INVESTIGATION OF THE IMPACT OF ORGANISATIONAL CULTURE ON EMPLOYEE COMMITMENT DURING ACQUISITION IN AN INSURANCE ORGANISATION

by

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Submitted in partial fulfilment of the requirements for the degree of

MASTER OF COMMERCE

in the subject

INDUSTRIAL AND ORGANISATIONAL PSYCHOLOGY

SUPERVISOR: PROF. O. M. LEDIMO

UNIVERSITY OF SOUTH AFRICA

20 November 2020

DECLARATION

I, Maropeng Portia Makgalo hereby declare that this dissertation "investigation of the impact of organisational culture on employee commitment during acquisition in an insurance organisation" and the work presented in it are my own and has been generated by me as the result of my own original research.

I confirm that:

1. Where I have consulted the published work of others, this is always clearly attributed;

2. Where I have quoted from the work of others, the source is always given. With the exception of such quotations, this dissertation is entirely my own work;

3. I have acknowledged all main sources of help;

4. Where the dissertation is based on work done by myself jointly with others, I have disclosed.

Signed: _____

Date: _____

ACKNOWLEDGEMENTS

ABSTRACT

INVESTIGATION OF THE IMPACT OF ORGANISATIONAL CULTURE ON EMPLOYEE COMMITMENT DURING AN ACQUISITION IN AN INSURANCE ORGANISATION

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DATE SUBMITTED: 20 NOVEMBER 2020

This study is about the investigation of the impact of organisational culture on employee commitment during an acquisition process in an insurance organisation. A sample of 318 employees was selected from a population of +/-600 in a South African insurance organisation. The sample was categorised between employees in non-management as well as those in management positions. Managers were further categorised as junior managers and middle managers. These participants were selected based on the fact that they were not involved in the strategic decision-making processes during the acquisition. Thus they had no input in the decision making regarding the acquisition process. Employees on senior management level and above did not form part of the study because they were involved in the acquisition process's strategic decision-making. The sample was also based on employees who were already employed by the organisation when the acquisition process was finalised. The acquisition process started in 2013 and was finalised in 2017.

The descriptive correlation research method was used for the study. The methodological approach adopted was the quantitative approach analysed based on descriptive statistics followed by inferential statistics using the SPSS 2017 (version 25). Analysis of data was done using Pearson correlation coefficient, regression analysis, independent T-test and ANOVA. The internal consistency of the measuring instruments was determined using the Cronbach's alpha. Questionnaires, namely the Organisational Culture Questionnaire (OCQ) and Organisational Commitment Scale (OCS), were used to measure organisational culture and

employee commitment, respectively. The results revealed a high level of internal consistency across the scale and the items of the OCQ (EC & PC) and OCS variables.

The conclusions of the empirical study describe the impact of organisational culture on employee commitment during an acquisition process. The empirical study indicated that the impact of preferred organisational culture on employee commitment is insignificant. However, the impact of existing organisational culture on employee commitment is significant. The findings further indicated that the dominant existing culture is the role culture whilst the dominant preferred culture is the power culture. Affective commitment was found to be dominant in terms of employee commitment.

The limitations of this study are presented together with recommendations for future research. The recommendations for the profession of industrial and organisational psychology highlight pertinent aspects for practicing psychologists and managers in this field. Based on the study's findings, organisations are advised to diagnose their cultures and determine how it affects their employees' commitment in addition to other recommendations provided.

KEYWORDS: Acquisition; Organisational culture; Organisational commitment

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

CHAPTER 1.

SCIENTIFIC ORIENTATION TO THE RESEARCH

1.1   INTRODUCTION

This Chapter presents the background, motivation and problem statement of this research study. It includes the research questions, aims and paradigm of this study. The chapter also describes the research design, approach, methodology and process. It concludes with a chapter summary.

1.2   BACKGROUND AND MOTIVATION OF THIS STUDY

 "Change is the law of life and those who look only to the past or present are certain to miss the future" (Kennedy, 1963, p.517). Old as it is, this statement could not be truer in a modern society where change is the order of the day. These days, environmental changes happen far more frequently and rapidly than ever. Zarandi, Amirkabiri and Azimi (2016) agree that organisations must, as long as they are struggling to survive and retain their presence in the national and global arena, prioritise their adaptation to the environment. "Organisational change is one of the most important concepts in management. To achieve a more favourable performance, organisations should adapt with organisational changes" (Zarandi et al., 2016, p. 118). According to BakhshChenari, Eydi and Abbasi (2015), an organisation with superior performance is one that achieves better results than its competitors in the long run through the ability to adapt appropriately with changes, rapid reaction to these changes, creating a coherent and targeted management structure, improving key capabilities continuously, and behaving suitably with employees as the main asset. Zarandi et al. (2016) support the view that organisational change empowers organisations to confront the problems and demands of the external and internal environment. According to Kotter (2014) and Phillips (2014), change is the stimulus engine of successful organisations globally and change management assists organisations in attaining success and favourable performance. One can argue that the ability to change is a prerequisite for a successful organisation. Successful change management is crucial since it enables organisational development, growth and seizing of opportunities. Conversely, poor change management should be recognised and corrected as soon as possible; otherwise, it can result in a growing number of uncorrected mistakes and even lead to a culture of repeated failure (Lewis, 2011).

Kotter (2017) notes that acquisition is the path businesses take to achieve exponential and not just linear growth and therefore continues to generate interest. Douma and Schreuder (2013) add that as an aspect of strategic management, acquisitions can allow enterprises to

1

grow or downsize, and change the nature of their business or competitive position. "Acquisitions are complex processes that need to be very well understood and planned to be successful" (Achim, 2015, p.123). According to Christensen, Waldeck, Alton and Rising (2011), although acquisition is a leadership decision, it has an adverse or positive impact on employees' behaviour. Organisational culture plays an increasingly important role in acquisition practices, and because of its complexity, it can also pose problems in the acquisition process. "Organisational culture is an important antecedent of organisational commitment" (Pinho, Rodrigues & Dibb, 2014, p. 10). Shahid and Azhar (2013) concur that organisational commitment goes hand and glove with organisational culture, and they both predict how an organisation will perform.

1.3   OVERVIEW OF ACQUISITIONS IN SOUTH AFRICA

The South African insurance industry has seen an uptick in acquisitions. The increase has highlighted that good deals can sometimes degenerate into bad ones that erode value if challenges and conflicts arise in the combined business (Van der Merwe, 2016). Contrary to what many people may believe, acquisitions are happening quite regularly across different industries, jurisdictions and business of different sizes in South Africa. Not all of the deals are made public or make big news, as it is usually only the "big name" deals that tend to reach the mainstream media. Taking the insurance industry as an example, a number of acquisitions have been happening. This has been seen across the entire insurance value chain, brokers, Underwriting Management Agencies (UMAs) and insurance organisations. The past few years have seen more high-profile acquisition activity in the broker space, in some cases even extending to operations outside South Africa's borders (Chindotana, 2013).

Acquisition as a practice is a major strategy and commonly acknowledged by organisations that strive for accomplishment in corporate profitability, diversity, and growth (Sinclair & Keller, 2017). Acquisitions can be appealing to organisations that seek to increase their market share and profit by uniting with other organisations. Also, several researchers have concluded that acquisitions should bring about an improvement in the performance of the combined organisations, which creates a competitive advantage to organisations (Sinclair & Keller, 2017). The synergy between the combined structures in the organisations will likely stimulate interaction leading to improvement in the competitive position, thus resulting in efficiencies in performance.

In the South African context, the Companies Act No 71 of 2008, 2011 and the Competition Act of 1998, 2018 regulate acquisitions. Sections 117 and 118 of the Companies Act aim to provide for equitable and efficient acquisitions, mergers and takeovers of organisations. The objective of the Competition Act is to provide for the establishment of a Competition

2

Commission responsible for the investigation, control and evaluation of restrictive practices, abuse of dominant position, and mergers; establishment of a Competition Tribunal responsible for adjudicating such matters as well as for the establishment of a Competition Appeal Court; and related matters (Dekker & Esser, 2008; Institute of Directors of South Africa, 2009).

The regulations of the Johannesburg Stock Exchange (JSE) applies as well for organisations listed on the JSE. The Minister of Trade and Industry, Competition Commission, Competition Tribunal, and the Appellate body plays a vital role in the determination of the legality of acquisitions. According to the regulations, before an acquisition is approved, the organisations responsible must determine whether it would prevent or lead to a substantial lessening of competition. During the acquisition, the history of collusion in the market, the nature and extent of vertical integration in the market, and whether the acquisition will remove an effective competitor are also verified (Douglas & Gilfillan, 2011).

Too often, organisations fail because they treat the integration of the acquired organisation as a project management exercise and not one that also affects people's lives and futures (Gaughan, 2017). Inability to motivate employees, incongruent organisational structure and cultures, different budgeting plans and organisation sizes are some of the factors that contribute to acquisition failures (Dean, 2011). The integration of two different cultures challenges almost every acquisition transaction and increases the risk of failure (Christensen et al., 2011). This is particularly applicable in the South African context as there are many cultures and employees will bring their different cultures into the organisation. Management needs to appreciate the emotional and cultural issues involved, handle them personally, and help others deal with them constructively (Dean, 2011). Consequently, a lack of an organisational cultural fit may show a negative acquisition performance as the uncertainty of employees increases. In contrast, a positive organisational cultural fit may enhance synergy realisation within the post-acquisition integration (Weber & Tarba, 2011). It can be argued that when a cultural fit is present, individuals' work satisfaction and commitment increase, and as a result, the organisation's overall performance also increases. Hence it is proposed that performances will decrease after an acquisition when organisational cultures are different.

Furthermore, it is argued that the level of uncertainty during the post-merger integration process also moderates the culture-performance relationship (Keijzers, 2012). Ensuring that each individual fits well into the organisation's culture makes it more likely that they will stay with the organisation long term and contribute more to the organisation's success (Lencioni, 2014). Previous research indicates that uncertainty is created when employees may not know if they have to move to another geographical location, learn new skills, be forced to depart, etc. Furthermore, uncertainty is causing stress, absenteeism, departure, loss of productivity,

3

poor morale and resistance to change for employees from both the acquired and acquiring organisation. Therefore, it is argued that uncertainty increases the negative effect of cultural differences on performance. Hence, higher levels of uncertainty about the future of employees lower the satisfaction and commitment of employees and thereby prevent the creation of synergies (Rožman & Štrukelj, 2020).

It seems rational that similar organisational cultures enhance cultural compatibility. However, an organisational cultural difference may also contribute to a certain extent to a cultural fit and therefore, to the overall acquisition performance (Glaum & Hutzschenreuter, 2010). In turn, the ultimate outcome in respect of employees' attitude regarding the organisational culture depends on their level of commitment. Managers are a crucial element in successfully bringing employees through a transaction, keeping levels of engagement high and retaining key talent. However, the complexity lies in how that is done and which level of management takes on what roles (Dean & Cianni, 2010).

The organisation under study resides in the insurance industry. Acquisitions within the insurance industry in South Africa is a common phenomenon; it happens quite often. The researcher has been aware of a recent acquisition of a South African insurance organisation by another, which triggered this investigation of the impact of organisational culture on employee commitment resulting from the acquisition. The acquisition process has been finalised, and therefore, it was feasible for the researcher to study the impact thereof.

In consideration of the background provided above, the study aimed to fill the research gap by investigating the impact of organisational culture on employee commitment during acquisition in the insurance organisation.

1.4   PROBLEM STATEMENT AND RATIONALE FOR THE STUDY

According to Statistics South Africa (STATSSA) (2016), the number of employees in the financial intermediation, insurance, real estate and business services industry amounted for a total of 2,116,000 in March 2016. This compares with the country's total labour force of 9,690,000 in the same period. Hence the full labour force in the insurance industry accounted for 21.8% of the country's workforce. The industry contributed 15% to the local GDP in 2013, making the country's insurance penetration the second-highest in the world (PricewaterhouseCoopers [PWC], 2016). Despite the high volumes of acquisitions taking place in South Africa, the high number of employees in the insurance industry in South Africa as well as the role that this industry plays in the country's economy, the researcher has learnt that there are limited studies in this area.

4

The studies conducted so far in the area of acquisition as a form of change management have primarily concentrated on different financial parameters, the cross-cultural integration process and problems in cross-border acquisitions (Weber & Tarba, 2012, pp. 288-303). Indirectly, Weber and Tarba (2012), confirm that there seems to be a dearth of knowledge on the impact of organisational culture on employee commitment during an acquisition process. Kinnie and Swart (2012) add that although knowledge work has been studied extensively, knowledge workers' commitment in different organisational contexts remains a less understood phenomenon. The modern environment of economic uncertainty, rapid change, continued globalisation, increasing competition, and the rise of the mobile millennial generation serves as the backdrop and potential driver of this increased attention and focus on employee commitment from both practitioners and scholars (Gibb, 2011; Morrow, 2011).

This study acknowledges that there is an increasing need for research into organisational change and a growing need for literature focusing on this concept as well as its process and factors that contribute to its impact.

Based on the above, the researcher deems it important to conduct a study to investigate the impact of organisational culture on employee commitment during an acquisition in an insurance organisation. This study could generate valuable information that is unfound or unknown on this subject. It would also highlight the current impact on employee commitment that is prevalent within the organisation under study, paving the way for relevant interventions. In view of the problem statement, the next section presents the research questions.

1.5 RESEARCH QUESTIONS

"A research question is the hypothesis that best state the objective of the research; the answer to this question would provide the manager with the desired information necessary to decide concerning the management dilemma" (Cooper & Schindler, 2014, p. 665).

"A research question is an explicit statement in the form of a question of what it is that the researcher intends to find out. A research question influences not only the scope of an investigation but also how the research will be conducted" (Bryman & Bell, 2015, p. 539).

The main research question is as follows:

- What is the impact of organisational culture on employee commitment during an acquisition process in an insurance organisation?

1.5.1 Theoretical Questions

The literature review intends to address the following theoretical questions:

5

- How are organisational culture and its dimensions conceptualised in the literature?
- How are employee commitment and its dimensions conceptualised in the literature?
- How is acquisition conceptualised in the literature?
- What is the theoretical impact of organisational culture on employee commitment during an acquisition?

1.5.2 Empirical Questions

The empirical study intends to address the following questions:
- How are organisational culture and its dimensions measured in an insurance organisation?
- How are employee commitment and its dimensions measured in an insurance organisation?
- What is the empirical impact of organisational culture on employee commitment in an insurance organisation during an acquisition?
- What practical and future research recommendations can be made for the field of industrial and organisational psychology on the impact of organisational culture on employee commitment during an acquisition?

1.6 RESEARCH OBJECTIVES

"Research objectives are clear, specific statements that identify what the researcher wishes to accomplish as a result of doing the research" (Saunders, Lewis & Thornhill, 2016, p. 726).

1.6.1 General Aim:

The general research question is as follows:
- To investigate the impact of organisational culture on employee commitment during an acquisition process in an insurance organisation.

1.6.2 Specific Theoretical Aims

The following are the theoretical aims:
- To conceptualise the construct of organisational culture and its dimensions based on the literature;
- To conceptualise the construct of employee commitment and its dimensions based on the literature;
- To conceptualise the construct of acquisition based on the literature; and
- To describe the theoretical impact of organisational culture on employee commitment during an acquisition using the literature.

1.6.3 Specific Empirical Aims

The empirical aims are as follows:

- To measure the concept of organisational culture and its dimensions in an insurance organisation;
- To measure the concept of employee commitment and its dimensions in an insurance organisation;
- To measure the concept of acquisition and its dimensions in an insurance organisation;
- To determine the empirical impact of organisational culture on employee commitment in an insurance organisation during an acquisition; and
- To formulate practical and future research recommendations for the field of industrial and organisational psychology on the impact of organisational culture on employee commitment during an acquisition.

1.7   ENVISAGED BENEFITS OF THE STUDY

The research is motivated by personal, theoretical and scientific rationale as explained below:

1.7.1   Personal rationale

The researcher is an employee of the organisation under study. The researcher's personal journey experienced since the acquisition and inquisitive desire to have an in-depth understanding of the subject and its implications led to this study.

The significance of the study for the researcher is to understand more about the impact of culture on employee commitment during the acquisition process. Understanding the subject will answer questions raised from observations during the acquisition process and enable acquiring of in-depth knowledge.

1.7.2   Theoretical rationale

It was expected that the study should be able to assist in resolving the theoretical questions mentioned above in this study field by conceptualising the constructs, organisational culture and employee commitment as well as their dimensions based on the literature.

Through the study, the theoretical impact of organisational culture on employee commitment during an acquisition could be described by referring to the literature. Finally, new contributions could be developed about the relationship between the two constructs during the acquisition viewed as a change process.

1.7.3 Scientific rationale

In terms of the scientific rationale, valuable new information could be discovered during the research process of this study. Therefore, the significant contribution of this research is the generation of information that will be usable in the organisation and the industry under study in relation to the subject investigated.

The findings thereof will enable the organisation and the industry in general to put the theory tested into practice by providing ways to address the impact discovered during research.

1.7.4 Practical rationale

As envisaged, adequate information was produced on the management of acquisitions to answer the research questions.

The research findings will assist the organisation and the industry to develop improved management systems and strategies for dealing with the acquisition process in relation to the impact of organisational culture on employee commitment.

1.8 THE PARADIGM PERSPECTIVE

Johnson and Christensen (2012, p. 31) describe a paradigm as "a perspective about research held by a community of researchers that is based on a set of shared assumptions, concepts, values, and practices". The term paradigm originated from the Greek word *paradeigma,* which means pattern. It was first used by Kuhn (1962) to denote a conceptual framework shared by a community of scientists which provided them with a convenient model for examining problems and finding solutions. Social research is guided by ontology, epistemology and methodology (Cecez-Kecmanovic & Kennan, 2013; Creswell, 2013; Sarantakos, 2013).

Table 1-1: Philosophy of research paradigms

Components of research paradigm	Description
Ontology	General assumptions created to perceive the real nature of society (in order to understand the real nature of society).
Epistemology	General parameters and assumptions associated with an excellent way to explore the real-world nature
Methodology	Combination of different techniques used by scientists to explore different situations.

Source: Patel (2015), adapted from Hay (2002) and Crotty (1998).

Ontology	Epistemology	Theoretical perspective	Methodology	Methods	Sources
What is reality?	What and how can I know reality/ knowledge?	What approach can we use to get knowledge?	What procedure can we use to acquire knowledge?	What tools can we use to acquire knowledge?	What data can we collect?

Adapted from Hay (2002) pg. 64 and Crotty (1998)
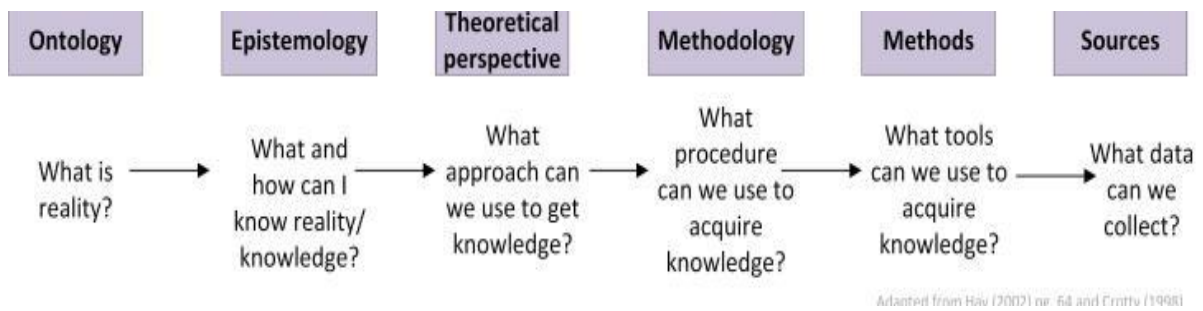
Figure 1.1: Components of the research paradigm and the relationship between them

This is in agreement with Taylor and Medina (2011) who note that from a philosophical perspective, a paradigm comprises a view of the nature of reality (i.e., ontology)—whether it is external or internal to the knower; a related view of the type of knowledge that can be generated and standards for justifying it (i.e., epistemology); and a disciplined approach to generating that knowledge (i.e., methodology).

9

Table 1-2: Overview of paradigms

Paradigm	Ontology *What is reality?*	Epistemology *How can I know reality?*	Theoretical Perspective *Which approach do you use to know something?*	Methodology *How do you go about finding out?*	Method *What techniques do you use to find out?*
Positivism	There is a single reality or truth (more realist).	Reality can be measured and hence the focus is on reliable and valid tools to obtain that.	Positivism Post-positivism	Experimental research Survey research	Usually quantitative, could include: Sampling Measurement and scaling Statistical analysis Questionnaire Focus group Interview
Constructivist / Interpretive	There is no single reality or truth. Reality is created by individuals in groups (less realist).	Therefore, reality needs to be interpreted. It is used to discover the underlying meaning of events and activities.	Interpretivism (reality needs to be interpreted) • Phenomenology • Symbolic interactionism • Hermeneutics Critical Inquiry Feminism	Ethnography Grounded Theory Phenomenological research Heuristic inquiry Action Research Discourse Analysis Femenist Standpoint research etc	Usually qualitative, could include: Qualitative interview Observation Participant Non participant Case study Life history Narrative Theme identification etc
Pragmatism	Reality is constantly renegotiated, debated, interpreted in light of its usefulness in new unpredictable situations.	The best method is one that solves problems. Finding out is the means, change is the underlying aim.	Deweyan pragmatism *Research through design*	Mixed methods Design-based research Action research	Combination of any of the above and more, such as data mining expert review, usability testing, physical prototype
Subjectivism	Reality is what we perceive to be real	All knowledge is purely a matter of perspective.	Postmodernism Structuralism Post-structralism	Discourse theory Archaeology Genealogy Deconstruction etc.	Autoethnography Semiotics Literary analysis Pastiche Intertextuality etc.
Critical	Realities are socially constructed entities that are under constant internal influence.	Reality and knowledge is both socially constructed and influenced by power relations from within society	Marxism Queer theory feminism	critical discourse analysis, critical ethnography action research ideology critique	Ideological review Civil actions open-ended interviews, focus groups, open-ended questionnaires, open-ended observations, and journals.

Source: Patel (2015). Adapted from Crotty (1998).

The above table is supported by Ngulube (2015), who expands the paradigms to include ethical considerations. Ethics is one of the overarching aspects of the research methodology

10

landscape. Ethical standards and considerations should be upheld throughout the entire research process. Researchers should be ethical at every stage of the research. Participants should be treated with respect from the time they come into contact with the researcher up to the data collection, analysis and dissemination of the findings. Hence, research is ethically intensive (Johanson, 2013; Ngulube, 2015).

1.8.1   Literature Paradigm

Literature on scientific research claims that the researcher must have a clear vision of paradigms or a worldview that provides the researcher with philosophical, theoretical, instrumental, and methodological foundations. The term paradigm is closely related to the "normal science" concept. Scientists who work within the same paradigm are guided by the same rules and standards of scientific practice (Žukauskas, Vveinhardt & Andriukaitienė, 2017). There are three main types of paradigms that could be employed to understand reality: positivism, interpretivism, and realism. Positivism and interpretivism are the broad frameworks or paradigms in which research is usually conducted (Neuman, 2011).

Paradigms are influenced by realist or objectivist and constructionist ontology. The realist ontology is informed by the positivist paradigm while the constructivist one, or what is called nominalist, is influenced by interpretivism. The methodology of positivism is quantitative while that of interpretivism is qualitative. Modern positivists adopt a realist ontology. They hold that reality exists "out there" and is waiting to be discovered, (Fraser, 2014; Neuman, 2011, p. 103; Sarantakos, 2013). The positivist research paradigm strives to investigate, confirm and predict law-like patterns of behaviour, and is commonly used in graduate research to test theories or hypotheses (Taylor & Medina, 2011). The basis on which this study resides is positivism and accepting that both culture and commitment can be measured, observed and investigated.

Two basic positions within ontology are the realist and nominalist. Realists see the world as being "out there." The world is organised into pre-existing categories, just waiting for us to discover. A realist assumes that the "real world" exists independently of humans and their interpretations of it. This makes accessing what is in the real world less difficult.

First proposed by a French philosopher, Auguste Comte (1798 – 1857), the positivist paradigm defines a worldview for research, which is grounded in what is known in research methods as the scientific method of investigation. Comte (1856) postulated that experimentation, observation and reason based on experience ought to be the basis for understanding human behaviour, and therefore, the only legitimate means of extending knowledge and human understanding. In its pure form, the scientific method involves a process of experimentation that is used to explore observations and answer questions (Kivunja & Kuyin, 2017).

11

"Positivist paradigm mostly involves quantitative methodology, utilising experimental methods involving experimental (or treatment) and control groups and administration of pre and post-tests to measure gain scores" (Taylor & Medina, 2011, p. 2). This paradigm is the modified scientific method for the social sciences. It aims to produce objective and generalisable knowledge about social patterns, seeking to affirm the presence of universal properties/laws in relationships amongst pre-defined variables (Taylor & Medina, 2011). With regards to positivist or functionalist or hypothetico-deductive paradigms, knowledge is external to the individual and objective. Knowledge is attained by starting with a model and testing it deductively using measuring instruments. The positivist research philosophy claims that the social world can be understood in an objective way (Ngulube, Mathipa, & Gumbo, 2015).

