

3. THE IMPACT OF ORGANISATIONAL CULTURE ON ATTITUDES TOWARDS CHANGE

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Abstract

906 employees from 38 Estonian companies were studied in order to explore how task orientation and relationship orientation of organisational culture influence employees' attitudes towards the organisational change process in the context of various socio-demographic characteristics. According to this survey, peoples' attitudes towards change are more influenced by task orientation of organisational culture than by relationship orientation.

Introduction

Theorists emphasise the impact of environment on organisational culture (Deal, Kennedy, 1982; Kotter, Heskett, 1992). A turbulent environment, characterised by uncertainty and ambiguity, makes the leader's ability to create an appropriate culture especially important (Cohen *et al*, 1972). Estonian organisations have operated in such an unstable environment for more than 10 years. Before this, Estonia was a part of the Soviet Union for 50 years.

The transition in Estonian society from a planned economy to a free market economy has caused transformational changes in Estonian organisations. The research question here is concerned with how organisational culture influences employees' attitudes

towards organisational change and helps to increase employees' commitment to organisational change in groups with differing socio-demographic backgrounds.

Employees' attitudes in the process of organisational change

Jick (1993) has defined organisational change as a planned or unplanned response to pressures and forces both from within an organisation and the external environment.

Employees' attitudes are considered to be indicative of the future success of an organisation (Hurst, 1995). Attitudes have been postulated to motivate behaviour and to exert selective effects at various stages of information processing (Eagly, Chaiken, 1993: 1). In the context of organisational change, attitudes towards change – the benefits of the change and the competence of managers implementing these changes – become overwhelmingly important. At the same time, when seeking information they need for decision-making, employees focus on information that is consistent with their attitudes (Frey, 1986).

As change requires learning new skills, behaviours and attitudes, it means that employees must take some extra efforts. In order to channel their energies towards this purpose, people should be motivated to maintain their position and membership in a certain organisation. Two constructs – commitment and satisfaction – have both been considered as indicators of whether individuals are effectively connected to an institution or might quit (Holton, Russell, 1999; Meyer, Allen, 1997; Randall *et al*, 1990).

The strength of attitudes depending on their extent – attitudes are related to each person's own deeply held philosophical and political values and are of concern to the person's social group (Boninger *et al*, 1995) – it is reasonable to examine how attitudes are influenced by culture.

The role of organisational culture in shaping employees' attitudes

Organisational culture influences employees' attitudes within the process of organisational change by providing a reservoir of organisational meanings against which the results, experience and performance data are interpreted and inquiries about changes in procedures and program technologies can proceed (Mahler, 1997).

In the context of the present survey, the authors see organisational culture from a functional perspective as an adaptation mechanism which helps an organisation to adapt and survive in a changing environment. This is consistent with the definition of organisational culture given by Schein (1992), saying that organisational culture is the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and integral integration.

Several research results indicate a connection between employee attitudes and organisational culture. According to research evidence, managers can increase employee satisfaction by creating cultures with characteristics expressed in terms of collegiality and collaboration (Xin Ma, MacMillan, 1999). Meglino, Ravlin and Adkins (1989) point out that organisational culture influences both the satisfaction and commitment of newcomers.

Several theorists suggest that organisational culture can be either task-oriented or relationship-oriented/person-oriented: Kilmann and Saxton (1983), and Cooke and Lafferty (1986) focus on people versus task; Goffee and Jones (2000, 2001) separate sociability, which is similar to relationship-orientation, and solidarity, which is similar to task-orientation; Harrison (1995) distinguishes between task- and person-oriented organisational cultures. Task culture emphasises superiority of the goals of the organisation over its member's personal goals. A person-oriented culture is based on warm and harmonious interpersonal relationships. These two – task orientation and relation orientation – are the vital aspects of organisational culture that can influence employees' attitudes.

In the context of organisational change, strong task orientation may influence people's attitudes by establishing clear goals and developing values which could help to achieve these goals at all levels. However, achieving employee participation in the beginning is not enough; ensuring that the change process does not reverse and building more effective relationships with peers is also necessary (Landau, 1998).

