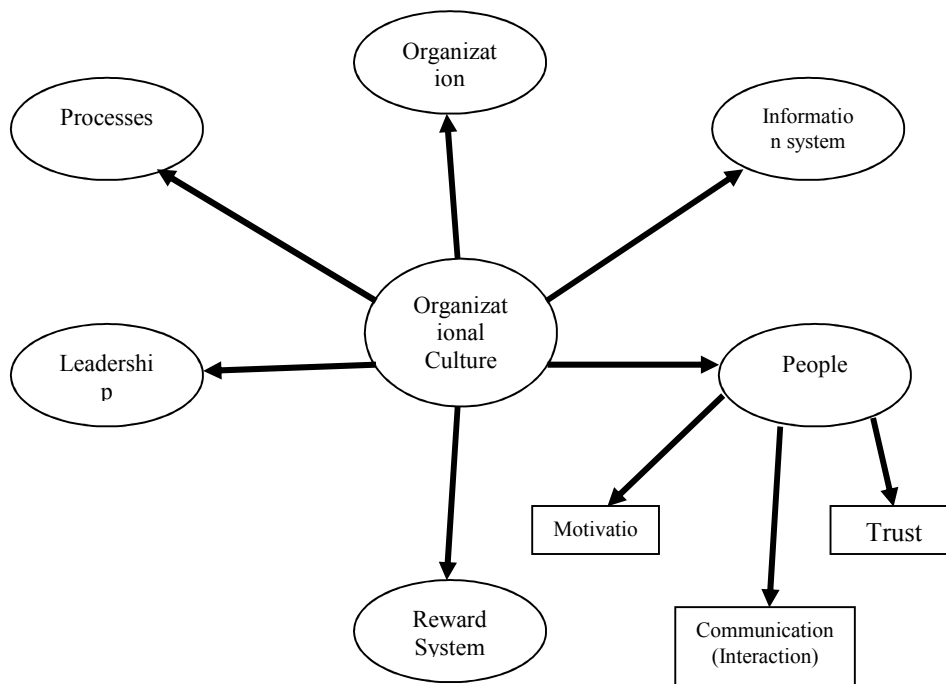


Figure
Organizational cultural framework

Organizational cultural framework based on the work of Gupta (2000).

Trust; there must be strong relation of trust among the employees which plays very vital role in building open corporate culture of an organization. If trust does not exist among the employees then employees cannot like as entity. Communication; communication here refers to human interaction through verbal conversations and the use of body language while communicating and managers must consider the importance of cooperation and sharing best practices when scheming compensation structure. Those channels of information sharing should be facilitated that moves parallel to communication; this type of atmosphere is (Al-Alawi et al., 2007). Information system; there should be orderly system for the flow of information and facts sharing through which all the employees should get. Reward system; in the organizations reward system motivates and encourages the employees to perform superior.

In the view of researcher this may also called motivational cause. These days senior management has realized bureaucratic behavior in slowing down the progression and hoisting limitations on free flow of information also, such events of subsequently consume huge quantity of time in order for information to damage through every phase (Al-Alawi et al., 2007). Corporate culture influences employee's behaviors (Umobuarie, 2013). It is set of values, how agent's actions will be perceived by others. The idea about open corporate culture means employees relationships with other employees and flow of information that cause more stable environment within the organization (Bolton, Brunnermeier, & Veldkamp, 2011). Mostly failures can frequently be assure that limited know-how about vital responsibility of culture inside organizations, including realistic and hypothetical rewards and recognitions and disincentives prescribed in addition to unceremonious role distribution, and the beliefs and approach of senior managers (Fralinger, Olson, Pinto-Zipp, & DiCorcia, 2010).

Open corporate culture: the independent variable

Organizational performance: the dependent variable

METHODOLOGY

Validity can be evaluated through content and construct validity. Again construct validity analyzed through convergent and discriminant validity. Convergent validity used factor analysis technique and discriminate validity was measured through pair wise correlation. The research methodology means the research procedure; an approach to proceed for solves a specific problem (Leedy, 1993).

Extent of researcher interference with the study

The researcher had minimal interference with the employees of particular organizations. The only interest of researcher was, the participants fill the questionnaires of his thesis, other than this there was not any other interest and interference by researcher.

Unit of analysis

According to Sekaran & Bougie (2010) the level of accumulation of data collected throughout later data analysis stage is called the unit of analysis. When the population is very large and spread over very large areas and the researcher does not has access to cover all the population then the researcher uses the sample technique. In which the researcher takes some percentage of whole population by using the sampling technique, the researcher also has economical advantages in many ways. The unit of analysis in this study will be the individuals.

