

The Organisational Culture-Managerial Effectiveness Relationship: A Meta-Analytic Approach

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ABSTRACT

The vast numbers of previous studies suggest that every organisation should include culture to eradicate managerial excellence. To analyse this perspective; the paper tries to investigate the relationship between organisational culture and managerial effectiveness. This research embarks various factors of organisational culture namely, structure, responsibility, reward, initiative & risk, warmth, support, standard, conflicts, identity, leadership, delegation, human relationship, communication, grievance handling and decision making individually. On the other hand, the managerial effectiveness consists of action-orientation, self-disclosure, receptivity to feedback and perceptiveness. The meta-analytical approach helps to generalize the above-discussed relationships among all the variables. The review of the literature reported the various dimensions of the organisational culture and managerial effectiveness vary widely. This study provides a meta-analysis of 104 qualified empirical research articles published between 1967 and 2016. The analysis includes a combined sample of 53,391 managers and employees across different sectors. The main sectors were banking, pharmaceutical, manufacturing and education. The result indicates a positive relationship between organisational culture and managerial effectiveness. The overall combined correlation was ($r = 0.463$) whereas, correlations in excess of 0.3 are rare in this context. These relationships suggest that organisational culture is an important factor in influencing the effectiveness of managers. These finding also highlight the importance of organisational culture in fostering managerial effectiveness.

Keywords: Meta-analysis, Managerial Effectiveness, Organisational Culture, Effect-size.

INTRODUCTION

The supportive organisational culture (OC) helps a manager to carve out positive behavioural changes among employees. The managerial competency depends on the organisational culture (Shamsudin, 2011). As a result, managers effectively derive advance competencies as a quick performer. The organisational culture, which refers to shared values, norms and practices of behaviour, affects the success of managers in a business (Angelle, 2010). The culture must exist in the organisation for successful shared leadership (Copland, 2003); Angelle, 2010). The preconditions proposed are the

development of an organisational culture that embodies collaboration, trust, and reciprocal accountability mechanism. Culture has been labeled "Normative Control" (Kunda, 1992), and critical studies have demonstrated that how organisational culture may develop into a "disciplined instrument" with counter-productive implications, when managers and employees are expected to obey and discouraged to critique the corporate culture (Kunda, 1992; Alvesson & Willmott, 2002). One of the leadership challenges is to manage the subtle balance of maintaining culture as a powerful source of motivation while also benefiting from culture's

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potential for disciplining behaviour (Collins & Porras, 2000).

Organisational Culture

Organisational culture is the latest concepts in the field of management. The solicitation of the concept of culture to organisations became prevalent through the year 1980s but was forged by some pioneering intellectuals earlier (for example, Crozier, 1964; Turner, 1971; Pettigrew, 1979). The organisational culture is a form of shared basic assumptions that are learned by a group as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (E. H. Schein, 2004). It's all about pervasive values, beliefs and attitude that characterize a company and guide its practices. The organisational culture is a system of shared assumptions, the innermost layers which guide how to handle everyday problems that have become self-evident, which governs how people behave in the organisations. The organizational culture is conceptualized as shared beliefs and values within the organisation that helps to shape the behaviour patterns of employees (Kotter and Heskett, 1992).

Managerial Effectiveness

Achieving objectives presents major challenges and requires companies to have highly skilled professionals trained in many diverse areas and new technologies combined with industry-specific expertise. Organisations are tending towards a new paradigm of management and the changes occurring in the younger generation of managers (Ravichandran, T. and Nagabrahman, D. 2000). Moreover, companies are relying on managers to operate global delivery models and their subordinates help them to meet all the ever-changing objectives. The "more effective" and "less effective" managers differed in terms of the degree to which they displayed communication behaviour, participative behaviour, supportive behaviour, positive behaviour and responsive behaviour (Amsa, P. and Aithal, K.N., 1989). However, evolving customer demands have led to the increasing acceptance and use of offshore resources

for higher value-added services. These services include application design, development, testing and systems integration, technology and industry-specific consulting and infrastructure management leadership competencies associated with the innovator, director and mentor roles, found to contribute most to managerial effectiveness, thus specific directions for managerial action have been derived (Trivellasa, P and Reklitis, P. 2014).

Organisational Culture and Managerial Effectiveness

To be fully effective - and to have a major impact on their organisation - leaders need to use their own vision and energy to inspire their followers (Bass' Theory). Manager as disciplinarian may have difficulty while setting an interpersonal relationship with employees to maintain a certain type of culture. While interacting with employees managers must have smooth communication chain to accomplish organisational goals. Regardless of the organisational culture, a manager must serve as a model for other employees to emulate. The proper organisation culture shows that owners and management value each worker's places in the company and are serious about maintaining standards.

Rationale of the study

The concept of organisational culture has gained a lot of acceptance during the last few decades and the examination of organisation culture has become empirical evaluation. The quantitative results of meta-analysis of several individual studies helped to amalgamate and to provide a combined estimate of the effect of size; (that is, in context of the correlation between organisational culture and managerial effectiveness). This study will be insightful to the managers of various sectors to create and maintain a strong culture for successful team building and long term corporate value.

