The Study of the Role of Organizational Culture in Airport Productivity

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Abstract

Transportation is the key element in tourism industry in that tourism industry is regarded as one of the world's most important and profitable sources at the beginning of the third millennium. Air transportation, among all means of transportation, is the main and widely used modes of transportation, which its high productivity can generate lots of revenues for every country. The present paper aimed at investigating the role of organizational culture in productivity of airports. It seeks to determine how strong organizational culture can affect staff's abilities as a way of increasing their efficiency and effectiveness, ultimately leading to improve airport productivity. These lie in the fact that written and even unwritten cultural rules of an organization, while having required capacity for change in the organizational culture, make it possible to change the thoughts and feelings of a large number of employees working in an organization.

Keywords: organizational culture, airport, productivity

Introduction

The increasing complexity of environment seems to make the role and importance of management in the success and failure of organizations undeniable. Organizational culture is one of the issues that have been considered in knowledge management recently. Culture, as the starting point for change, should be brought to attention in order to encourage development based on moral and spiritual values and identity of every nation. Organizational culture determines the way of doing things in an organization for its employees. This culture signifies a clear and common understanding of an organization, developing by its all employees. It reflects regular and unique features that differentiate one organization from another one. In other words, organizational culture pinpoints the social identity of every organization. Organizational culture is referred to as a set of shared beliefs and values, which influences the employees' thoughts and behavior working in the organization because these beliefs and values are the basis of organizational culture, empower the organization, and establish a solid foundation of effectiveness and efficiency. Nowadays, no one can ignore the importance of productivity due to the increased level of competition, technological complexities, different tastes, lack of resources, and the rate of information exchange. Besides, productivity and efficiency play the most crucial role for managers as they are all searching for more efficiency and effectiveness in order to guarantee the stability of their organizations in today's competitive world (Seyed Ameri, 2011).

The airline industry has experienced many ups and downs in the West from 1970s up to now. During this period, airlines have adopted many strategies. Airports have also changed their business models of providing public services into competitive business activities (Pestana Barros and Nicolas, 2010).

In fact, airport is a system embracing a wide range of people's related needs and general items. Thus, measuring the performance of the airport industry is critical to ensure that airport services are properly provided (Tovar and Roberto Rendeiro, 2010).

Evaluating the airport performance and improving studies on the airport operation may have a

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significant impact on the number of airport shareholders. This will help not only airline companies choose and determine an efficient airport as the basis for their operations but also governments make more efficient decisions on optimal allocation of resources to improve airport performance (Yushida and Fujimoto, 2004)

Organizational culture

Organizational culture is beliefs, norms, and habits prevailing in an organization, which is formed in its employees' subconscious mind and can overshadow their behaviors. Individuals' working norms and habits in an organization, as the bulk of them originate from the popular culture of a society, can sometimes be constructive, while sometimes obstructive, or even destructive. According to Nathaniel Emmons, habits are either our best servants or our worst masters. Some experts consider senior executives' beliefs and attitudes, especially CEOs, as a guide culture. They describe the employee's beliefs and attitudes in an organization as everyday culture, while they regard all measures to align these two cultures as the organizational culture (Mirsepasi, 2007).

Every organization has an unwritten culture through which acceptable standards and unacceptable behaviors can be determined. Most employees are familiar with and understand the organizational culture after a few months. They will become aware of their dress style at work, the seriousness of the rules, the behaviors that may cause troubles, the importance of honesty, and other such things. Although many organizations have a so-called secondary culture (often these cultures are related to specific working groups) by which they are able to add something to organizational standards or change them slightly, the dominant culture of an organization always tells people what are organizational values and which one is more important. If working members of an organization intend to hold a good position or strengthen it, they need to follow the standards which are set by the dominant culture of their organization (Robbins, 1998).

Civic culture is cooperative and pluralistic. This political culture, which is based on communication and encouragement, is a culture of consensus and diversity providing opportunities for changes, while it is a tool of adjustment (Ferrel, 2000).

What kinds of conflicts may be created between national culture and internal culture of an organization? A researcher called Hofstede- one of the pioneers in the fields of studies on international organizations- answered this question.

He defined culture as 'mental programming or software', believing that national and organizational cultures have a lot in common. National culture, in some cases, such as hierarchical organizational authorities, is extremely important, but it is less essential in some other situations (e.g. innovation) (Hall, 2010).