Data collection method and tool

In this study the tool for data collection, the questionnaire has been used. The questionnaire has been divided into two major sections. First section consists on demographic and personal information about individuals. Open ended questions have the demerit of quantifying the responses. Some problems and topics are posed by open-ended response questions and answerers are asked to answer in his or her own words, conferred (Zikmund, 2003). According to Sekaran & Bougie (2010) a questionnaire is a set of questions to collect data form respondents by giving them certain options to choose, that helps in defining the variables of interest at the analysis stage. Some open ended questions were also included at later stage excluded because respondents were not interested to fill.

Second section consists on 5-point likert scale and includes the questions regarding to two main frameworks of study i.e. quality culture and organizational performance. On the basis of extensive study of these two frameworks two more variables are added i.e. human resource (HR) and competitive advantage (CA). The questions were also included related to human resource and competitive advantage in the end of second stage. As by Sekaran and Bougie (2010) online surveys are administered more easily using the advanced computer technologies. Some questioners were also sent through an email in different cities, where personal approach was not possible.

Analysis method

For analyzing the data, the SPSS 18 (version) has been used.

Targeted population

It refers to a group of elements of interest used in inferential process. The specific group of people, events or things of concern from which the researcher wants to get some result is labeled as targeted population (Sekaran & Bougie, 2010). Population for this research is telecommunication companies of Pakistan which includes 5 mobile companies and 2 land-line companies. 5 mobile companies are Mobilink, Ufone, Telenor, Zong and Warid as well as 2 land line companies are PTCL (Pakistan Telecommunication Company limited) and SCO. All the mobile companies belong to private sector and SCO belongs to Government of Pakistan working under the supervision of Ministry of Information Technology (IT) and functioning in northern areas especially in Kashmir and Gilgit Baltistan. Where PTCL was initially government owned but some years back it was purchased by group of Abu-Dubai. Now PTCL has also belongs to private sector of Pakistan. All the 500 questionnaires were distributed to respondents by hand by visiting their head and sub offices. For researcher, where personal visits were impossible on those locations of relevant organizations, the questionnaires were sent through email.

Sampling method

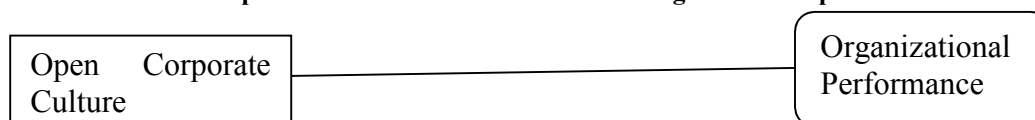
In this study convenience sampling technique was adopted. It is very easy and convenient way for data collection. Convenience sampling is obtaining by group of people who are mostly and easily accessible (Zikmund, 2003).

Framework of the study

Customer focus and organizational performance

Through extensive study of literature review of customer focus and organizational performance, open corporate culture has been taken as independent variable and organizational performance has been taken as dependent variable. In the figure given below, theoretical framework had been illustrated.

Theoretical framework representation of customer focus and organizational performance



Hypothesis development

H1: Organizational performance increases as a result of increase in open corporate culture.

H0: Organizational performance does not increase as a result of increase in open corporate culture.

DATA ANALYSIS

Table

Results of factor analysis of open corporate culture

Items code	Items	Factor components	
		Factor 1	Factor 2
OCC1	Employees always feel comfortable and readily present their new ideas	.809	-
OCC2	Managers in our organization are willing to listen to employees	.838	-
OCC3	There is an open trusting culture	.829	-
OCC4	The organization's working environment is friendly and very good for innovation	.851	-
OCC5	In our organizations, senior managers delegate power and authority to subordinates	.802	-
OCC6	I believe that, I have equal chances to learn and grow	.804	-

The factors have been rotated and extracted at once to improve the values of the components with varimax using Kaiser normalization and communalities are revealing the proportion of variance that a factor is contributing in the explanation of specific variable. The output of KMO test is 0.875 which is exceptionally good and Bartlett's test is also significant at 0.000, which fulfills the requirements of factor analysis.

