
STRUCTURAL – FUNCTIONALIST ANALYSIS OF ORGANIZATIONAL CULTURE: INPUTS TO CULTURE BUILDING MODEL IN A MANUFACTURING ORGANIZATION

Elisa P. Mirabueno^[1]

^[1]Region IV-A CALABARZON, Philippines

ABSTRACT

This study focused on the identification of correlates of corporate culture, concept of a learning organization, leadership skill, and corporate culture of TMZ Semiconductor, Ltd. The study used the descriptive-explanatory research design and triangulation technique (quantitative and qualitative data) for data analysis. The company is employing a hierarchical culture, which emphasizes standardization, control and a well-defined structure of authority and decision-making. Adaptability as the type of leadership skill in the organization recognizes their attention on the continuing need to tweak the operations in view of the highly-competitive global market for their products. Three factors were identified as the three correlates of corporate culture: (1) people orientation; (2) detail orientation; and (3) outcome orientation. The hierarchy-oriented type of corporate culture of this manufacturing industry enabled the company to secure a competitive advantage in coping with the changing circumstances of the international market for their products and services. Moreover, the introduction of leadership skill as test factor to elaborate the bivariate relationship between the correlates of corporate culture and corporate culture is done statistically using the zero-order correlation. Thus, leadership skill is an intervening variable. A culture- building model for a manufacturing organization is hereby proposed as a template for an effective and sustainable business operation. The model focuses on the paradoxes that every manufacturing company is constantly seeking to balance.

Keywords: Structural-functionalist analysis, organizational culture, culture building model, manufacturing organization, leadership skills

INTRODUCTION

There is a recognized importance in determining a corporation's working culture and how to change it because this can be used for the competitive advantage of the organization^[3]. This means that the corporation's organizational culture can and should be used to increase a business' efficiency and productivity because a corporation's working culture can either foster an atmosphere that drives success or kills the corporation.

Leadership style cannot be separated from the general culture in which it occurs. Most managers believe that they must adapt their style of leadership to the culture of the organization. They strongly believe that leadership is culturally contingent^[7]. How can a leader behave and manage culture and communication within the workplace in a way that implies the application of the leader's preferred culture? Some leaders try to police their subordinates, some do not even supervise.

It was observed that organizational culture and leadership style are intertwined. He illustrated

this interconnection by looking at the relationship between leadership and culture in the context of the organizational life cycle^[5].

Any organizational change of significance requires management and its leaders to perform what they are paid for, that is, to lead or, even more, to lead well. The employees of a corporation are normally looking towards their leaders for many reasons, such as, during difficult times when there are changes in the workplace and when there are sensitive issues that need careful assessment and decision-making processes.

The study of how to optimize the performance of any corporation's human capital is not only essential but long overdue. Needless to say, the formation of a preferred and working organizational culture is the key to such optimization.

METHODOLOGY

The study adopted a descriptive-explanatory research to address the major research questions and to evaluate the validity of the model used.

Quantitative data from the research questionnaire were triangulated with qualitative data from key informant interviews (KIIs) and available secondary data from the internet and library sources.

A simple random sample (SRS) of the population was drawn with the use of the Slovin's formula and a computer-generated table of random numbers (<http://www.randomizer.org/form.htm> 4 April 2012). With a 0.05 standard error, this yielded a sample size of 74 respondents for the administration of the research questionnaire to gather the quantitative data for the study.

The typical respondent is a married female, 30 to 39 years old and a college graduate. She is a Catholic who occupies a supervisory position in the company, has been employed in the company for more than 12 years and currently receives a monthly salary of 26,000 to 33,000 pesos.

Quantitative data from the research questionnaire were encoded using Microsoft Excel 2011. In addition, the SPSS program was used to prepare tables and diagrams based on the data from the research questionnaire.

The collected data on the correlates of corporate culture were stratified into three (3) categories namely: people orientation, detail orientation and outcome orientation. Data for leadership skill were stratified into four types namely: adaptability, involvement, mission, and consistency. Likewise, the data for the third variable: corporate culture, were stratified also into four types namely: adhocracy, hierarchy, market, and clan.

