

CREATING PERFORMING ORGANISATION THROUGH OPTIMISTIC CULTURE

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Abstract: The present study makes an attempt (a) to study the dynamics of learned optimism, and organisational ethos across types of organisations (service & manufacturing), hierarchical positions (executive & non-executive) and gender (male & female) of the employees and (b) to examine the functional relationship between learned optimism and organisational ethos. It follows a 2x2x2 factorial design. Two standardised questionnaires namely, Learned Optimism and Organisational Ethos have been used to collect the data. The sample size is 600 divided into eight groups. Each group comprises of 75 participants. The statistics used are descriptive analysis, ANOVA and correlation to analyse the data and interpret the results. The study has thrown many interesting results. The major findings are: there is a significant difference between manufacturing and service sector on organisational ethos and learned optimism. Manufacturing sector has better organisational culture in terms of openness, autonomy, collaboration and experimentation whereas service sector has high learned optimism. There is also significant difference across executive and non-executive, male and female, which are discussed in detail. Based on the findings, organisational development and behavioural development interventions are suggested to increase the performance in the organisation.

Keywords: Learned optimism, organisational ethos

Introduction

In the era of divestment, privatisation and cut throat competition, a feeling of insecurity, and confusion in the management circles as to how technology, human competency and market dynamics can be integrated to convert the existing organisations into a *performing intelligent organisation*.

Under the influence of changing business environment, many organisations have already undergone a considerable transformation. The traditional hierarchical large organisations with its application of uniform principles and permanent regulations have been increasingly permeated by the inclusion of flexible and flat organisations with emphasis on project groups and task forces. This is leading to a process oriented network organisation, which offers the possibility of a growing concentration of expertise for the solution of problems.

In intelligent organisations, the central position is assumed by the behaviour of the employees that develop and offer innovative solutions to the problems of their customers based on expertise. Thus it is necessary to develop behaviour according to the culture of the organisation, which will be necessary to develop new core competencies to avail the competitive advantage. One way to develop behavioural categories is to go by the reasons

that behavioural episodes either contribute to or detract from organisational goal accomplishment. Work habits are patterns of behaviour that people learn over time and that can either facilitate or interfere with the performance of behaviours that contribute to the accomplishment of organisational goals.

Modern organisations operate in a multi-cultural milieu. Each culture has its own unique norms, beliefs and expectations. In addition, each culture shares certain universal and fundamental attributes with the other cultures. The firms operating in a multi-cultural milieu must respond to both their shared universal attributes, as well as the unique attributes of their home society and the host societies. This is despite the need for the firms to develop and preserve their own unique and corporate identity, which distinguishes them from other firms in their society as well as other firms around the world. In other words, to create trans-cultural performing organisations, one needs to develop multilevel alignment of practices and values. These values include the universal attributes at the international level, the home and the host societal attributes at the national level and the firm specific attributes at the corporate level (Gupta & Pattanayak, 2002).

Organisational culture/ethos is the underlying spirit or character of an organisation and made up of its beliefs, customs or practices. It includes, among other things the values, beliefs and behavioural norms and expectations shared by an organisation's members (Schein, 1990). Behavioural norms can be conceptualised as components of culture rather than distinct from culture. As components of organisational culture, behavioural expectations can be characterised as shared and enduring phenomenon that influence the thinking and behaviour of organisational members. These cultural norms are also hypothesised to influence organisational members' motivation, performance, satisfaction & stress levels (Cooke & Szumal, 1993).

According to Morgan (1997), culture is not an objective, tangible or measurable aspect of an organisation, but an intellectual device, which helps us to comprehend organisations in terms of a specific vocabulary (such as norms, beliefs, values, symbols etc.). From this perspective, every aspect of an organisation is a part of its culture.

Corporate culture means, "*the way things are done around the organisation*" (Deal & Kennedy, 1982). Culture is comprised of the symbolic side of an organisation, and it shapes the human thought and behaviour in the system. It consists of the system of shared values and beliefs that interact with the organisation's people. Values, which are the core of the work culture, serve as standard and motivation to strive for something. When the members of an

organisation share an enduring belief or a preferred mode of conduct or way of existence, a characteristic culture is evolved. Corporate culture is the *implicit, invisible, intrinsic and informal* consciousness of the organisation, which guides the behaviour of the individuals and at the same time, shapes itself out of their behaviour (Scholz, 1987).