The majority of research conducted in the field of cross-cultural management has long been acknowledged to adhere to the positivist paradigm. The traditional dimensional cross-cultural models have been criticised by many on the ground of their low contextual positivism-based paradigm, which often adopts nationality as the basic unit of analysis. Maslow (1943) also provides a solid foundation for understanding this fundamental human cultural variation hierarchy of needs in this regard. The first two needs, called the primary needs, are concerned with basic physiological requirements. The latter three stages are secondary needs, which are socially learned and are more culturally determined. In the developed world, people are mostly concerned with the working environment, self-actualisation in life goals and ethical awareness of human-nature relations. In contrast, people in the developing and underdeveloped world are constantly fighting for sufficient food, shelter and the development of basic social and public infrastructures. These facts instrumentally influence the socialisation and psychological functions of the people concerned (Chou, 2010).

The open systems theory and humanistic paradigms will be adopted to examine the theoretical impact of organisational culture on employee commitment during acquisition.

1.8.1.1 *Open system theory*

This theory mentions that the environment consists of forces, conditions and influences from outside of the organisation. The environment has an enormous impact on a manager's ability to use resources. According to the open systems view, external resources used for producing goods and services are defined as inputs of the system. The process of transforming the external resources to finished goods or services is called conversion. Finished goods or services provided to the external environmental are the outputs of system (Khorasani & Almasifard, 2017).

Thompson (as cited in Nutt, 2010) believes that the characteristics of an open system organisation are shaped by specific and general environmental influences. Specific

influencers are the people and groups the organisation deals with regularly, i.e. customers, suppliers, distributors, regulators and competitors. In Thompson's (as cited in Nutt, 2010) view, the general environmental influences fall into the following four categories:

- **The cultural values of the surrounding society**. A century ago, it was culturally acceptable to discriminate against women and minorities in hiring; now, discrimination is a black mark against an organisation's image.
- **Law and politics.** It's not only socially unacceptable to discriminate based on gender, religion, race and ethnicity, it violates South African law.
- **The economy**. A regional recession can leave a business struggling to stay afloat. A booming economy with lots of jobs may force an organisation to boost pay and benefits to recruit enough workers.
- **Education.** The quality of education affects the quality and ability of the local workforce.

The characteristics of an open system organisation, if it's healthy, includes active interaction with the surroundings. Such organisations solicit feedback from customers and potential customers with surveys, market research and evaluations. They also try to influence their environment through marketing, advertising and lobbying legislators. An example of open system organisations are the many businesses that respond to their environment. Some only change their policies under pressure, for example, when an organisation fires a leader who's been charged with sexual harassment (Khorasani & Almasifard, 2017).

Open system organisations consist of many subsystems, such as departments and project teams. If one part of the organisation fails, it doesn't mean the entire organisation falls apart. In a healthy organisation, the people in different departments, branches and teams interact and work together for their benefit and that of the organisation (Khorasani & Almasifard, 2017). Thompson (as cited in Nutt, 2010) and Khorasani and Almasifard (2017) note the following comparisons between open and closed systems:

- Closed systems are inflexible and stagnant. In a heavily bureaucratic organisation, it is important to follow procedure, turn in reports and attend meetings even if they do not produce any worthwhile results. In an open-system organisation, the outcome matters more than the process; if the standard approach does not get results, it is okay to change.
  Closed systems can be more comfortable for the people inside them. People in closed systems always think they know the answers, whilst people in open systems accept that there is no one perfect way to succeed. This study has adopted Harrison and Stokes' (1992) approach, which is based on two dimensions, namely centralisation

and formalisation. The descriptive model permits the classification of organisational cultures into four types: power culture, role culture achievement culture, and support culture (Harrison, 1993). Regarding the link between the open system theory and achievement culture, Alvesson (2013) adds that achievement-oriented individuals have an inner organisational commitment, and they tend to like their work and want to contribute to society, i.e. the external environment. Harrison's model further states that high formalisation in an organisation creates predictability, orderliness and consistency, whilst low formalisation of rules and regulations could reflect a weak organisational culture. This model suggests that the organisation's formal rules and regulations, which act to regulate its members' behaviour, can be internalised by organisational members when they accept the organisation's culture (Harrison, 1993).

1.8.1.2 Humanistic paradigm

A humanistic approach to management has been developed since 1940. This humanistic paradigm was influenced strongly by anthropology which aims to understand other cultures, from the inside. That is, to understand the culturally different "other" by learning to "stand in their shoes", "look through their eyes" and "feel their pleasure or pain". Thus, the epistemology of this paradigm is inter-subjective knowledge construction (Taylor & Medina, 2011).

The main cores of the humanistic perspective are the human relations movement, the human resources perspectives, and the behavioural sciences approach. Behavioural management theory is an intersection between management theory and behavioural science. It highlights the importance of employees' motivation as a main goal of the organisation. It discusses how psychology is important in an organisational study. This intersection results in a new paradigm in management science. Maslow's hierarchy of needs and McGregor's Theory X/Y theory are classified as two outcomes of the humanistic approach of management (Khorasani & Almasifard, 2017).

Taylor and Medina (2011) concur that the well-known theories like theory X and Y, and Maslow's hierarchy of needs are clustered in the humanistic category and focus on human freedom, dignity, and potential. Humanism primarily aims at the development of self-actualised, independent people. It is envisaged that human motivation is based on a hierarchy of needs. Maslow's hierarchy of needs broke down human motivation into a hierarchy of needs, which is most often displayed as a pyramid. The lowest levels of the pyramid are made up of the most basic needs, while the more complex needs are located at the top of the pyramid Khorasani and Almasifard (2017, p. 135) further note that Maslow's theory is based

14

on the notion that experience is the primary phenomenon in the study of human learning and behaviour.
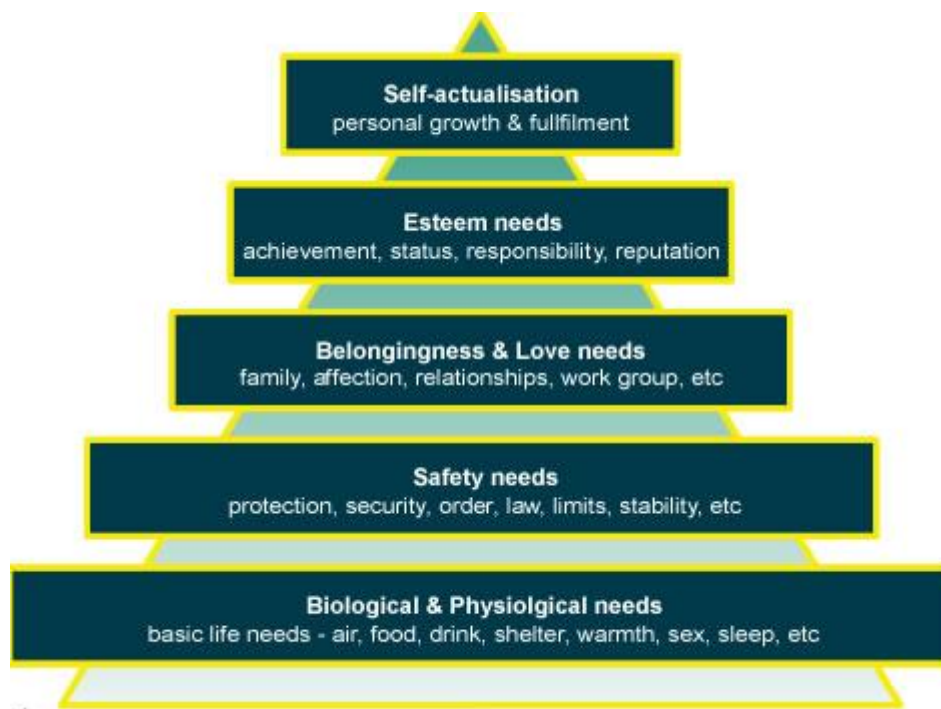
Figure 1.2: Maslow's Hierarchy of Needs

Source: Maslow (1943). http://cibu.edu/wp-content/uploads/maslow_hierarchy_of_needs2.jpg

Taylor and Medina (2011) and Khorasani and Almasifard (2017) interpret the needs as follows:

- The five sets of basic goals—physiological, safety, love, esteem, and self-actualisation—are related to each other and arranged in a hierarchy of pre-potency.
- The appearance of one need usually rests on the prior satisfaction of another 'higher" need.
- When a need is fairly well satisfied, the next pre-potent need emerges, in turn, to serve as the centre of organisation of behaviour.

From Wittwer's (2019) perspective, the hierarchy of needs has not stood the cross-cultural test. This suggests that the hierarchy may seem instinctive to the western mind, so much so that western managers apply this basic model to motivate their teams and incentivise success. Self-fulfilment would then be the highest motivation, manifesting itself in power and personal career development. Based on research conducted within IBM World Trade Corporation in Greece and Japan, self-actualisation in these countries is undercut by security needs. At the country's level, *higher* means *stress*; it turned out to be associated with stronger rule

15

orientation and greater employment stability. When the mean level of anxiety is higher, people feel more stressed, but at the same time, they try to cope with their anxiety by searching for security. Both Japan and Greece had high Uncertainty Avoidance Indexes, which indicate higher stress and anxiety levels. This is why life-long job security supersedes climbing the corporate ladder or seeking out challenging work in these countries and may be another reason why Japanese organisations keep on workers even though they may be below par or their positions could be made redundant. On the other hand, Norway, Sweden, and Denmark place a lot of emphasis on quality of life, thus building a career takes a back seat to social needs (Wittwer, 2019).

In his view, Wittwer (2019) adds that cross-cultural values and norms are not considered much when identifying "human needs". Instead, every human is painted with one brush, the brush of whichever culture is doing the research.

Vasilescu, Barna, Epure and Baicu (2011, p. 54) support Wittwer's view through McGregor's Theory X. They note that initially, McGregor's view was that a traditional organisation, which has a centralised decision-making process and a hierarchical pyramid is based on several assumptions about human nature and motivation. These assumptions are called Theory X by McGregor and consider that most people want to be directed, they do not want to assume responsibility and value safety above all. However, McGregor started to question the validity of Theory X, especially in the context of a contemporary and democratic society. Using Maslow's hierarchy of needs, McGregor concluded that Theory X is not universally applicable, as its assumptions about human nature are, in many cases, inaccurate. In addition, most of the management practices developed from these assumptions failed to motivate individuals to work to attain organisational goals. McGregor highlighted that these methods do not apply to people when their physiological and safety needs are satisfied, and social esteem and self-actualisation needs are becoming more important. Moreover, he considers work very similar to play, as both are physical and mental activities. Nevertheless, under Theory X management, there is a clear distinction between them, as on the one hand play is controlled by the individual, while on the other hand work is controlled by others (Vasilescu et al., 2011).

Therefore, people look for any excuse not to go to work, to satisfy social and self-actualisation needs, especially if they have enough money for their basic needs. Under these circumstances, people do not find work challenging and consider it more like a necessary evil. On the other hand, the practices of Theory Y focus on creating a pleasant work environment and aligning the individuals' goals with the organisational goals. Theory X and Theory Y represent attitudes towards employees (Vasilescu et al., 2011). The approach adopted by this study is Meyer and Allen's three-component model of organisational commitment, which is a

16

multidimensional construct comprising three components: affective, continuance and normative. In line with Theory X and Y, Visan and Huaifu (2018), argue that an organisation's success needs to rely on several important factors. The employee's commitment to an organisation is a fundamental factor, which will help the organisation achieve its desired goals and increase organisational efficiency and effectiveness. Fu and Deshpande (2013) add that organisational commitment is a measure of employees' attachment to and identification with their job. This involves a work attitude related to employees' willingness to be actively involved in the organisation's work (and life) and subsequently, to stay employed in the organisation.

1.8.2 Empirical Study Paradigm

Gliner, Morgan and Leech (2011, p. 7) describe the scientific research paradigm as the approach or thinking about the research, the accomplishing process, and the method of implementation. It is not a methodology but rather a philosophy that provides the process of carrying out research, i.e., it directs the process of researching in a particular direction. The empirical analytic paradigm in curriculum studies derives from intellectual traditions of empiricism and philosophical or conceptual analysis. Empiricism refers to the derivation of knowledge from experience, usually by scientific inquiry, and the analytic tradition in philosophy gives careful attention to definitions of concepts and related dimensions of language.

"The onset of the 20th century an orientation to inquiry melded everyday problem solving with prescriptive philosophising derived from an amalgam of philosophical traditions including realism, idealism, scholasticism, naturalism, and pragmatism" (Žukauskas et al., 2017, p. 124). The scientific paradigm refers to a range of problems by presenting ways to solve them. The scientific research paradigm and philosophy depend on many factors, such as individuals' mental models, their worldview, different perceptions, many beliefs, and attitudes related to the perception of reality. Scientific research philosophy is a method that, when applied, allows scientists to convert ideas into knowledge in the context of research. There are four main trends of research philosophy that are distinguished and widely discussed in the works of many researchers, namely the positivist research philosophy, interpretivist research philosophy, pragmatist research philosophy, and realistic research philosophy (Žukauskas et al., 2017).

"The positivist paradigm assists in explaining the empirical impact of organisational culture on organisational commitment by necessarily reducing people and their behaviours to variables. On the other hand, the functionalist paradigm assists in explaining the empirical impact of organisational culture on organisational commitment by trying to explain the function or

17

purpose of the relationship" (Mueller, 2011, pp. 1-19). This paradigm postulates that culture influences the organisation's performance and, therefore, can be used to influence the organisation to be successful (Mueller, 2011). Ismail, Mohamed, Sulaiman, Mohamad and Yusuf (2011) argue that in an era of global competition, many organisations shift the paradigms of their leadership styles from transactional leadership to transformational leadership as a way to achieve their strategies and goals.

Mueller (2011) further notes that the following are the assumptions of the functionalist paradigm:

- Human or social behaviour is seen contextually bound to the real world and evident social relationships.
- It focuses on understanding society, which will generate empirical knowledge.
- It is primarily regulative and pragmatic.
- It regards culture as a strategic asset that is essential for the organisation's performance.

Venkatesh, Thong and Xu (2012) state the following assumptions of the positivistic paradigm:

- Ontological assumptions (nature of reality)—There is one defined reality, fixed, measurable, and observable.
- Epistemological assumptions (knowledge)—Genuine knowledge is objective and quantifiable. The goal of science is to test and expand theory.
- Axiological assumptions (role of values)—Objectivity is good, and subjectivity is inherently misleading.
- Methodological assumptions (research strategies)—Using quantitative research methods such as experiments, quasi-experiments, exploratory and analytical models, case studies, and so on which require objective measurement and analysis is the only acceptable method to generate valid knowledge.

1.9 LAYOUT OF THE STUDY

This study is discussed in two phases, namely, the literature review and the empirical study. The literature review focuses on existing information on the constructs, business acquisition, organisational culture and employee commitment whilst the empirical study will focus on the study conducted and the strategy followed. The topics discussed include the following:

1.9.1 Literature Review

Business Acquisition—This provides for the discussion of business acquisition and its dimensions based on existing literature review.

Organisational culture—In the literature review, the background, definition and dimensions of organisational culture are also discussed.

Organisational commitment—This provides for the discussion of employee commitment, its definition as well as its dimensions based on the existing literature.

Theoretical relationship of the constructs—The integration of the constructs of acquisition, organisational culture and organisational commitment are discussed based on previous studies. Suggestions are made on how to improve the integration process.

1.9.2 Empirical Study

Research design—This is an introduction to the research strategy. The research questions, as well as research objectives, are shared in this section. The research design for the study is the descriptive research design analysed through quantitative methods.

Research approach—The quantitative method, using the deductive reasoning approach, is applied in this research study. The survey is conducted using questionnaires as measuring instruments.

Research method and process—The total body of employees of the South African insurance organisation under study constitutes the population. The sample consists of the employees who have completed the questionnaire. The LimeSurvey platform will be used to collect data, and structured questionnaires used to collect primary data for this study. The biographical information part of the questionnaire to establish a profile of the sample group comprise of age, gender, income, service period, occupation and qualifications. The measurement instruments that will be used to measure organisational culture is the Organisational Culture Questionnaire (OCQ). The measurement instruments that is used for employee commitment is the Organisational Commitment Scale (OCS).

1.9.3 Research Results

The findings of the study are reported based on the methodology applied to gather information.

1.9.4 Discussion of Results

The data is analysed. The statistical process, results and interpretation of the research findings are discussed.

1.9.5   Conclusions, Limitations and Recommendations

This chapter provides for the conclusion, limitations and recommendations of the research.

The objectives of the research process are used to formulate the conclusions of this study based on the research findings.

The literature review and the empirical study are used to discuss the limitations of the study.

Recommendations are formulated in terms of the literature and future research on organisational culture and employee commitment.

1.10   CHAPTER LAYOUT

The study is organised according to the following chapters:

Chapter 1: Introduction into the research topic, research questions, research objectives, problem statement, rationale for conducting the study as well as paradigms.

Chapter 2: Business acquisition.

Chapter 3: Organisational culture.

Chapter 4: Employee commitment.

Chapter 5: Research Methodology.

Chapter 6: Research findings and analysis.

Chapter 7: Conclusion, limitations and recommendations.

1.11   CHAPTER SUMMARY

The Chapter presented the background, motivation and problems statement of this research study which includes the research questions, aims and paradigm of this study. Also discussed in the chapter are the research design, approach, methodology and process.

Chapter 2 will discuss the business acquisition.

BUSINESS ACQUISITIONS

2.1 INTRODUCTION

Chapter 1 looked at the overview of acquisitions, particularly in South Africa. The motivation of the study as well as overview of the chosen paradigms were discussed.

This chapter looks into the history behind acquisitions. Background with specific reference to the construct of acquisition is provided in detail. Models of the acquisition concept as well as reasons why acquisitions happen are explored. Theoretical approaches and comparison of change management methodologies are presented and interrogated.

Although the terms merger and acquisitions are used interchangeably, in this study only "acquisition" will be used. Acquisition is preferred because the organisation in this case study experienced more of a takeover of one entity by another than a merger.

2.2 DEFINITION OF BUSINESS ACQUISITION

For the last three decades, organisations have intensively used acquisition as a strategic tool for corporate restructuring. Initially, this trend for consolidation was limited to developed countries, especially the United States and the United Kingdom. However, recently developing countries started to follow the same pattern. The growth of the trend can be judged from the fact that in the US only, the last decade of the twentieth century witnessed a threefold increase in the number of acquisitions whereas, a fivefold increase has been reported in terms of value (Malik; Anuar, Khan & Khan, 2014).

According to the 2016 Mergers and Acquisitions survey by Klynveld Peat Marwick Goerdeler (KPMG), 91% of listed companies surveyed planned to initiate at least one acquisition in 2016. That's a significant jump from 63% in 2014 (KPMG, 2016). Acquisition is a very important tool for the expansion of business globally; hence researchers from all over the world are taking an interest to work in this field (Goyal & Joshi, 2011). The main objective of every organisation is to get maximum profit every year to increase the wealth of shareholders by giving them high dividends. Organisations adopt different techniques and tools to maximise profit to be able to survive in the fast growing market (Alao, 2010).

"There are two fundamental goals underscoring most transformations: Increased revenue/profits or decreased costs, i.e. become more effective or efficient or both" (Kotter, 2014, p.6). Georgios and Georgios (2011) add that the main objectives of an organisation entering into the deal of acquisition is to work with other organisations that can be more

beneficial as compared to working alone in a market. Due to the acquisition, the return on equity and shareholders' wealth increases, and it decreases any related expenses (operating costs) for the organisation as well (Georgios & Georgios 2011).

"The term acquisition is used in the literature in a broad sense. It includes strategic combinations of organisations ranging from a collaboration of organisations to complex acquisitions" (Bauer, Matzler & Willie, 2012, pp. 50-63). Douma and Schreuder (2013) define acquisition as the purchase of one organisation by another organisation. Specific acquisition targets can be identified through myriad avenues, including market research, trade expos, marketing material from internal business units, or supply chain analysis. Such purchase may be 100% of the equity, or nearly 100%, of the assets or ownership equity of the acquired entity. Douma and Schreuder (2013) added that acquisitions are transactions in which the ownership of organisations or their operating units are transferred or consolidated with other entities. "Acquisitions are activities involving takeovers, corporate restructuring, or corporate control that changes the ownership structure of organisations. Achieving successful acquisitions has proven to be very difficult" (Rao & Kumar, 2013, pp.117–119). Uzelac, Bauer, Matzer and Washak (2015) note that according to research, approximately 40% to 60% of all acquisitions fail to achieve their desired outcome. Some research even presents a higher failure rate of 60% to 80% In addition, various studies have also shown that 50% of acquisitions were unsuccessful. "Serial acquirers" appear to be more successful with acquisitions than organisations who make an acquisition only occasionally, (Douma & Schreuder, 2013).

Protiviti Risk and Business Consulting (Proviti) (Proviti, 2016) argue that most of the attention during an acquisition goes towards valuation, market shares and legalities. Little notice is given to what happens in the aftermath, even though the success of an acquisition usually hinges on how the new organisation handles its many responsibilities. Maximising human capital once an acquisition is consummated is critical. Often this entails re-assessing pre-existing business relationships including relationships with staff, integrating culture and managing with a consistent governance structure to deliver the expected synergies, efficiencies and growth underlying the business case (Proviti, 2016). The impact of the change process in these stages is likely to filter to the organisational culture and employee commitment. A key assumption underlying this theory is that to respond to change, managers must have an in-depth understanding of the organisation, its structures, strategies, people and culture (Morrison, 2011).

2.3   THE HISTORY BEHIND ACQUISITIONS

Tracing back to history, acquisitions have evolved in seven stages or waves between the years 1896 and 2014 and were triggered by various economic factors. In the recorded period, acquisitions started to grow in organisations who wanted to obtain the benefit from their manufacturing, for instance being a single seller in markets like railroads, light and power, etc., (Fatima & Shehzad, 2014). Alexandridis, Mavrovitis and Travlos (2012) as well as Fatima and Shehzad (2014) elaborate on the waves as follows:

2.3.1   First Wave

The first wave of acquisitions started in the 1890s as a result of the pressure of economic depression. The first wave of acquisitions that occurred during this period was mostly horizontal acquisitions that took place between heavy manufacturing industries which enjoyed a monopoly over their lines of production. Most of the acquisitions that were started during the first wave proved to be unsuccessful as they failed to accomplish the set goals and objectives (Fatima & Shehzad, 2014).

2.3.2   Second Wave

The second wave occurred between 1916 and 1929. As a result of World War I, the need for industrial developments encouraged organisations to participate in the second wave. Moreover, technological developments and governmental support boosted trade between organisations and the wave coincided with the bull market of the 1920s (Alexandridis et al., 2012).

"The core objective in this period was to enter into business acquisitions to enjoy the benefits of an oligopoly and not to become a monopoly. The technological expansion of the period saw the progress of railroads and transportation. Organisations that entered into acquisitions were key producers of ore and minerals, food items, oil and fuel, chemicals, transportation, etc. "Banks played a significant role in assisting acquisition deals, where investment banks granted loans to investors on easy instalments" (Golubov, Petmezas & Travlos, 2013, pp. 287-313). Acquisitions became more vertical rather than horizontal comparing to the first wave. The second wave ended with the great depression when the stock market plummeted in 1929, resulting in the establishment of the Securities and Exchange Commission in 1930 (Alexandridis et al., 2012).

2.3.3   Third Wave

"The third wave started in the 1960s and lasted for approximately ten years but the majority of the activity took place between 1965 and 1969. Acquisitions during this era were mainly backed by the owner's capital, the banks appeared to be uninvolved. Most of the acquisitions
23

in the third wave were focused on acquiring organisations operating in other lines of business with the intent of diversifying and forming**"** (Fatima & Shehzad, 2014, p. 29).

2.3.4 Fourth Wave

This wave was distinguished from the previous three waves by the size and prominence of the acquisition targets. Moreover, most of the fourth wave acquisitions were in a hostile structure, resulting in not being able to come to an agreement with the management of the target organisation. Instead, the deals ended with the suitors going directly to the shareholders of the target organisation with the intent to replace the management to get the acquisition approved. Therefore, this wave's unique characteristic was defined as hostile acquisitions (Alexandridis et al., 2012).

Golubov et al. (2013) add that acquisitions that were initiated between the oil and gas, pharmaceutical, banking and airline organisations were recorded in the fourth wave. The hostile acquisitions of the fourth wave had come to be seen as tolerable types of business extensions by the 1980s. The business invasions had achieved the distinction of being highly beneficial speculative actions. Organisations and speculative affiliations were initiated to take over organisations and were viewed as a means of benefitting from soaring profits in the short term.

2.3.5 Fifth Wave

While the fourth wave of acquisitions was mainly confined to the United States, the fifth wave of acquisitions spread throughout the U.S and became international as a consequence of globalised markets and competitive structures. The wave began approximately in 1993 as the economy began to recover from the 1990 to 1991 recession. Organisations sought to meet the growing demand in the economy as the economy finally expanded.

The fifth wave evolved from the first four waves and is referred to as the most evolved stage of acquisitions. This wave reflected the globalised economy, implemented through international acquisitions, especially with the development of the European Union and the erosion of nationalistic barriers as the continent moved to a unified market structure with a common currency. The acquisitions occurred in many different sectors of the airline, automotive, banking, petroleum, and Internet industries. The acquisitions were backed by equity capital to a certain extend rather than debt finance (Kouser & Saba, 2011).