Culture and Its importance

In the past two decades, in addition to incorporating technical- human skills and preparing the grounds for efficiency and effectiveness, there has been a need for other new capabilities for successful management. Therefore, managers require increasingly attitudes and mentalities to help them recognize and face forces within and outside their organization. As a matter of fact, successfully implementing managerial practices and techniques involve creating a solid bridge between these methods, the culture, and the way of life in every society or every social system. Accepting that cultural characteristics of different societies are not the same, it can be argued that societies differ greatly from each other in behaviors, performances, and even the purpose of life. Many thinkers regard culture as a set of shared attitudes and beliefs affecting individuals' behaviors, which differentiates one organization from another one. Here, the issue of leadership and managerial selection for the effectiveness and efficiency of an organization is of particularly important because it will help managers try more to rely on insights, beliefs, and goals pursued by these organizations or other groups in order to maintain a strong organizational culture in view of the fact that the main asset or factor of an organization that can be taken in to account to guarantee its success is a strong culture (Assad, 2010).

The role of culture

Culture plays different roles in an organization. It undertakes various tasks. These tasks include:

1- Organizational culture gives identity to the employees: what makes successful organizations outstanding and differentiates them from others is their ability to attract, nurture, and maintain talented and creative staff. And employees, in turn,

will develop strong ties to their organization.

2- Organizational culture facilitates collective commitment: workers are responsible for and committed to organizational values and objectives in such organizations that have a strong and capable culture. Organizational commitment means psychological link to and tie with the organization, the feeling of being involved in the work, the feeling of loyalty, and having faith in the organizational values.

3- Organizational culture encourage stability of social system: powerful organizations are known to have strict standards and controls of working system. For example, employees must comply with the organizational criteria and standards of cleanliness and tidiness. They have to perform those tasks which have specifically been designated by their organizations. Thus, an atmosphere of excitement, commitment, and hard working will be created in such organizations.

4- Organizational culture helps to shape staff's behaviors: organizations with a strong culture shape their members' behavior by helping them understand the working environment. As a result, successful organizations attempt hard to establish a ground that can assist their staff to learn about all organizational aspects and its problems. This can merely be achieved by allocating the lowest rank of the job to the employees, through which the familiarity with the fundamentals of the job becomes possible.

5- Organizational culture affects the tasks and performances of management: organizational culture imposes some limitations on management to suggest what a manager can do and what can't. Its every action should be approved by the organizational culture. Otherwise, it would not be consistent with the values and would not be approved by the majority of organizational members. Since the task of decision-making can be seen in all management acts, such as planning, organizing, providing human resources, directing, and controlling, organizational culture plays a key role in how management can perform the tasks and in what ways these tasks should be done. So, a strong culture has a great influence in managerial decision-making in all fields (Bonyanian, 2010).

How culture can impact on productivity?

Organizational culture and productivity are closely related to each other. Simply, productivity is the art of offering company's products or services to customers with the lowest cast. But more importantly, it is associated with the quality of customers' needs and working relationship. In other words, productivity and good management are inseparable. Productivity results from the incentive which can be developed in a proper organizational climate. If the management decides to use this proper and fragile climate for creating a continuous and permanent culture for the sake of organizational success, then it will need to focus on seven following factors to do the job better.

1. Organizational clarity: it refers to the degree to which an organization's goals and plans can be clearly understood by its members on one hand, and it also refers to the increased sense of staff's involvement in setting the goals and methods of planning and administrative procedures on the other hand. Fostering a sense of employees' involvement is more important than providing a list of goals and detailed plans. To promote organizational transparency, all members of the organization should participate in goal setting and planning process.

2. Structural decision-making: it is worth saying that the main purpose of the structure is to facilitate decision-making rather than to develop new organizational charts and lines of authority. Some organizations, especially those with high technology, may prefer ambiguity and freedom of action in the structure. Make sure that the free flow of information used for decision- making at organizational levels will follow the positive results of disseminating information.

3. Organizational integration: to determine how much cooperation is developing among various organizational units or whether developing an effective communication will have an effect on achieving organizational goals. Forming a temporal task force that can eliminate paperwork and result in a good hierarchical structure is the best way to save customers from strict discipline.

