Organizational Culture in Middle and Upper Level Hotel Units in Greece

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Abstract

This study examines the level of awareness of organizational culture (OC) of hotel managers in middle and upper level Hotel Units (HU) in Greece. A random sample of 140 hotel managers from middle and upper Hotel Units (HU) in Greece were surveyed using the Organizational Culture Assessment Questionnaire (OCAQ), a 30-item OC scale developed by Sashkin (1997). The results indicated that the mean values of the OC factors "managing change", "achieving goals" and "cultural strength" are considered as average, while "coordinated teamwork", "customer orientation" and the total OC score are considered to be high, when compared to Sashkin (1997) norms. Further results revealed significant differences only for the "customer orientation" factor. Generally, no significant differences were found among managers of middle and upper level HU for general awareness of OC. It is concluded that the results are rather homogenous, with all HU managers placing more or less the same importance to Sashkin's five OC factors, with each HU manager reporting a rather satisfactory organizational culture.

Key Words: Organizational Culture, Middle and Upper Level Hotel Units

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Introduction

In today's rapidly changing environment, organizational culture (OC) has become an important component to organizational effectiveness. OC's evolution began when organizations started to question their effectiveness, and wanted to obtain and develop clearly defined goals and objectives. OC are the basic assumptions in which a group "has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be valid" (Schein, 1984, pg. 3). These assumptions are then taught to new group members as a standard way to perceive, think, and feel in relation to problems faced. In fact, Goffee and Jones (1996) claim that OC is the "glue that holds organisations together" while Gerstner (2002) adds that OC "is not just one aspect of the game – it is the game".

Part in parcel to organisations, are the diverse range of people who posses different characteristics, values, beliefs and personalities, which influence the OC. Those who have worked in an organisation, regardless of its size, have encountered different OCs because of the diverse characteristics, goals and objectives that influence the OC in an organisation. Hence, OC is a micrograph of the world, of society, and of the different cultures of the world.

Although OC's evolution began during the early 1980s, its roots can be traced back to the 1940s where human relations became important for business survival and success. Consequently, OC became a business phenomenon after the release of four seminal books in the early 1980's, which stimulated further study and analyses among researchers. In particular, the OC literature highlighted the significance of OC in creating a strong base for the organizational performance and introduced the idea of corporate culture being manageable for improving the image and performance of an organization.

Due to the growth of OC research, there was an increased interest among scientists and practitioners, who felt that too much focus was based on OC in terms of functional and technical aspects of management in quantitative research. As such, researchers shifted their focus to qualitative research to provide a balanced perspective. Consequently, this opened a new wave of literature on leadership and differing OC variants, and led to an increased understanding of business success in the areas of communications, partnerships, and networks. The concept of OC created a huge amount

of literature, and has become an integral part to organizational effectiveness, whereas, alliances were promoted and knowledge management was encouraged.

Part in parcel to OC is the strength of the culture. The strength of the culture is best described by the homogeneity and stability of the group, and the length and intensity of shared experiences among group members. According to Denison (1984) the importance of an organization possessing a "strong" culture, is exhibited in integrated and effective set of specific values, beliefs and behaviors that lead to a higher level of productivity performance. Increasingly organizations have come to understand the plethora of benefits a "strong" OC can bring to an organization; therefore, enhancing the analyses and investigation for the benefit of the organizations.

Due to the large wave of research on the concept of OC, defining the term has become complex. In and amongst the literature there is no single definition of OC. In fact, Kroeber and Kluckhohn (1952) have gathered no less than 170 different definitions, because different authors give different definitions. For instance, Deal and Kennedy (1982) suggest that OC is indicative of an organization's values; whereas Ouchi (1981) claims that it is the organization's operating philosophy, while Pettigrew (1979) claims it to be the organization's generally accepted system of meaning.

According to Sathe (1985) and Louis (1985), OC is best understood when there is a cognitive focus with related meanings and understanding. In particular, culture is shared, distinctive, and unique. However, Bidney (1968) describes organisational culture as "idealistic" and "realistic", whereas, (Kluckhohn & Kelly, 1972) differentiate between descriptive and explicative concepts in describing OC.