From his detail quantitative and qualitative research studies, Denison (1990) has suggested that there are four different aspects of an organisation's culture that have an impact on organisational effectiveness. He discusses these aspects in the form of four hypotheses, which he labels *involvement, consistency, adaptability* and *mission*. These four hypotheses conjointly implicate those cultural variables that, according to Denison's research, influence the organisation's performance. One of the most widely cited hypotheses is that a strong culture enables an organisation to be intelligent and achieve excellent performance. Deal & Kennedy (1982), for example, have argued that 'the impact of a strong culture on productivity is amazing. In the extreme, we estimate that a company can gain as much as one or two hours of productive work per employee per day'. Strong is usually used as a synonym for consistency.

Situational and dispositional research suggests that the cognitive set of hope accompanies successful performances in varying arenas. Manipulations that enhance goal directed expectations result in behaviours aimed at goal attainment. In surveys conducted on the concomitants of hope, people in American culture (as well as Korean culture) report that hope is linked to action towards goals through hard work and organisation. It should come as no surprise, therefore, that changes towards the elevated hope appear to result in enhanced performances. Both laboratory and applied research support this contention (Snyder, 1994).

Hope helps the individual to be a positive thinker. The positive thinker is optimistic, sees opportunities in every difficulty and hopes that his journey is full of joy and expectations. On the other hand, the negative thinker is pessimist and sees the difficulty in every opportunity. Several researchers have contended that optimism is a thinking style, which can be learned. Goleman (1995) believes that hope and optimism both can be learned. He feels that self-efficacy, the belief that one has mastery over the events of one's life and can meet challenges as they come up, leads to hope and optimism. Optimistic statements are usually based on logical and concrete facts. The intimate connection between achievable goals and optimism can be found in the concept of learned optimism.

Learned Optimism is a sense of enthusiasm, confidence and control, which develops once one achieves small successes. Setting behaviourally based achievable goals proves that one is

capable of accomplishing what one sets out to do. According to Seligman (1991), how an individual perceives about the events in her/his life greatly affects the kind of actions she/he takes. Explanatory styles vary on a continuum from optimism to pessimism. People who see temporary reasons for good events may give up even when they succeed believing success was a fluke. The optimistic explanatory style for good events is opposite to that for bad events. The optimist believes that bad events have specific causes while good events will enhance everything he does; the pessimist believes that bad events have universal causes and that good events are caused by specific factors.

Learned optimism is related to managerial effectiveness. People who are optimistic explain their successes and failures as a result of what they do (Johri & Pethe, 2001). Learned optimism also contributes to the value base of a team in terms of the belief in a democratic work environment, promotion of scientific inquiry in addressing issues and problems, interpersonal trust and concern for the development of individual potentialities. The creation of team to accomplish task and effect desired changes have become a key strategy in many organisations (Dhar, Dhar & Rajasekar, 2002).

In a recent empirical study, Rich (1999) focussed on sales person optimism. *First*, the extent to which the sales managers can enhance their optimism among their sales people was explored by examining the influence of three leader behaviours (positive feedback, articulating a vision & individualised support). *Second*, optimism was associated with three important outcome variables (in-role-performance, helping and sportsmanship organisational citizenship behaviour). Results suggest that sales managers can enhance the sales person optimism through individualised support. Moreover, optimistic sales people were more likely to be productive and engage in sportsmanship organisational citizenship behaviour.

To make the people learn optimism in the organisation for better productivity and efficiency, there is a need to foster a strong organisational ethos, which should value optimism.

OBJECTIVES

The objectives of the present study are:

1. to study the dynamics of organisational ethos and learned optimism across types of organisations (service & manufacturing), hierarchical positions (executive & non-executive) and gender (male & female) of the employees.
2. to examine the functional relationship between learned optimism and organisational ethos.

