

Corporate Culture in Nepalese Hotel Industry

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Abstract

The competing values framework was used to describe the organizational culture type exhibited by Nepalese listed five star hotel's managers. This framework assesses the dominant organizational culture based on four culture types: Clan, Hierarchy, Adhocracy, and Market. Nepalese hotels managers exhibited different culture type as dominant in both the current and preferred situations on the basis of dominant characteristics, organizational leadership, managements of employee, organizational glue, strategic emphases and criteria of success. The purpose of the study was to examining the values preferred and now by managers at listed hotels in Nepal, in the context of these above mention types of organizational culture. The methods used for identification of the dominant types of organizational culture is organizational culture assessment instruments (OCAI) which is based on the Competing Values Framework developed by Cameron and Quinn, 1999 The study suggests implications for extension nationwide.

Key Words: Organizational culture assessment instrument, Organizational culture, Competency and values framework.

Introduction

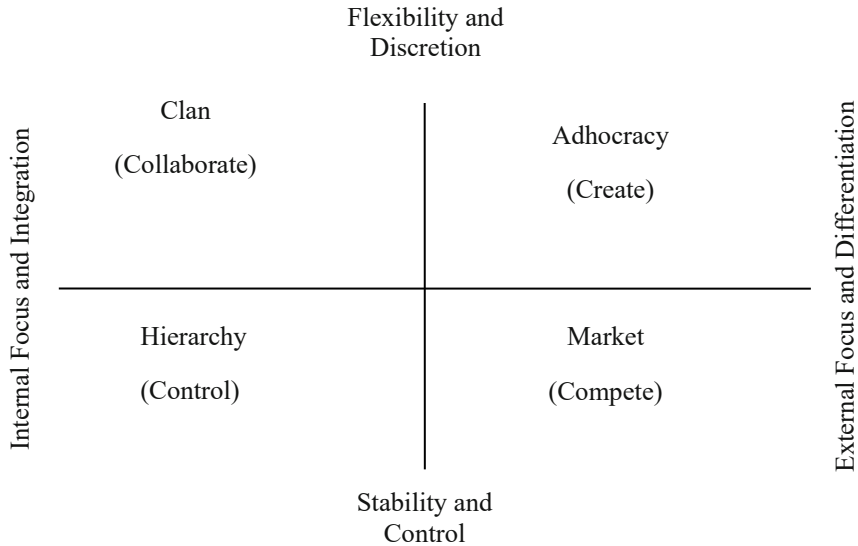
Organizational culture refers the perceived values belief and attitudes towards the organization and its activities. It is treated as the component of internal environment, as we know that internal environment gives information about the strength and weakness of the organization. Furthermore familiar with the organizational culture is necessary for the success of the management. Technological advancements, dynamic customer demands, increasing globalization, the blurring of organizational boundaries, and increasing competition are all combining to produce organizational environments more turbulent and volatile than ever before'

(Parry & Proctor-Thompson, 2003). Nepal is a small land lock and least developed country but with higher potentiality of tourism by its diversity in culture, adventure and nature which shows the bright future of hotel industry. Indeed there is lack of evidence about the existing culture as an internal environment. Moreover it is important to understand the cultural position of Nepalese hotels which help to strengthening the organization. Corporate culture can determine the success of the organization (Azhar, 2003).

Organizational culture can influence how people set personal and professional goals, perform tasks and administer resources to achieve them. Organizational culture affects the way in which people consciously and subconsciously thinks, make decisions and ultimately the way in which they perceive, feel and act. Organizational culture can exert considerable influence in organizations particularly in areas such as performance and commitment (Deal & Kennedy, 1982).

Furthermore, there is different views of researchers towards culture dimension some of the most notable include Hofstede (1980), Deal and Kennedy (1982) and Schein (1985). Hofstede (1980) stresses that there are national and regional cultural groupings that affect the behavior of organizations. He contends that culture is examined in five dimensions of national influences (1) Power distance (2) Uncertainty avoidance (3) Individualism versus collectivism (4) Masculinity versus femininity and (5) Long-term versus short-term orientation. Likewise Schein (1985) classifies Organizational Culture into three dimensions: (1) Assumptions at the first level (2) Values at the second level and (3) Artifacts at the third level.