The wave started due to technological innovations, i.e. information technology, and a refocus of organisations on their core competencies to gain a competitive advantage. This resource-based view leads to a better focus to gain a sustainable competitive advantage through the best use of their resources and capabilities. The nature of the acquisition was mostly friendly,

and the dominant source of financing was equity. The wave also ended because of an economic recession when the beginning of the new millennium started with the burst of the internet bubble, causing global stock markets to crash (Kouser & Saba, 2011).

2.3.6 Sixth Wave

The sixth acquisition wave happened between 2003 and 2007 and was defined by acquisitions in the metals, oil and gas, utilities, telecoms, banking and health care centres. This wave was fuelled by expanding globalisation and support by the government of specific nations like France, Italy, and Russia to make them solid national and worldwide champions.
Private equity buyers assumed an indispensable part, representing a quarter of the general acquisition movements, empowered by the accessibility of credit that businesses were prepared to extend at low-interest rates. Cash financed deals were significantly more pervasive over this period (Alexandridis et al., 2012).

2.3.7 Seventh Wave

In 2014, optimism seemed to be returning to the market, and the value of acquisitions globally reached 1.75 trillion U.S. dollars in the first six months of the year, an increase of 75% over the same period of the previous year and the largest volume of transactions since 2007 (Cordeiro, 2014).

The wave is understood to be generic/balanced, horizontal acquisitions of Western organisations acquiring emerging market resource producers. It is true that we are living in a more volatile era in terms of market growth, but organisations are beginning to understand that this volatile world is the new standard, after all, there will always be wars and countries with difficulty to honour their sovereign debt payments. In such an environment, it may not be possible to rely only on organic growth and cost cutting to deliver consistent financial results. Managers seem to once again be believing that it is easier to buy growth than build it (Cordeiro, 2014).

Research conducted by the Institute of Mergers, Acquisitions and Alliances (IMAA) as an academic institution, which covered the years between 1985 and 2015, shed significant light on how acquisitions have intensified over the years, (Aytaç & Kaya, 2016; Gaughan, 2017).
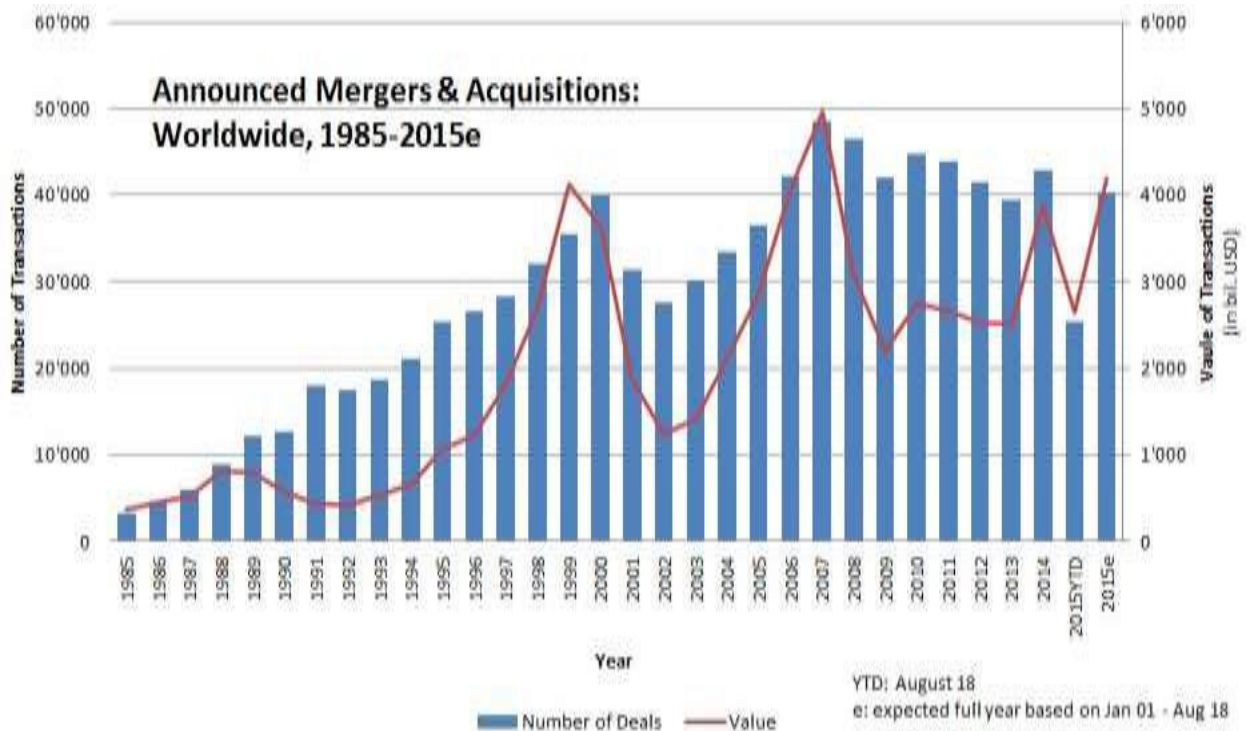
Figure 2.1: Volume & Value of M&A Transactions Worldwide

Source: IMAA, & Aytaç & Kaya (2016)

2.4   COMMON REASONS WHY ACQUISITIONS HAPPEN

In Fatima and Shehzad's (2014, p. 29) as well as Dewey's (2015) view, some of the reasons why an organisation acquire another organisation include:

2.4.1   Synergy

Dewey (2015) notes that synergy refers to the idea that by combining organisations' activities, performance will increase and costs will decrease. Essentially, an organisation will attempt to acquire another business that has complementary strengths and weaknesses. The acquiring organisation is motivated by combining the aggregate parts of the target organisation with the aggregate parts of the acquiring organisation. The resulting business will generate benefits that exceed the sum of the separate parts of each organisation (Dewey, 2015). Revenue enhancement is motivation often cited cause of synergy (Krishnakumar & Sethi, 2012).

Cost reduction is a usual source of synergy and can be accomplished by economies of scale and scope; getting rid of duplicate facilities or alternatives and increased bargaining power with dealers or suppliers (Fatima & Shehzad, 2014). When two organisations have similar products or services, combining can create a large opportunity to reduce costs. When

26

organisations integrate, they frequently have an opportunity to combine locations or reduce operating costs by integrating and streamlining support functions. This economic strategy has to do with economies of scale: When the total cost of production of services or products is lowered as the volume increases, the organisation maximises total profits (Fatima & Shehzad, 2014).

2.4.2 Diversifying Products or Services

Another reason for integrating organisations is to complement a current product or service. Two organisations may be able to combine their products or services to gain a competitive edge over others in the market place (Fatima & Shehzad, 2014).

The diversification motive holds that acquiring a diverse business outright may be a less risky way for an acquiring organisation to diversify its stock portfolio than investing directly in other, often unrelated businesses (Dewey, 2015).

2.4.3 Replacing Leadership and Growth

In a private organisation, the organisation may need to be acquired if the current owners can't identify someone within the organisation to succeed them. The owners may also wish to cash out to invest their money in something else, such as retirement (Fatima & Shehzad, 2014).

Growth is also another reason. Acquisitions can allow the acquiring organisation to grow market share without having to earn it by doing the work themselves; instead, they buy a competitor's business for a price (Dewey, 2015).

2.4.4 Increase Supply-Chain Pricing Power and eliminate Competition

By buying out one of its suppliers or one of the distributors, an organisation can eliminate a level of costs. If an organisation buys out one of its suppliers, it can save on the margins that the supplier was previously adding to its costs. If an organisation buys out a distributor, it may be able to ship its products at a lower cost (Dewey, 2015).

Many acquisition deals allow the acquirer to eliminate future competition and gain a larger market share in its product's market. The downside of this is that a large premium is usually required to convince the target organisation's shareholders to accept the offer. It is not uncommon for the acquiring organisation's shareholders to sell their shares and push the price lower in response to the organisation paying too much for the target organisation (Dewey, 2015).

2.4.5 Increasing Capabilities or Gaining a Competitive Advantage or Larger Market Share

Increased capabilities may come from expanded research and development opportunities, more robust manufacturing operations or any range of core competencies an organisation wants to increase. Similarly, organisations may want to combine to leverage costly manufacturing operations. Capability may not just be a particular department, the capability may come from acquiring a unique technology platform rather than trying to build it (Fatima & Shehzad, 2014).

Organisations may decide to merge to gain a better distribution or marketing network. An organisation may want to expand into different markets where a similar organisation is already operating rather than start from ground zero. So, the organisation may just integrate with the other organisation. This distribution or marketing network gives both organisations a wider customer base practically overnight (Fatima & Shehzad, 2014). Organisations may decide to merge to gain a better distribution or marketing network. An organisation may want to expand into different markets where a similar organisation is already operating rather than start from ground zero. So, the organisation may just integrate with the other organisation. This distribution or marketing network gives both organisations a broader customer base practically overnight (Fatima & Shehzad, 2014). In South Africa, some of the acquisitions experienced in the last two decades in the financial industry include the First National Bank (AAC) and Rand Merchant Bank Holdings to form First Rand (Magubane, 2020). In addition, in a demonstration of its underwriting and syndication capabilities, Nedbank Corporate and Investment Banking (NCIB) recently played a key role in the acquisition of Peregrine Holdings Limited by Capitalworks, its co-investors and Peregrine's reinvesting shareholders (Nedbank Group, 2021).

2.5 BUSINESS CASE FOR ACQUISITION

Acquisitions will always happen but do they always make sense? Not necessarily, according to Gaughan (2017), and Aytaç and Kaya (2016), who outlines a number of reasons found by the IMAA that could justify an acquisition:

Surviving

"It's never easy for an organisation to willingly give up its identity to another organisation, but sometimes it is the only option for the organisation to survive. Several organisations used acquisitions to grow and survive during the global financial crisis of 2008 to 2012" (Aytaç & Kaya, 2016, pp. 357-367). Aytaç and Kaya (2016) further noted that during the financial crisis, many banks integrated to leverage failing balance sheets that otherwise may have put them

28

out of business. Growing through acquisitions often makes good business sense. Growing organically by building from the ground up can take months if not years and rapidly drain cash flow. However, growing inorganically via acquisition can often allow an owner to realize immediate positive cash flow as well as build a more diversified and profitable organisation. Growth via acquisitions makes an organisation more attractive for larger organisations that are also growing as well as to outside investors looking to invest in the platform of a growing organisation (Aytaç & Kaya, 2016).

New Clients, More Revenues

According to Aytaç and Kaya (2016), one of the most often cited reasons for considering an acquisition of another organisation is to rapidly acquire new clients. Strategically acquiring another business can give the purchaser immediate access to significant additional revenues and new sources of referral accounts. Often acquisitions involve entering new geographies as well. The benefit of acquiring an existing organisation in a new region is that the purchaser also acquires the brand and reputation of the business and can bypass months or even years of marketing building a brand presence. Of course, this can be a double-edged sword if the appropriate due diligence is not completed to assess the customer and vendor relationships of the business thoroughly. However, buying a business often provides a purchaser with improved cash flow and positive business from day one rather than months of negative cash flow for building a business over time. Building a business may be cheaper in the long run but buying a business can generate immediate cash flow (Aytaç & Kaya, 2016).

Improved Margins through Scale

Scale is a business term that describes an organisation's ability to increase overall profitability by reducing the overall input costs for products and services by spreading fixed costs across a wider base of sales. Every business has certain overhead expenses that are relatively fixed and do not vary as the business grows, or do not grow at the same rate as revenues. Building scale also allows a business to leverage organisation-wide efficiencies and leverage buying power. For example, a larger organisation can negotiate purchase contracts at more favourable terms than a smaller organisation, further lowering costs and improving margins. Scale also allows an organisation to reinvest at a level that many smaller organisations will find difficult to match (Aytaç & Kaya, 2016).

Customer and Vendor Consolidation

According to Gaughan (2017), in many industries, consolidation often happens in reaction to consolidation in other parts of the market. Consolidation throughout the supply chain is logical. As customers become larger, they require organisations that can provide services that match

29

their level. Organisations that can grow alongside a consolidating customer base can position themselves to become both vendors of choice and acquirers of choice in a fragmented industry. Many of the large consolidators in the collision industry continue to grow to provide comprehensive nationwide services to their largest insurance customers. To remain competitive and leverage the benefits of scale, parts and paint, vendors selling into the collision industry also consolidate alongside their customers. Consolidation in the insurance industry contributes to consolidation in the collision industry, which contributes to new rounds of additional consolidation in the parts and paint distribution industry (Aytaç & Kaya, 2016; Gaughan, 2017).

Private Equity

For organisations seeking to supercharge their business, bringing on a private equity partner may be a good idea. However, if an organisation is looking to attract a private equity partner to help with growth, they must first demonstrate the capability of executing an inorganic growth strategy in a fragmented industry (Aytaç & Kaya, 2016, Gaughan, 2017). Because investments tend to be highly leveraged, (i.e. a lot of debt is used to finance the acquisition), the ability to rapidly increase cash flows is a critical driver in the investment portfolio of many platform acquisitions. However, the success of the private equity model is undeniable, and business owners who are looking to take some money off the table while still taking part in the continued growth of their organisation may find partnership with private equity organisations a very attractive business strategy (Aytaç & Kaya, 2016, Gaughan, 2017). Before the global 'credit crunch', South Africa experienced a significant increase in large private equity deals. Examples of large deals that have taken place include the acquisition by Bain Capital of Edcon Limited, a major South African retailer, for $4.5 billion and the acquisition by Actis of Alexander Forbes, a major player in the South African insurance and financial services industry. Mainly due to the higher cost of debt, the private equity market in South Africa is still slow in the number and value of deals (Robinson, 2013).

Having said that, changes occur rapidly, without expectations, in unanticipated directions, and have interconnected consequences that affect businesses and entities that normally would not expect to be affected. In the VUCA environment, the volatility, uncertainty, complexity and ambiguity of business situations and problems doubtlessly challenge leadership skills that enable organisations to respond accordingly (Elkington, Van der Steege, Glick-Smith & Breen, 2017). In the past few years, South Africa has witnessed marked dynamism in its political, economic, sociological, technological, ecological and legal changes that generally created VUCA situations for the financial sector. (Dhir & Sanjay, 2018). Among others, the ongoing

protests and strikes as well as load-shedding have a negative impact on business and the financial returns thereof.

2.6 ROLE OF MANAGEMENT DURING ACQUISITIONS

Organisations going through an acquisition rely on senior leadership to play critical people-oriented roles in these events. This includes participating in integration teams to help develop new units or team structures, implementing new human resources processes, identifying employees for reduction or reassignment, and even formally communicating with employees (Dean & Cianni, 2011). "Organisational communication is not just about sending simple messages to one or more receivers. It is also about the intricate networks through which computers link us to others. It is about the creation of meaning systems in families and cultures. Strong leaders frequently communicate through a range of channels, and a communication plan is a central part of their acquisition plan. This level of openness goes a long way towards alleviating some of the pressure that employees are feeling, as they begin to see that information is not being kept from them intentionally" (Miller, 2011, p.32).

Organisational communication helps to develop relationships where messages are directed at people within the organisation with due regard for their attitudes, morale, satisfaction, and fulfilment (Miller, 2011). Without proper communication, employees will have their perceptions, thereby drawing their own conclusions, which may be completely different from reality. Communication is about understanding a market segment to enhance persuasion and increase sales. Communications may also have to accommodate diverse scenarios, such as the multiple ways information must flow to provide aid when a natural disaster strikes, framing information about a possible threat so that the public is warned but not panicked, and coming to an understanding within a community about issues that both unite and divide. Organisational communication is highly contextual and culturally dependent. Individuals in organisations transmit messages through face-to-face, written, and mediated channels (Miller, 2011).

While having managers who visibly and actively champion the deal and set the right tone is required, their actions alone may not be enough (Dean & Cianni, 2011). Too often, organisations fail because they treat the integration of the acquired organisation as a project management exercise and not one that also affects people's lives and futures. Management is usually driven by the financial and strategic aspects of the deal. Since the people side cannot be measured as easily as the financial side and some other disciplines in the organisation, the stakeholders tend to give the people side of the equation less weight. Management, therefore, needs to provide the counterbalance (Gaughan, 2017). Inability to motivate employees, incongruent organisational structure and cultures, different budgeting plans and organisation

31

sizes are some of the factors that contribute to acquisition failures. Dean (2011) adds that when integrating businesses, there are likely to be many sessions given over to complaints or political lobbying. Management needs to be able to appreciate the emotional and cultural issues involved, handle them personally, and help others deal with them constructively. Sharing the structure of the new organisation is important. It is not enough for the executives to create new organisational charts, goals, values, vision and policies and share it just among themselves. For long term and lasting success, effective managers share, post and live these documents and plans, and they ask their employees to do the same. This simple step, which is often overlooked, goes a long way by answering the "fit" and "what's the plan for X?" questions held by wary employees of both organisations (Dean, 2011).

"Good management develops a shared culture, where possible. It is not always easy to combine cultures. Sometimes, in organisations with very different sets of capabilities, it is necessary to allow multiple cultures to co-exist. There will be overlap, but forcing technical associates to accept the norms of marketing associates and vice versa is not always successful. Good leaders inspire their employees to step out of their comfort zones and the norms they are accustomed to and try their best to accept the new ones, which these employees often had a hand in creating. They lead by example and take the changes to heart themselves. Perhaps that means changing their work schedules or being open to remote work situations" (Aytaç & Kaya, 2016, pp. 357-367)

Employees in organisations that are acquired tend to report lower overall satisfaction, lower trust in management, and a diminished sense of job security (Jamieson, Barnett & Buono, 2016). "Leaders should be able to recognise how low employee morale, variable commitment and poor cooperation can cause disaster. Employees tend to become less flexible, less adaptable, less autonomous, less self-managing, more rigid and more defensive during stressful organisational changes. Management should not overlook the importance of clarifying messages, encouraging and engaging their workforce. Practices that address employee concerns and reduce anxiety include strong leadership, clear communication, employee involvement and team approaches to planning and implementing change" (Jamieson et al., 2016, pp. 15-40).

Jamieson et al. (2016) further note that there are six categories of change practices that critically affect the success of an acquisition. These practices, which all meaningfully involve employees directly in the business of changing the organisation, are as follows:

- Clarifying strategy and direction. Management should ensure business rationale is clear and widely understood.

- Involvement strategies. Employees need to be meaningfully involved in decisions and plans that affect them.
- Communication strategies. There needs to be extensive and candid communication about the status and progress of change.
- Staffing practices. Always retain key employees while treating those who are eliminated in a fair and equitable manner.
- Structure/process decisions. Management should ensure alignment among key structural elements, systems and processes.
- Culture interventions. Management needs to analyse cultural fit and establish (new) organisational values.

Towers Watson (2010) conducted two surveys, the 2010 Global Workforce Study and the 2010 M&A insurance organisation employees' reactions to an acquisition. While the research indicated that the United States insurance industry was doing well in retaining and engaging employees after acquisitions, it also highlighted that better use of managers during the integration process could improve results.

The following were highlighted by their research:

Organisations going through a transaction rely heavily on management to play critical people-oriented roles in deals, including participating on integration teams to help develop new unit or team structures, implementing new Human Resources processes, identifying employees for reduction or reassignment, and even formally communicating with employees (Dean & Cianni, 2010). Management takes on the responsibility for driving change, focusing on three critical activities: stabilise, secure and sustain. *Stabilise* clears the obstacles that stand in the way of employees doing their jobs. Conveying what's changing and what's not changing in the early days lessens ambiguity and confusion. *Secure* helps employees feel confident and a part of the new organisation by giving them basic directions for dealing with customers, creating and communicating a departmental or functional decision-making chart, watching for and addressing problematic behaviour (e.g., fear or anger), and informing those identified as a critical or top talent of the opportunities for them in the new organisation. *Sustain* makes the deal work over the long run and sustain engagement levels by translating what employees are hearing from senior leaders, communicating the benefits of the deal at the departmental level and maintaining communication. Immediate managers and supervisors are best suited to connect with employees on a personal level and explain employees' roles in the new organisation (Dean & Cianni, 2010).

Organisations that can direct the three levels of management into their most appropriate roles can make a significant difference in the smooth progression of a deal—how key talent will be

33

retained, how quickly and efficiently the organisation will decide who it will keep and who it will let go, and how quickly the retained employees will be refocused and re-engaged. Senior leadership's effectiveness at leading the organisation through integration, and ongoing communication from senior leaders that the integration is on target and working well, will help employees see the transaction's benefits (Dean & Cianni, 2010). Early involvement by management in identifying employees for a reduction in force or re-assignments is essential. The earlier that managers understand the number of employees they will lose, the better they can manage the remaining staff and plan their integration work. They should also be given direction on how to reassure the employees who remain. Effective use of promotions to a more senior level is an effective way to retain key employees, and they send a signal to other employees that the transaction could open more opportunities than were available at the legacy organisations (Dean & Cianni, 2010).

2.7   THEORETICAL APPROACHES OF ACQUISITIONS

This section describes the models and approaches applicable during organisational acquisitions.

2.7.1   Kurt Lewin's Model

Literature relating to organisational change indicates that one of the most influential theories on approaches to change is Kurt Lewin's model (Dowding, 2013). To begin any successful change process, an organisation must first start by understanding why the change must take place. As Lewin puts it, motivation for change must be generated before change can occur. Developed in the 1940s, Kurt Lewin's three-step model for change emphasises ways to work around resistance through good communication, ensuring "buy-in" at all levels, recognition of the emotional element of change, and then "cementing" the new normal (Atherton, 2013).

Kurt Lewin developed a change model involving three steps: unfreezing, changing and refreezing. The model represents a practical model for understanding the change process. For Lewin, the process of change entails creating the perception that a change is needed, then moving towards the new desired level of behaviour and finally, solidifying that new behaviour as the norm, (Dowding, 2013). The model is still widely used and serves as the basis for many modern change models (Goleman, Boyatzis, & McKee, 2013).
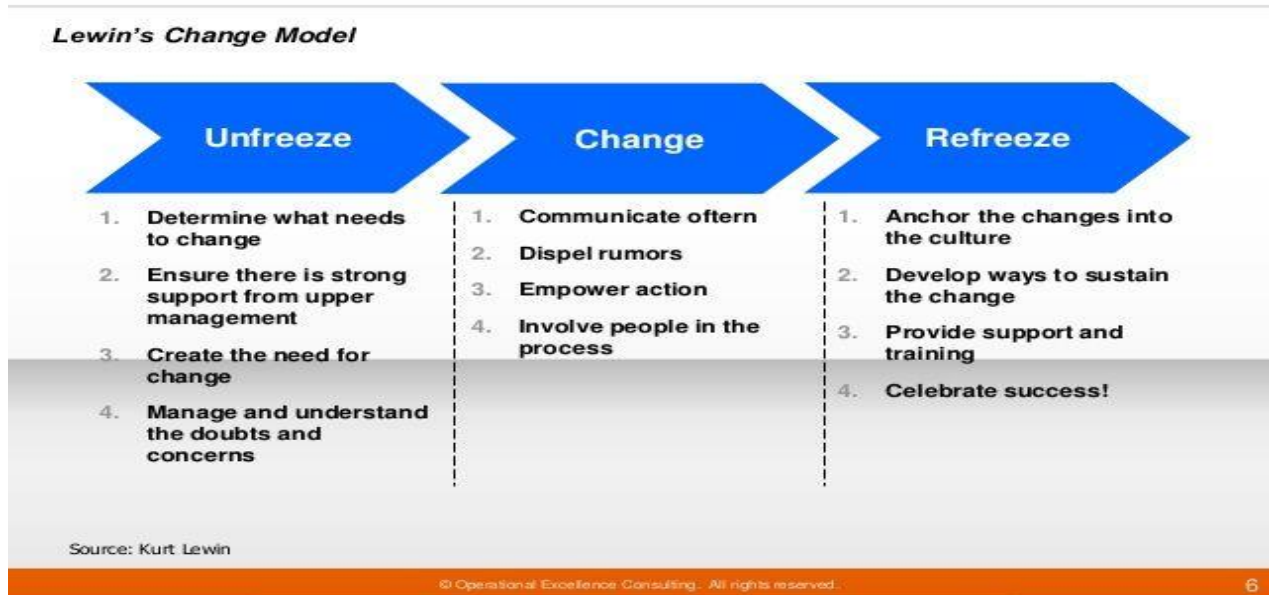
Figure 2.2: Lewin's Change Model

Source: Lewin's Change Model (Lewin, 1947) adapted by Dowding (2013)

Atherton (2013), Candy (2016) and Connelly (2017) explain the models' three phases as follows:

Unfreeze phase: This first stage of change involves preparing the individuals in the organisation for change and planning the transition through to acceptance. This involves breaking down the existing status quo before you can build up a new way of operating, i.e. unlocking the current stagnant state of culture (Candy, 2016). According to Connelly (2017), this involves creating what is called "survival anxiety". Stakeholders need to appreciate that they can no longer continue the way to which they have been accustomed. However, being the sole bearer of this news is not going to convince too many people, so it is important to convert a few key stakeholders to the change and make them evangelists for the cause. People are more convinced when they get the same message from a variety of sources. To get people to make a change, they need to see a vision of the future where things are better. So anyone initiating a change needs to paint a picture of the transition where people not only see the benefits of the new position but appreciate that staying put is not an option. To be effective, that vision needs to be communicated to all the stakeholders (Dowding, 2013).