DESIGN - The present study is a 2x2x2 factorial design of research with the sample size of 600 employees drawn randomly from nine organisations, out of which five are manufacturing and the rest four are from service sector as per the research design. The organisations covered under manufacturing sector are Bharat Electronics Limited (BEL), Dabur India Limited, Nestle India, Hindustan Aeronautics Limited (HAL), Grasim Industries Limited (Staple Fibre) and under service sector are Bank of India, Credit Rating Information Service of India Limited (CRISIL), Life Insurance Corporation (LIC) of India, Infosys Technologies Limited. There are three independent variables, namely, types of organisations (service & manufacturing), hierarchical positions (executives & non-executives) and gender

Table – 1
Mean & Standard Deviation of all the variables

Variables		Manufacturing				Service			
		Executive		Non-executive		Executive		Non-executive	
		Male	Female	Male	Female	Male	Female	Male	Female
	SD	10.124	7.193	8.987	9.447	10.579	11.795	7.706	9.350
Learned Optimism	Mean	89.787	91.293	86.760	89.747	92.173	94.200	91.360	91.093
	SD	9.588	10.215	9.492	10.552	9.546	8.970	9.545	8.758
Organizational Ethos	Mean	113.933	114.400	112.160	110.600	106.133	107.120	112.960	110.893
	SD	11.598	17.299	12.052	12.839	17.087	14.225	10.368	12.405
Openness	Mean	14.960	15.053	15.453	14.907	13.907	13.893	15.347	14.653
	SD	2.826	3.246	2.747	2.707	3.167	2.638	2.245	2.778
Confrontation	Mean	13.653	14.120	13.813	13.880	13.147	13.427	14.493	13.467
	SD	1.990	3.009	2.793	2.466	2.720	2.900	2.214	2.440
Trust	Mean	14.693	14.413	13.693	14.333	13.813	14.053	13.920	14.307
	SD	2.150	2.761	1.889	2.468	2.832	2.493	2.294	2.307
Authenticity	Mean	12.613	13.413	12.147	11.800	11.747	12.120	12.187	12.813
	SD	3.136	2.372	2.497	2.034	2.466	2.444	1.557	1.698
Pro-action	Mean	15.760	15.493	15.240	14.467	14.320	14.307	15.787	15.040
	SD	2.546	3.281	3.440	3.159	3.059	3.192	2.506	2.835
Autonomy	Mean	12.600	13.027	12.640	13.453	11.907	12.373	12.573	12.600
	SD	2.520	2.066	2.294	2.292	2.126	1.769	1.787	2.212
Collaboration	Mean	15.160	14.867	14.613	14.080	14.000	13.760	14.680	14.480
	SD	1.925	2.440	2.241	2.235	2.706	2.370	1.499	2.268
Experimentation	Mean	14.493	14.013	14.560	13.680	13.213	13.027	13.947	16.533
	SD	2.029	3.002	2.384	2.692	2.839	2.020	1.793	2.333

of the employees (male & female). The dependent variables are organisational citizenship behaviour, organisational ethos and learned optimism.

TOOLS –

[1] Learned Optimism Scale (S. Pethe, S. Chaudhuri, S. Dhar & U. Dhar in 2000)

- Organisational Ethos : OCTAPACE Profile (Udai Pareek in 1997)

Table – 2
Analysis of Variance of all the variables

Source		A	B	C	AxB	AxC	BxC	AxBxC
V1	Learned Optimism	12.855**	7.340**	3.979*	0.043	0.760	0.067	1.449
V2	Organisational Ethos	9.784**	1.264	0.236	13.083**	0.000	1.291	0.053
V3	Openness	7.865**	7.703**	1.598	4.079*	0.076	2.069	0.002
V4	Confrontation	1.220	2.391	0.064	3.012	2.294	4.079**	1.151
V5	Trust	1.736	0.832	1.563	3.329	0.114	1.826	0.960
V6	Authenticity	2.127	1.556	3.668	17.929**	0.519	1.386	3.403
V7	Pro-action	2.335	0.439	3.332	14.437**	0.081	1.581	0.053
V8	Autonomy	10.452**	3.763	6.112*	0.370	1.134	0.006	1.390
V9	Collaboration	6.073*	0.008	3.008	14.005**	0.280	0.075	0.147
V10	Experiment ion	14.662**	1.516	6.149*	3.633	0.924	0.629	0.048

* = $p < 0.05$; ** = $p < 0.01$

PROCEDURE - The data is collected from random sample as per the design of the study. All the three questionnaires together were given to the respondents in their natural work setting. The researcher visited all the organisations and called 20 – 25 people in a group to a conference room located in the organisation's premises. The instruction was given by the investigator to all the respondents regarding the method to be adopted for recording the responses. The doubts were cleared then and there by the investigator. The filled in questionnaires were collected and based on the data, the data sheets were prepared on each group. Further, the data were computed using SPSS package.