Moreover the four main quadrants classify the core values on which judgments about organizations are made resulting in the construction of an organizational culture profile (Cameron and Quinn, 1999). The four quadrants comprise distinct cultural types of CVP. These quadrant names were derived from the scholarly literature and identify how, over time, different organizational values have become associated with different forms of organizations, for example Weber's (1947) hierarchy, Williamson's (1975) market, Ouchi's (1981) clan, and Mintzberg's (1996) adhocracy. The clan culture emphasizes flexibility and internal focus. It can be contrasted with the market culture, which emphasizes control and external focus. The adhocracy culture, which is characterized by flexibility, can be contrasted with the hierarchical culture, which focuses on control and internal focus. There are also parallels among the cultures; the clan and hierarchy cultures share an internal focus, whereas the market and adhocracy cultures share an external focus. Furthermore model which is analyzed here is as follows



Source: Cameron and Quinn (1999)

Indeed the study covers whole listed hotels of Nepal for the purpose of examining existing culture on the basis of above Cameron and Quinn model but their multinational brands may limited the national culture in the industry although study have tried to examine the culture by scientific method and with widely accepted mode however researcher have conduct the study by minimizing the respondent bias as possible.

Statement of the problem

Culture focuses on internal organizational dynamics (Denison 1990). In fact, the term organizational culture was made popular in the 1980s when Peters and Waterman’s best-selling book *In Search of Excellence* made the argument that company success could be attributed to an organizational culture that was decisive, customer-oriented, empowering, and people-oriented. Since then, organizational culture has become the subject of numerous research studies, books, and articles. Organizational culture is still a relatively new concept. Organizational culture is a young but fast-growing area within management (Chatman & Eunyoung, 2003 ; Ken & Slocum, 2005). Indeed there is few studies were made about it in Nepalese context. Therefore this study aims to examine organizational culture in Nepalese hotels industries. To work on this objective, the issues identified include: what is the status of Clan culture, adhocracy culture, market culture and hierarchy culture at Nepalese workplaces especially in hotels? Likewise what is the present status (now) and what is the preference culture in managerial perspective.

Which culture shows in existence by Cameron and Quinn model?

What is the perception of managers about the existing culture?

Which culture prefer by managers for the betterment?

Objective of the study

This study analyzes the corporate culture on the basis of Dominant Characteristics, Organizational Leadership, Management of Employees, Organizational Glue, Strategic emphases & Criteria of Success.

The general objective of the study is to describe the dominant culture type of Nepalese hotels as perceived by their personnel. The specific objectives of the study are as follows:

- To identify the dominant culture type in current situations in Nepalese hotels.
- To examine preferred culture type in Nepalese hotels from managerial perspective
- To detect the culture profile findings among groups of individuals at Nepalese hotels.

Methodology

The study was classified as descriptive analysis. The target and accessible populations were fifteen Nepalese five star hotels, ten hotels located in Kathmandu, one hotel located in Rupendehi, two hotels located in Pokhara and two hotels located in Banke. A sample was drawn from the population on the basis of listed in Nepal Stock Exchange and all listed hotels (4) were taken as sample. Sixty questionnaires were distributed to the managerial level employee of those samples. The grab sampling technique, the part of the non probability sampling is used for this purpose.

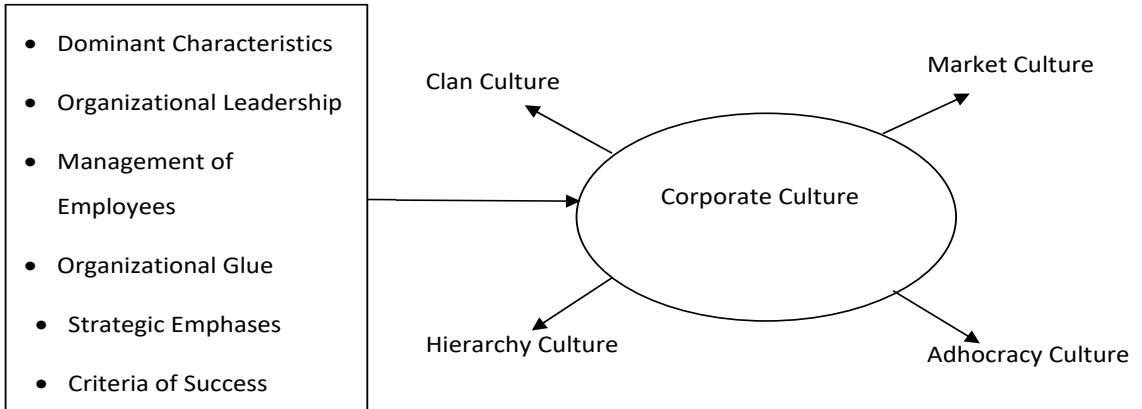
The questionnaire used to gather data from the sample consisted of a structured version of the "Organizational Culture Assessment Instrument" developed by Cameron and Quinn (1999). The OCAI instrument was adapted and used to describe the organizational culture profile of Nepalese five star hotels. The results for the statements contained in the OCAI for both current and preferred situations are shown in appropriate table and graph. Data were collected by visiting the managers at their official cabin in concern site one week after dropping the questionnaire. All managers who are visited and informed fairly fill-up the distributed one.