To summarise the theoretical framework of this study, we have focused upon the ways how task orientation and relationship orientation in organisational culture influence employees' attitudes towards change.

Empirical study of attitudes and organisational culture

The objective of our study is to explore how two orientations of organisational culture – task orientation and relationship orientation – influence employees' attitudes in organisations in transition with respect to various socio-demographic characteristics.

Three hypotheses are proposed for our study. *First*, we suggest that orientations of organisational culture may have different impacts on employees' attitudes. It is hypothesised, that *peoples' attitudes towards change are more influenced by task orientation of organisational culture than by relationship orientation (hypothesis 1)*.

Second, as the study by Vadi, Allik and Realo (2002) conducted in Estonia reveals that Russians living in Estonia are more collectivist than Estonians within organisational contexts, we hypothesise that *relationship orientation of organisational culture has a greater impact on Russian attitudes towards change than on the same attitudes of Estonians (hypothesis 2)*.

Third, organisational culture is not a monolithic phenomenon. Often there exist subcultures within organisations. Schein (1996) distinguishes between three different types of cultures in one organisation – executive culture, engineer culture and operator culture. The culture of operators evolves locally in an organisa-

tion and is based on human interactions. On the other hand, executives and engineers are task-focused and assume that people cause problems. Vadi and Buono (1997) compared various Estonian groups with different socio-demographic characteristics in respect of organisational orientations within societal change. They showed that these groups (e.g. managers) possess dissimilar perspectives in the organisational context because they have different collectivist attitudes. Therefore we propose that, due to their differing perceptions of organisational culture, members in managerial and non-managerial positions may understand change differently. Thus, it was hypothesised that *the attitudes of 'white collar workers' (managers and specialists) and of people with certain professional interests are more strongly related with the task orientation aspect of organisational culture and are more influenced by this in the change process than 'blue collars', being less influenced by the relationship orientation aspect of organisational culture (hypothesis 3).*

Sample

In order to find connections between organisational culture and employees' attitudes in the process of organisational change, the authors conducted an empirical study of Estonian companies in 2000–2001. The survey involved 38 Estonian organisations and 906 respondents. The reports from the managers of the above organisations showed that in 90% of these organisations changes in strategy, leadership and culture had taken place, while the remaining organisations had changed their structure and tasks. This indicates that all the organisations studied had implemented change and had formed the right kind of target group for investigating attitudes toward change.

A variety of industries were represented in this study: 20% of respondents were from sales organisations, 11% from the production sector, 23% from transport, 7% from telecommunications and 8% from banking. 15% of respondents represented the public sector.

The characteristics of the sample are shown in Appendix 3.1.

The authors also paid attention to the respondents' attachment to their profession. The assumption was that people with a certain professional interest would not place so much importance on relationships in the organisation as those without such concrete interests. On the basis of data from personal responses, 638 of the respondents had a professional interest in their work.

Method

In order to assess the impact of organisational culture in the process of organisational change, the authors needed a two-scale system of measuring which would test both task orientation and relationship orientation of organisational culture (OC). Maaja Vadi, has developed a reliable questionnaire for measuring two scales of OC – positive/negative, similar to task orientation, and strong/ weak, similar to relationship orientation (Vadi, 2000). In a later publication, she had renamed these scales task and relationship orientation (Vadi *et al*, 2002). This was a strong point in favour of choosing this questionnaire for assessing OC in the current doctoral thesis.

The Questionnaire for Measuring Organisational Culture (QOC). The questionnaire consists of 43 items, 16 of which form two scales. The respondents were asked to indicate their agreement with a particular item on a 10-point scale ranging from *completely disagree* (1) to *completely agree* (10). The QOC was developed in Estonian and later translated into Russian for the purpose of the study by Vadi, Allik and Realo (2002).

The *task orientation* aspect of organisational culture reflects the extent to which all members are willing to support the achievement of common goals. A certain degree of freedom, acknowledgement for good work and the occurrence of constant positive change inspires organisational members. More about the needs and objectives of the organisation (*Ibid*). The *relationship orientation* of organisational culture indicates belongingness. People assist each other in work-related problems and discuss all the important topics with one another. People know how to commu-

nicate with one another and there is a strong feeling of unity in difficult situations (*Ibid*).