Table – 3: Inter-correlation among all variables – Total Sample (600)

		Sector	Level	Sex	V (1)	V (2)	V (3)	V (4)	V (5)	V (6)	V (7)	V (8)	V (9)	V (10)
Sector		1.000												
Level		0.000	1.000											
Sex		0.000	0.000	1.000										
	V (1)	0.144	-0.109	0.080	1.000									
	V (2)	-0.126	0.045	-0.020	0.218*	1.000								
	V (3)	-0.113	0.112	-0.051	0.158	0.819**	1.000							
	V (4)	-0.045	0.063	-0.010	0.206*	0.800**	0.657**	1.000						
	V (5)	-0.054	-0.037	0.051	0.183	0.706**	0.519**	0.529**	1.000					
	V (6)	-0.058	-0.050	0.077	0.093	0.478**	0.245*	0.301**	0.222*	1.000				
	V (7)	-0.062	0.027	-0.074	0.234*	0.806**	0.620**	0.610**	0.534**	0.309**	1.000			
	V (8)	-0.130	0.078	0.100	0.011	0.285**	0.138	0.080	0.065	0.048	0.024	1.000		
	V (9)	-0.099	0.004	-0.070	0.120	0.715**	0.528**	0.539**	0.411**	0.203*	0.554**	0.240*	1.000	
	V (10)	-0.154	0.049	-0.100	0.142	0.773**	0.643**	0.557**	0.557**	0.287**	0.597**	0.106	0.448**	1.000

* = p < 0.05; ** = p < 0.01

DISCUSSIONS & CONCLUSION - In the changing environment, holding a particular position in terms of excellence is quite difficult unless the organisation tries to invent and re-invent the wheel. No single organisation is the best in terms of all the processes. It is essential to understand, appreciate and emulate the best practices of each organisation irrespective of the nature, type and geographical location of the business. Indian management needs to become pro-active in understanding the need of the hour, in benchmarking the best practices and in designing the performing organisations (Pattanayak, Gupta & Niranjana, 2002).

Dynamic people make an effective and intelligent organisation. Dynamism can be created only when there is proper mechanism to develop competency and motivation to work (Routray, Mohanty & Mohanty, 2002). A macro approach to organisational effectiveness focuses generally on various issues such as profit and productivity and largely ignores individual and organisational effectiveness (Katz & Kahn, 1966).

In the present study (Table 1 & 2), it has been observed that the employees of service sector are more learned to be optimistic than the manufacturing employees. Normally, in the service sector, the employees do serve with optimistic attitude with proper plans to make the customers happy, because it is their service behaviour which is going to determine the amount of business they are going to get at the end of the day, whereas, in the manufacturing sector, the emphasis is more on the product development, features of the product and the value addition the product is going to make. So in the manufacturing set up, the employees perform in more of a stipulated boundary and a defined course of action. It is a good indicator that in the growing service sector of India, the employees have learnt to be optimistic. It has also been observed that the female employees are more optimistic than the male counterparts and the executives are more optimistic than the non-executives.

The executives have more exposure to the professional life and they always see more opportunities inside and outside the organization than a non-executive. As such in the organizational hierarchy, the non-executives perceive themselves as more of a failure in terms of availing opportunities in the career projection path which probably gives them more disappointments and setbacks by assuming that there is nothing that can be done to make their performance rewarded through promotion so long as they are working in the same organisation at non-executive level. For example, the career path for the executive is well defined and very much time bound and performance based but for a non-executive the career progression is very slow and limited unless he breaks the barrier to enter the executive position. Several researchers have contended that optimism is a thinking style that can be

learned (Dhar, Dhar and Rajasekar, 2002). There is enough evidence to justify this thinking of the non-executives. This is because in most of the organizations, the career paths of the executives are more defined and even the opportunities provided to the executives are more than those available to the non-executives.