CC= Clan Culture, AC= Adhocracy Culture, MC= Market Culture, HC= Hierarchy Culture.

CVF=Competency and Values Framework

Theoretical Frame Work

Following theoretical frame work is developed for the purpose of the study on the basis of literature review. Which is based on the competing values framework and organizational-culture-assessment-instrument is used for the analysis. The framework describes the dominant culture on the basis of dominant characteristics, organizational leadership, management of employee, organizational glue, strategic emphases and criteria of success.



Source: Literature review

Data Analysis and Presentation

Table: 1 Dominant Culture Type of listed five star hotels now and prefer on the basis of dominant characteristics.

Base	Culture	Now				Prefer			
		Hayat	Redison	Soltee	Yak & Yeti	Hayat	Redison	Soltee	Yak & Yeti
On the basis of Dominant Characteristics	CC	31	32	23	24	36	30	33	33
	AC	16	23	27	18	24	23	20	20
	MC	25	26	28	30	21	23	22	25
	HC	28	19	22	29	20	25	26	23

The strength of the dominant culture type exhibited by hotels’ managers is related to the number of points assigned to a specific culture type. In the current situation, the Clan culture type is slightly strong then other in hotel Hayat and Redison, while market culture in hotel Soltee and Yak & Yeti. Indeed in the preferred situation the Clan culture type is considered stronger in all hotels on the basis of dominant characteristics. The mean score revealed in table 1.

Table: 2 Dominant Culture Type of listed five star hotels now and prefer on the basis of organizational leadership

Base	Culture	Now				Prefer			
		Hayat	Redison	Soltee	Yak & Yeti	Hayt	Redison	Soltee	Yak & Yeti
On the basis of Organizational Leadership	CC	26	24	23	25	32	31	32	34
	AC	24	28	25	30	16	25	22	22
	MC	22	18	22	18	23	19	28	25
	HC	28	30	30	28	30	26	19	20

The mean score revealed in table 2, the dominant culture type perceived by the managers working in the hotel is related to the number of points assigned to a specific culture type on the basis of organizational leadership. The mean score of table 2 shows that hierarchy culture is slightly stronger in hotel Hayat, Redison and soltee where as adhocracy culture in hotel Yak & Yeti in current situation. But clan culture is dominant in all hotels for preferred situation.

Table: 3 Dominant Culture Type of listed five star hotels now and prefer on the basis of management of employees

Base	Culture	Now				Prefer			
		Hayat	Redison	Soltee	Yak & Yeti	Hayt	Redison	Soltee	Yak & Yeti
On the basis of Management of Employees	CC	29	30	29	32	29	36	32	33
	AC	25	22	23	24	31	21	22	20
	MC	26	26	25	26	27	25	27	25
	HC	21	22	23	20	15	19	19	23

The Table 3 exerts the mean of score given by the managers according to their perception on the basis of management of employees in structured questionnaire developed for Organizational Culture Assessment Instrument. It reveals dominancy of clan culture in current situation however in preferred situation clan culture also holds strong position.

Table: 4 Dominant Culture Type of listed five star hotels now and prefer on the basis of organizational glue

Base	Culture	Now				Prefer			
		Hayat	Redison	Soltee	Yak & Yeti	Hayt	Redison	Soltee	Yak & Yeti
					32				32
On the basis of Organizational Glue	CC	24	32	30	32	23	30	25	26
	AC	30	23	29	22	19	23	24	20
	MC	24	26	23	27	29	23	26	26
	HC	22	19	18	19	30	25	26	28

On the basis of organizational glue managers perspective results that clan culture is in stronger position among Redison, Soltee and Yak & Yeti whereas adhocracy culture lies stronger position in Hayat hotel in existing situation. However in prefer situation hierarchy culture is in dominant position in hotel Hayat and clan culture in hotel Redison but equal dominancy of market and hierarchy culture in hotel Soltee and dominancy of hierarchy culture in hotel Yak & Yeti.

