

## ORGANIZATIONAL CULTURE IN PAKISTAN'S CONSTRUCTION INDUSTRY

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### ABSTRACT

The challenge faced by the construction industry in Pakistan is identification of the significance of organizational culture on the performance of the organization itself. The construction industry in Pakistan is still governed by traditional/orthodox practices and rules. This not only affects the efficiency of employees but also prepares a new breed of managers with the same concepts and beliefs. This generation develops their own beliefs with similar concept, as they have seen them worked successfully (that what is considered) rather they are more committed to the prevailing spectrum of shared values, beliefs and company norms, making it even harder to visualize any deficiency in the existing culture. Another important aspect here is the manager's myopia, managers views everything with respect of their own set of beliefs. Secondly, managers respond to the changing events in terms of their own culture. All of the activities that revolve around recruitment, selection, training, socialization, the design of reward system, the design and description of jobs and broader issues of organization design require an understanding of how organizational culture influence present functioning [1]. This research perspective is an attempt to highlight the important attributes of organizational culture and then comparing them with that of 'Vitalized Culture [2]'.

### INTRODUCTION

The concept of organizational culture originated with the development of organizational management systems and since then it has become an importance factor in managing the businesses. The research is undertaken to identify and analyze the existing organizational cultures in the construction industry of Pakistan. Organizational culture plays an important role not only on the performance of the organization but also controls the future responses and policies of the organization to cope with the changing environment.

Researchers have defined organizational culture in different ways, Schein (1) defines organizational culture as pattern of basic assumptions, invented, discovered or developed by a given group, as it learns to cope with its problems of external adaptation and internal integration that has worked well to be considered as valid and therefore is to be taught to the new members as the correct way to perceive, think and feel in relation to those problems.

Lorsch [3] identifies organizational culture as the shared beliefs top managers in a company

have about how they should manage themselves and other employees, and how they should conduct their business(es). These beliefs are often invisible to the top managers but have major impact on their thoughts and actions. These beliefs have been developed over many years of successful operation of the organization and are the top managements' core concepts about what the organization is capable of accomplishing.

Clegg [2] defines organizational culture in terms of values, decision-making patterns and overt behavior patterns. Hofstede [4] considers organizational culture as a program of decision and action patterns. They consider the decision-making patterns to be based upon information collection (internal & external), idea generation, idea evaluation and idea selection under the umbrella of shared values held by manager. The implementation of these decisions depends upon the behavior patterns of the organization.

All these definitions of organizational culture highlight its attributes and we have tried here to perceive what the employees feel about their respective organizations within the construction industry.

### **RESEARCH PROGRAM**

This study is planned to be conducted in two stages, in 'Stage 1' the existing organizational culture within the construction industry is analyzed on the basis of a survey instrument and its outcomes compiled to highlight the

elements of organizational culture (This paper relates to the Stage 1 of this research perspective). In 'Stage 2', the results obtained through the survey questionnaire will be analyzed and compared against 'Vitalized Culture [2] to suggest improvement measures.

### **QUESTIONNAIRE DESIGN AND MAILING**

A detailed survey instrument was developed to assess the influence of organizational culture on performance of the organizations. The survey questions were in the form of open ended and closed questions and observations were recorded on rating scales. Anonymity was guaranteed to the organizations and individuals and the analysis fed back to the respondents to motivate them to respond in future.

Open-ended questions were analyzed descriptively and reported in a structured form. Closed questions and rating scales were coded and analyzed using a "Statistical Package for Social Science (SPSS)". Both parametric and non-parametric analysis was used for comparison of data across sites and organizations.

The survey questions were designed so as to address the different levels within organization from the corporate level to the project site. The sample was spread across different levels to get representative information from throughout the organization.

## QUESTIONNAIRE

The survey questionnaire consisted of 9 broad categories, namely;

- Vision and mission statement
- Decision-making patterns
- Organizational structure
- Recognition system
- Information management
- Organizational environment
- Employee development
- Customer/client relationship
- Competitive market place

On the basis of these categories a total of 50 questions were prepared to identify the shared beliefs, values, underlying assumptions and decision-making patterns with in the organization.