Although there are numerous definitions and components to OC, the most comprehensive definition of organisational culture in current literature is provided by Schein (1985), who defines culture as:

"*a pattern of basic assumptions-invented, discovered or developed by a group as it learns to cope with 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 processes" p.9.*

For Schein, OC can be further broken down into three levels, which include artifacts (the visible level), values (not observable), and basic assumptions (at the core of the formation)" (Yahyagil, 2006). However, according to Hofstede (1990), there are four levels, which include symbols, heroes, rituals, and values. Symbols, heroes and rituals

are considered visible practices, while values are intangible (Yahyagil, 2006). Regardless of definition or numbers of levels, OC can be seen as different values and norms, shared by people in an organization. These values, beliefs, and ideas influence the member's goals of an organization, and the appropriate standards of behaviour organizational members should use to achieve these goals (Hill & Jones, 2001).

Organizational culture provides a starting point for understanding the differences that may exist between successful companies operating in the same national culture (Schein, 1990). In fact, studying organizational culture and trying to apply a "strong organisational culture", as argued by Deal and Kennedy (1982), can influence the successful performance outcomes in and amongst organizations. According to Sadri and Lees (2001), culture is not the only determinant of business success or failure, however, a positive OC can give a significant competitive advantage.

For the purpose of this study, OC refers to the beliefs, attitudes, experiences and values of an organization, which need to be embraced by the organizational members, in order to share a common goal, develop and be competent. Hill and Jones (2001) argue that the organizational values develop organizational norms, guidelines or expectations that prescribe appropriate kinds of behaviour by employees in particular situations and control the behaviour of organizational members towards one another. A strong and solid OC is an important element for every organization.

Purpose and Importance

Effective management and acknowledgement of the hotel industry and its OC is a rather significant issue for the upgrade and advancement of the Greek Tourism and the services it encounters. As such, this paper purports to investigate the level of awareness of OC of hotel managers in middle and upper level Hotel Units (HU) in Greece.

This paper assesses the level of awareness and management of different situations based on OC and compares and investigates any possible differences in OC as perceived by managers at middle and upper level Hotel Units (HU) in Greece. There are several reasons for researching organizational culture differences between managers of middle and upper level HU in Greece. First and foremost, although a wide body of literature has a lot to present on the issues of OC, research of this kind in Greece is very limited. Therefore, considering the fact that tourism in Greece is one of its strongest assets, this paper identifies weaknesses of HU organization and suggests

possible solutions. In addition, this paper could shed light on how to enhance the tourism industry in Greece through a better understand of the impact of OC in HU. This investigation will also reveal general foundations and attributes on OC issues that will contribute to the general body of knowledge, particularly in the Greek context. Moreover, this paper tests the practicality of the research instrument used to measure OC (Sashkin, 1997), and whether it is useful when applied to the Greek context.

Method

Sample

A random sample of middle (2 and 3 star hotels) and upper level (4 and 5 star hotel) managers of HU was used from around Greece, which totaled 140 HU. There were 15 (10.7%) HU classified as 2 stars, 51 HU classified as 3 stars (36.4%), 31 (22.1%) HU classified as 4 stars and 36 (25.7%) HU classified as 5 stars. There were also 7 hotels (5%) that did not reveal their classification and therefore, there were under the missing data category.

The mailed questionnaire focused on measuring OC with a 30-item scale - developed and modified by Sashkin (1997) - to assist people to identify and understand the nature of the culture in their own organization, identify the problems within the organization, and define the sort of culture they want and need in order to deal with the different organizational problems emerging. The instrument is called the Organizational Culture Assessment Questionnaire (OCAQ), and is originally based on the work of Dr. Talcott Parsons who developed a framework and theory of action in social systems and identified four critical functions that every organization should embrace in order to survive long-term. These factors in brief are: (1) *Managing Change*: assessing the degree to which respondents see the organization as effective in adapting to and managing change; (2) *Achieving Goals*: evaluating how effective the organization is in achieving goals; (3) *Coordinated Teamwork*: evaluating the extent to which an organization is effective in coordinating the work of individuals and groups; and, (4) *Customer Orientation*: assessing the extent to which organizational activities are directed toward identifying and meeting the needs of customers.