The Questionnaire for Measuring Employees' Attitudes in the Process of Organisational Change (QEA). To measure attitudes, the most crucial factor during implementation of organisational changes, the authors developed a system of measuring based on the earlier scholarly work (Alas, Vadi in press).

The first scale, *satisfaction with information* (SI) serves to measure whether employees were satisfied with the *information* they received, and depends on employees' involvement in the change process and how much information was provided to them about the current changes and company goals. Naturally, employees want this information before the changes are initiated, rather than after the fact (*Ibid*).

The second scale addresses *satisfaction with the leadership* (SL). Here the following issues are most important for employees: how actively the management solves company problems, if the management and their decisions can be trusted, and how well the superiors can organise the work of their subordinates (*Ibid*).

The third scale connects *organisational commitment and job satisfaction* (CJ), referring to an employee's willingness to continue work for a particular organisation and satisfaction with the present job (*Ibid*).

The fourth scale is about the *benefits of change* (BC), including how necessary the changes are for the organisation and how individuals benefit from these changes (*Ibid*).

The questionnaire consists of 27 items and is based on the Likert scale, so the respondents could show their attitudes by choosing answers within the range from *strongly disagree* (1) to *strongly agree* (5). The items were first prepared in Estonian and then translated into Russian by two independent translators.

Results

Manifestation of attitudes and organisational culture

We propose that organisational culture and attitudes towards the process of change are related differently among various organisational members. The manifestation of attitudes and organisational culture for groups having different social-demographic characteristics can create a better understanding of the formation of connections between attitudes and organisational culture. Differences in attitudes and organisational culture are shown in Appendix 3.1.

The one-way ANOVA reveals that the respondents' estimations differ depending on nationality, education, position and professional interests.

Estonians were more committed to their job and company and also had better attitudes towards change than Russians. In respect of organisational culture, Russians appeared to be less task-oriented and relationship-oriented than Estonians.

Differences according to education were found in all scales except *satisfaction with leadership*. A *post hoc* comparison of the groups demonstrates that subjects with a university degree found change more useful, were more satisfied with both the information provided and with their job, and were more committed to the organisation than the rest of the respondents. They also ranked both aspects, task and relationship orientation of organisational culture, higher than the others.

Between managers and non-managerial employees differences were found in all scales. Managers' attitudes towards their jobs and change were better than those of their subordinates. Managers also found organisational culture to be more task-oriented and more relationship-oriented than the rest of the respondents.

Differences according to professional interests were remarkable. People having certain professional interests ranked all scales higher than those who had no particular professional interests.

Connections between organisational culture and attitudes

Different groups may have different perspectives and understanding of the process of change. Our main purpose was to predict the individual variability of four attitude scales from the two scales of organisational culture simultaneously, using the main socio-demographic variables. We analysed the scores of their attitudes and organisational culture by means of Linear Regression analysis. In the analyses, attitudes were taken as a dependent and orientations of organisational culture as independent variables.

The Linear Regression analysis method reveals that orientations of organisational culture influence employees' satisfaction with their leadership, with the job itself and with the information provided. How useful employees find change to be for the organisation could also be predicted. Organisational culture had the greatest influence on the attitudes of people with a secondary education: almost 49% of the variability in attitudes of this group can be explained by task and relationship orientation of organisational culture. This influence was also higher for Russian employees (40%).

We calculated the coefficient Beta (β), which enabled us to predict how orientations of organisational culture forecast attitudes toward change. According to the research results, the task orientation aspect of organisational culture predicts attitudes in all the differing demographic groups of employees studied, whereas relationship orientation does so only in case of some groups. Task orientation was a better predictor compared with relationship orientation for every attitude in every group.

Bigger differences between groups of employees with respect to demographic data were found concerning relationship orientation of organisational culture (Table 3.1). The biggest difference was found concerning the scale indicating benefits of change. Some demographic groups' attitudes towards the benefits of change were not significantly influenced by relationship orientation of organisational culture.