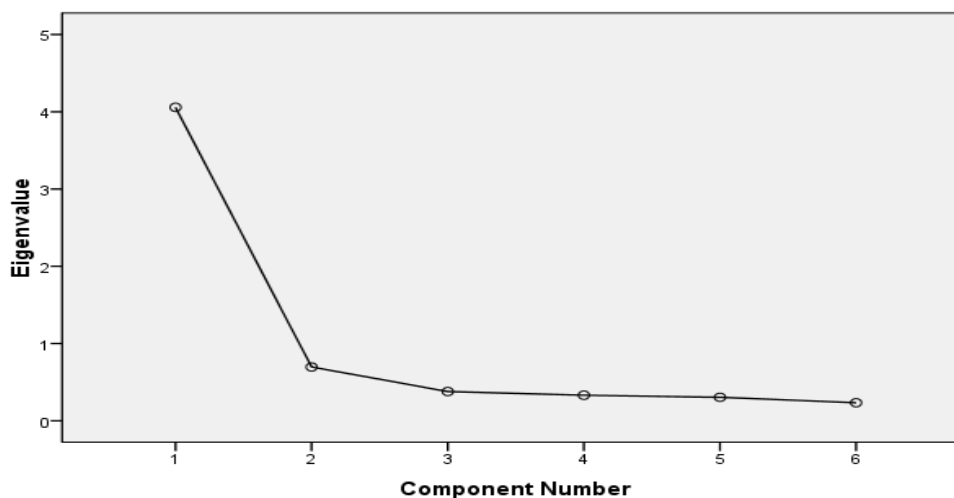
Table

OCC total variance explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.057	67.620	67.620	4.057	67.620	67.620
2	.696	11.605	79.225			
3	.378	6.306	85.531			
4	.331	5.513	91.044			
5	.304	5.062	96.106			
6	.234	3.894	100.000			

In this case only one eigenvalue 4.057 is taken for cumulative variance 67.620, which is also above from acceptable range.

Scree Plot



Figure

Scree plot of open corporate culture

Factor analysis of organizational performance (OP)

Table

Results of factor analysis of organizational performance

Constructs	KMO	Bartlett's Test		
		Approx. χ^2	df	Sig.
Plan performance	0.847	837.345	28	0.000
Measure and analyze performance	0.893	1.203E3	55	0.000
Manage performance	0.893	1.082E3	45	0.000

HYPOTHESIS TESTING

Effect of open corporate culture on organizational performance

Analysis of prerequisites

All the prerequisites for regression analysis have been calculated. To fulfill the requirements of these prerequisites Durbin-Watson and Levenes tests have been performed. The value of Durbin-Watson test is 1.580 which is in the acceptable range. In this hypothesis the tolerance value is 1 and variance inflation factor (VIF) is also 1, which means results are within the ranges and there is no multicollinearity.

Table

H4 correlations

		OP	OCC
Pearson Correlation	OP	1.000	.736
	OCC	.736	1.000

N=207, Significant at * $p < 0.05$, ** $p < 0.01$ level (1-tailed)

Predictor: Open Corporate Culture (OCC)

Dependent Variable: Organizational Performance (OP)

The correlation between open corporate culture and organizational performance was computed, which was found to be positive and significant ($r = 0.736$, $p < 0.01$, $N = 207$), where 1% probability the correlation caused by chance (Table 5-39). The independent variable (open corporate culture) was regressed by the dependent variable (organizational performance) and regression coefficient was found to be 0.736, which is significant at $p < 0.01$. The value of R square changed 0.542 indicated that almost 54% variance in organizational performance is explained by open corporate culture.

Table

H4 coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.038	.096		10.847	.000
	OCC	.582	.037	.736	15.571	.000

Predictor: Open Corporate Culture (OCC)

Dependent Variable: Organizational Performance (OP)

Model Summary: $R = 0.736$, $R^2 = 0.542$, Adj. $R^2 = 0.540$, $\Delta R^2 = 0.542$, S.E. = 0.460, $F(1, 205) = 242.470$, $p < 0.000$

The β (beta) value of 0.736 indicated that contribution of open corporate culture in explaining organizational performance which is also significant at $p < 0.01$ (Table 5-40). These all results shown that open corporate culture has positively and significantly related to the organizational performance. Open corporate culture explained 51.387 significant variance in the organizational performance and 43.446 considered as unexplained variance. Based on the regression analysis the regression equation for this relationship is estimated as under:

Equation

Relationship between open corporate culture and organizational performance

$$OP = 1.038 + 0.582 (OCC)$$

The results demonstrated that open corporate culture has good impact on the performance of telecommunication companies and telecommunication companies can gain significant support by implementing open corporate culture. These findings noticeably signifying that open corporate culture has positive and significant effect on telecommunication companies.