Atherton (2013) notes that key to this is developing a compelling message showing why the existing way of doing things cannot continue. This is easiest to frame when you can point to aspects such as declining sales figures, poor financial results or worrying customer

35

satisfaction surveys. These facts show that things have to change in a way that everyone can understand. There is a need to challenge the beliefs, values, attitudes, and behaviours that currently define an organisation to prepare it successfully for change. Unless this is done appropriately, the change process is likely not to succeed. This first part of the change process is usually the most difficult and stressful (Atherton, 2013). When cutting down the "way things are done", put everyone and everything off balance. This may evoke strong reactions in people, and that is exactly what needs to be done. By forcing the organisation to re-examine its core, an effectively controlled crisis is created, which in turn can build a strong motivation to seek out a new equilibrium. Without this motivation, it will be difficult to obtain the buy-in and participation necessary to effect a meaningful change (Candy, 2016). Steps that can be taken to salvage the process include understanding where you want the organisation to be, creating a clear vision, understanding what potential barriers will appear when the change happens and creating a transition plan to change the culture (Goleman et al., 2013).

Change phase: In this stage, people begin to resolve their uncertainty and look for new ways to do things. They start to believe and act in ways that support the new direction. First, the people involved need to be empowered to make the change (Atherton, 2013; Connelly, 2017). Candy (2016) explains that a barrier to change adoption is a condition called "learning anxiety". For example, employees who are experts in a particular process will be reluctant to give up their status to become a trainee at the new process. So, training and time to get up to speed are vital. Another aspect of making the change is, if possible, to divide the journey into a series of milestones, where the stakeholders can see genuine progress and can take heart from this. The important thing is to consolidate the change with every step (Atherton, 2013; Connelly, 2017).

The transition from unfreeze to change takes time because people take time to embrace the new direction and participate proactively in the change. To accept the change and contribute to making it successful, people need to understand how it will benefit them. Not everyone will fall in line just because the change is necessary and will benefit the organisation. This is a common assumption and a pitfall that should be avoided. Unfortunately, some people will genuinely be harmed by change, particularly those who benefit strongly from the status quo and as a result might have a negative level of commitment. Others may take a long time to recognise the benefits that change brings. These different situations will have to be managed. Time and communication are usually the two keys to the changes occurring successfully (Goleman et al., 2013). Employees need time to understand the changes, and they also need to feel highly connected to the organisation throughout the transition period (Candy, 2016).

According to Candy (2016), practical steps for using this model includes, amongst others:

36

- Delivering a clear change message and communicate the vision.
- Managing any doubts and concerns.
- Leading the vision and drive for change
- Communicate, communicate, and communicate!
- Dispel rumours and create clear messages of the vision and how to get there.
- Allow people to journey through their own change curve.
- Create an environment for employee involvement.
- Create and celebrate short term successes.
- Identify and overcome barriers that will prevent sustaining of the new culture.
- Provide training and support the new way of working.

Refreeze: Finally, there is a need to institutionalise the change, such as confirming and sustaining the new culture through reinforcement. This is what Lewin calls "refreezing" and is the third and final step on the journey. When the changes are taking shape, and people have embraced the new ways of working, the organisation is ready to refreeze. The outward signs of the refreeze are a stable organisation chart and consistent job descriptions. The refreeze stage also needs to help people and the organisation internalise or institutionalise the changes. This means making sure that the changes are used all the time, and that they are incorporated into everyday business. With a new sense of stability, employees feel confident and comfortable with the new ways of working (Atherton, 2013). There is now clarity whereby roles and responsibilities are clear, and the new culture must be institutionalised. This is done through positive reinforcement and feedback on the new way of working. This means making sure that the changes are used all the time and that they are incorporated into everyday business. With a new sense of stability, employees feel confident and comfortable with the new culture (Atherton, 2013). There is a tendency among stakeholders to revert to prior behaviour once the spotlight is taken off the change initiative. Once everyone is confident in the new approach, the old methods need to be taken out of service (Atherton 2013; Candy, 2016; Connelly, 2017).

Candy (2016) further lists the steps needed for using this model which include:
- Anchoring these cultural changes, in other words, creating regular feedback;
- Rewarding the correct behaviour;
- Celebrating successes;
- Establishing feedback systems;
- Creating a reward system; and
- Constantly leading by example and supporting individuals through the change.
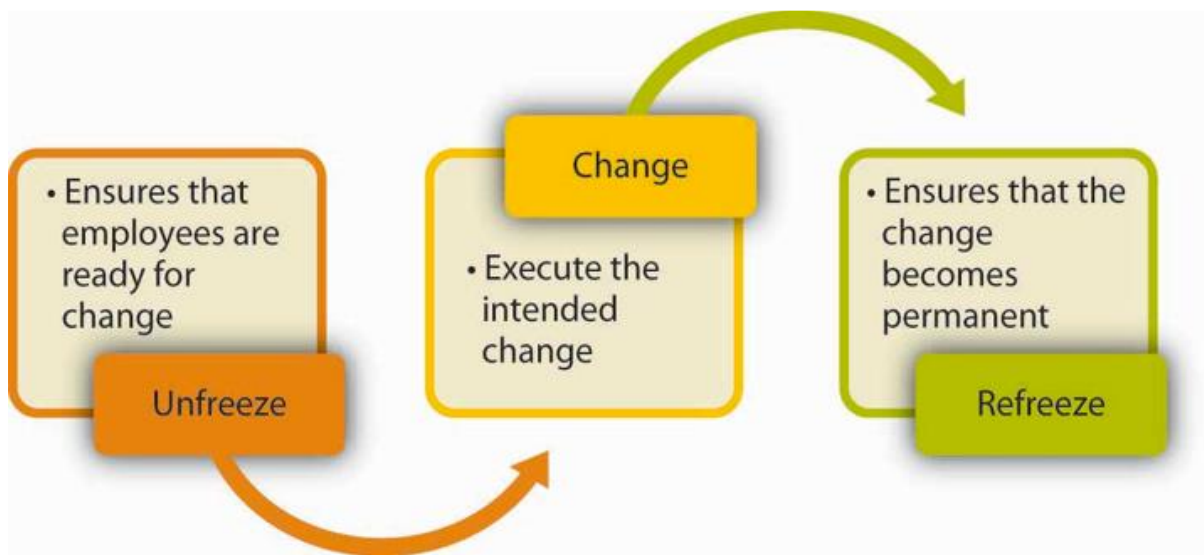
Figure 2.3: Lewin's (1947) Three-Step Model.

Source: Adapted from Carpenter, Bauer and Erdogan (2015)

Alternatively known as the "Unfreeze – Change – Refreeze" model, Lewin's 3 stage framework has many similarities to other alternative change management models like John Kotter's, EASIER and ADKAR in that it provides a step-by-step approach to organisational change, (Candy, 2016).

2.7.2 John Kotter's Eight-Step Model for Change
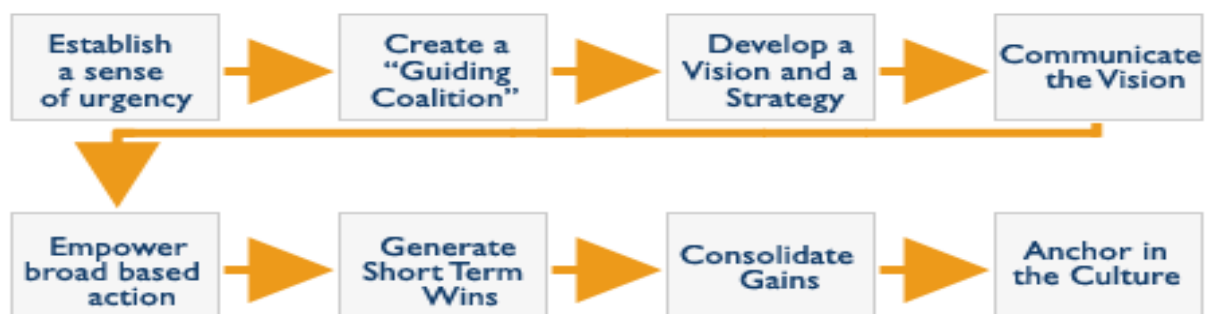
Figure 2.4: John Kotter's Eight-Step Model for Change (Kotter, 2011).

Source: KotterInternational.com (2011).

Kotter's eight-step model for change has been recognised as one of the most well-known approaches to organisational transformation, as the mainstream wisdom for leading change and the most compelling formula for success in change management (Pollack & Pollack,

38

2015). John Kotter addresses a major challenge facing modern leaders as well as how to act quickly and remain relevant in highly competitive environments (Kotter, 2014). John Kotter has made it his business to study both success and failure in change initiatives in business. The Kotter Eight Step Change model is a linear change methodology that focuses on the importance of gaining buy-in (Mbuthia, 2012).

Effective communication should be used to promote or market the new proposed changes while at the same time, demonstrating the shortcomings of the old system. Users resist change because they fear the unknown, but effective communication at the beginning of the project can contribute to reducing this fear. It was noted that communication efforts must be verbal and active. Management must be seen to actively support the process of change so that it can get the full support of the active population (Kotter, 2011).

Kotter's work became highly sought after by leaders of organisations who were planning on implementing organisational change initiative (Pallock & Pallock, 2015). "The process became an instantaneous success at the time it was advocated, and it remains a key reference in the field of change management", (Appelbaum, Habashy, Malo & Shafiq, 2012, pp. 764-782)

The most general lesson to be learned from the more successful cases is that the change process goes through a series of phases that, in total, usually require a considerable length of time. Skipping steps creates only the illusion of speed and never produces satisfactory results and making critical mistakes in any of the phases can have a devastating impact, slowing momentum and negating hard-won gains, (Kotter, 2011).

Kotter (2011) summarizes the eight phases as follows:

Establish a Sense of Urgency: Talking about change usually begins with some people noticing vulnerability in the organisation. The management must convince the employees and staff of the urgency of taking a new direction in the organisation. The threat of losing ground in key areas spark these people to action, and in turn, they try to communicate this sense of urgency to others. Kotter advised that management should help others feel a gut-level determination to move and win now (Kotter, 2011). Kotter further notes that more than half of the organisations that he observed were never able to create enough emergency measures. Without motivation, helping people and effort goes nowhere. In most of the successful cases, the leadership group facilitated a frank discussion of potentially unpleasant facts (Kotter, 2011).

Form a Powerful Guiding Coalition: Often change efforts start with only one or two people and should continually grow to include more who believe that the changes are necessary. A coalition of people to lead the change effort should be formed. The team should have enough

39

power, credibility, expertise, excellent leadership skills and a shared objective to foresee the success of the change (Kotter, 2011). The necessity of this phase is to gather a relatively large number of employees believing in the change. This initial group must be powerful enough in terms of the roles they hold, the reputation they have, the skills that they bring and the relationships they have. Regardless of the size of the organisation, the "Director coalition" for change should have three to five people leading the effort. This group, in turn, can lead others on board with new ideas. The construction of this coalition, their sense of urgency, sense of what is happening and what is needed is crucial, (Kotter, 1997).

Create a Vision: Successful transformation is based on a picture of the future that is relatively easy to communicate and appeal to clients, shareholders and employees. Vision help to clarify the direction in which an organisation must pass. Vision helps spark motivation; it helps to keep all projects and changes aligned and provides a filter to assess the organisation (Kotter, 2011).

Communicate the Vision: Kotter suggests that leadership should estimate how much of the communication vision is needed and then multiply this effort by a factor of ten. Leaders must be considered to walk the talk - another form of communication if people are going to contribute a decisive effort. Actions with words are powerful ways to deliver new communications. The bottom line is that a transformation effort will fail unless most members understand, appreciate, engage, and try to make it occur. The principle is simple, use each existing communication channel as an opportunity (Kotter, 1997).

Empower Others to Act on the Vision: This involves several different actions. To allow employees to start living in new ways and to change in their fields of intervention. Allocate and budget funds for the new initiative. Carve out time on the agenda of the session to talk about the planned changes. Remove any obstacle there may be to the change. It is impossible to get rid of all obstacles, but those most significant obstacles need to be dealt with (Kotter, 2011).

Plan for and Create Short-Term Wins: Given that the actual processing takes time, the loss of momentum and the appearance of disappointment are real factors. Most people will not engage on a long walk to change unless they begin to see the pre-requisite evidence that their efforts are paying off. Successful transformation leaders actively plan short-term gains that they will be able to see and celebrate. It proves that the organisation's efforts are working and adds to the motivation to keep supporting the efforts. When it becomes clear that major changes would take some time, emergency levels can drop. Commitments to produce short-term wins and detailed analytical thinking that can clarify or revise the visions of the force for change help keep emergency levels up (Kotter, 1997).

40

Consolidate Improvements and Keep the Momentum for Change Moving: As Kotter warns, "do not declare victory too early." Until changes sink deep into the organisation's culture, new approaches are fragile and subject to regression. Leaders of successful efforts use a sense of victory as motivation to investigate their organisation more deeply, to explore changes in the culture database and expose relationships of systems that need adjustment, to ensure that people are committed to new ways in the leading roles. The leaders of change must accept and believe that their efforts are a process that must be sustained for years (Kotter, 2011).

Institutionalize the New Approaches: Ultimately, change sticks when it becomes "the way we do things here", when it infiltrates into the bloodstream of the organisation. Until the new behaviours are rooted in shared values and social standards, they are subject to degradation as soon as the pressure for change is relaxed. Two factors are especially important for achieving this objective: People must be prioritised first of all and a conscious attempt must be made to show how new approaches, behaviours and attitudes have contributed in improving the lives of the organisation (Kotter, 2011).

Since the introduction of the eight steps, Dr Kotter switched his focus from research to impact. He expanded the scope of the eight-step process from his original version in "Leading Change" to the version outlined in his book, "Accelerate, Building Strategic Agility for a Faster-Moving World" (Kotter, 2014). The newer model updates the influential eight steps process for change to support the needs of modern organisations. Kotter's latest work expands on the eight steps model presented in 1996 (Pollack, & Pollack, 2015). In his words: "What I present in this book adds to my prior work. This is not a case in which new realities mean that old ideas are no longer valid. It is more a case of adding to previous conclusions in a way that takes us to some very big new ideas." (Kotter, 2014, p. ix).

Figure 2.5: Kotter's 8-Step Process for Leading Change (accelerators)

Source: KotterInternational.com (2011).

41

The new Kotter change model proposes a dual system composed of the existing hierarchy and a second operating system that can respond quickly to change and opportunities. It complements the existing hierarchy and focuses on continual assessment, reflection of the organisation within its existing ecosystem, and an ability to remain agile enough to react quickly and with creativity to change and opportunities in its sphere (Pollack, & Pollack, 2015). John Kotter describes three main differences between the eight steps and the eight accelerators:

Differences between John Kotter's

8- STEPS (Leading Change: 1996) and **8 ACCELERATORS (Accelerate: 2014)**

Steps used in rigid, finite, and sequential ways, in effecting or responding to episodic change	← →	Accelerators are concurrent and always at work.
Steps are usually driven by a small, powerful core group	← →	Accelerators pull in as many people as possible from throughout the organization to form a "volunteer army."
Steps are designed to function within a traditional hierarchy	← →	Accelerators require the flexibility and agility of a network.

Source: Kotter, J (2012). Accelerate! Harvard Business Review, November 2012.
www.change-management-coach.com

Figure 2.6: Differences between John Kotter's 8-Steps and the 8 Accelerators.

Source: Kotter (2012).

Kotter (2014) introduces the concept of *the big opportunity* in "Accelerate !" as the core around which the 8-step process is focused. Kotter advocates focusing on doing one thing very well in a linear fashion over time, constantly seeking opportunities, identifying initiatives to capitalise on, and completing them quickly (Kotter, 2014). "Focusing action on a big opportunity helps attract the "volunteer army" of those employees who are motivated to make a difference in this area and sustains the sense of urgency needed to accomplish the vision" (Kotter, 2014, pp. 133 -136).

The big opportunity should be rational, emotionally compelling and memorable to attract motivated volunteers (Kotter 2012, p. 7). Kotter states that:

- Kotter's 8-step process for leading change has been refreshed to remain relevant in current competitive business environments.
- Kotter proposes a dual operating system: the hierarchy to take care of business, and the network to react quickly to change and arising opportunities.

42

- The two operating systems should work side-by-side and are both essential for the success of the business.
- The network uses the eight accelerators to lead change.
- Action is focused around the big opportunity, and motivated volunteers are recruited within the network to realise the vision.

"Despite its popularity, the process has also been criticised. It has been claimed that this and other change management processes describe what has to be done, but provide little detail in how this should be achieved and it is not sufficiently detailed to guide change management in all situations" (Appelbaum et al. 2015, p. 775). The process has also been criticised as not general enough for some kinds of change and overly planned and therefore not representative of the realities of organisational life. However, these criticisms need to be tempered by observing that no single model can provide a one-size-fits-all solution to organisational change (Pollack & Pollack, 2015). Both Lewin and Kotter's Models are useful for planned acquisitions. The business acquisition in the organisation understudy was planned and implemented from 2013 to 2017. Effective communication, ensuring "buy-in" at all levels, providing regular feedback and sustaining the new the culture are advocated by these models to promote the change (Rajan & Ganesan, 2017), supporting the assumption made by this study.

2.7.3 Kubler-Ross' Change Curve

A change model related to Kotter's model is the Change Curve, focusing on the specific issues of personal transitions in a changing environment which is useful for understanding this aspect of change in more detail. The change curve was originally created by Elisabeth Kubler-Ross in 1969 to illustrate how people deal with the news that they have a terminal illness. The same model is used for any crisis that individuals go through, including organisational change management (Candy, 2016). The curve and its associated emotions can be used to predict how performance is likely to be affected by the announcement and subsequent implementation of a significant change. Candy (2016) further notes that this insight can help managers tailor approaches and effective communication for those individuals dealing with the change, helping them through the transition successfully.
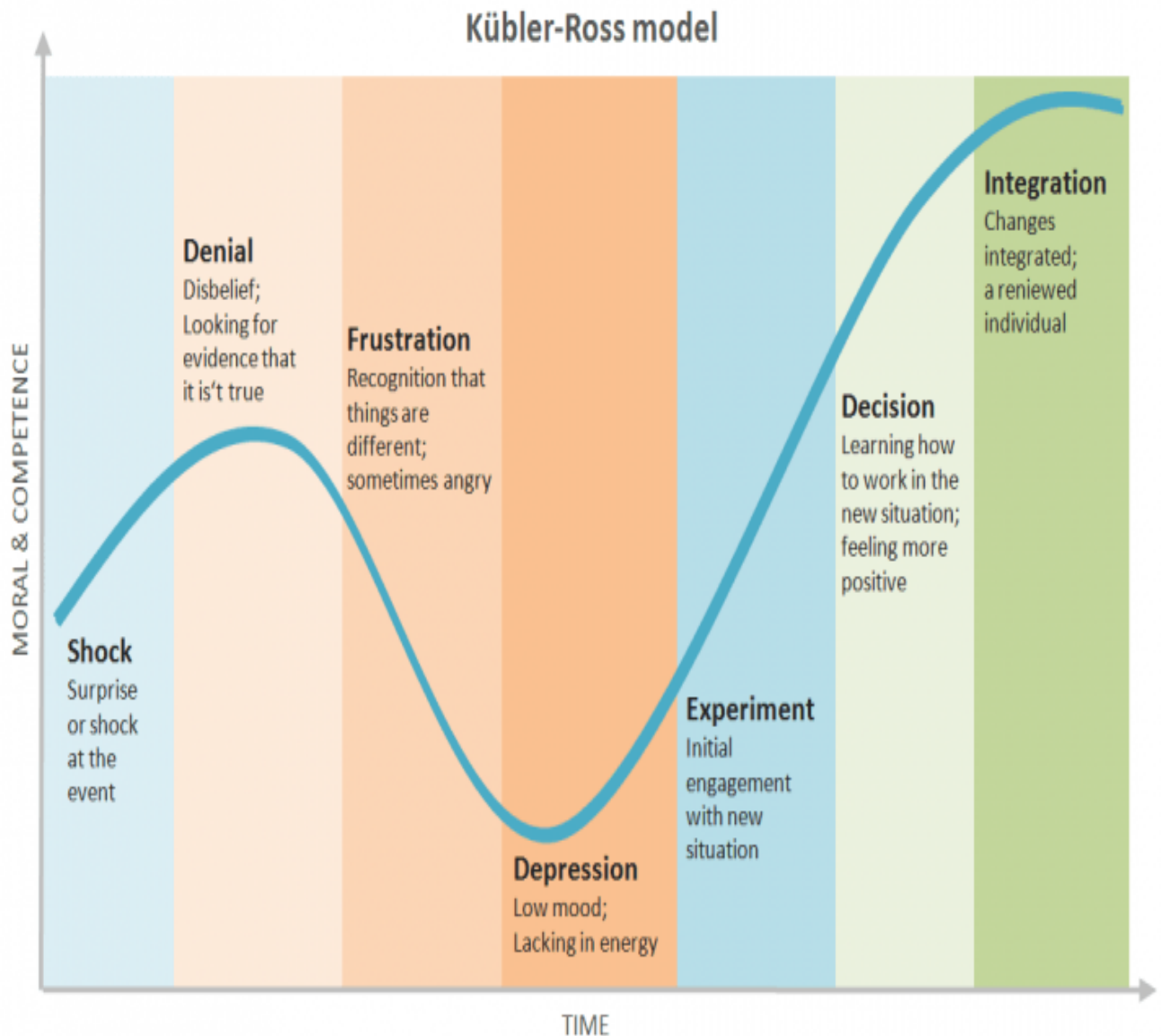
Kübler-Ross model

Figure 2.7: Change Curve

Source: Kubler-Ross (1969). *https://www.cleverism.com/understanding-kubler-ross-change-curve/*

The Kubler-Ross Change Curve is also known as the five stages of grief. The five stages included in this model are denial, anger, bargaining, depression and acceptance. This model was introduced by and is named after Elisabeth Kubler-Ross in a book called "Death and Dying" published in 1969. The psychiatrist Kubler-Ross was inclined towards this subject because of a lack of research and information on the subject of death and experience of dying. After the book "Death and Dying" was published, the concept of the model was widely accepted, and it was found that it was valid in a majority of cases and situations relating to change. The five stages according to Kubler-Ross are transferable to different ways and degrees and may vary from person to person (Candy, 2016).

44

Kubler-Ross' Model also holds when it comes to business, work or employment. Every organisation needs to support its employees in the process of making transitions or changes. These individual transformations can be traumatic and may involve loss of a lot of power and prestige issues. The easier it is for the employees to move along on their journey, the easier will it be for the organisation to move towards success (Candy, 2016). The model's limitations are that it assumes the worst reaction in an individual to change, and it is difficult to apply to a group. According to Candy (2016), it is essential to understand that one does not move along the stages in a linear direction or step by step. A person tends to move into stages in random order and may sometimes even return back to a previous stage after a certain point in time.

Candy (2016) outlines the following descriptions of each of the stages of grief as indicated in the Kubler-Ross Model:

- **Denial.** This is the stage in which the employees may be in a position of shock or denial. They may not be able to digest the fact that they have to undergo change and adapt to something new. They may need time to adjust to the changes, and for a long time, they may deny that they need any help. The role of management should be to help employees understand why this is happening and how it can be helpful. This stage demands communication so that employees can have full knowledge and can have their questions answered.

- **Anger.** When finally, the gravity of the situation settles in, and reality becomes clear, employees may begin to feel fear from what lies ahead, and this may also turn into anger and resentment. They might have been in a comfort zone for so long, and knowing that they need to learn, change and adapt may make them angry. This stage has to be managed very sensibly by management. Clear communication and support should still be the focus for management at this level as well. Management must understand that this is just a natural reaction, and with time, it shall pass and make way for acceptance.

- **Bargaining.** When employees finally understand the change and realize how they must adapt to new situations and circumstances, they may try to find the best possible scenario for them to fit in and to which to adapt. The next phase should then be the learning or training face which management should facilitate for the success of the change.

- **Depression.** The learning phase may not always be a comfortable zone for most employees of a workplace. This phase could result in low energies at the workplace due to low morale and excitement. It is important for management to understand that this phase is not easy for the workforce as well. Hence, the more exciting the training can be made, the better would it be for the employees to move ahead and give their

best. Employees may have realized by now that there is no way out of the situation, and this may prove difficult for some of them to handle.

- **Acceptance.** When people realize that fighting the change that is coming into their life is not going to make the grief go away, they resign to the situation and accept it completely. The resigned attitude may not be a comfortable space, but it is one in which the person may stop resisting change and move ahead. While some people totally resign themselves to events and go into a deep state of low energy, others may try to make the most of the time left on hand and explore new opportunities. This is the stage that management waits for after introducing a new change into an organisation. Finally, employees begin to embrace the change, accept the situation and start building new hopes and aspirations. They realise and understand the importance of the change and resign towards it.