REVIEW OF LITERATURE

The supervisors had a greater influence on employee perceptions of culture (Lory Block, 2003).

For example, Giberson, Resick, Dickson, Mitchelson, Randall and Clark (2009) empirically examined those organisational cultures (clan, adhocracy, hierarchical and market culture) linkages between leadership (openness to experience, agreeableness and emotional stability) and the cultures that emerge in the organisations they lead. On the other hand, Awan and Mahmood (2010) explored out the relationship among leadership style, organisational culture and job commitment.

Sarros, Cooper and Santora (2011) stated that socially responsible cultural orientations that mediate leadership vision and organisational support for innovation, whereas, in FPs, a competitive cultural orientation mediates the relationship. Formal practices and cultural values intended to aid employee growth and development do not "level the playing field" for minorities. Formal training and mentoring programs do not increase minority presence, while longer time period to promotion, a cultural commitment to professional development, and cultural norms of early responsibility are all negatively associated with minority representation (Kay and Gorman, 2012). Vukonjanski, Nikolic, Hadzic, Terek and Nedeljkovic (2012) organisational culture (uncertainty, avoidance, future-oriented, performance oriented, and collectivism) were

significant predictors of job satisfaction and moderated by the leader-member exchange.

Research Gap

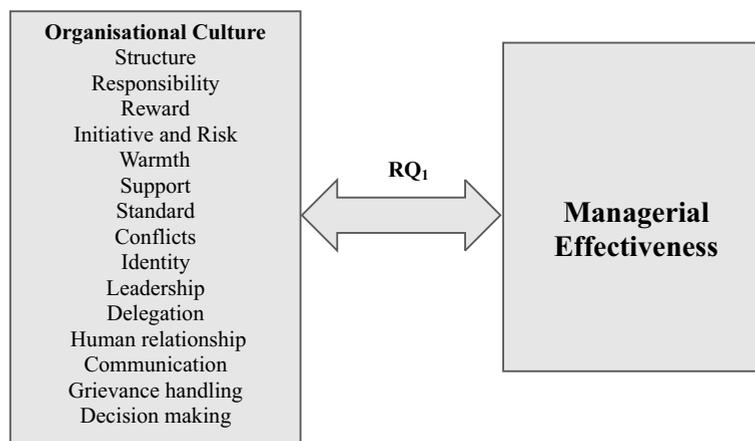
The extensive review of literature exhibit that there are various studies conducted on organisation culture and managerial effectiveness empirically. There are very few exploratory analyses which tries to capture various studies to investigate the relationship.

To address this gap, the study had examined the organisational culture and managerial effectiveness relationship with the help of meta-analysis approach. This analysis tries to combine wide sample with different sectors. The main sectors were banking, pharmaceutical, manufacturing and education.

Research Questions

This study systematically reviewed the research evidence linking organisational culture to managerial effectiveness, and to investigate various organisational dimensions relationship to managerial effectiveness with a series of meta-analyses to obtain combined estimates of the strengths.

Conceptual Framework



OBJECTIVE OF THE STUDY

The objective of this study is to systematically review the research evidence linking organisational culture to managerial effectiveness, and to subject this evidence to a series of meta-analyses to obtain combined estimates of the strengths of these statistical relationships.

RESEARCH METHODOLOGY

The statistical quantitative method of meta-analysis was used to find out the results of several individual studies related to organisational culture and managerial effectiveness. The analysis helps to integrate the individual studies to find the relationship. The meta-analytical statistics are based on much larger sample sizes and yield weighted average effect size estimates that are more accurate than those from individual studies. 104 studies had been analysed to find the effect size as well as heterogeneity.

Research Design

The analysis was based on 104 qualified empirical research articles published between 1967 and 2015. The analysis includes a combined sample of 53,391 managers and employees across different sectors. The study undertook various organisational culture factors namely, structure, responsibility, reward, initiative & risk, warmth, support, standard, conflicts, identity, leadership, delegation, human relationship, communication, grievance handling and decision making individually. On the other hand, the six factors of managerial effectiveness consist of action-orientation, self-disclosure, receptivity to feedback and perceptiveness.

Sources of Data

Secondary Sources Data were collected from various research papers, articles, theses, books and magazines. The following inclusion/exclusion was adopted:

Inclusion/exclusion criteria

Intervention and observational studies were accepted if:

- An evaluation of the relationship between a measure of organisational culture and managerial effectiveness was reported, using one or more of the following effect-size statistics: correlation coefficient, R² values from (multiple) regression analyses.
- A normal working population was considered.
- Acceptably large samples (at least 30 respondents in total) were evaluated.
- Cross-sectional designs were used on existing criteria
- The studies after 1967 were considered.