Sashkin (2001) included a fifth scale on the OCAQ as part of the goal-attainment function, a focus on customer satisfaction, (the *Cultural Strength* factor), which was perceived as an additional important element for effective goal-attainment. Each of the five factors included a six item scale measuring from 1=not true to 5=completely true,

using the five-point Likert type scale. The total score of the OCAQ can be as low as 30 or as high as 150. Sashkin (1997) has developed a table of norms (Table 1) distinguishing characteristics of high and low scores.

The Greek version and translation of Saskin's instrument was originally developed by Kriemadis & Pelagidis (2006) and further tested by Tsaousis, Kriemadis & Leivadi (2005). For all respondents surveyed in this study, the Greek version of Saskin's instrument was utilized.

Table 1: OCAQ Norms

	Managing Change	Achieving Goals	Coordinated Teamwork	Customer Orientation	Cultural Strength	TOTAL
VERY HIGH	30	28-30	28-30	25-30	26-30	119+
HIGH	26-29	23-27	24-27	21-24	22-25	108-118
AVERAGE	19-25	16-22	18-23	15-20	17-21	87-107
LOW	15-18	11-15	14-17	11-14	13-16	76-86
VERY LOW	6-14	6-10	6-13	6-10	6-12	30-75

Results

The norms, means and standard deviations were calculated by examining the total OC score and the 5 OCAQ factor scores of the present study to those standardized by Sashkin (1997). As presented in Table 2, the mean values of managing change (23,81), of achieving goals (21,00) and of cultural strength (19,66) are considered as average with a range of average being for managing change from 19-25, for achieving goals from 16-22 and for cultural strength from 17-21. At the same time, the means for coordinated teamwork (22,57), customer orientation (22,44) and the total OC score (108,44) are considered to be high, with a range of 24-27 for coordinated teamwork, 21-24 for customer orientation and 108-118 for the total OC score.

Table 2: Mean and Std. Deviation values for the Total OC Score and OCAQ Factors

OCAQ Factors						
	Total	Managing change	Coordinated Teamwork	Customer Orientation	Achieving Goals	Cultural Strength
Mean	108,44	22,81	22,57	22,44	21,00	19,66
Std. Dev.	9,51	3,45	2,63	9,51	2,73	2,30

Furthermore, a One-Way ANOVA test was conducted to test whether there are statistically significant differences among the 5 stars classification on the five OCAQ Factors and the total OC score. Results revealed significant differences only for the *Customer Orientation* factor (F= 3,40, df= 3, p=**.020**).

Table 3. ANOVA results on HU stars classification with the five OCAQ Factors and the total OC score as dependent variables

NORMS	Df	F	Sig.
Managing Change	3	2,289	,082
Achieving Goals	3	,835	,477
Coordinated Teamwork	3	1,22	,305
Customer Orientation	3	3,394	**.020**
Cultural Strength	3	,990	,400
Total Score	3	1,560	,203

Since the One-Way ANOVA analysis revealed significant differences between the *Customer Orientation* factor and the HU stars classification, a Tukey multiple comparison test was performed in order to indicate where the difference were located.

Table 4. Tukey Multiple Comparison Test

OCAQ Factor	2vs.3	2vs.4	2vs.5	3vs.4	3vs.5	4vs.5
Customer Orientation	,170	,945	**,049**	,233	,883	,077