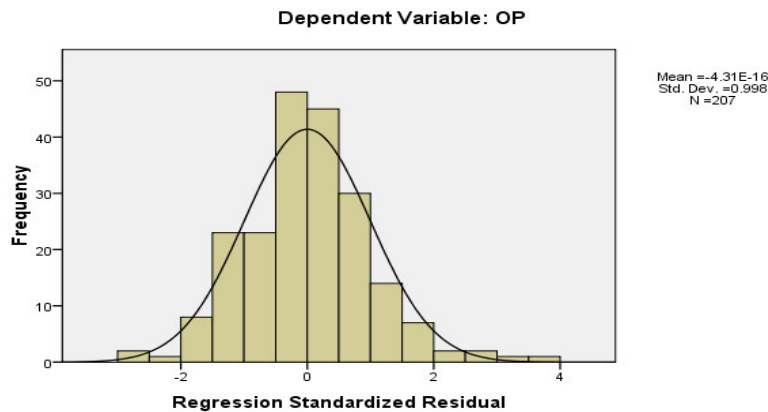


Figure
Graphical representation of 4th hypothesis

Normal P-P Plot of Regression Standardized Residual

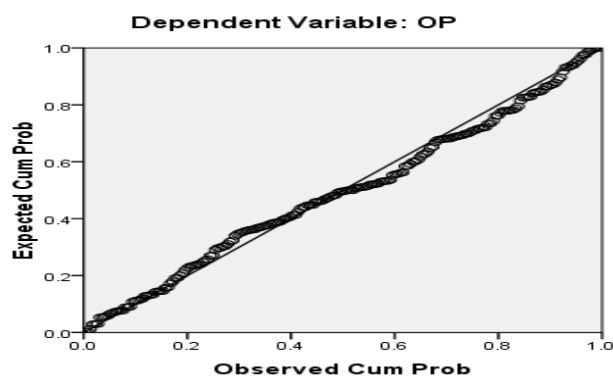


Figure
P-P plot of 4th hypothesis

RESULTS AND DISCUSSIONS

The results of this hypothesis concluded that open corporate culture in relation with the performance of telecommunication companies were consistent and appropriate. The results represented that an overall significant model ($R=0.736$, $\Delta R^2 = 0.542$, $F(1,205) = 242.470$, $p < 0.01$). The results also indicated that open corporate culture could result into 58.2% incremental change in performance of telecommunication companies as a result of 1% change in open corporate culture. The telecommunication organizations must have to open, supporting and encouraging culture. Corporate culture is a fundamental and driving force for organizational performance since it determines how organization takes care of its customers (Oteng, Ntiamoah, Egyiri, & Siaw, 2014).

This research also supported that in this competitive milieu the telecommunication organizations must need of minds with latest and an innovative thought, which is only possible by open corporate culture provided by the telecommunication organizations. Corporate culture is the life blood of an organization (Delle, & Kumassey, 2013). As explained earlier in the chapter that the managers come from different backgrounds of culture, their minds trapped in those cultures, subsequently it is very necessary to transform their intellectual perspectives to take up the cultures of telecommunication companies. A corporate culture is a most important trait of an organization (Surji, 2014). The managers must rinse out their former perceptions to become skilled about fresh atmosphere.

In the end, open corporate culture ensures that every employee is the asset of an organization and all the employees have equal rights to grow and change themselves according to radical and revolutionary technologies. Corporate culture is a powerful and influential human instrument that has makes guarantee the growth and survival of organizations (Oteng, Ntiamoah, Egyiri, & Siaw, 2014). It has also proved from this research that telecommunication organizations should promote strong work culture in which goals and values of managers are aligned across all work sections. A large number of researchers stated that strong corporate culture is good for organizations (Siehl & Martin, 1990). Corporate culture indicates to the network of relationships among employees in an organization (Kibe, 2014).

It has been concluded that TQM itself, is the most necessary culture of a telecommunication organizations

committed to customer satisfaction through continuous improvement. Encouraging and accommodating culture of the organization facilitate the process of change in the current culture (Iqbal, 2011). It has been discovered that no telecommunication organizations can attain its true potential unless employees feel supported, appreciated, and feel comfortable in the place of work. The process of defining, measuring and involving core values can be exceptional vehicles for improving corporate culture. In order to meet the organizational objectives and achieve competitive advantage, all telecommunication organizations are thriving to recruit highly performing individual.

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