2.8 COMPARISON OF CHANGE MANAGEMENT METHODOLOGIES

Table 2-1: Comparison of Change Management Methodologies

Theoretical Model	Characteristics	Advantages	Disadvantages
Lewin's three-stage management model	The change management model of Lewin is one of the most commonly applied models within the field of change management. It is a three-step management model process created with the idea of helping leaders facilitate and understand transitions.	It is easy to understand and provides visual language that displays the actions leaders should take very well. This also allows leaders to think past quantitative analysis, and take into account qualitative means of working through change. The model is simple and easily understood, rational, goal and plan oriented. There are fewer steps that have to be followed. It is done through steps and thus can be considered as an efficient model.	Although easy, it does not discuss ways that leaders can deal with people who are resistant to changes and are reluctant to change their positioning. It assumes that through enough motivation and encouragement, everyone will come around, and this is not always the case. Although the model is rational, goal and plan oriented, the change looks good on paper, as it makes rational sense, but when implemented the lack of considering human feelings and experiences can have negative consequences. There may be occasions when employees get so excited about the new change, that they bypass the feelings, attitudes, past input or experience of other employees. Consequently, they find themselves facing either resistance or little enthusiasm. During the Refreezing phase, many employees are worried that another change is coming, so they are in a change shock. This change shock causes employees to not be as efficient or effective regarding their jobs. There is some criticism regarding the Refreeze phase. Organisational change is continuous and change may occur within several weeks. There is thus no time to settle down into comfortable routines.
Kotter's eight stage change model	Creating urgency is a critical first step to initiate change. Additional steps, include building coalitions and vision, removing obstacles, creating short term "wins," building on the change, and anchoring the change in the new structure.	The process is an easy step-by-step model. It contains clear steps which can give guidance for the process. The focus is on preparing and accepting change, not the actual change. Transition is easier with this model. Focus on the buy-in of employees as focus for success.	A step cannot be skipped because the change process will then completely fail. The process takes a great deal of time. The model is top-down, it has no room for co-creation or other forms of true participation, opportunities can be missed, because not everyone is involved in co-creation of the vision.

| | This eight-step process calls for patience, especially in the first critical steps to achieve high initial participation. Kotter's eight-stage change model pretty much aligns with Lewin's three-stage model. Unfreeze – relates to Stages 1 to 4. Transition – relates to Stages 5 to 6. Refreeze – relates to Stages 7 and 8. | The model fits well into the culture of classical hierarchies. | This model can lead to frustrations among employees if the stages of grief and individual needs are not taken into consideration. |
| **Kubler-Ross' Cycle of Grief** | Rather than showing how to implement a change project from an organisational perspective, this model focuses on the psychological journey through which individuals typically move as they experience change. This model is useful when considering a change from the perspective of the individual. | This model is all about employee resistance and helping to ease the potentially damaging impact initial bad feelings can have on the team.

It helps managers prepare for dealing with every emotion workers will feel about the change, and they can even connect this process to effects on productivity. | Leaders can feel this framework will help them guide every employee through the emotional rollercoaster that arises as a result of the change. Unfortunately, this is not the case. Some employees could feel these emotions out of order, or some may not follow this pattern at all. It is a one-size-fits-all for walking through the process of coaching employees through what they are feeling. |

Source: Atherton (2013)

48

2.9   ADDITIONAL MODELS OF CHANGE APPLICABLE IN ACQUISITIONS

The following chart provides an overview of different models and where they can best serve an organisation, (Connelly, 2017).

Model	Description	Benefits	Limitations	Purpose
Kotter's Change Management Model	Steps to encourage new behaviors for successful organizational change	Provides an eight-step, actionable checklist	Lack of measurement processes and time consuming	Organizational Change Management Model
Bridges Transition Model	Strategies for managing the emotional transitions of change	Includes a step-by-step guide to foster emotional acceptance of change	Not a framework for operational change	Organizational Change Management Model
Rogers' Tech Adoption Curve	Model to define the change adoption timeframe	Defines a timeline for workforce change acceptance	Not a framework for operational change	Organizational Change Management Model
Kubler-Ross Model	Model based on the emotional journey - five stages of grief	Most change frameworks address these stages	No clear guidance for operational change	Individual Change Management Model
Prosci ADKAR Model	Five step process: Awareness, Desire, Knowledge, Ability, and Reinforcement	Rewards individual change in organizational change process	Cumbersome process for large organizations	Individual Change Management Model
McKinsey Model	Seven structural model that focuses on a holistic approach to change	Provides guidance and focuses on the whole organization	Very complex model	Organizational Change Management Model
Nudge Theory	Method advocating the benefits of behavior modification	Positive reinforcement method to drive individual change	Depends on a custom response to each change circumstance	Individual Change Management Model
Stephen Covey's Model	Individual leadership development through adopting better habits	More leadership within rank and file to drive organizational change	No framework for operational change	Individual Change Management Model
Virginia Satir	Model for improving family relationships	Focus on the family as a unit rather than individuals	No framework for operational change	Individual Change Management Model
Switch Framework	Techniques and examples on three interconnected elements of change	Good overview/stories for modeling change	No framework for operational change	Individual Change Management Model
EASIER Model	Six steps – Envision, Activate, Support, Implement, Ensure, and Recognize	Checklist on operational and emotional elements to organizational change	Relies on leadership effectiveness and response	Organizational Change Management Model
Deming Cycle	An ongoing process advocating "plan, do, study, and act"	Structured framework for organizational change	No process to factor emotional resistance or opposition forces	Organizational Change Management Model
Lewin's Model	Three steps – unfreeze, change, and refreeze process of change	Simple steps to combat emotional resistance and opposition	No mechanism for ongoing change	Organizational Change Management Model

Figure 2.8: Models of change (Connelly, 2017).

Source: Smartsheet, IC-Comparasion-of-Change-management-methodologies.jpg.

2.10 ANALYSIS OF THE DIFFERENT MODELS

Effective change methodologies help in paving the way for healthy outcomes and engaging in building momentum and receiving organisational support to identify and overcome change resistance and overheads (Candy, 2016).

2.10.1 Bridges' (1991) Transition Model

The ideas of Bridges (1991) on transition provides a good understanding of what is going on when an organisational change takes place. According to Bridges (1991), coping with change at the individual level involves engaging with and moving through "transition".
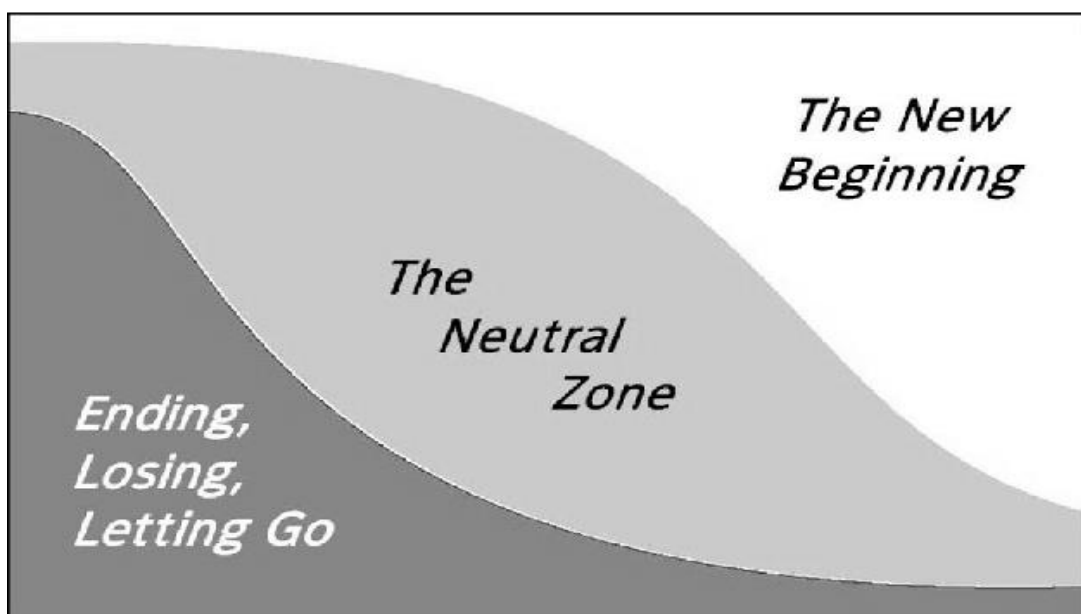
Figure 2.9: Bridges' (1991) transition model

Source: Leybourne (2016)

The model distinguishes between change and transition, in that change is "situational"; i.e., something happens, or an action is taken, whereas transition is "psychological", in that it involves the personalised and internalised amendment of emotions and actions (Leybourne, 2016). While this model is useful for understanding how people feel as you implement change, it does not guide them through change. It substitutes for other change and clarifies the psychological effect of management approaches. It cannot facilitate change or be used as an independent change management model (Leybourne, 2016).

2.10.2 Prosci's ADKAR Model

Developed in 1998 by Prosci, the model is a goal-oriented change management model. It allows change management teams to focus their activities on specific business results. The model was initially used as a tool for determining if change management activities like communications and training have the desired affects during organisational change (Candy, 2016). The ADKAR model plots the productive enterprise through change. Every movement of the model furthermore actually fits into the common activities related to change organisation. Its benefits include the fact that it summarises the business/process dimension of change and the individual dimension of change and provides a clear management checklist to manage change. In terms of limitations, it misses out on the role of leadership and the principles of programme management to create clarity and provide direction to change (Connelly, 2017).

2.10.3 EASIER Approach

Another change management model is the EASIER approach. Developed by D.E. Hussey and introduced in his book "How to manage organisational change". Hussey puts forward an additional framework, which captures the following elements to manage successful change\ (Connelly, 2017). Again, the similarities to other change management models are evident with this model. The model is explained by visiting the acronym below.

E–Envision: A form a coherent view of the future: the vision with which to inspire everyone and the end goal which will underpin the organisational goals. This vision should be strategic and holistic, which addresses the complete organisation.

A–Activate: Activate the followers. Engage them and communicate the vision, ensuring that they fully understand where the organisation is and more importantly, where it wants to be, and how it will get there. At this point, Hussey argues that managers should allow participative support, encouraging ownership and commitment through choice. For the next phase of integration, this "activate" stage must be embedded. Hussey also writes that if activation is not achieved, then coercion may be the only choice, which can achieve the desired result at the expense of organisational morale (Connelly, 2017).

S–Support: This section is all about empathy. The leader must inspire and support individuals through the change curve. Using emotional intelligence and seeing things in their eyes helps overcome barriers to change. Good leadership characteristics are crucial at this stage, as support and inspiration will only come through the credibility of the leader (Connelly, 2017).

51

I–Implement: This part is all about completing the many tasks and plans that must be completed and closed to turn the vision into reality. The implementation stage must capture the following:

- Ensure that all consequences of change are understood.

- Identify all the actions necessary to bring about change.

- Allocate responsibility for the various actions.

- Prioritise those actions.

- Provide budgets.

- Set up teams and structures to support the project.

- Determine any policies that are needed to make the change program work.

E – Ensure: This can be used to reinforce the vision and re-inspire in certain circumstances; however, it is often used to create complete certainty of the project, ensuring that monitoring and controlling processes are in place. In turn, the following are controlled:

- All actions are taken on time.
- Where there is a change to plan, the changes are legitimate and that there is a good reason for this.
- Corrective action is taken when results are not to plan.
- Ensuring that the plans are still appropriate if things change.

R–Recognize: This step is all about giving feedback and recognising those involved in the project. Recognition can be positive or negative and should be used to re-enforce the vision again, setting standards along the way. Recognition can come in many forms, including promotion, a simple thanks or any other way. Still, it is important to celebrate successes and positively enforce the desired ways of working and the closure of tasks.

The key to change, as many change management models depict, is to provide a clear vision, communicate well, encourage commitment and participation from those affected by the change, and lead the required behaviours (Connelly, 2017).

2.11 CHAPTER SUMMARY

This chapter conceptualised business acquisition as a major strategy commonly acknowledged by organisations that strive for accomplishment in corporate profitability, diversity, and growth. The construct acquisition was defined and discussed in detail based on

the literature review. Different models applicable to change management, including their processes, stages, benefits and limitations were discussed.

Chapter 3 explores the concept of organisational culture in detail.

CHAPTER 3.

ORGANISATIONAL CULTURE

3.1 INTRODUCTION

Organisational culture has become an important aspect in the study of organisational behaviour and, in turn, a popular topic in research. The chapter defines the term organisational culture. The origin of the construct and its theoretical background are explained. These chapter's focus areas further include elements of organisational culture as well as the value or importance of the construct.

3.2 WHAT IS ORGANISATIONAL CULTURE?

In contemporary anthropology, culture as a trait of humanness that follows universal laws has largely fallen out of favour. The common misconception is that organisational culture cannot be defined. However, in recent years the problem has become that there are so many definitions for an organisational culture that it can be confusing (Brenton & Driskill, 2011). Although no consensus exists, culture has most often become a heuristic term used to help anthropologists discuss the symbols, meanings, institutions, systems and behaviours of people, rather than a well-defined theoretical project (Vélez-Ibáñez & Heyman, 2017). "Organisational culture is an emergence, an extremely complex incalculable state that results from the combination of a few ingredients" (Rosauer, 2013, p. 77). In his book "Three Bell Curves: Business Culture Decoded", Rosauer outlines the three manageable ingredients which he claims guide business culture:

- Employee (focus on engagement).
- Work (focus on eliminating waste, increasing value).
- Customer (focus on the likelihood of referral).

Rosauer writes that the Three Bell Curves methodology aims to bring leadership, their employees, the work and the customer together for focus without distraction, leading to an improvement in culture and brand (Rosauer, 2013). Organisational culture can be understood as the identity of an organisation, similar to what a personality is to an individual (Singh, 2011). Flamholtz and Randle (2014, p. 24) note that organisational culture consists of "values", "beliefs," and "norms" which influence the thoughts and actions (behaviour) of people in organisations. Values, beliefs and norms, are then, the key components or elements that define organisational culture. Values are the things an organisation considers most important for its operations, its employees, and its customers. These are the things an organisation holds most dear; the things for which it strives and the things it wants to protect at all costs. Beliefs

are assumptions individuals hold about themselves, their customers and their organisation. Norms are unwritten rules of behaviour that address such issues as how employees dress and interact. Norms help "operationalise" actions which are consistent with values and beliefs. These three elements of culture are part of an overall mosaic of culture in an organisation. They are not necessarily all visible either single or in combination, (Flamholtz & Randle, 2014).

Organisational culture may be considered as the shared way of being, thinking and acting in a collective of coordinated people with reciprocal expectations. It is shaped, disseminated, learned and changed over time, providing some predictability in every organisation (Serpa, 2016). Alvesson (2013) defines organisational culture as the various ideologies, beliefs and practices of an organisation which makes it different from others. Organisational culture is how things are done in any organisation. Therefore, if the existing organisational culture is ideal, employees will achieve greater individual performance and commitment to the organisation as they feel their needs and desires are met, (Pinho et al., 2014). However, Weber and Tarba (2012) argue that the cultural difference that exists within the group is a major barrier to performance. "More than 90% of business excellence initiatives fail to succeed because of poor cultural integration among managers in the organisation" (Bolboli & Reiche, 2014, pp. 329-347). The lack of effective organisational culture is a primary cause of poor performance and productivity in the organisation (Eaton & Kilby, 2015). Managers must understand the importance of effective organisational culture to improve performance and productivity in an organisation (Viegas-Pires, 2013).

"One can view organisational culture as "corporate personality". Organisational culture as a personality consists of the values, beliefs, and norms which influence the behaviour of people as members of an organisation" (Bolboli & Reiche, 2014, pp. 329-347). According to Shahzad, Luqman, Khan and Shabbir (2012) "norms are invisible, but if the organisations want to improve the performance of the employees and profitability, norms are the places first to look at". Petrakis and Kostis (2013) divided cultural background variables into two main groups:

- The first group covers the variables that represent the "*efficiency orientation*" of the societies, namely performance orientation, future orientation, assertiveness, power distance and uncertainty avoidance.
- The second covers the variables that represent the "*social orientation*" of societies, i.e., the attitudes and lifestyles of their members. These variables include gender egalitarianism, institutional collectivism, in-group collectivism and human orientation.

Robbins and Judge (2011) define organisational culture as a system of shared meaning held by members that distinguishes one organisation from the next. "Organisational values and the

essence of an organisation's culture can be captured in seven primary characteristics" (Robbins & Judge 2011, p. 554). Namely:

- **Innovation and risk-taking**: The degree to which employees are encouraged to be innovative and take risks;
- **Attention to detail**: The degree to which employees are expected to exhibit precision analysis and attention to detail;
- **Outcome orientation**: The degree to which management focuses on results or outcomes rather than on the techniques and processes used to achieve these outcomes;
- **People orientation**: The degree to which management decisions take into consideration the effect of outcomes on people within the organisation;
- **Team orientation**: The degree to which work activities are organised around teams rather than individuals;
- **Aggressiveness**: The degree to which people are aggressive and competitive rather than easy-going; and
- **Stability**: The degree to which organisational activities emphasise maintaining the status quo in contrast to growth.

Although culture has been the focal area of studies in anthropology, sociology, organisational theories and management, the connotation it had was not always the same. Different concepts, assumptions and interests made these connotations dissimilar. Diverse opinions predominantly affected the description of the theoretical base of culture in terms of its composition, impact and applications (Taneja & Saxena, 2014, p. 69 - 72). Culture, while on the one end is described as the set of values and beliefs, on the other is described as a set of symbols, ceremonies and myths that communicate the underlying values and beliefs of the organisation to its employees (Taneja & Saxena, 2014).

Linking to the above definitions, Schein (2010, p40; 1992, p. 17) defines organisational culture as "a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which 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". These, according to Schein (2010), have created a greater need for:

- Co-ordination and integration across organisational units to improve efficiency, quality, and speed of designing, manufacturing and delivering products and services;
- Construction of net or hybrid cultures that merge aspects of culture from what were distinct organisations before an acquisition;

56

- Management of workforce diversity; and
- Facilitation and support of teamwork.

To date, no single universally accepted definition exists; however, the term organisational culture is generally accepted as referring to the shared meanings, beliefs, and understandings held by a particular group or organisation about its problems, practices, and goals. The popular use of the concept has further complicated matters by organisations labelling anything, from value statements to common behaviour patterns, as organisational culture (Schein, 1990). This definition has already been tested in the South African environment. In his study, Zhao (2007) focused primarily on Schein's model of organisational culture and applied the model to the case studies of Naspers' culture and of Tencent's culture. The study was based in South Africa and China, comparing the appropriateness of the definition within the two countries. The result of the application of Schein's model to these two companies indicated that their organisational cultures are comparable.

3.2.1 WHERE DOES THE CONSTRUCT ORGANISATIONAL CULTURE ORIGINATE?

The origin of the concept of culture is rooted in the study of anthropology. Anthropologists perceived culture as their foundation stone and the most central problem of all social sciences, (Petrakis & Kostis, 2013). Later, culture became prominent in the areas of management and organisational behaviour. Before that, it also received attention in the fields of sociology and social psychology.

During the 1930s and 1940s in Europe, Bronislaw Malinowski and Alfred Radcliffe-Brown created two schools of functionalist theory. Malinowski argues that culture was a complex system created through the functional fulfilment of biological, psychological and social needs. Radcliffe-Brown, however, describes culture as consisting of social structures, which he describes as regularised social forms or observable, repeated, and patterned relations between individuals (Malinowksi, 1954). Malinowski's student, Edward E. Evans-Pritchard, used Radcliffe-Brown's structural-functionalist perspective but theorised structure as flexible, logical, cognitive "maps" or systems of form and meaning (Moore, 2012).

Childress (2013) notes that the term culture in the organisational context was first introduced by Dr Elliott Jaques in his book "The Changing Culture of a Factory", in 1951. According to Dr Elliott Jaques the culture of the factory is its customary and traditional way of thinking and doing of things, which is shared to a greater or lesser degree by all its members, and which new members must learn, and at least partially accept to be accepted into service in the organisation, (Childress 2013). In simple terms, to the extent that people can share common wishes, desires and aspirations, they can commit themselves to work together. It is a matter

of being able to care about the same things, and it applies to nations as well as to associations and organisations within nations (Childress, 2013).

In the United Kingdom, sociologists and other scholars were influenced by Marxism developed cultural studies. The British version of cultural studies had originated in the 1950s and 1960s, mainly under the influence of Richard Hoggart, E.P. Thompson, and Raymond Williams, and later that of Stuart Hall and others at the Centre for Contemporary Cultural Studies at the University of Birmingham, (Moore, 2012). In the United States, cultural studies focused largely on the study of popular culture; that is, on the social meanings of mass-produced consumer and leisure goods. In the 1950s, Americans Leslie White and Julian Steward, created theories of culture examining the ways culture functions to fulfil the environmental needs of society. "White's neo evolutionary theory of culture described culture as functioning to fulfil the needs of society, in contrast to Malinowski who saw culture as fulfilling the needs of the individual", (Moore, 2012, p. 163; Steward, 1972).

Culture is seen as a universal system of evolution rather than linked to the particularities of a population. According to Moore (2012) culture was supra biological and, although initially rooted in the biology of humans, was external to the human body and consisting of technological, sociological and ideological elements. Steward's theory of cultural ecology bridged White's neo evolutionism by dismissing the idea that all cultures progress through the same stages of evolution, opting instead for a multilinear evolutionary perspective, while criticising historical particularism for ignoring the linkage between culture and environment, (Moore, 2012, Steward, 1972). Although one of the earliest symbolic theorists, Levi-Strauss, argued that culture was structured on the human mind in the 1960s and 1970s, later symbolic anthropologists moved away from theories of culture that described culture as a universal trait or system, opting instead for theories of culture steeped in meaning, context and particularity, (Moore, 2012).

Scholars in the United Kingdom and the United States developed somewhat different versions of cultural studies after the late 1970s. Following nineteenth-century romantics, they identified "culture" with consumption goods and leisure activities. In 2016, a new approach to culture was suggested by Rein Raud, who defines culture as the sum of resources available to human beings for making sense of their world and proposes a two-tiered approach, combining the study of texts (all reified meanings in circulation) and cultural practices (all repeatable actions that involve the production, dissemination or transmission of meanings), thus making it possible to re-link anthropological and sociological study of culture with the tradition of textual theory, (Raud, 2017).

58

3.3 THEORETICAL APPROACHES OF ORGANISATIONAL CULTURE

Different researchers examined the concept of organisational culture and came up with different theories or models to describe it.

3.3.1 Schein Three Levels of Culture

Schein (1992,) identified three levels that explain organisational culture, namely artefacts, values and basic underlying assumptions.
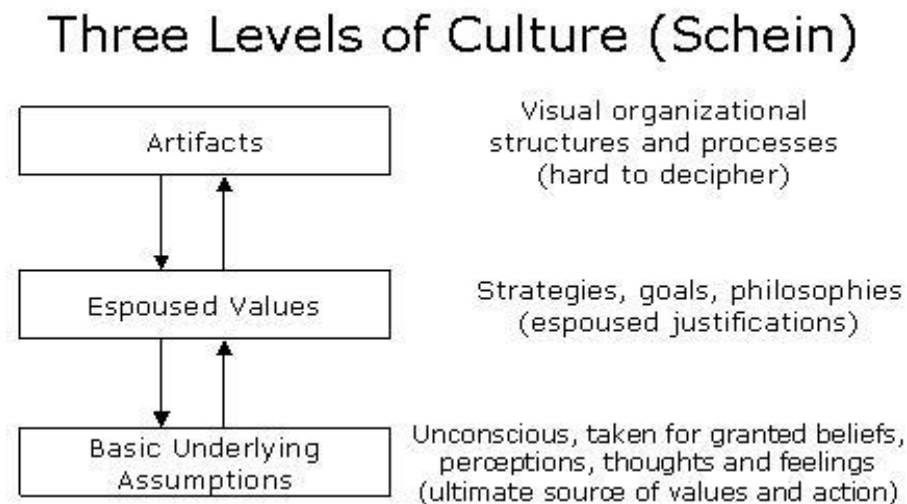
Figure 3.1: Three levels of culture (Schein, 1992)

Source: "Organisational Culture and Leadership", Edgar Schein (1992)

Schein (1992) identified two dimensions of organisational culture, namely how the organisation find ways to deal with the external environment and how to manage its internal integration (Wall, 2014). "The external environment is about subjects such as the organisation's mission and strategy; goals; means to be used to attain the goals; measurement of how well the group is doing and correction if goals are not being met. With regards to the dimension of managing its internal integration, this is about areas such as: creating a common language and conceptual categories; defining group boundaries and criteria for inclusion and exclusion; distributing power, authority and status; developing norms of intimacy, friendship and love; defining and allocating rewards and punishments; and explaining the unexplainable, such as through religious beliefs" (Schein, 1992, p. 85).

The biggest underlying assumption here is that employees bring their unconscious cultural assumptions, based on their cultural socialisation, into their relevant organisations, (Brenton & Driskill, 2010). This is more relevant to South African organisations because employees come from different backgrounds in terms of race and ethnicity and therefore have different

59

cultures. These different cultures, including employees' own underlying cultural assumptions, are brought to work and are described by Schein (1992) below:

Artefacts: They include the visible products of the group, such as the architecture of its physical environment, its language, its technology and products, its artistic creations, its style as embodied in clothing, manners of address and emotional displays, its myths and stories told about the organisation, it's published lists of values and its observable rituals and ceremonies. The dress code of the employees, office furniture, facilities, behaviour of the employees, mission and vision of the organisation all come under artefacts and go a long way in deciding the culture of the workplace (Brenton & Driskill, 2010).