The study collected index scores through the use of the semantic differential scale in the research questionnaire, parametric and non-parametric statistical tests and techniques, means as a measure of central tendency and standard deviation as a measure of dispersion, were used in summarizing quantitative data. In addition, Spearman's rho was used as the correlation coefficient to measure relationships between the variables and the Student's t as the test of significance. Factor analysis was used to determine, by factor loading, the cluster of items (factors) that constitute the correlates of corporate culture. Partial correlation was used to test whether the leadership skill is an intervening variable or not.

Qualitative data from the KIIs were coded, analysed and interpreted with the use of the qualitative techniques of content analysis, Lazarsfeld's latent structure analysis and the post-modern techniques for interpreting written and oral narratives like hermeneutics and deconstruction.

RESULTS AND DISCUSSION

Organizational culture and leadership are important elements in a company whose employees work in conjunction with one another toward organizational success. Both corporate culture and leadership influence the function and achievement of the company.

For a manufacturing company, such as the TMZ Semiconductors Ltd., company leaders need to be the role-models worthy emulating for other employees. They focused on the concern for people and concern for production that leads to the satisfaction of the stakeholders.

The operational excellence, quality production, and the institutionalization of a culture of dynamic synergy and improvement were achieved by TMZ Semiconductors Ltd. through the relationship different components and processes.

The correlates of corporate culture

The TMZ Semiconductor Ltd. management tends to put people first (people orientation) when making decisions and leaders believe that people are the driving force in the organization's productivity and overall performance.

Detail orientation is characterized as emphasizing performance precision and paying attention to details. Thus, employees are continuously monitoring signs that rules are changing, that there are new cases and decisions that are coming out^[1].

Outcome orientation correlate of corporate culture emphasizes achievement, positive actions and results as important values^[2].

Senge's concept of a learning organization

The following are the five key disciplines in a learning organization: (1) achieving personal mastery,

(2) building shared vision, (3) mental models, (4) team learning and (5) systems thinking. He said that the convergence of these five disciplines can facilitate a new wave of experimentation that could eventually lead to the establishment of a learning organization wherein people continually expand their capacity to create the results they truly desire^[6].

The leadership skill

A climate of complexity and overlapping change experienced in every organization requires leadership that does not set itself in isolation from the rest of the organization.

The management of TMZ Semiconductors Ltd. considered the crucial role of leadership in the three major aspects of the business process: (1) leaders create change, (2) they emphasize customer focus and (3) they promote organizational learning.

People within the company agreed on the adaptability leadership skill in their organization as needed and effective. It is a reflection of the company's engagement in international or global business competition.

The organization's corporate culture

As a hierarchy-oriented company, TMZ Semiconductor Ltd. managers and supervisors rigorously maintain standardization, control, careful planning, clear procedures, and efficiency.

The hierarchy type is somehow in agreement with the fact that sensitivity to customers' need is important for a company that is operating globally; therefore, every aspect of the job must be given utmost priority and attention.

The existing culture of the company right now can be considered as a powerful source of energy and influence that could drive or help the company to sustain and maintain their competitive edge in their share of the international market.

The relationship between the identified correlates of corporate culture and leadership skill

The overall correlation between the two variables was computed and interpreted as moderate

correlation based on the standardized matrix for interpreting Spearman's rho.

This implies that a strategic and integrated approach to delivering business for this type of organization not only depends upon the orientation of the company's correlates of corporate culture but also on the performance of the people leading the company.

Leaders in TMZ Semiconductor company are the ones who provide the solutions to the problems faced by the organization as well as the ones who perform the crucial task of unifying the organization into one cohesive whole, then the leaders should go about their job by empowering people, building the team spirit of the organization, and developing human capability at all levels.

The relationship between leadership skill and corporate culture

One of the primary responsibilities of leaders is to create and maintain the organizational characteristics that reward and encourage collective effort. Perhaps the most fundamental element of this is the organizational culture^[2].

The findings indicate that the employees of TMZ Semiconductor Ltd. understood their leader's direct involvement in the formation of their organization's corporate culture. Leading the employees in the right direction ensures positive outlook toward their assigned jobs.