2= Two Stars HU	3= Three Stars HU	4= Four Stars HU	5= Five Stars HU

Significant differences were attributed to the *Customer Orientation* factor between the 2 and the 5 stars classification (p=,049). Examining the mean scores on *Customer Orientation* factor of 2 (21,40) and 5 stars (23,19) classification hotels it is obvious that there is a higher score on this factor for the 5 star classification hotels. In the following graphical representation (Figure 1) the means of Total OC scores by star classification are presented to show the overall OC picture of the HU.
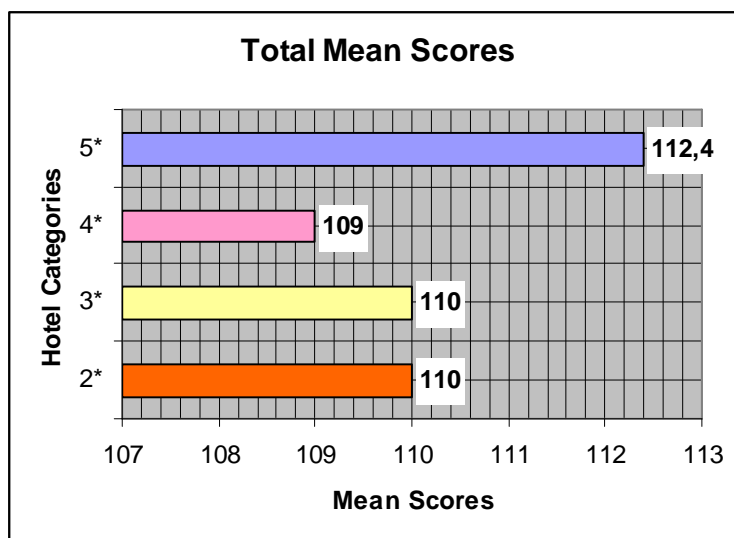
Figure 1. Means of Total OC Scores By Hotel Stars Classification

Although, there seems to be a rather large mathematical difference in the total OC scores, this difference was not found to be statistically significant in the One Way ANOVA applied.

Discussion

Cultures are never the same within organizations, as organizations and their people differ. Individuals develop and possess different perspectives, just as different organizations view, understand, and act according to a point of view. The organizational culture, tries to "order" values, beliefs, traditions and actions, so that an organization can prosper and be able to act and interact in a changing business environment. During the last years, OC has become more significant for managers of all types of organizations, because a solid OC can be an important asset when it is well understood, therefore, leading an organization to act in a more proficient way. This research study was conducted in order to investigate if differences exist in respect to the five factors proposed by Sashkin (1997) and the total OC score among the different star classification HU.

Managing Change:

According to Sashkin (1997), *Managing Change* is reflected in the degree to which the organization is flexible and able to adapt and manage to sudden changes of the environment external or internal, which could be constant technological growth, or

even social changes. All organizations should be able to handle such environmental changes, because it is not possible to just ignore the environment. Being able to handle the *Managing Change* factor might help the organization to smoothly adopt and embrace any changes to its working environment.

Results show that in this study, all HU managers irrespectively of their category are more or less to the same percentage capable and willing to adjust to any environmental or social changes. The only small difference lies between the 2 star HU, where results show that managers are less willing to change. However, the difference is not significant to draw conclusions as to why this might be so. One could easily assume that since numerically the 2 star HU investigated were less than the other HU, results showed this small difference in percentages. Regardless, it was found that all managers of HU are willing to change and adapt to changes to an average level irrespectively of their classification.

Achieving Goals:

Achieving Goals is the second factor, which asks for the managers to evaluate whether goals, and objectives are aligned or not, and whether common virtues do endorse the end result and amendment of the organization. Taking into consideration Sashkin's norms, results revealed that attention to specific goals and objectives are placed again to an average level irrespectively of the HU classification. This means that goals and objectives are real, and exist, but not in an organized manner, with individuals not placing exceptional importance on this function. However, as already mentioned, this function is directly correlated to the customer orientation function, where as it will be later discussed and revealed to be highly important for all HU investigated. Sashkin (1997) argues that goals and objectives of a company should be reviewed from time to time and the organization needs to be open to necessary changes that could lead to improvement. It could be recommended for all managers of HU in Greece to review, communicate or even if necessary change their goals and objectives so as to reach to an even better customer satisfaction level.

Also in respect to goals and objectives, organizations should have a specific vision/ mission statement, goals and objectives, usually addressing customer needs. All these elements should be clear and well understood by all employees and members of the organization. On numerous occasions, the aims and objectives of the employees differ to that of the organization. A perfect alignment of the goals of the employees to

those of the organization would bring out optimum results. However, this can be difficult, due to differing individuals way of thinking, interests, and beliefs.