Among these artefacts is the "climate" of the group. Some culture analysts see climate as the equivalent to culture. Still, it is better thought of as the product of some of the underlying assumptions and is, therefore, a manifestation of the culture. Observed behaviour is also an artefact as are the organisational processes by which such behaviour is made routine. Structural elements such as charters, formal descriptions of how the organisation works, and organisation charts also fall into the artefact level.

Values: The next level, which constitutes the organisation's culture, according to Schein (1992) is the values of the employees. Shared values are individuals' preferences regarding certain aspects of the organisation's culture (e.g. loyalty, customer service). Basic beliefs and assumptions include individuals' impressions about the trustworthiness and supportiveness of an organisation and are often deeply ingrained within the organisation's culture. The values of the individuals working in the organisation play an important role in deciding the organisation's culture. The thought process and attitude of employees have a deep impact on the culture of any particular organisation. The mindset of the individual associated with any particular organisation influences the culture of the workplace (Wall, 2014).

Assumption: "The third level is the assumed values of the employees which can't be measured but do make a difference to the culture of the organisation. There are certain beliefs and facts which stay hidden but do affect the culture of the organisation. These are the elements of culture which are often taboo to discuss inside the organisation. Many of these "unspoken rules" exist without the conscious knowledge of the membership. Finally, these are the foundations on which culture is based and can be described as the ways things get done around here" (Wall 2014, pp. 466–468). The underlying assumptions are often difficult to describe, are intangible and are often only really understood by people who have become accustomed to the way the organisation works (Schein, 2010).

3.3.2   Culture Types According to Harrison and Stokes (1993)

There are a number of organisational culture typologies, and these have been proven to influence organisational commitment positively or negatively (Limpanitgul, Robson, Gould-Williams & Lertthaitrakul, 2013). Among others, there are typologies which include clan, bureaucratic, entrepreneurial and market culture (Harrison & Stokes, 1992). Harrison (1993) introduced an approach based on two dimensions, namely centralisation and formalisation. The descriptive model permits the classification of organisational cultures into four types namely: power culture, role culture achievement culture and support culture, (Harrison, 1993).

Support culture: Harrison and Stokes (1992) define support-oriented culture as an organisational climate that is based on mutual trust between the individual and the organisation. The type of culture states that people are viewed as human beings as opposed to machines, and they need to be cared for and supported to achieve their goals (Harrison & Stokes, 1992). "A support culture oriented organisation exhibits a caring and warm atmosphere where employees feel part of the organisation, thus enhancing commitment. Furthermore, employees in such organisations tend to work hard towards the accomplishment of the organisational goals hence high performance and development. Support culture brings about quality service as successful approaches to quality are based on small work teams" (Harrison, 1993, p. 23).

Role culture: "Role culture gives protection to employees and stability to the organisation as people are protected from losing their jobs" (Harrison, 1993, p. 15). Under role oriented organisations, employees need to spend less time focusing their energy on themselves but rather on their work. This type of culture is tailored for dependability, rationality and consistency; employees are expected to keep up their end of the bargain to be rewarded accordingly (Alvesson, 2013).

Achievement culture: According to Harrison and Stokes (1992) achievement culture gives workers mutual vision and determination in the organisation. It is sometimes called an aligned organisation as it puts its employees behind a common vision or purpose. Achievement-oriented individuals have an inner organisational commitment, and they tend to like their work and want to contribute to society. These individuals willingly give more or go an extra mile in their organisations to meet stated objectives, and they are passionate, energetic, and engaged in the organisation's activities (Alvesson, 2013).

Power culture: Power culture allows people in power to be either good or bad. Thus, the resources of the organisation can be used to frustrate members or to make them happy. This is believed to be the tool used to control others or behaviours of employees. Power is centred on an individual or few individuals in the organisation. Most crucial decisions are made by the

61

person in power and that particular person has absolute authority in almost all matters of the business (Alvesson, 2013). "An institution that is power cultured is based on disproportional resource allocation or access" (Harrison & Stokes, 1992, p. 14). Thus, the success of the organisation is strongly dependent on the capabilities of the leaders (Alvesson, 2013).
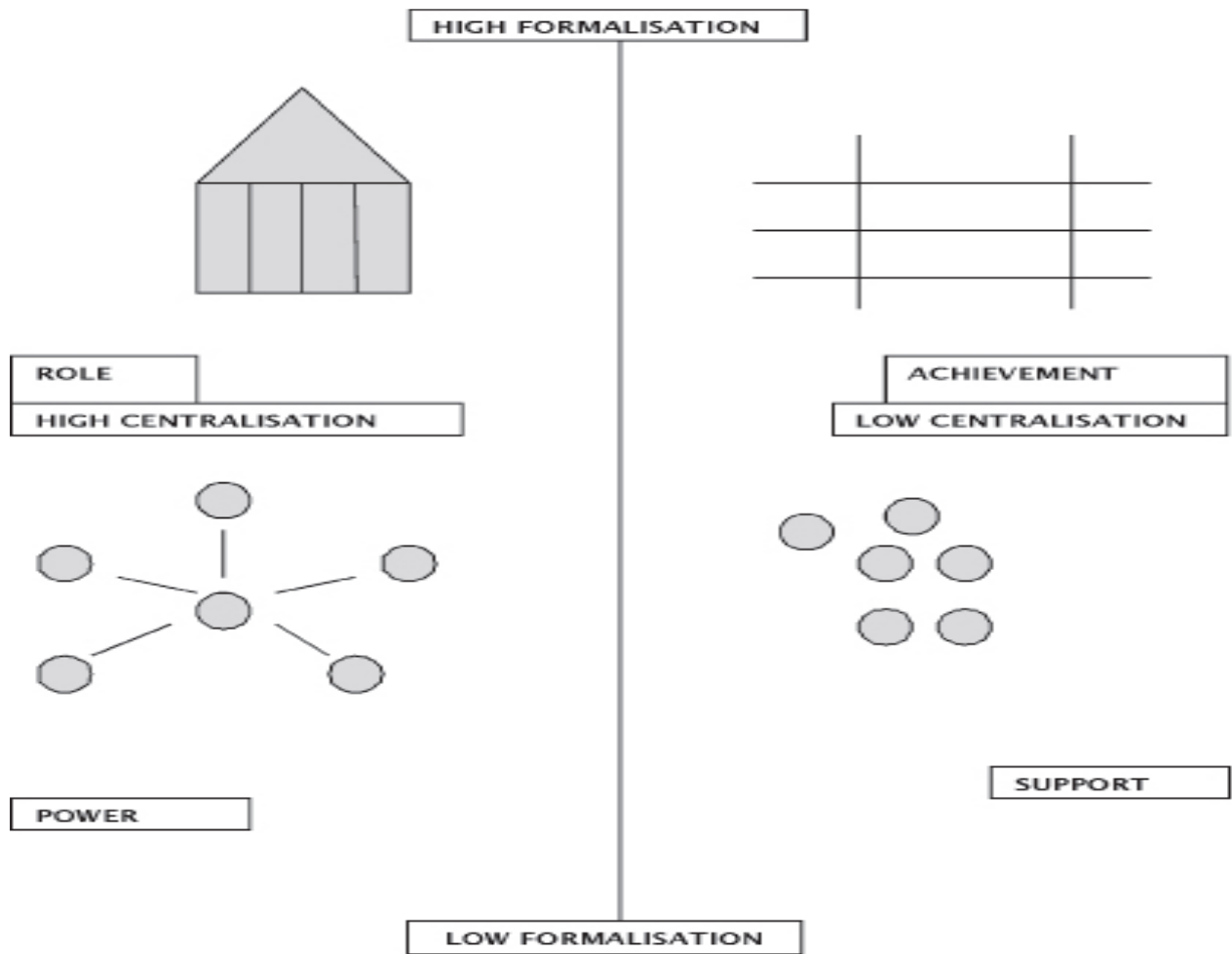
Figure 3.2: Organisational Culture Model (Harrison & Stokes, 1992)

Source: Harrison (1993)

Figure 3.2 represents Harrison's theoretical model for diagnosing organisational culture. The model is descriptive, creating awareness of the culture gap between the existing and preferred cultures in an organisation (Harrison, 1993).

It represents the four dimensions in each quadrant and indicates their measurement within two modes of operation, namely formalisation and centralisation. Harrison and Stokes (1992) note that every organisation has a combination of these four cultural dimensions, with each

type of dimension reflecting some behaviour based on different values. Each dimension has strengths and weaknesses.

According to Harrison (1993), the modes of operation can be measured on a high-to-low scale (Maximini, 2015). Harrison and Stokes (1993) further state that high formalisation in an organisation creates predictability, orderliness and consistency. In other words, a strong culture can serve as a substitute for formalisation. This suggests that the organisation's formal rules and regulations which act to regulate its members' behaviour can be internalised by organisational members when they accept the organisation's culture. This takes place without the need for written documentation (Maximini, 2015). Therefore, low formalisation of rules and regulations could reflect a weak organisational culture.

3.3.3 Hofstede's Model of Organisational Culture

In the theory of cultural dimensions, Geert Hofstede provided a framework by utilising his self-designed cultural dimensions. Then he investigated the status of cross-cultural communication of the individual countries under that framework (Shi & Wang, 2011). The culture of any organisation decides how employees would behave with each other or with the external parties and also determine their involvement in productive tasks. Hofstede, also known as Geert Hofstede, proposed that national and regional factors contribute to the culture of the organisation and eventually influence the behaviour of employees in the organisation (Hofstede, 2011).

According to (Hofstede 2011, p. 7) there are six dimensions which influence the culture of an organisation, as explained below:

Power Distance: This dimension presents to what extent the less powerful people of a country accepts and expects the inequality of power distribution to take place. Notably, this dimension does not measure the level of power distribution in a given culture but instead analyses the way people feel about it (Shi & Wang, 2011). "The dimension expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally. The fundamental issue here is how a society handles inequalities among people. People in societies exhibiting a large degree of power distance accept a hierarchical order in which everybody has a place and which needs no further justification" (Hofstede, 2014, p. 8). De Mooij (2011) concurs that this dimension reflects the extent to which less powerful members of a society accept and expect unequal power distribution. In high Power Distance Index (PDI) cultures, everyone has a rightful place in the social hierarchy, but in low PDI cultures, equality and independence are highly valued (Hofstede, Hofstede & Minkov, 2010). "In low PDI cultures, people depend less on other people and base decision-making more on facts and data, consciously gathering information throughout the decision-making process. They read

63

more newspapers and watch less television than in high PDI cultures" (De Mooij, 2011, p. 33). Hofstede (n. d.) confirms that in societies with low power distance, people strive to equalize the distribution of power and demand justification for inequalities of power.

Masculinity versus Feminity: "This refers to the effect of differences in male and female values on the culture of the organisation" (Sultan & Wong, 2013, pp. 11-20). Sultan and Wong (2013) propose that people in masculine culture show less concern about the welfare of other people and performance. On the other hand, people in a high feminine culture are more concerned about co-operation with others, looking for a friendly environment. Thus, they are less likely to encounter and conflict with others (Sultan & Wong, 2013). Organisations, where male employees dominate their female counterparts, will follow different policies than organisations where the females have a major say in the decision making process of the organisation (Hofstede, n. d.). Male employees would be more aggressive as compared to the females who would be more caring and soft-hearted. The responsibilities also vary as per the gender of the employees. The female employees are never assigned something which requires late sittings or frequent travelling (Sultan & Wong, 2013).

Individualism versus Collectivism: This dimension explains the extent to which people of the countries are integrated (Shi & Wang, 2011). "Individualism versus collectivism relates to the integration of individuals into primary groups, individualism on the one side versus its opposite. Collectivism, as a societal, not an individual characteristic, is the degree to which people in a society are integrated into groups. The dimension can be defined as people looking after themselves and their immediate family only, versus people belonging to in-groups who look after each other in exchange for loyalty. In individualistic cultures, one's identity is in the person. In collectivistic cultures, people are "we"-conscious. Their identity is based on the social system to which they belong, and upholding face is important" (Hofstede et al., 2010, p. 197).

In individualistic cultures, individuals search for information to maximize their personal utility. Whereas in collectivistic cultures, the individual utility is less important than sharing with others, so that new electronic media are used more for sharing ideas and opinions than for personal information search. Paradoxically, family and friends are viewed as more important in individualistic cultures than in collectivistic cultures where family and friends are automatically part of one's identity. In individualistic cultures, friendship is explicitly valued because people have to try to make friends and preserve the friendship. In collectivistic cultures, people meet others more frequently, and there is more interpersonal communication. Members of collectivistic and of high PDI cultures tend to share ideas and opinions orally, but

also chat more often than members of individualistic and low PDI cultures (Goodrich & De Mooij, 2011).

In collectivistic cultures, the importance of harmony and maintaining face cause people who experience post-purchase problems to avoid voicing complaints directly to the provider, (Hofstede et al., 2010).

Uncertainty Avoidance Index: Uncertainty avoidance index refers to a culture where employees know how to respond to unusual and unforeseen circumstances. It deals with the tolerance level of the employees in both comfortable and uncomfortable situations. Organisations try hard to avoid such situations and also prepare the employees to adjust well in all conditions (Hofstede, 2011). According to Shi and Wang (2011), the dimension covers peoples' attitude of embracing or averting the events, those that are unexpected, unknown, and disturbance to the status quo of the country) or organisation. Uncertainty Avoidance Index is the extent to which people feel threatened and try to avoid or reduce uncertainty and ambiguity. It is not the same as risk avoidance (Shi & Wang, 2011).

"Uncertainty Avoidance Index (UAI) cultures shun ambiguous situations and paradoxically they may be prepared to engage in risky behaviour to reduce ambiguities. Generally, members of high UAI cultures have low trust in people and institutions. For example, agreement with the statement "most people can be trusted" correlates significantly with low UAI. In low UAI cultures, more opinion seekers are found but people also search more heavily for information from impersonal. In low UAI cultures, therefore, consumers typically base their decisions on more information sources than do consumers in high UAI cultures, where feelings of trust dominate decision-making" (Hofstede et al., 2010, p. 197).

Indulgence versus Restraint: Indulgence stands for a society that allows relatively free gratification of basic and natural human desires related to enjoying life and having fun. Restraint stands for a society that controls gratification of needs and regulates it by means of strict social norms (Sultan & Wong, 2013).

Sultan and Wong (2013) note the following characteristics of indulgence and restraint:

Long Term versus Short Term Orientation. "This perspective is related to the choice of focus for people's efforts: the future or the present and past. Long term stands for Society that is focused on the future, willing to delay short-term material or social success or even short-term emotional gratification to prepare for the future. With this cultural perspective, the society values persistence, perseverance, saving and ability to adapt. On the contrary, short-term orientation, society is focused on the present or past and considers them more important than the future. They value tradition, the current social hierarchy and fulfilling their social

65

obligations. They care more about immediate gratification than long-term fulfilment" (Sultan & Wong., 2013, pp. 11-20).

Hofstede (2011) further notes that the concepts of long-term orientation and short-term orientation address the different ways cultures view time and the importance of the past, present and the future. "Cultures demonstrating a short-term orientation are more concerned with the past and present and focus their efforts and beliefs on matters related to the short-term, while cultures demonstrating a long-term time orientation are more concerned with the future and focus their efforts on future-orientated goals" (Hofstede, 2011, p. 8).

Table 3-1: Characteristics of indulgence and restraint

Indulgence characteristics	Restraint characteristics
A higher percentage of people declaring themselves very happy.	Fewer very happy people
Perception of personal life control.	A perception of helplessness: what happens to me is not my own doing.
Freedom of speech seen as important.	Freedom of speech is not a primary concern.
Higher importance of leisure.	Lower importance of leisure.,
More likely to remember positive emotions.	Less likely to remember positive emotions
In countries with educated populations, higher birth rates.	In countries with educated populations, lower birth rates.
More people actively involved in sports.	Fewer people actively involved in sports.
In countries with enough food, there are higher percentages of obese people.	In countries with enough food, there are fewer obese people.
In wealthy countries, lenient sexual norms.	In wealthy countries, stricter sexual norms.
Maintaining order in the nation is not given high priority.	A higher number of police officers per 100,000 population.

Long-Term versus Short-Term Orientation: Michael Harris Bond originally named this dimension "Confucian Work Dynamism", but when Hofstede adopted this as his fifth dimension, with the permission of the author, he renamed it as Long-Term versus Short-Term Orientation. There were strong correlations found with this dimension and the recent economic growth, whereas none of the initial four dimensions presented such links to economic growth which led the author to add this as his fifth dimension (Shi & Wang, 2011).

There are some organisations which focus on long term relationship with the employees. In such organisations, people have a steady approach and strive hard to live up to the expectations of the management. Employees get attached to the organisation and do not look

66

at short term objectives. On the contrary, some organisations have employees who are more concerned with their position and image. They follow a culture where people move on within a short period and nothing is done to retain them. The employees are concerned only with their profits and targets and leave as and when they get a better opportunity (Hofstede, 2011).

Long versus short-term orientation is the extent to which a society exhibits a pragmatic, future-oriented perspective, rather than a short-term point of view.

Originally, this dimension was measured for a limited number of countries, but recent new measurements provide data for nearly all countries which have scores on the other dimensions (Hofstede et al., 2010). Included in short-term orientation are values of national pride, tradition, low thrift, importance of service to others, and self-enhancement. Included in long-term orientation are thrift, perseverance, and pragmatism. This dimension differentiates collectivistic cultures concerning communication style and how people present themselves. The need for self-enhancement results in a preference for social media that facilitate strong self-presentation. In particular, American-style social media promote self-enhancement (Specht, 2010). A summary of relevant distinctions between norms in the long term oriented and short term oriented societies follows (Hofstede 2001; Hofstede 2011):

Table 3-2: Relevant distinctions between norms in the long term oriented and short term oriented societies

Long-Term Orientation	Short-Term Orientation
The most important events in life will occur in the future.	The most important events in life occurred in the past or take place now.
A good person adapts to the circumstances.	Personal steadiness and stability: A good person is always the same.
What is good and evil depends upon the circumstances.	There are universal guidelines about what is good and evil.
Traditions are adaptable to changed circumstances.	Traditions are sacrosanct.
Family life is guided by shared tasks.	Family life is guided by imperatives.
Trying to learn from other countries.	One is supposed to be proud of one's country.
Thrift and perseverance are important goals.	Service to others is an important goal.
Students attribute success to effort and failure to lack of effort.	Students attribute success and failure to luck.
Fast economic growth of countries up till a level of prosperity.	Slow or no economic growth of poor countries.

Source: Hofstede (2001, p. 367); Hofstede (2011, p. 15)

3.3.4   Robert Cooke's Model of Organisational Culture

Cooke and Szumal (2000) state that individuals from different backgrounds and varied interests come together on a common platform, called the organisation, to achieve targets as well as earn bread and butter for themselves. Individuals work in unison towards a common goal. The behaviour of the employees, to a large extent, depends on the culture of the workplace. How people interact amongst themselves and with outsiders also depends on the organisation's culture. The policies, practices and principles of an organisation form its culture. An employee needs to understand the culture and adjust to it well to deliver his level best and win management's appreciation (Cook & Szumal, 2013).

Every employee has a way of behaving at the workplace, which he feels is the correct way and would help him survive in the organisation for a longer duration. Such perceptions of employees form the culture of the organisation. The culture of an organisation is the way employees behave at the workplace to ensure stable future and growth (Cook & Szumal, 2013).

Cooke and Szumal (2000) propose the following model of organisational culture and three types of culture in the organisation:

68

Constructive Culture: There are certain organisations which encourage healthy interaction amongst the employees. The individuals have the liberty to share their ideas, exchange information and discuss things to come to an innovative solution beneficial to all. Conflicts arise when employees feel neglected and are not allowed to speak their minds. People share between themselves when queries remain unattended, leading to severe demotivation. A constructive culture encourages discussions and exchange of ideas amongst employees, motivates the employees and eventually extracts the best out of them (Cook & Szumal, 2013). Cooke and Szumal (2000) define key features of a constructive culture as set out below.

- *"Achievement:* A constructive culture helps the employees to achieve the targets within the stipulated time frame.
- *Self-Actualizing:* In this kind of culture, an employee stays motivated and realises his full potential.
- *Encouragement:* A constructive culture encourages employees to deliver their level best and strive hard for furthering the image of the organisation.
- *Affiliative:* The employees avoid conflict and unnecessary disputes and promote a positive ambience at the workplace" (Cooke & Szumal, 2000, pp. 147-162).

Passive Culture: In a passive culture, employees behave in a way contrary to what they feel is correct and should be the ideal way. The main motive of the employee is to please the superiors and protect his position in the organisation. In such a culture, employees unhappily adhere to the guidelines and follow the rules and regulations just to retain their position (Ashkanasy, Wilderom & Peterson, 2010; Cooke & Szumal, 2000). The characteristics of a passive culture set out below.

- *Approval:* In such a culture, employees cannot take decisions on their own. They need to obtain their superior's approval before implementing any idea.
- *Conventional:* Employees are bound by rules and regulations of the organisation and act according to the prescribed standards only.
- *Dependent:* In such a culture, the performance of the employees is dependent on the superior's decisions, and they blindly follow their manager's orders.
- *Avoidance:* "Employees tend to avoid their personal interests, satisfaction and simply act according to the organisation's policies" (Cooke & Szumal, 2000, pp. 147-162).

Aggressive Culture: Organisations following an aggressive culture promote competition amongst the employees. They encourage the employees to compete against each other so that each one performs better than his fellow worker. In such a culture, employees seeking their colleague's assistance are often referred to as incompetent employees. Every individual vies for power, attention and strives hard to win

69

appreciation. In this culture, employees are aggressive, compete against each other and try to become a perfectionist by identifying their mistakes and eventually minimising them (Ashkanasy et al., 2010). Cooke and Szumal (2000) note the key features of such an aggressive culture as set out below:

- *"Opposition:* This cultural norm is based on the idea that a need for security takes the form of being very critical and cynical at times. People who use this style are more likely to question other's work; however, asking those tough questions often leads to a better product. Nonetheless, those who use this style may be overly-critical toward others, using irrelevant or trivial flaws to put others down.

- *Power:* This cultural norm is based on the idea that there is a need for prestige and influence. Those who use this style frequently equate their self-worth with controlling others. Those who use this style tend to dictate to others as opposed to guiding others' actions.

- *Perfectionist:* This cultural norm is based on the need to attain flawless results. Those who often use this style equate their self-worth with the attainment of extremely high standards. Those who often use this style are always focused on details and place excessive demands on themselves and others.

- *Competitive:* This cultural norm is based on the idea of a need to protect one's status. Those who use this style protect their own status by comparing themselves to other individuals and outperforming them. Those who use this style are seekers of appraisal and recognition from others" (Cooke & Szumal, 2000, pp. 147-162).

Table 3-3: Descriptions of the behavioural norms measured by the organisational culture inventory

Constructive Cultures	Passive/Defensive	Aggressive/Defensive
Achievement Norms: Members are expected to set challenging but realistic goals, establish plans to reach those goals, and pursue them with enthusiasm	**Cultures Approval Norms:** Members are expected to agree with, gain the approval of, and be liked by others	**Oppositional norms**: Members are expected to be critical, oppose cultures ideas of others, and make safe (but ineffectual) decisions
Self-Actualising norms: Members are expected to enjoy their work, develop themselves, and take on new and interesting tasks.	**Conventional norms**: Members are expected to conform, follow the rules, and make a good impression.	**Power norms** Members are expected to take charge, control subordinates, and yield to the demands of superiors.
Humanistic-Encouraging norms: Members are expected to be supportive, constructive, and open to influence in their dealings with one another	**Dependent norms**: Members are expected to do what they are told and clear all decisions with superiors.	**Competitive norms**: Members are expected to operate in a "win-lose" framework, outperform others, and work against (rather than with) their peers
	Avoidance norms: Members are expected to shift responsibilities to others and avoid any possibility of being blamed for a problem.	**Perfectionistic norms:** Members are expected to appear competent, keep track of everything, and work long hours to attain narrowly-defined objectives

Source: Cooke and Szumal (1993).

3.3.5 Eric Flamholtz's five dimensions of corporate culture

As Dumay and Cuganesan (2011) state, identifying and measuring intellectual capital is important to contemporary organisations because intangibles create value and "true competitive advantage". Flamholtz and Randle (2012) identified and validated a model of organisational culture components that drive financial results. "The model consists of five identified dimensions of organisational culture:

- Treatment of customers;
- Treatment of people;
- Performance standards and accountability;
- Innovation and change;
- Process orientation.

71

These five dimensions have been confirmed by factor analysis" (Flamholtz & Randle 2012, p. 1). Flamholtz and Randle (2011) also proposed that organisational culture is not just an asset in the economic sense; but is also an "asset" in the conventional accounting sense. Flamholtz and Randle (2014) further examined the evolution of organisational culture at different stages of the organisational growth. "In addition, Flamholtz and Randle (2012, p. 3) have published empirical research that indicates the impact of the organisational culture on financial performance, and identified four critical interrelated notions regarding organisational", as set out below.