FINDINGS OF THE STUDY

The effect-size summary statistics for the relationship between organisational culture and managerial effectiveness for each variable are shown in Table 1 individually. 104 studies had been analysed to find the effect size as well as heterogeneity. The human relation and responsibility as variable under organisational culture were much more strongly associated with managerial effectiveness ($r = 0.63$, $r = 0.59$). Interestingly, the other variables also correlated positively, but slightly less strongly, with the managerial effectiveness characteristics initiative and risk-taking ($r = 0.47$); warmth ($r = 0.47$). While the relationship between managerial effectiveness and these organisational culture variables were also relatively high i.e. support ($r = 0.53$); standard ($r = 0.57$); leadership ($r = 0.54$); grievance-handling ($r = 0.54$) and decision-making ($r = .56$). The correlation with structure, conflict, identity and communication was more modest ($r = 0.37$, $r = 0.33$, $r = 0.36$ and $r = .39$). The lowest correlations were found for the two variables i.e. reward and delegation ($r = 0.32$). The combined effect, therefore, cannot represent the one common effect but instead represents the mean of the population of true effects.

Table 1: Effect-size summary statistics for relationship between organisational culture and managerial effectiveness

S. no.	Variables	No. of studies	Sample	Effect-size
1.	Structure	7	1865	0.37 (.11 to .74)
2.	Responsibility	5	2011	0.59 (.40 to .91)
3.	Reward	4	668	0.32 (.12 to .44)
4.	Initiative and Risk	4	1487	0.47 (.36 to .73)
5.	Warmth	5	1039	0.45 (.24 to .65)
6.	Support	5	1305	0.53 (.01 to .83)
7.	Standard	3	842	0.57 (.12 to .89)
8.	Conflict	2	174	0.33 (.29 to .38)
9.	Identity	4	1328	0.36 (.03 to .62)
10.	Leadership	7	2013	0.54 (.27 to .90)
11.	Delegation	7	3853	0.32 (-.08 to .62)
12.	Human Relation	3	700	0.63 (.48 to .76)
13.	Communication	3	557	0.39 (.18 to .60)
14.	Grievance-handling	6	1970	0.54 (.12 to .74)
15.	Decision-making	9	2663	0.56 (-.07 to .79)
Combined Effect		30	30916	0.27 (.10 to .79)
Total		104	53,391	0.45

Table 2. Effect Size Statistics for Relationship between Organisational Culture and Managerial Effectiveness

Model	Effect size and 95% interval				Test of null (2-tail)			Heterogeneity		Tau-square	
Model	Number Studies	Point estimate	Lower limit	Upper limit	Z-value	P-value	Q-value	df (Q)	P-value	I-squared	Tau Squared
Fixed	104	0.270	0.262	0.278	63.712	0.000	6180.449	103	0.000	98.333	0.130
Random	104	0.463	0.405	0.517	13.858	0.000					

Table 2 presents effect size and 95 percent CIs for both fixed and random-effect models, as well as the results of heterogeneity tests. The p-values for the heterogeneity test are less than 0.1 for studies. These results indicate the presence of heterogeneity among studies. In addition, all effect sizes are statistically significant, and p-values are less than 0.01. As a result, the effect size from the random effects model is considered. The overall combined studies of 104 relationships found between organisational culture and managerial effectiveness was indeed positive ($r = 0.463$). Hence, the result indicated that organisational culture was much more strongly associated with managerial effectiveness. The absolute values of the correlation estimates range from 0.27 to 0.46, and this range reflects approximately moderate-sized associations according to Jacob Cohen’s (1988) definition of effect

sizes. Fisher Z-transformation is recommended to achieve a nearly normal distribution (Fisher 1928). Therefore, Ronald Fisher’s Z-transformed correlation coefficient is used in the meta-analysis instead of the original and derived correlation coefficients. The Q-value represents the total variance, and df, which represents the expected variance if all studies have the same true effect. The difference, $Q - df$, will give us the excess variance. The Index I² (98.33) interpreted considerable heterogeneity and consistency on the type of outcome data. The T₂ estimate > 1 , suggests the presence of substantial statistical heterogeneity between-study variance in a random-effects meta-analysis.

CONCLUSION

In the nutshell, the meta-analysis on the existing literature proved that organisational culture is related to managerial effectiveness (action-orientation, self-disclosure, receptivity to feedback and perceptiveness) which is considered in the present study. Further, the analysis effect-size also demonstrates that all these correlates of organisational culture affect the effectiveness of managers. This approach is extrapolated on the basis of above-discussed relationships among all the variables. The contemplation and adoption of such a relationship between organisational culture and managerial effectiveness would surely help leaders, decision-makers and entrepreneurs in the better understanding and eradicate organisation excellence. Human resources specialists can use this approach to improve agendas and strategies for guidance as well as organisation expansion.

SCOPE OF THE STUDY

This study provides a meta-analysis of only 104 qualified empirical research articles published between 1967 and 2015. The analysis includes a combined sample of 53,391 managers and employees across different sectors.

This analysis had tried to investigate organisational culture and managerial effectiveness relationship from various sectors and countries which is limited due to the unavailability of large numbers of studies.

LIMITATIONS OF THE STUDY

This meta-analytic paper is subject to a number of limitations – both practical and theoretical. Unfortunately, literature was not available based on certain variables. So, due to the lack of qualified empirical research papers on organisation culture and managerial effectiveness the researcher is not capable to get the fuller outlook.

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