The survey instrument consisted of open ended and closed questions to identify the important attributes of organizational culture. A check box questionnaire was designed to ease responses and use of additional sheets was requested to supplement the comments. A total of 75 questionnaires were spread with in 12 chosen construction organizations of Pakistan. The responses against the questionnaire are summarized backwards to the 9 major categories to identify the respondent's perception about his respective organization. The expected response was nearly 70 % as most of the prospective

participants were contacted either by phone/fax or in person not only to identify their willingness to respond but also to motivate them in responding earlier. Unfortunately, the response was not too encouraging. Only 27 completed questionnaires were obtained and the findings from these responses are summarized below.

### ***Vision, Mission Statement***

- 87 % of the respondent's denied the existence of company's vision and mission statements or showed their anonymity of any such statements.
- 13 % of the respondents knew the existence of vision and mission statements but acknowledged that it remained a part of their documents and no effort of any sort was ever placed to achieve company's vision. Moreover, company's' mission statement was never wished to be realized.

### ***Decision-Making Patterns***

- 73 % of the respondents depicted that the decision-making revolved around the Chief Executive/Directors without any major contribution from middle management.
- 18 % of the respondents claimed that the top management is gathering all the information from middle management but still the Chief Executive was the final authority for making all decisions.
- 9 % of the respondents agreed that the decision-making is distributed among

levels of management. All company information was open and there were no company secrets.

### **Customer/Client Relationship**

– 87 % of the respondents stated that they were enjoying smooth relationship with their clients and knew what their clients expected from them.

– 9 % of the respondents did not comment on this.

– 4 % of the respondents encountered litigation with the clients on technical grounds but still working for them.

### **Recognition**

– 68 % of the respondents failed to identify any formal recognition system within their respective organizations.

They mentioned no acknowledgement and appreciation for being committed. There existed a fixed (variable in each organization, ranging from 5 – 10 %) annual increase in the salaries of staff.

– 24 % of the respondents were of the view that the high salaries of the staff due to the project nature were an acknowledgement of their potential.

– 8 % of the respondents mentioned a reward/bonus system on successful completion of the project or some major part of that.

### **Working Environment**

– Rules and Procedures:

– 84 % of the respondents stated that there were no defined rules and company procedures to be followed; rather they worked as others performed within the organization.

– 16 % of the respondents agreed that there existed a set of rules to be followed by each employee and they have got certain procedures to do certain jobs.

– Job Descriptions:

– 87 % of the respondents mentioned that there were no specified job descriptions for each employee rather they are dictated by top management.

– 13 % of the respondents knew exactly what they were expected of.

– Job related Health Hazards:

– 100 % of the respondents showed no work related health hazards or severe stresses.

– Working relationship:

– 68 % of the respondents complained about grouping and leg pulling among the employees, interdepartmental politics and jealousy.

– 32 % of the respondents were enjoying congenial relationship with the fellow colleagues.

### **Information Sharing**

– 79 % of the respondents reflected top managements information-sharing phobia, they were totally kept unaware of the sensitive information.

– 12 % of the respondents did not comment on this.

- 9 % of the respondents knew everything about their company and had access to all sort of information.

#### **Organizational Structure**

- 63 % of the respondents believed that there was no management hierarchy; they were lead by the entrepreneur (Director/Chief Executive).
- 24 % of the respondents recognized different levels of management but with their vague authority structure and responsibilities.
- 13 % of the respondents showed shallow/flat management hierarchy.

#### **Employee Development**

- 87 % of the respondents stated that there was no organizational effort for formal (in house or external) training for developing the skills of the employees.
- 13 % of the respondents accepted the in house experience of the operations as the training and skill developing procedure.

#### **Competitive Marketplace**

- 53 % of the respondents did not comment on this.
- 34 % of the respondents identified the competitive market place before organizational policy making on the basis of their existing competencies.
- 13 % of the respondents tried diversification strategies on the basis of market research.

#### **CONCLUSION**

The survey describes the results of a 'questionnaire' among professionals and managers in the construction industry on the issues relating to the style of management, organizational norms, values, decision-making patterns and shared beliefs etc. It shows the results of the investigation indicating the importance of elements of organizational culture.

14 % of the prospective participants were not sure about the concept of Organizational Culture, thus were unable to comment.

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