Organisational culture is an asset: *"*The classic notion of an "asset" is that it is something of value owned or controlled by a business enterprise. Assets can be tangible like plants and equipment or intangible like "brands", "intellectual property", or "customer loyalty", the latter being a form of "goodwill." "Like goodwill, organisational culture is an intangible but very real "economic asset" of organisations" (Flamholtz & Randle, 2014, p. 6). The researcher concurs with the statement in a sense that employees will stay and not leave the organisation where culture is deemed to be an asset in that organisation. Lencioni (2014) indicates that culture attracts and retains talent and makes advocates out of employees. Therefore, costs of continuous recruitment and training, amongst others, can be saved in that regard. Happy employees are more likely to spread the word about their positive experience with their organisation, and the organisation will soon gain a strong reputation (Lencioni, 2014). Flamholtz and Randle (2014) add that for an organisation that possesses a strong positive culture, it is a true asset, if not in the strict accounting sense, then in the real economic sense, meaning that it leads to measurable differential profitability. Flamholtz and Randle (2012) have also shown that such a team or group of people can be a positive contributor to organisational effectiveness. "The third form of human capital is the organisational culture. Culture is an intangible asset, a form of intellectual property. If a positive culture exists, it functions as an intangible asset. If a negative culture exists, it functions as a drag on performance, and can quite possibly lead to an organisation's demise" (Flamholtz & Randle, 2014, p. 6). "Thus, when an organisation has a positive corporate culture, it can generate positive differential earnings, which is an asset *per se*, contrary to the situation for organisations with dysfunctional cultures" (Dumay & Cuganesan, 2011, pp. 24-49).

Organisational culture is a "strategic asset" in the sense of comprising a source of competitive advantage: Culture functions as a strategic asset in several ways. Not all assets are strategic assets. For example, a computer might be an asset, but it is not typically a strategic asset, because it is essentially a commodity product that can be purchased by other firms (Flamholtz & Randle, 2012). 'A strategic asset is an asset that provides a source of sustainable competitive advantage. It must provide a "competitive difference"; and must be

72

"sustainable" for at least a period to exceed two years" (Flamholtz & Randle, 2014, p25; 2012, p6).

According to Flamholtz and Randle (2012) the first criterion is that to be a strategic asset, the asset must provide some differential benefit to an organisation. "A brand, though intangible, can be a strategic asset. It is well established that a brand is an asset, and that a brand can have great economic value. What makes a brand a strategic asset is that it can be a source of preference for present and potential customers. A strategic asset must also be sustainable. Another aspect of sustainability is the difficulty of imitating the strategic asset. The more difficult something is to copy, the greater the degree of sustainability" (Flamholtz & Randle, 2012, p. 6).

It might well be the "ultimate strategic asset": Unfortunately, most assets, even strategic assets, are ultimately perishable if they can be copied, or in the case of intellectual property, they can be worked around. Flamholtz and Randle (2014) note that most of the things over which organisations compete can be copied or neutralised by competition. Products can be imitated or improved upon. Financial resources are tangible. Many organisations have capable people, which neutralises the potential benefits of this as a competitive advantage. The "ultimate strategic asset" would need to be something that is not only not-perishable; but it must also be something that cannot be imitated easily if at all by competition. Ideally, it would be something that is invisible to the competition so that they cannot visualize what it is and therefore increase the difficulty of copying it (Flamholtz & Randle, 2014).

"Organisational culture represents the one thing that an organisation has that is ultimately not susceptible to imitation or duplication by another organisation. It is not simple, and virtually impossible to clone an organisation culture. Even when an organisation tries to copy a culture, it is not possible to duplicate it exactly. The unique circumstances of every organisation's situation and history make cloning another culture a virtual impossibility. The difference in leadership personalities, size, historical experiences, and a variety of other factors all combine to make an organisation's culture unique. Attempts to copy or clone it will lead to artificial cultures which do not fit. Organisational culture is, then, not just a source of competitive advantage; it actually seems to be the ultimate source of a true sustainable competitive advantage. This is because of the extreme difficulties, if not impossibility, of replicating culture across organisations. In addition, it is to a large extent an invisible strategic asset" (Dumay & Cuganesan, 2011, pp. 24-49). The fact that culture is relatively difficult to see, makes it function as a stealthy competitive weapon. The bottom line is that corporate culture can thus be viewed as the ultimate strategic asset because of its unique attributes (Flamholtz & Randle, 2014).

73

Culture, as a strategic asset, can be the essence or core of a business model:

"Business model refers to the entirety of the processes from the selection of a market to the delivery of a product or service through a specified (constructed) business architecture" (Flamholtz & Randle 2014, pp. 76-94). A business model can of itself be a source of competitive advantage. In addition to competition with business models *per se*, organisations compete on many levels with many different strategic assets. They compete not only in terms of products and services but also with brands and other strategic factors of production (such as human capital and intellectual property) as well. One of the key components of a business architecture or "organisational infrastructure" is the organisational culture. It is increasingly recognised that culture is a key strategic asset and a basis of competition among organisations (Flamholtz & Randle, 2011).

3.4   ORGANISATIONAL CULTURE IN ACQUISITIONS

3.4.1   Elements affected by organisational culture in acquisitions

Rottig, Reus and Tarba (2014) examined the role of organisational culture in acquisitions. The aim was to make sense of the growing research that examines the role of culture in acquisitions. The findings suggest that organisational cultural differences moderate the relationship between the effectiveness of post-acquisition integration and overall acquisition performance. Hence, the positive effect of the effectiveness of post-acquisition integration is higher when organisational differences are higher. The findings also indicate that organisational cultural differences also positively moderate the relationship between the autonomy granted and the overall acquisition performance (Rottig *et al.,* 2014).

Weber and Tarba (2012) analysed cross-cultural management during all stages of acquisitions and concluded that there is a high rate of acquisition failures due to the lack of harmonised activities during all stages of the acquisition. The research concluded that the continuing inconsistency of the high rate of acquisition failures against the growing activity of acquisitions may be due to the lack of synchronised activities of all the acquisition stages. The research presents frameworks and managerial tools that can help researchers and practitioners conduct better corporate cultural assessments during all the stages of acquisitions, including screening, planning, and negotiation, and enhance the effectiveness of interventions carried out during the post-acquisition integration process. It offers insights into the corporate culture and its impact during the pre-acquisition stage, negotiation, and the post-acquisition integration process.

Table 3-4: Elements affected by the culture in acquisitions.

Elements affected by culture	Results
Decision-making style (e. g: top-down contrasted with consensus).	Efficient integration requires fast decision-making. Various decision-making styles can lead to slow decision making, failure to implement decisions or failure to make decisions.
Leadership style (e. g.: consultative or dictatorial, diffuse or clear).	Any shift in the style of leadership can produce turnover among employees who oppose the change. The loss of top talent can quickly cripple the value in an integration by draining intellectual capital and market contacts.
The ability to change (i.e. a willingness to risk new things, compared with meeting current goals and with the focus on maintaining the current state).	There will be a disinclination to implement new strategies. Disinclination to work through the unavoidable difficulties that occur as a result of creating a new organisation.
How people work together, e. g. based on formal structure and the definition of roles or based on relationships that are informal).	Acquiring an organisation will create interfaces between functions that will come from each of the organisations, or new functions that will blend people from the legacy organisation. If the legacy organisation's cultural assumptions are unstable, then handoffs and processes may dissolve gradually with each organisation's employees becoming frustrated by the failure of their colleagues to identify or understand how work should be done.
Beliefs on the issue of personal success (e. g. organisations that are focused on teamwork or on individual celebrities, or where people ascend through connections with their seniors).	Again, these differences could lead to cracks in getting work done. If people whose notion of "success" places great emphasis on individual performance acquire people who believe they have to achieve goals as a team, the scenario that results is often one of a lack of support for getting the job done and personal dislike.

Source: Taneja & Saxena (2014).

3.4.2 Analysis of the Elements of Culture during acquisitions

Culture is a huge topic of study for sociologists. Culture exists wherever humans exist, and no two cultures are exactly the same. In analysing the elements of culture, specifically symbols, language, values, and norms, Tanej and Saxena (2014) note that the elements look different across cultures, and many changes with time as society evolves.

Symbols: "The first element that exists in every culture is a variety of symbols. A symbol is anything that is used to stand for something else. People who share a culture often attach a

specific meaning to an object, gesture, sound, or image. For example, emoticons are combinations of keyboard characters that many use to represent their feelings online or through texting" (Tanej & Saxena, 2014, pp. 69–72).

Language: Language is the basis of interaction and communication among people. The second element present in every culture is a language. Language is a system of words and symbols used to communicate with other people. This includes full languages as we usually think of them, such as English, Spanish, French, etc. But, it also includes body language, slang, and common phrases that are unique to certain groups of people. Another example of how cultural languages differ beyond vocabulary is the fact that eye contact represents different meanings in different cultures. According to some cultures, eye contact suggests that you are paying attention and are interested in what a person has to say. In other cultures, eye contact may be considered rude, and to be a challenge of authority (Schneider & Silverman, 2010).

Values: Tanej and Saxena (2014) note that another cultural element is a system of values, which are culturally defined standards for what is good or desirable. Values are the things that people consider important, such as love, loyalty, hard work, compassion, knowledge and humanitarianism. Values define what is just, fair and good in a given society. They represent a society's ideal culture and social standards but may not reflect how people actually behave. Members of the culture use the shared system of values to decide what is good and what is bad. For example, individualism encourages competition and emphasises personal achievement. A person who accepts a promotion is praised for their individual hard work and talent. But, values are in stark contrast with the collectivistic values of other cultures, where collaboration is encouraged, and a person's success is only as good as their contributions to the group. The same person that is offered a promotion who lives in a collectivistic culture would consult with his family before accepting to ensure that it would be the most beneficial to the group as a whole (Tanej & Saxena, 2014, pp. 69–72).

Norms: "Cultures differ widely in their norms, or standards and expectations for behaving. Norms are often divided into two types, formal norms and informal norms. Formal norms, also called laws, refer to the standards of behaviour considered the most important in any society. Examples include traffic laws and, in a workplace context, employee behaviour codes addressing such things as dress code and hate speech. Informal norms, also called customs, refer to standards of behaviour that are considered less important but still influence how we behave" (Schneider & Silverman, 2010, p. 28). Schneider and Silverman (2010) further explain norms as expectations and rules of behaviour created by external and internal social controls.

76

Self-controls reside within individuals (although their source is external and therefore social) and include internalised norms, beliefs and morals.

Beliefs: Beliefs are the things that most people in a society consider to be true. Beliefs create a bond among people from the same culture. Punishments, sanctions and rewards are used to motivate the practice of ideal cultural values among people in a society. Cultural values are not static because they change over time due to evaluation, social debate and belief progression (Schneider, & Silverman, 2010).

3.5 THE IMPORTANCE OF ORGANISATIONAL CULTURE

Every organisation has its own culture. Organisational culture highlights the need for a healthy and beneficial work environment (Ebert & Griffin, 2017). The notion that organisational culture influences important aspects such as performance and commitment emphasises why organisational culture has become an important part of organisations. Several studies have been conducted on organisational culture and its influence on various factors in different sectors, including performance and commitment (Devos & Fei, 2011; Manetje & Martins, 2009; Tolentino, 2013; Zhu, Ng'ang'a & Nyongesa, 2012). This study also explored the impact of organisational culture on organisational commitment during an acquisition at a selected South African insurance organisation.

Changing organisational culture is complex, as it requires changing the very identity of the organisation (Singh, 2011). Employees are the lifeline of any business. Since most employees spend more than 40 hours a week at the office, it is important to create a well-balanced environment where employees and management can work knowing that they are all on the same page when it comes to work ethics, business processes, and best practices (Ebert & Griffin, 2017). Culture is an important differentiator to set the organisation apart from the competition. It is also what attracts the right talent and brings in the right customers (Burke, 2016).

A healthy organisational culture values each employee in the organisation regardless of his job description and his implied duties, which results in employees working as a team to meet the organisation's and their own personal needs. A healthy organisational culture improves the performance of an organisation in many areas (Tănase*,* 2015). On the other hand, in an organisation with an unhealthy culture, employees act as individuals, performing their duties to meet their own needs, such as a pay cheque or health benefits. Employees who are not engaged do not do their best work and are at risk of leaving the organisation. Hiring an employee is an investment, and organisations want to make sure they invest in the right people. By ensuring each individual that is hired fits well into the organisation's culture,

77

organisations make it more likely that they will stay with the organisation long term and contribute more to the success of the organisation (Lencioni, 2014).

Lencioni (2014) notes that culture increases loyalty among employees. Employees should not dread coming to work. They should enjoy coming to the office and value the work that they do. Organisations with a strong culture have employees who like the challenges of their job, get along well with their co-workers and enjoy the atmosphere of the workplace.

"Organisational culture is so important because it is the most rooted element that defines the organisation. A well-organised organisation with a strong culture can make the employees feel like they take part in the process" (Tănase, 2015, p. 850). With regards to productivity, the improved morale of employees in an organisation with a healthy corporate culture increases productivity. When employees increase productivity, the financial health of the organisation improves, and profits increase. Increases in productivity are a measure that illustrates efficiencies and effectiveness in the organisation. Employees benefit from increases in productivity with higher salaries in employee benefit programs (Lowe, 2018).

Culture gives employees a driving goal and purpose for what they do. It connects the leadership team with the rest of the employees and binds them with a set of shared beliefs. Employees want to feel as if they are contributing to something larger than themselves. Culture attracts and retains talent. While skill-sets and experience are important when hiring new members for an organisation, the organisation also needs to hire for culture fit. Employees' skills may get them in through the door, but organisational culture is what will keep them there (Lencioni, 2014). Regarding reputation, culture makes advocates out of employees. To find the right people to hire, organisations must start by leveraging those engaged employees already working for them. When employees are happy with their work, they are more likely to share with others. They will spread the word about their positive experience with their organisation, and the organisation will soon gain a strong reputation (Lencioni, 2014). Organisations with a healthy culture gain a positive reputation among potential employees, which may attract talented and skilled employees to the organisation.

In addition to attracting high-quality employees, a well-regarded business reputation allows the organisation to charge a higher price for products and services and increases the value of the organisation in the financial market. Customers may prefer to conduct business with an organisation with a solid corporate reputation as well. A deeply rooted culture is as important as the knowledge of when the moment of change is needed (Lowe, 2018). Burke (2016) notes that for a smooth and successful change of organisational culture to take place, every employee needs to have a proactive approach and to work side by side with the other. By doing so, proper solutions can be found that will help the organisation to change as planned

78

and also to sustain the new expected growth period that comes along with the change. These activities are aimed at ensuring that the organisation prospers and achieves its target, which can usually be achieved by following the rules and values established within the organisation (Burdus, 2012).

Most of the time, organisational culture is the element that drives the organisation. It creates an operational environment in which every employee strives to achieve the goal that was set by the organisation. The standards on which the employees are measured and assessed are also defined by this environment. The culture that exists in an organisation is usually deeply rooted, making it a difficult process to change it. The result of a well-structured culture within the organisational environment is a dynamic team upon which every employee is held accountable. At the same time, all members of the organisation respect themselves and the organisation as an entity. Basically, the organisational culture is the element that can cause the organisation to achieve success or to fail (Tănase, 2015).

According to Lencioni (2014), the culture builds brand identity. Another way to characterise culture is to think of it as your brand's personality. Culture is what makes the brand unique and gives it that special edge. It puts the organisation's soul on display. The more your audience understands and identifies with the brand, the more they will want to buy from the organisation. Customers want to feel a connection with the brand, and it is the culture that will forge this bond. When defining culture, the organisation is also expressing its values and goals. These goals will contribute to the organisation's mission and show employees and the public what is most important to the brand (Lencioni, 2014). Lowe (2018) states that a good culture promotes employee loyalty and therefore, retention. In an organisation that values employees for their contribution to the business, employees experience high morale and a positive attitude toward the organisation. Employees with a positive attitude are loyal to the organisation, which reduces employee turnover. Employee turnover has a high cost to a business, with increased costs for recruitment, hiring and training. A healthy organisational culture can help an organisation retain valuable employees and reduce human resources costs.

In terms of quality, healthy organisational cultures encourage employees to deliver quality products and services. Organisations with cultures valuing the highest standards create an atmosphere for employees to deliver products that meet those high standards. The cultural standards for excellence are an important factor for creating a product or service with a reputation for high quality (Lowe, 2018).

3.6 WEAK AND STRONG ORGANISATIONAL CULTURES

There are four components to an organisation's culture: Beliefs, behavioural rules, traditions, and rituals. The degree to which these components are present or absent determines the strength or weakness of a culture. The strength of any culture comes from the degree of agreement among its people about the importance of specific beliefs, behavioural rules, traditions, and rituals. These are the things in a culture that determines how things get done (Grodnitzky, 2014).

3.6.1 Strong Culture

"A strong culture is one that people clearly understands and can articulate. A culture is considered strong when there is cohesion around beliefs, behavioural rules, traditions, and rituals. Strong cultures typically feature their beliefs, behavioural rules, traditions, and rituals in public displays so that employees can use these cultural elements for decision making throughout the organisation" (Flamholtz & Randle (2014, p. 21). Characteristics of strong cultures, according to Grodnitzky (2014) includes the following:

- More than one strong leader who articulates beliefs, behavioural rules, traditions, and rituals that are aligned with customer needs, strategic direction, and competitive environments.
- Organisational commitment to operating the business as directed by the culture.
- Unfaltering commitment by the organisation to support its key stakeholders, namely business partners, suppliers, employees, customers, and shareholders (if any), and by extension, the community, society, and environment.

Strong culture is said to exist where employees respond to stimulus because of their alignment to organisational values. In such environments, strong cultures help organisation's operate like well-oiled machines, engaging in outstanding execution with only minor adjustments to existing procedures as needed (Flamholtz & Randle, 2014). Grodnitzky (2014) notes that strong cultures lend themselves better to high performance. High-performance cultures are results-oriented and tend to establish an environment where there is constructive pressure to perform. In a high-performance culture, there are several healthy characteristics that improve organisational performance, according to Grodnitzky (2014).

Culture-reinforcing tools include things like ceremonies, symbols, language, behavioural rules, and policies. Strong cultures use these tools to produce extraordinary performance from ordinary people. Strong cultures use ceremonies and symbols to emphasise what the organisation values are. Ceremonies and symbols help recognise and celebrate high-performance employees and help create an emotional bond among all employees. Language

used in slogans and policies help illustrate the organisation's primary values and provide a shared understanding among workers.

Intensely people-oriented organisations with strong cultures display their concern for their employees in a variety of ways (Grodnitzky, 2014). These include:

- Treating employees with dignity and respect;
- Granting employees enough autonomy to excel and contribute;
- Holding managers at every level accountable for the growth and development of people who report to them;
- Using of a full range of rewards and consequences to reinforce high-performance behaviour; and
- Setting clear performance standards for all employees.

Research shows that organisations that foster strong cultures have clear values that give employees a reason to embrace the culture (Flamholtz & Randle, 2014). Grodnitzky (2014) notes that organisations may derive the following benefits from developing strong and productive cultures:

- Better aligning the organisation towards achieving its vision, mission, and goals;
- High employee motivation and loyalty;
- Increased team cohesiveness among the organisation's various departments and divisions;
- Promoting consistency and encouraging coordination and control within the organisation; and
- Shaping employee behaviour at work, enabling the organisation to be more efficient.

3.6.2 Weak Culture

"A weak culture is one that employees have difficulty defining, understanding, or explaining" (Flamholtz & Randle, 2014, p. 21). Grodnitzky (2014) notes that a culture is weak when its beliefs, behavioural rules, traditions, and rituals are not apparent to its members, or there is incongruence between stated values and behaviour. This can happen for a variety of reasons. With no knowledge of what the organisation stands for or how things are actually done rather than how policy indicates things should be done, weak cultures work against the success of an organisation (Grodnitzky, 2014).

There is a weak culture where there is little alignment with organisational values, and control must be exercised through extensive procedures and bureaucracy (Flamholtz & Randle, 2014). Weak cultures often produce low performance. Weak cultures also have several unhealthy characteristics that can serve as obstacles to an organisation's ability to meet its goals and achieve success. Grodnitzky (2014) notes these characteristics as:

81

- Narrow/Isolated Thinking: This characteristic is evident when an organisation avoids looking outside itself for best practices and approaches. People in these organisations believe they have all the answers. It is this type of inward thinking that can prevent an organisation from making necessary procedural and cultural changes.

- Resistance to Change: This characteristic is evident when an organisation is suddenly confronted with a rapidly changing environment. The organisation focuses on maintaining the status quo, avoiding risk, and not making mistakes. It is the leadership in the culture that allows these factors to pervade and paralyze the organisation rather than focusing on innovation and success.

- Political Internal Environment: In a politically charged culture, issues and problems get resolved along the lines of power. Vocal support or opposition, personal lobbying, and the formation of coalitions interested in a particular outcome stifle change. This type of internal environment produces low performance because it sacrifices what is best for the organisation for the particular desire/self-interest of particular players.

- Unhealthy Promotion Practices: This characteristic is evident when an organisation promotes a dedicated or long-time employee who is hard-working and good at day-to-day operations, but lacks leadership skills, vision, and the ability to think strategically, to management. This type of promotion can create a vacuum regarding an organisation's ability to develop a long-term vision, build new competencies, and generate new strategies (Grodnitzky, 2014).

3.7   CHANGING CULTURE

Culture affects an organisation's success and changing its culture is, therefore, an opportunity to improve performance, efficiency and employee engagement and affect many other parameters, (Newton, 2016). According to KatzenbachIlona, Steffen and Kronley (2012), as well as Møller and Andersen (2019) there are five elements that are critical for the success of changing the culture in an organisation, elements which match research-based principles for effective cultural change.
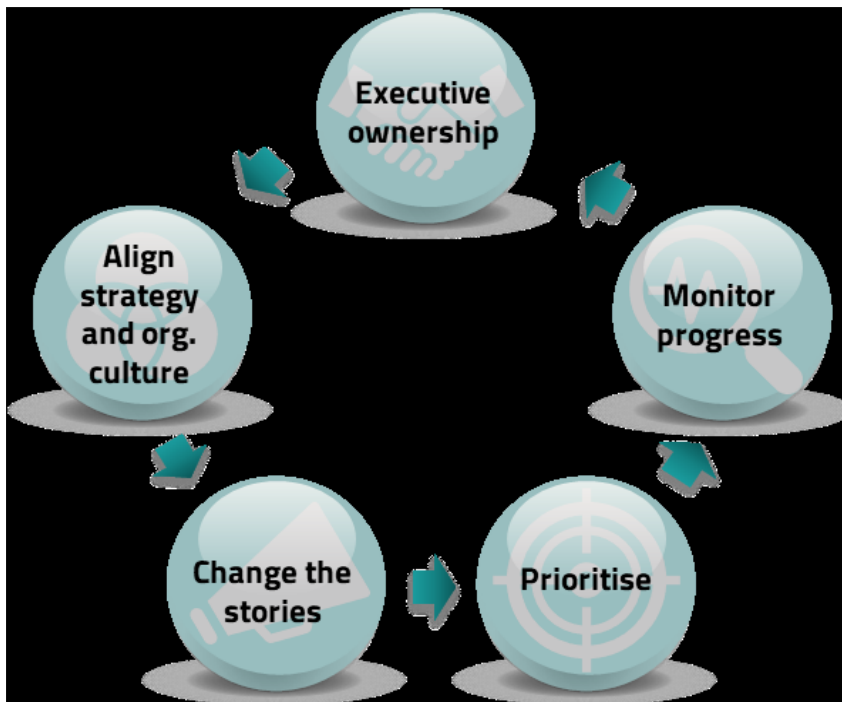
Figure 3.3: Five critical elements for changing a culture

Source: Møller and Proacteur (2019, p. 3).

KatzenbachIlona et. al. (2012), and Møller and Andersen (2019), listed the elements as follows:

Executive ownership—A cultural change must always be owned by executive leadership. To be clear, executives do not dictate or shape the culture on their own, but they need to own and drive the effort to change it.

Align strategy and organisational culture—Organisations work best if there is alignment between strategy and culture. If an organisation wants to change its culture, it should, therefore, be natural also to adjust its strategy as part of the process, as the two affect each other. The strategy involves more than identifying goals. Strategic plans include a description of the formal processes in the organisation such as budgets, goals, metrics, processes, reporting structure, performance management system, leadership training, and incentives, amongst other things. It is these strategic plans, which needs to be adjusted in the face of a cultural change (Møller & Andersen, 2019).

Change the stories and walk-the-talk: An important cultural aspect, which all leaders do, either consciously or (most often) unconsciously, is that they tell stories. Stories are tremendously powerful. People are under the conception that leaders say what they believe. Changing the stories, therefore, contributes to changing the culture. If executives want to change the culture, they must create new guiding stories and also manifest them in formal

83

processes such as e. g. reward systems. Stories include more than just the speeches given at an office gathering. It comprises all of our verbal and non-verbal language, i.e. that this behaviour is visibly aligned with the new culture the organisation is trying to promote. (KatzenbachIlona et al.,2012).