It is further observed that female employees are learnt to be more optimistic than their male counterparts (Table 1 & 2). The association between selecting achievable goals and optimism can be found in the concept of learned optimism, which is essentially a sense of enthusiasm, confidence, and control that develops once one achieves small successes. Setting behaviourally based achievable goals proves that one is capable of accomplishing what one sets out to do (Dhar, Dhar and Rajasekar, 2002). Probably, this can be justified in the present finding that female employees may be selecting achievable goals and thereby minimizing their failures, which in turn develops learned optimism. Moreover, this is also justified based on the findings of Levenson (1994) that females do encounter failure in the agreements more favourably than the males. This shows females do have greater optimism than males.

In the present study, it has been found that manufacturing organizations have better organizational ethos than the service organizations. The organizational ethos has been operationally defined here in terms of openness, confrontation, trust, authority, pro-action, autonomy, collaboration and experimentation. The organizational ethos are mostly organization specific driven by the people in the organization. In this context, the culture reflected by the manufacturing sector is the reflection of the organizational culture that prevails in the organizations under study.

Manufacturing being research and development driven, it may be explained that it fosters more openness, autonomy, experimentation and collaboration as part of the work culture, whereas both service and manufacturing do not differentiate on confrontation, trust, authenticity and pro-action.

The findings also reflect that employees do not differentiate in perception of organisational ethos in terms of their positions occupied in the hierarchy and also the gender (table 1 & 2). Srivastava (2000) in his recent study has shown that managers of manufacturing sector (i.e., people at the higher echelons of the hierarchy) perceived high positive work culture in comparison to executives and supervisors (who were at the lower ring of the pyramid). Interestingly, this does not come true in the present study when the manufacturing and service sectors are being compared. Moreover, the results also indicate that there is no impact of gender on the perception of organisational ethos. As the ethos is an organisational factor, it

may not have any relationship with the individual gender. This also indicates that the organisations under study have their own unified work culture, which is so strong that people do perceive uniformly irrespective of their positions in the organisation & gender.

Indian studies have provided ample evidence that organisation, as the outcome of the process of socialisation, has to be adaptive to the environment (Srivastava, 2000). Sinha (1995) has looked at the sources of organisational culture in its socio-economic milieu. The evidence from literature supports this contention that similar work related experiences result in uniformity of perception of cultural characteristics (Schein, 1987; Van Mannen, 1976).

It has also been found from the results of the present study that females do enjoy more autonomy and involve more in experimentation than their male counterparts. This may be due to the fact that females are engaged more in the area of research and development in corporations/manufacturing organisations. The non-executives are having high openness than the executives. This is quite natural because of the unionised work environment wherein non-executives have more freedom of expression than the executives.

Towards the second objective, the results also show that there is a significantly positive relationship between learned optimism and organisational ethos. It means positive organisational culture influence learned optimism and also the learned optimism of the employees influence the perception of positive organisational ethos. Further, to understand the relationship of high optimism with organisational ethos, the total sample has been divided on the basis of learned optimism score into two groups on median split-half methods as high and low learned optimism groups. The two groups were compared on the basis of their organisational ethos. The findings show that high-learned optimism has a positive significant relationship with organisational ethos. It suggests that optimism has a major role to play in influencing the perception of positive work culture in the organisation and vice-versa.

The findings are very important and contemporary keeping in view the competitive and uncertain business environment. In an uncertain business environment, it is essential to have strong optimism of the employees to succeed. Moreover, as discussed earlier, the employees can learn optimism if the culture of the organisation is positive in creating self-confidence and trust at the work place.

This has necessitated developing OD intervention strategies in service sector to improve the cultural dimensions like openness, autonomy, collaboration and experimentation. For example, to be specific, suggestion schemes for employees, introduction of open house concept, introduction of delegation and empowerment processes can be used to improve the

work culture. People development strategies like training programmes and workshops should be conducted to improve learned optimism through sensitisation process. OD initiatives will improve organisational culture in turn; will foster a positive thinking leading to optimism. The organisation can be intelligent if the information flow is on and there is a learning culture, which will foster optimism and hope to compete and succeed.

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