Customer Orientation:

The *Customer Orientation* factor deals with the end-receiver of the product or service. *Customer Orientation* tests whether the organizations investigated are focused and interested in satisfying the needs of the customers. Because as it is common sense, no matter how strong or weak an OC is, it will be of no worth if the product or service offered is not to the demand and satisfaction of the end-receiver. If this does not occur, then we cannot talk about the prosperity of any organization. It has to do with the simple market rule of offer and demand.

Satisfying the customer is a common "rule and regulation" for all kinds of businesses. To achieve this, many organizations refer to different strategies, such as diversification or market penetration, consolidation, etc. It was highly expected before conducting the research that this factor would be significantly important for all HU managers. It was expected to possibly be a bit more important to the higher HU categories, due to the more advanced services offered. Indeed, all HU revealed high mean scores, that is, all HU managers agreed that customer satisfaction was highly important and their main focus; a logical expected result. The One Way ANOVA test revealed significant differences amongst this factor for HU star classification while the Tukey multiple comparison test indicated that the significant difference was located amongst the 2 stars and 5 star HU, as it was initially expected.

Coordinated Teamwork:

The *Coordinated Teamwork* factor depicts the organization and coordination of employees in an organisation. Every effort ideally should be coordinated and followed in a sense, whereas all the efforts together can bring the maximum result. Managers and employees should work together aiming for the same result. This, of course, demands proper education and also the promotion of a whole different way of thinking, i.e. work together and not in a competitive way. People need to know what is expected of them and understand how they interact in team environments.

This factor revealed minimal differences, with the 5 star HU being a bit more ahead however with not much difference when compared to the other HU. The general picture however, is that all individuals working in a HU cooperate in order to keep a consistency in all actions and "survive" in the tourism industry.

Cultural Strength:

The last factor analysed is *Cultural Strength*. At first glance, one would say that high scores in this value could mean a strong and solid organizational culture, thus resulting to prosperity and organisational effectiveness. This point of view, is rather erroneous, since, as according to Sashkin (1997), high scores in this factor, surely mean a strong OC, but only if there is an equilibrium with all the abovementioned functions as well.

Cultural Strength reveals the level in which individuals agree to the values, beliefs and attitudes the organization has set, and whether specific values are valid and do exist and are followed. Results revealed average to high scores for this last factor, with only the 2 star HU aiming a bit higher. All other HU had more or less the same scoring. Although this could mean a stronger OC for the 2 star HU (thus a better and more solid one) - yet, one could argue that this difference demonstrates the exact opposite. Connoisseurs of the subject claim that a stable culture and a seemingly strong culture do not always indicate an efficient and quality oriented culture. It is not common sense that a culture with strongly and commonly shared attitudes, values and beliefs is able to survive and prosper. This is also due to the fact that goals, beliefs and attitudes should from time to time be reviewed and changed according to the possible changes of the business environment. If an organization continuously remains stable, endorsing the same beliefs might prove to be cumbersome and not positive to change. It is not how strongly the organisations support their beliefs, but also the quality of beliefs that they support.

Generally, although the individual scoring of the factors was mainly average, with no significant differences amongst the HU star classification, when looking at the Total Mean Scores, numbers revealed high scores for all HU (Figure 1). This means that in general all HU irrespectively of star classification have an equilibrated relation as to all the 5 factors and thus the "business is rather smoothly run".

Conclusions, Recommendations for Further Study and Limitations

Generally, no significant differences were found amongst managers of HU in terms of general OC awareness. It is concluded that the picture is rather homogenous, with all HU managers placing more or less the same importance to the five factors of OC, while also experiencing a rather satisfactory OC within their respective HU.

All comparisons and results were made using Sashkin's (1997) Table of Norms, which is a suggestive model. Although this research aimed at being a "initial study" for

subsequent research of this kind, it is recommended further research be conducted to first refine and develop models such as Sashkin's that examine OC and OC strength. Once this has been done, research can be expanded to explore the relationship between OC awareness and HU in Greece and elsewhere.

Finally, it is recommended that future research be conducted utilizing a larger sample size. Although the sample size of this study provided a good representation of the population group, it would be interesting to see if results differ with a larger sample group. Nonetheless, considering the limited research of this kind in Greece, the present research acts as a pioneer for further research - thus providing useful initial information to Greece's tourism industry and HU managers.

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