Table:5 Dominant Culture Type of listed five star hotels now and prefer on the basis of strategic emphases

Base	Culture	Now				Prefer			
		Hayat	Redison	Soltee	Yak & Yeti	Hayt	Redison	Soltee	Yak & Yeti
					32				32
On the basis of Strategic Emphases	CC	28	31	23	32	28	32	33	28
	AC	24	29	27	29	23	22	20	24
	MC	27	21	28	22	21	21	22	22
	HC	22	20	22	17	28	26	26	27

The mean score presented inTable 5 explain that there is dominancy of clan culture in hotel Hayat, Redison and Yak & Yeti similarly dominancy of market culture in hotel soltee in present situation where as clan culture is preferred for all the hotels. In an average hierarchy culture is in least position in hotel Yak & Yeti in present situation

Table:6 Dominant Culture Type of listed five star hotels now and prefer on the basis of criteria of success

Base	Culture	Now				Prefer			
		Hayat	Redison	Soltee	Yak & Yeti	Hayt	Redison	Soltee	Yak & Yeti
On the basis of Criteria of Success	CC	25	34	27	31	23	29	25	25
	AC	20	20	22	21	26	24	23	25
	MC	31	23	31	23	30	29	33	29
	HC	25	23	20	25	22	19	20	21

The mean score revealed in the Table 6 highlights that there is the dominance of market culture in present situation in hotel Hayat and Soltee whereas dominance of clan culture in hotel Redison and Yak & Yeti. Moreover it shows that market culture is preferred for all hotels. Here hierarchy culture is in least position with average mean of 19 in hotel Redison for preferred situation.

Figure: 1 Graphical representation of the highest mean scores in the four culture types for both actual and preferred situations of hotels perceived by managers.

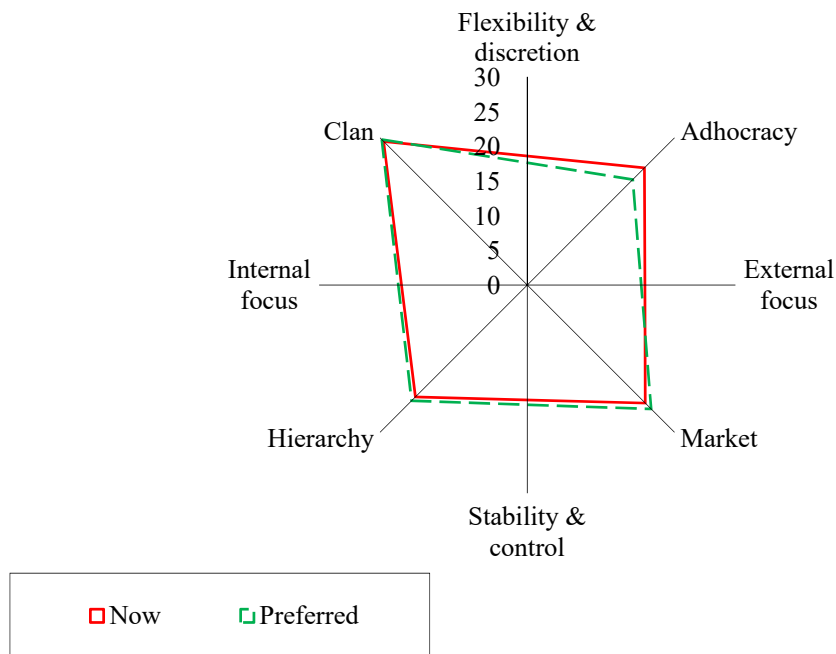


Figure 1 shows overall mean score given by the managers both in preferred and present situation the dotted line shows preferred mean score and next line shows the present mean score among

the four culture type. Clan culture has highest mean for both situation although under different base that is on the basis of dominant characteristics, organizational leadership, management of employees organizational glue, strategic emphases and criteria of success different culture is prefers as well as seen in to the organization.

Conclusion and Discussion

This framework assesses the dominant organizational culture based on four culture types: Clan, Hierarchy, Adhocracy, and Market. Hotels managers exhibited a Clan culture type as dominant in both the current and preferred situations in aggregate which result is consistent with (Berrio, 2003). Similarly on the basis of above calculated 6 dimensions no one is seen as single dominant rather different culture type that means organizations are the combination all culture the notion is similar to (Smart & St. John, 1996; Cameron & Quinn, 1999). The study also observed tensions between heart and head that were particularly relevant for improving organizational effectiveness as their present filling and future expectation which is also describes by (Grabowski, Neher, Crim, & Mathiassen, 2014). From the analysis of the respondent data all sample hotels have dominancy of clan culture where as managers also preferred clan culture but in higher degree which is shown in the above table and the graph. Moreover there is heterogeneous culture exist on the basis of six different criteria. Success of the organization depends upon the appropriate diagnoses of an organizational culture the notion also revealed by (Ghannay & Mamlouk, 2015) here the instrument helps to get conclude towards organizational culture.

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