The relationship between the correlates of corporate culture and corporate culture

Results revealed that there is a moderate zero-order correlation (0.449) between the two variables, also revealed that the good fit of an organization's culture with the employees' work ethos could be concomitant with the way the employees are given enough opportunity to accept and understand it.

As a result of the leaders' effective and decisive management of the company, the organization moves as one to accomplish its goals and the employees begin to appreciate and recognize the importance of an effective but people-oriented leadership in addressing their shared vision of an ideal workplace.

Serendipity: Leadership skill as an intervening variable

The introduction of leadership skill as a test factor is done statistically through the technique of partial correlation. The technique elaborates the relationship between the antecedent and the consequent variables by controlling on the test factor. This is done by a partial correlation between the two variables (controlling on the test factor) and comparing the result with the zero-order correlations between the same variables.

The foregoing analyses provide impressive evidence regarding the role of leadership skill in relation to the correlates of corporate culture and organizational culture in providing critical contribution to the success of a business enterprise. Results of the partial correlation analysis also provide further evidence regarding the functional relationship between the three variables [5, 6]. For TMZ Semiconductors Ltd., business success and their competitive advantage in the international market can be attributed to the leadership skills of their managers and supervisors. Thus, their leaders rigorously strive to manage the quality of their services better, particularly with their customers, clients, suppliers, and other corporate entities. Satisfied customers return more often, buy more, stick with them, and recommend them to others.

Proposed culture-building model for a manufacturing organization

The hierarchy-oriented culture of the company exerts pressures on the employees from the top for them to perform their jobs efficiently and to satisfy the needs of their clientele.

One of the best characteristics of this model is that it focuses on the paradoxes that every company is constantly seeking to balance. Companies that are market-focused might encounter problems with internal integration and those that are too well-integrated might be over-controlled and lack adequate flexibility to adjust to the external environment.

Lastly, the combination of the three variables in the proposed model can create an operational management which recognizes the importance of

practicalities and the truth behind managing culture in a highly competitive business climate.

The proposed model, therefore, arguably recognizes the imperative to harmonize the three variables into a positive relationship and business process into a standardized, but somehow flexible, framework for creating operational excellence and quality production. Quality production should always be an executive priority, and the organization should continuously move towards a culture of dynamic synergy and improvement. Needless to say, operational excellence, quality production, and the institutionalization of a culture of dynamic synergy and improvement can only be achieved by TMZ Semiconductors Ltd. with an empowered workplace when employees are afforded the democratic space to be engaged in critical decision making and when they take responsibility and are held accountable for their actions.

IMPLICATIONS

Findings of the study showed that TMZ Semiconductors Ltd. is employing a hierarchical type of corporate culture, which emphasizes standardization, control, and a well-defined structure of authority and decision making.

That the adaptability type of leadership skill in the company is the dominant type. That is, the leaders recognize and focus their attention largely on the continuing need to tweak the organization's operations in view of the highly competitive global market for their products and services.

The result of the introduction of leadership skill as an intervening variable provides a "happy accident" of finding incontrovertible evidence regarding the functional relationship between the correlates of corporate culture, leadership skill, and corporate culture in providing the critical foundation for the success of a business enterprise. Results of the study showed that the functional relationship between the correlates of corporate culture, leadership skill, and corporate culture have significant impacts in the operation of a manufacturing company.

In search of a type of corporate culture that could function effectively and efficiently not only

for a manufacturing company but for other types of business, the researcher recommended the following: (a) people within the organization should feel that their voices, opinions, and ideas are valued and taken into considerations when decisions are made; (b) a company, no matter how successful it may be, should always consider--first and foremost--the welfare of the entire workforce, especially the experienced, the knowledgeable, and the risk taker who are responsible with the way business processes are being done; (c) a study is needed to explore further the systemic and multi-faceted relationships of the variables, the study should be replicated using a larger sample from two or more companies which are engaged in the same industry; (d) a similar study be conducted that will address the effects of some external variables; (e) a study could also be conducted to rigorously examine why employees tend to quit than to remain committed to the organization by looking at the positive and negative zones of culture effectiveness^[4]; and (f) to further explore the possibility of having different perceptions on corporate culture according to individual position in the company as manager, supervisor, and office personnel.

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