4. Management style in relation to culture: using an authoritarian style in a democratic culture is a disaster. Employees' resistance against this style is inevitable. Similarly, a democratic management in an authoritarian culture will lead to chickens-without-heads- syndrome. Employees working in an authoritarian atmosphere get discouraged about having initiative in their tasks. They have no freedom of action in asking questions. They believe that senior managers will not support their naïve decisions. Accordingly, their entrepreneurial traits, which increase innovation and finally productivity,

will not be able to develop. Make sure that management style is consistent with the organizational culture.

5. Organizational vitality: organizational vitality is measured by bold goals and response to changing conditions. This requires that employees be allowed to make mistakes. Developing an incentive system that provide opportunities for employees to take risks for organizational improvement without the thread of punishment is necessary in order to help them learn some lessons from their mistakes and find their own way.

6. Service compensation: service compensation system should strengthen the path to success without making too much emphasis on promotion. Putting too much emphasis on the boost will encourage employees to increasingly expect more rewards or bonuses. If this becomes too much negative, the employees may retaliate. For example, they may work within the realm of organizational rules not more. When developing a fair system of service compensation leads to a long and short- term competitive performance, we can say it is successful.

7. Human resource development: does the organization give an opportunity to its employees to develop and demonstrate their full potentials? How the breach of contract can be done in the organization? Is old or unnecessary staff fired from the organization? Does the management give some financial help to those out of the organization to protect its professional reputation? Or does it often reflect the attitude of "have you done something for me recently?" If the organization's managers act properly in such circumstances, the success of their organization will be guaranteed.

The necessity and importance of airport productivity

Due to the strategic position of the Islamic Republic of Iran and the major role of airports in economic and national development, measuring productivity and efficiency of the airports and trying to improve them are becoming the issues of the day.

Productivity and its criteria in the airports

Operational performance of air transportation as a part of modes of transportation has attracted lots of attention. Despite many studies on the performance of air transportation, few studies have been carried out about airport performance as the most service providers in the air transportation.

Studies on evaluation and improvement of airport performance have many benefits for airport stakeholders. Some of which are as follows:

1) Selecting an efficient airport by airline companies

2) Increasing business and trade in the airport environment

3) Making efficient decisions for the allocation of resources and programs for the airport improvement

Traditionally, airports were considered as public facilities; therefore, they gained their credibility from the government's public funds. In recent years, the government has implemented a policy to make airports self-independent by commercializing the airport activities. Changing the nature of airports from non-profit agencies into for-profit ones has doubled the importance of measuring the airport performance and productivity.

Nowadays, the airport performance and productivity are measured in three different fields -commercial, service, and environmental.

Measuring the airport performance, airport managers pursue four objectives:

1) Measuring the operational and financial productivity

2) Evaluating alternative strategies to invest and create favorable conditions for government in order to regulate airport activities

3) Accountability to stakeholders

4) Identifying and evaluating the performance can help managers make right decisions for improvement.

Airports are dynamic and complex organizations, which entail many interactive parts, such as passengers, airport companies, holding agencies, ground transportation services, and other activities related to aviation industry. Additionally, they have a special place in local and national economy of every country.

Various criteria for measuring the airport performance and productivity indicate complex nature of airports. Such different criteria are used for different purposes. Generally, these criteria can be classified into three categories:

1) Commercial criteria

2) Service criteria

3) Environmental criteria

Having quantitative nature, commercial criteria are widely used for evaluating the economic and financial performance of airports. Service criteria are applied to measure both quantitative and qual-

itative aspects of airports. Environmental criteria cover the operational impacts of airports on external environment and eco-system.

Conclusion

1) Productivity cannot be achieved by written and compiled rules and regulation. Rather, its formation will be affected by the culture, social conditions, attitudes, staff's value systems of the airport of any country.

2) The fundamental mechanism for increased productivity comes from shared values and commitment to the airport staff's cultural values because good performance can be achieved by using a high-commitment system. In order to establish such a system, cultural values are the most important factors. Likewise, managers play the most critical roles because improving productivity is in the realm of their responsibility and starts at the management level.

3) Culture can be used to increase productivity in some parts of airports where written rules cannot be laid down, or if the laws are developed in such places, they may have low efficiency, such as being more friendly or welcoming towards passengers.

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