Table 3.1. Connections between attitudes and relationship orientation of organisational culture within different groups (according to standardised coefficient Beta)

Attitudes	BC	SI	SL	CJ
Managerial position n = 270	.08	.22	.06	.15
Non-managerial position n = 605	.11	.20	.17	.20
Estonians n = 707	.06	.25	.10	.21
Russians n = 136	.32	.23	.25	.17
With certain professional interests n = 638	.10	.21	.17	.25
Without certain professional interests n = 250	.20	.21	.05	.10
University degree n = 311	.02	.17	.14	.16
Vocational education n = 247	.03	.27	.10	.20
Secondary education n = 328	.19	.22	.20	.22

Note: Bold notes statistically significant connections.

BC – Benefits of change.

SI – Satisfaction with information.

SL – Satisfaction with leadership.

CS – Organisational commitment and job satisfaction.

On the basis of these results, managers' attitudes towards the benefits of change and satisfaction with leadership could have been predicted proceeding solely from task orientation of organisational culture. Attitudes of non-managerial employees, however, depend on both orientations of organisational culture: on task orientation as well as on relationship orientation.

The results indicate a relevant difference between Estonian and Russian employees: Estonian attitudes towards the benefits of change do not depend on relationship orientation of organisational culture, but the same attitude in Russians depends more on relationship orientation than task orientation. It seems that Russians trust their co-workers' opinion about change more than their manager's opinion.

Having or not having certain professional interests can also be a predictor for connections between organisational culture and attitudes. It appears that attitudes of employees with certain professional interests cannot be predicted by/on the basis of relationship orientation of organisational culture, but, job satisfaction and satisfaction with the leadership among employees without certain professional interests do not depend on relationship orientation.

The role played by relationship orientation of organisational culture in predicting employee attitudes also appears to be different for groups based on similar education. The attitudes of employees with university degrees do not depend so much on the characteristics of organisational culture as the attitudes of their less educated colleagues. The most predictable attitudes are those of the group without any professional training (secondary education). The attitudes toward the benefits of change among people with university degrees or vocational education do not depend of relationship orientation of organisational culture.

Conclusions and discussion

Our research indicates that orientations of organisational culture predict attitudes of organisational members in different groups in different ways.

Attitudes towards company and job, the benefits of change, leadership and information depend on task orientation of organisational culture in all groups, but attitudes towards the benefits of change did not depend on relationship orientation in some groups.

Our first hypothesis was supported – peoples' attitudes towards change are more influenced by task orientation of organisational culture than by relationship orientation. Task orientation of organisational culture predicted attitudes towards the benefits of change in all the differing demographic groups of employees studied, whereas relationship orientation did so only in case of some groups. The influence of task was stronger compared to the influence of relationships in respect of all the groups.

The second hypothesis was also supported by the findings. Estonians in contrast to Russians did not depend on relationship orientation of organisational culture in their judgements of the benefits of change. This is consistent with previous research conducted in Estonia, which indicated that Estonians are less collectivist compared to Russians (Realo, Allik, 1999).

The third hypothesis was partly supported. We found that managers' attitudes towards the usefulness of change and leadership were only related to task orientation of organisational culture and did not depend on relationship orientation. At the same time, the managers' commitment to the organisation, their satisfaction with their jobs and information provided were predictable from both orientations of organisational culture, although the impact of task orientation was greater.

Employees with a university degree or vocational education, and also people with certain professional interests, who may count as specialists, also depended more on task orientation than relationship orientation in their opinions about the usefulness of change. People with certain professional interests are more interested in their jobs and they make more effort to obtain information. It makes them less dependent on the opinions of others. These findings support Schein's theory (1996) about different subcultures and the task focus of executives and engineers. Ritzer and Trice (1969) argue that organisational commitment arises only when one's occupation has no really meaningful base to what one may commit. The authors have assumed that education that teaches a profession makes people more independent in their judgements. Having professional interests is also important in predicting favourable attitudes and even good relations within an organisation fail to improve the attitudes of employees who are not really interested in a specific job.

In conclusion, the attitudes held by people towards change are more influenced by task orientation of organisational culture than by relationship orientation.

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KOKKUVÕTE

Organisatsioonikultuuri mõju muutustega seotud hoiakutele

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Selgitamaks välja organisatsioonikultuuri mõju muutustega seotud töötajate hoiakutele viisid autorid läbi uurimuse Eesti erinevate organisatsioonide 906 töötaja hulgas. Uuringus kasutati M. Vadi (2000) väljatöötatud organisatsioonikultuuri skaalat ja mõlema autori ühistööna loodud töötajate muutustega seotud hoiakute hindamise skaalat (Alas, Vadi, avaldamisel).

Uurimuseks püstitasid autorid 3 hüpoteesi. Esiteks, organisatsioonikultuuri ülesandemõõde mõjutab muutustega seotud hoiakuid rohkem kui suhetemõõde. Teiseks, organisatsioonikultuuri suhete mõõde mõjutab vene rahvusest vastajaid rohkem kui eesti rahvusest vastajaid. Kolmas eeldus oli seotud vastaja positsiooniga firmas. Eeldasime, et juhtivatel positsioonidel olevate töötajate ja kindlate kutsehuvidega töötajate muutustega seotud hoiakud on mõjutatud rohkem organisatsioonikultuuri ülesandemõõtmest kui suhetemõõtmest.

Esimene ja teine hüpotees leidsid kinnitust täielikult, kolmas vaid osaliselt.

Appendix 3.1. The manifestation of attitudes and organisational culture for groups having different social-demographic characteristics

	Attitude scales								Scales of QOC			
	BC		SI		SL		CJ		TO		RO	
	M	SD	M	SD	M	SD	M	SD	M	SD	M	SD
The entire sample (n = 906)	3.29	.84	2.76	.92	3.41	.72	3.51	.69	5.33	1.49	5.97	1.42
Managerial position (n = 270)	3.47	.82	3.11	.94	3.52	.71	3.75	.61	5.61	1.48	6.26	1.36
Non-managerial position (n = 605)	3.22	.83	2.62	.87	3.37	.72	3.41	.70	5.25	1.47	5.88	1.42
F (1, 873)	16.51***		53.36***		8.86***		47.82***		11.23***		13.73***	
Estonians (n = 707)	3.36	.83	2.88	.90	3.45	.71	3.56	.68	5.56	1.43	6.10	1.42
Russians (n = 136)	3.04	.81	2.20	.84	3.26	.70	3.34	.72	4.40	1.28	5.48	1.27
F(1, 856)	11.84***		35.57***		4.76***		6.10***		42.65***		11.86***	
Without certain professional interests (n = 250)	3.34	.86	2.79	.97	3.43	.73	3.61	.66	5.44	1.50	6.09	1.41
With certain professional interests (n = 638)	3.16	.76	2.68	.82	3.34	.71	3.27	.71	5.08	1.43	5.69	1.46

Appendix 3.1. continued

	Attitude scales								Scales of QOC			
	BC		SI		SL		CJ		TO		RO	
	M	SD	M	SD	M	SD	M	SD	M	SD	M	SD
F(1, 886)	43.67***		2.45		3.32		7.96***		10.43***		14.81***	
University degree (n = 311)	3.41	.82	2.95	.93	3.48	.69	3.63	.64	5.69	1.39	6.13	1.26
Vocational education (n = 247)	3.19	.77	2.58	.89	3.36	.72	3.40	.67	5.00	1.53	5.79	1.43
Secondary education (n = 328)	3.28	.88	2.75	.90	3.37	.75	3.48	.73	5.27	1.48	6.01	1.56
F(2, 883)	5.27***		11.53***		2.43		8.40***		15.98***		3.89***	

Notes:

*** Statistically significant difference.

BC – Benefits of change (1–5 points scale).

SI – Satisfaction with information (1–5 points scale).

SL – Satisfaction with leadership (1–5 points scale).

CS – Organisational commitment and job satisfaction (1–5 points scale).

TO – Task orientation of organisational culture (1–10 points scale).

RO – Relationship orientation of organisational culture (1–10 points scale).