Prioritise a few critical values and behaviours: Changing a culture can be an overwhelming task, especially if one is trying to transform the entire culture and many cultural dynamics all at once. A sweeping cultural change approach is sometimes required, but an alternative way is to focus on a few critical behaviours, which one believe is important to get right. They can be used as levers for the overall cultural change and be the tipping point for success. Nielsen and McCullough (2018) state that one should use the strengths already existing in your culture. ***Monitor the progress and identify KPIs for success:*** Culture can be measured and analysed. Without knowing the current state, it is difficult to transition successfully to the future state. It is sensible to identify specific metrics which will show whether the activities supporting the cultural change are having the desired effect. When focusing on a few elements of a culture, it is important also to monitor the other dimensions of the culture, as many of the cultural aspects are interlinked and therefore likely will be impacted by spill over (Power, 2013).

3.8   CHAPTER SUMMARY

This chapter adopts the definition of organisational culture generally as referring to the shared meanings, beliefs, and understandings held by a particular group or organisation about its problems, practices, and goals.

Different models of organisational culture applicable to this study were discussed. Furthermore, elements of culture, the value of organisational culture as well as strong and weak cultures, have been explored in detail.

Chapter 4 provides a detailed discussion of the concept of organisational commitment.

ORGANISATIONAL COMMITMENT

4.1 INTRODUCTION

The main focus of this chapter is to explore the concept of organisational commitment. Included in the chapter are discussions on the origin of the construct organisational commitment, theoretical background, as well as organisational commitment factors at the individual and organisational levels.

The chapter further determines the integration between the concepts acquisition, culture and commitment based on previous studies.

4.2 WHAT IS ORGANISATIONAL COMMITMENT?

What makes employees stay within one organisation for their entire career? What makes an individual attached to an organisation? What are common factors to those employees who feel they would not like to change organisations? All of these questions are analysed when examining organisational commitment.

In the current climate of turbulent changes, organisations have begun to realise that employees represent their most valuable asset. Satisfied and motivated employees are essential for modern business and a critical factor that separates successful organisations from the alternative (Fulmer & Ployhart, 2014; Millar, Chen & Waller, 2016; Vomberg, Homburg & Bornemann, 2015). According to Runco and Acar (2012), ensuring continuous and desirable work outcomes of employees lead to a positive impact on the organisational commitment of employees. Employees with higher scores of commitment are expected to be more motivated and performing at the highest levels (Berberoglu & Secim, 2015).

Keskes (2014) defines organisational commitment as the employee's belief in the organisation's values and objectives, the employee's ability to work for the benefit of the organisation and the employee's established relationship with his employer. Organisational commitment is perceived as the strength of individuals' identification with and involvement in a particular organisation (Chiu & Ng 2013; Obi-Nwosu, Chiamaka & Tochukwu 2013). Farahani, Taghadosi and Behboudi (2011) describe organisational commitment as psychological likings and devotion that employees have to their organisation. Likewise, Saleem (2011) defines commitment as a psychological relationship of the employee with an organisation. Saleem (2011) further notes that an employee's loyalty is based on the following aspects:

- "Faith in the objectives of the organisation.
- To be ready to exert a high level of efforts.
- A strong wish to be part of the organisation" Saleem (2011, p. 10).

In addition, Qureshi, Hayat, Ali and Sarwat (2011) define organisational commitment as the feeling of responsibility that an employee has towards the mission of the organisation. Organisational commitment refers to the relative strength of an individual's identification with and involvement in a particular organisation (Ezirim, Nwibere & Emecheta, 2012). Reade and Lee (2012) and Kuo (2013) found organisational commitment to be typically associated with characteristics, jobs and behaviours of staff, as well as the socio-cultural environment of an organisation. "Organisational commitment is a psychological state or mindset that binds an employee to the organisation" (Meyer, Stanley & Parfyonova (2012, p. 1). Tsai and Cheng (2011) notes that organisational commitment comprises of a strong emotional component and includes general interests, principles, values and goals. "Organisational commitment is the extent to which a person strongly identifies with the organisation and feel part of it. In this instance, identification is referred to as attachment, based on an interest or desire to be part of the organisation. It occurs when an individual accepts influence to establish or maintain a satisfying relationship. At the same time, involvement means that employees are engaged in matters affecting the organisation and take part in these" (Umit, Cigerim, Akcin & Bayram, 2011, p. 1178).

"Organisational commitment reflects an individual's loyalty to, identification with and participation in the organisation. This psychological attitude and behaviour also reflect a desire that develops when employees see their individual employment to be congruent with the goals and values of the organisation for which they are currently working" (Weihui & Deshpande 2014, p. 4).

Certainly, employees' organisational commitment is one of the attitudes that could lead to high performance. Employees who are committed to their organisation are more likely to be better performers than the less committed employees as they exert more effort on behalf of the organisation towards its success and strive to achieve its goals and missions (Jafri & Lhamo, 2013). According to Dhladhla (2011) some researchers refer to commitment as a psychological state or as a bond that forms a link between the individual and the organisation. However, the majority identify organisational commitment as an attitude. "An employee's commitment to the organisation is an important area of research due to the behavioural and attitudinal consequences. The organisation's performance or success also has an impact on an employee's commitment to the organisation. An organisation that is not performing as per expectations of the board will likely lose its employees to other organisations, who perceive

that it may not survive long in the competitive market. Similarly, those organisations that are successful also affect employee morale" (Dhladhla, 2011, p. 33).

Employees usually take pride in the organisation and the work they do individually to help it succeed (Hashim, 2013). When it comes to the organisation's gains, Armstrong (2016) proposes that employee commitment can visibly help raise performance and attendance levels, while simultaneously resulting in lower staff turnover. "Commitment raises an employee's levels of productivity and results" (Armstrong, 2016, p7). Agarwal and Gupta (2012) note that other factors impacting on employee commitment are the organisation's structural design, its ability to meet employee expectations and leadership behaviour. Furthermore, employee commitment can have an undeniably positive effect on an organisation as it negates the need for hiring new replacement employees or more motivated staff, thereby deleting the costs associated with employing replacements due to employee turnover (Armstrong, 2016).

"The term organisational commitment refers to the level of attachment of individuals to their employing organisations. Organisational commitment refers to the extent to which employees are willing to work on the organisation's behalf and the likelihood that they will maintain membership of the organisation. Commitment to an organisation is seen as a connection that is established by the employee towards the organisation. When an employee gets connected or attached to the organisation at a higher level, one can assess the commitment level" (Dey, 2012, pp. 62-75). In light of the above definitions, it can be perceived that organisational commitment is a value which the employees willingly practise to achieve the objectives of the organisation. It also depicts the level of loyalty, commitment, attachment, and the strength of the relationship which the employees have towards the organisation, which in turn keeps them attached and bonded even in times of distress and temptations from the competing organisations or even within the organisation itself (Dey, 2012).

"Employees thus tend to display commitment when they enjoy satisfactory working relationships. The general notion reflects the fact that organisational commitment is likely to evoke feelings of attachment and affiliation, which has a positive effect on organisational performance, efficiency and effectiveness" (Asiedu, Sarfo & Adjei 2014, p. 289).

All the definitions mentioned above share similarities in that they are all about involvement and identification with the organisation. In later studies, researchers began to analyse commitment from a person-centred approach by considering the different types of behavioural commitment, named focal behaviour, which included the performance, tenure and turnover of employees as well as discretionary behaviour, which included a review of employee organisational citizenship behaviours (Kabins, Xu, Bergman, Berry & Willson, 2016).

87

Meyer and Allen (1991) held that organisational commitment is a multidimensional construct comprising three components: affective, continuance and normative. Meyer and Allen's (1991) three-component model of organisational commitment, as the dominant framework in the literature, was used in this study, namely affective, continuance and normative commitment. Meyer and Allen (1991) argue that common to these approaches is the view that commitment is a psychological state that (a) characterises the employee's relationship with the organisation, and (b) has implications for the decisions to continue or discontinue membership in the organisation.

These three organisational commitment components are described as follows:

- *"**The affective component** of organisational commitment refers to the employee's emotional attachment to, identification with, and involvement in, the organisation. Employees with a high affective attachment to an organisation have a strong motivation to contribute to the organisation's goals because they see them as theirs"* (Meyer & Allen,1991, pp. 70-71).

- The ***continuance component*** refers to commitment based on the costs that the employee associates with leaving the organisation (Meyer & Allen, 1991). "Continuance commitment represents cognitive attachment between employees and their organisations because of the costs associated with leaving the organisation. It is based on the assumption that individuals will not leave an organisation if they would lose their benefits, take a pay cut, incur job search expenses and risk of being unemployed" (Mosadeghrad, Ferlie & Rosenberg, 2011, pp. 170 - 181). The level of investment employees had accumulated in an organisation, and the lack of alternative jobs outside the organisation are the most important factors that may lead to continuance commitment. If employees believe that fewer work opportunities exist outside their organisations and the perceived costs of leaving current organisations will be higher, they will develop a stronger sense of continuance commitment to their organisations, (Mosadeghrad, Ferlie & Rosenberg, 2011).

- Finally, ***normative commitment*** refers to typical feelings of obligation to remain with an organisation. Normative commitment is based on an ideology or a sense of obligation where employees feel obligated to stay with the organisation because it is the moral and right thing to do. Factors that may influence the level of normative commitment are education, age and related factors (Meyer & Allen, 1997).

"Organisational commitment is a measure of employees' attachment to and identification with their job. This involves a work attitude related to employees' willingness to be actively involved in the work (and life) of the organisation and subsequently, to stay employed in the organisation" (Fu & Deshpande, 2013, p. 6). "Such employees would be willing to expand their

88

efforts in and demonstrate loyalty to the organisation" (Lee & Cha 2015, p. 360); and "develop a predisposition and emotional attachment that is psychologically aligned with the organisation's strategic intent," (Narteh 2012, p. 410). "All these behaviours are a result of the normative pressures experienced by employees" (Allen & Meyer 1990, p. 12). Mamman, Kamoche and Bakuwa (2012) support the categorisation of this collection of commitments into what they refer to as global and local commitments, characterised by varying unique and specific outcomes. Employee commitment is, therefore, a strong identification with and psychological attachment to the organisation, which inspires them to actively participate in the accomplishment of organisational aims and objectives (Meyer & Allen, 1997).

Evidence supporting the distinct nature of these three components has been presented by a number of authors such as Kabins et al. (2016). However, Meyer and Allen (1997) still acknowledge that commitment should be conceptualized as a psychological state concerned with how people feel about their organisational engagements.

4.3 WHERE DOES THE CONSTRUCT ORGANISATIONAL COMMITMENT ORIGINATE FROM?

Securing employees' affection and subsequent, demonstrated commitment is a rising concern emerging in organisational development (OD) and human resource development (HRD) practice. Increasingly, leaders in modern organisations are tasked with attracting, cultivating, and retaining talent with the skills and capabilities to maintain a competitive advantage in their industries (Alvino, 2014; Clifton, 2014; Dychtwald, Erickson & Morison, 2013; Pangarkar & Kirkwood, 2013).

For more than 20 years, the leading approach to studying organisational commitment has been the three-dimensional (affective, normative, continuance) scales of Meyer and Allen (1984; 1997). This approach was rooted in earlier approaches to organisational commitment, (Becker, 1960; Porter, Steers, Mowday, & Boulian, 1974) and was affected by their strengths and weaknesses (Alvino, 2014; Clifton, 2014; Dychtwald et al., 2013; Pangarkar & Kirkwood, 2013). The concept has developed over a period of three eras, each of which had a substantial impact on the current state of organisational commitment (O'Boyle & Pollack, 2011).

4.3.1 The Early Era: Commitment as Side-Bets

This era is based on Howard Becker's (1960) conceptualisation that defined commitment by using what is known as the side-bet theory. This approach was one of the earliest attempts to study a comprehensive conceptual framework about organisational commitment from the perspective of the individual's relationship with the organisation. According to Becker's theory,

the relationship between an employee and the organisation is founded on behaviours bounded by a "contract" of economic gains (O'Boyle & Pollack, 2011).

The theory notes that employees are committed to the organisation because they have some hidden vested investments or side-bets. The individual values these side-bets because of the accrual of certain costs that render disengagement difficult. In fact, Becker's theory identifies organisational commitment as a major predictor of voluntary turnover. Even though the side-bet theory was abandoned as a leading proponent of organisational commitment concept, the influence of this approach is very evident in Meyer and Allen's Scale (Meyer & Allen, 1991), better acknowledged as continuance commitment (O'Boyle et al., 2011).

4.3.2 The Middle Era: The Psychological Attachment Approach

"The psychological contract offers a framework for monitoring employee attitudes and priorities on those dimensions that can be of great influence on performance. Organisations that wish to succeed and realise their goal effectively have to get the best out of their human resources. To do this, employers have to know what employees expect from their employer. Organisations need to understand and manage the expectations of their employees to fulfil the organisation's side of the contract. The idea behind a psychological contract is that employees commonly feel obliged to contribute much more to their organisation than the defined tasks" (Festing & Schafer, 2014, p. 262).

Grobler and De Bruyn (2012, p. 93) describe the era as follows:

The main approach of the second era was advanced by Mowday, Steers and Porter (1979). "The affective dependence school attempted to describe commitment as a kind of attitude-centred but "economic-contract". In the Middle Affective Dependence period, the focus shifted from tangible side-bets to psychological connection developed towards the organisation. This school of thought attempted to describe commitment as a combination of attitude and interest in economic gains from associating with the organisation. Employee retention was not only attributed to economic gains, but more so to affective influence. Porter and his followers hence define commitment as "the relative strength of an individual's identification with and involvement in a particular organisation" (Grobler & De Bruyn 2012; Mowday et al., 1979; p. 226).

Commitment was characterised by three related factors (Mowday *et al.*, 1979):

- A strong belief in and acceptance of the organisation's goals and values.
- A willingness to exert considerable effort on behalf of the organisation.
- A strong desire to maintain membership in the organisation.

90

Organisational commitment, therefore, comprises of three components, namely, Strong Acceptance, Participation and Loyalty. It was even proposed that commitment was sometimes a better alternative construct to predict turnover intentions than job satisfaction. It is characterised by a belief in and strong acceptance of the organisation's values, norms and goals, the willingness to exert substantial effort for the well-being and prosperity of the organisation, and a resilient aspiration to serve the organisation with loyalty and commitment (Mowday *et al.*, 1979). Porter et al.'s (1974) concept of organisational commitment is grounded on the basic assumption of Becker's theory, i. e., commitment and employee turnover are highly correlated. Based on Porter et al.'s (1974) approach to organisational commitment, a tool in the form of an organisational commitment questionnaire was developed that captured not only the attitudinal notion of commitment, but also encapsulated the consequences of commitment.

Due to the inherent limitations of the Organisational Commitment Questionnaire, Meyer and Allen (1984) and O'Reilly and Chatman (1986) proposed the multi-dimension model. The Organisational Commitment Questionnaire by Meyer and Allen (1984), started first as a methodological paper aimed at an improved examination of the side-bet approach using scales more appropriate for this goal. Later on, it was the Meyer and Allen (1984) methodological paper that became the dominant approach to organisational commitment, (Grobler & De Bruyn, 2012).

4.3.3   The Third Era: The Multidimensional Approach

In 1990, Allen and Meyer popularised the multi-dimensional approach through the Three Component Model of Organisational Commitment (Kaul & Singh, 2017). This approach is an advancement from the single-dimension era of organisational commitment. The fallacies and drawbacks resulting from an improper execution of Becker's Side-bet theory formed the basis for Meyer and Allen's (1984) research in this area. Since the previous approaches to organisational commitment failed to distinguish between the two processes of commitment, i. e., antecedent and outcomes of commitment on the one hand and the root cause of attachment to the organisation on the other. O"Reilley and Chatman (1986) pursued research in this area which would mitigate these problems at hand. They identified commitment as a psychological affiliation a person feels towards the organisation manifested by the extent to which an individual is able to adopt and adapt to the attributes and viewpoints of the organisation (Kaul & Singh, 2017).

O'Reilly and Chatman (1986) were able to successfully distinguish between the two stages, a shallow level of commitment resulting from the compliance perspective arising out of an exchange process and a deeper-rooted one arising out of psychological insinuations. Two

91

dimensions of psychological attachment identification and internalisation, were also recognized (Kaul & Singh, 2017). The other contribution of the O'Reilley and Chatman theory was to identify Organisational Citizenship Behaviour as an outcome of the psychological attachment of employees towards their organisation. This was an addition to the organisational commitment outcome relationship theorised by Becker (1960) and Porter et al. (1974) which primarily harped on the commitment as an important determinant of employee turnover intentions. O'Reilley and Chatman's theory was also not without its detractors and critiques.

The dimensions of "identification" and "internalization" can tap aspects which are similar in nature, and the compliance dimension does not truly reflect an emotional association with the organisation. Due to these reasons and difficulties faced in implementing this theory, researchers have preferred to follow Meyer and Allen's (1984) approach to further studies in the domain of organisational commitment. Meyer and Allen's Three-Dimensional Theory (1984, 1990, 1997), have since been the leading approach to organisational commitment for more than two decades, (Grobler & De Bruyn (2012).

4.4 ORGANISATIONAL COMMITMENT FACTORS AT AN INDIVIDUAL LEVEL

Employees are the most important resource of an organisation. Nevertheless, managers spend a minimal amount of time learning more about human behaviour, communication, and how their attitudes and behaviour impact employee's performance. Management requires a keen understanding of human nature, the basic needs, wants and abilities of people (Mosadeghrad, Ferlie & Rosenberg, 2011).

Employee commitment is considered one of the most important elements in human resource management, and it has been shown that employee commitment is linked mostly to work values, work motivation and work involvement (Visan & Huaifu, 2018). "An organisation's success needs to rely on several important factors and the employee's commitment to an organisation is a fundamental factor, which will help the organisation achieve its desired goals and increase organisational efficiency and effectiveness" (Visan & Huaifu, 2018, pp. 1–10). Meyer and Allen's three-component model of organisational commitment can be regarded as a dominant model in organisational commitment research.
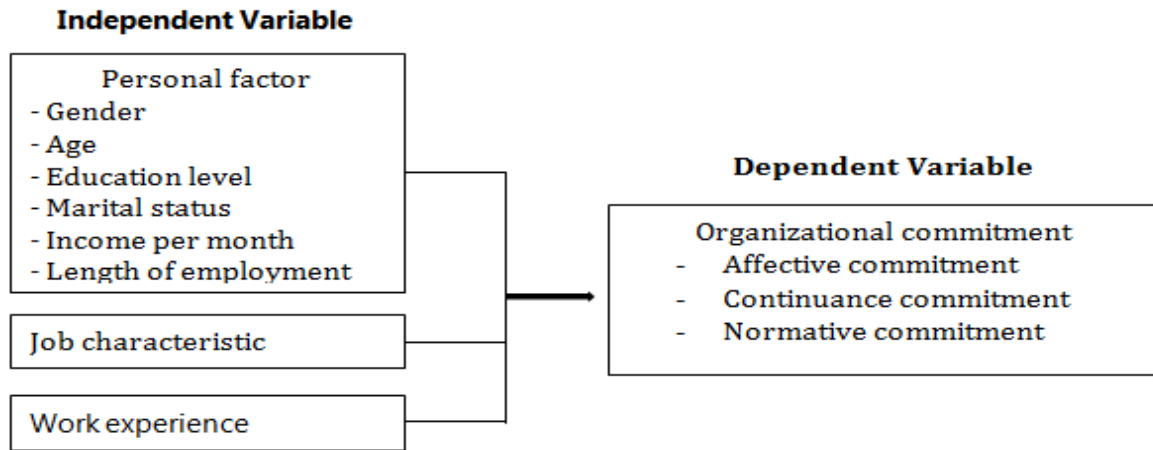
Figure 4.1: The model of three types of variables affecting organisational commitment.

Source: Steers (1977).

Employee commitment could be measured and defined as an employee's level of identification and involvement in the organisation. General issues concerning the factors affecting employee commitment have been explored previously and have shown that demographic factors such as age, gender, occupation, education level and length of employment were related to employee commitment (Visan & Huaifu, 2018).

4.4.1 Gender

The literature on the relationship between gender and organisational commitment does not agree about the nature of the relationship that exists between the variables. Agyeman and Ponniah (2014) reported a positive, although statistically insignificant, relationship between gender and organisational commitment. Similarly, a study conducted on factors affecting organisational commitment of employees of the Lao Development Bank in Vientiane, the capital of the Lao People's Democratic Republic (PDR) by Visan and Huaifu (2018) concluded that there was no difference between male and female employees in affective, continuance and normative commitment. However, Kumasey, Delle, and Ofei (2014) observed that men were more committed when compared to women, especially in an organisation with a masculine orientation. In the same vein, Jena (2015) found that men have a stronger organisational commitment than women. On the other hand, Khan, Khan, Khan, Nawaz, and Yar (2013) argue that though men are physically strong, they possess a mind-set that is sluggish and less-task oriented.

93

4.4.2 Age

Demographic factors such as age and work experience are used as conditions for employment, based on the perceived relationship between demographic variables, especially age, and employees' commitment. The research done by Khan and Zafar (2013) found that there is a positive relationship between affective commitment and the employees' age and tenure.

Findings by Affum-Osei, Acquaah, and Acheampong (2015) indicated that older employees are more committed to the organisation because younger ones can leave the organisation as a result of future job opportunities, unlike the older employees who have invested much in the organisation and their turnover intention reduces with the years of job tenure. However, Visan and Huaifu (2018) concluded that the groups with different ages had the same level of commitment to the organisation.

4.4.3 Educational Qualification

An analysis of the data in a study by Meyer and Allen (1990) indicated a statistically significant relationship between the educational level of employees and organisational commitment. However, in another study, Mosadeghrad, Ferlie and Rosenberg (2011) found that education also showed a significant negative correlation, so that those with fewer years of education revealed a more normative commitment. According to Mittal and Mittal (2015) these findings are also consistent with several studies in which education was found to have an inverse relationship with organisational commitment. Mathieu and Zajac (1990) conducted a meta–analysis on the relationship between levels of education and commitment, and found a small negative relationship between the two. They concluded that this inverse relationship might result from the fact that more educated individuals have higher expectations that the organisation may be unable to meet. Mathieu and Zajac (as cited in Mittal and Mittal, 2015) argue that the more educated employees are the more alternative employment opportunities may be available, and as such, they don't have a high commitment towards the organisation. On the other hand, Visan and Huaifu (2018) argue that different educational levels do not affect the commitment to the organisation but what was relevant in terms of the continuance commitment of the group of employees was the different lengths of employment, which affected the level of commitment to organisation.

4.4.4 Tenure

Visan and Huaifu (2018) in their study at Lao Development Bank in Vientiane, the capital of the Lao PDR, discovered that from the overall picture which comprised of individuals who had different lengths of employment, there was no difference in the commitment of to the

organisation. However, in terms of a continuance commitment, there was a different level of commitment to the organisation. When conducting multiple comparisons, the group with 1 to 5 years of employment had a different level of commitment to the organisation than the group of employees with 6 to 10 years employment and employees with 16 to 20 years of employment (Visan & Huaifu, 2018).

Employee tenure was significantly related to affective and normative commitment. When the experience increases, the commitment rises as well; but there is an exception in employees with one to five years of work experience. Employees in the first year of their job career are highly committed to their organisation, especially because of continuance and affective commitments. The employees enter their organisations with great expectations, but when they realise that they may have overestimated what they might be able to achieve, their commitment may decrease (Mosadeghrad, Ferlie & Rosenberg, 2011).

4.4.5 Employee Occupation

Studies by Sharma and Sinha (2015) have found that commitment increases with organisational and positional tenure. The study examined the effect of rank on organisational commitment of teachers in privately-owned technical institutes in Haryana, a state of India. The study indicated that the faculty in higher positions are generally more committed to their organisation than their lower-ranking colleagues. By analysing the frequency distribution of responses, the study found that overall organisational commitment increases progressively with rank. The results of the study indicated that there is a positive correlation between rank and organisation commitment (Sharma & Sinha, 2015).

Other studies on social identification also indicate that individuals tend to identify with their occupations, more strongly than with their organisations. Thus, individuals' occupations are likely to have a major impact on their attitudes, commitment and behaviour in organisations (Hassan, 2012). In terms of social exchange theories, the strong link between individuals' commitment to an organisation and occupation implies that employees are more committed after weighing the pros and cons following a resignation (Kuo, 2013; Rothrauff, Abraham, Bride & Roman, 2011).

4.5 ORGANISATIONAL COMMITMENT FACTORS AT AN ORGANISATIONAL LEVEL

Human Resources (HR) practices have assumed considerable importance in the 21st century because of their impact on employee performance, job satisfaction, commitment and retention (Momeni, Marjani & Saadat, 2012). HR practices refer to the management processes and systems that are widely recognised as improving an organisation's performance and efficiency (Brundage & Koziel, 2010). Scholars have studied this topic by testing numerous types of

95

performance improvement or performance enablers over the years to identify and establish those systems and practices that can help organisations to achieve their envisaged state of excellence (Brundage & Koziel, 2010).

When studying organisational commitment, various factors should be taken into account. Khyzer (2011) suggests that policies and procedures, supervision and styles of leadership, organisational dependability, management systems, organisational climate and effectiveness of the organisation's social processes influence employee commitment (Mosadeghrad et al., 2011). While shared values and behaviours are important within the organisation, it is also important to make sure that employees are committed to the successful implementation of policies or plans to ensure the survival and success of the organisation (Dhladhla, 2011).
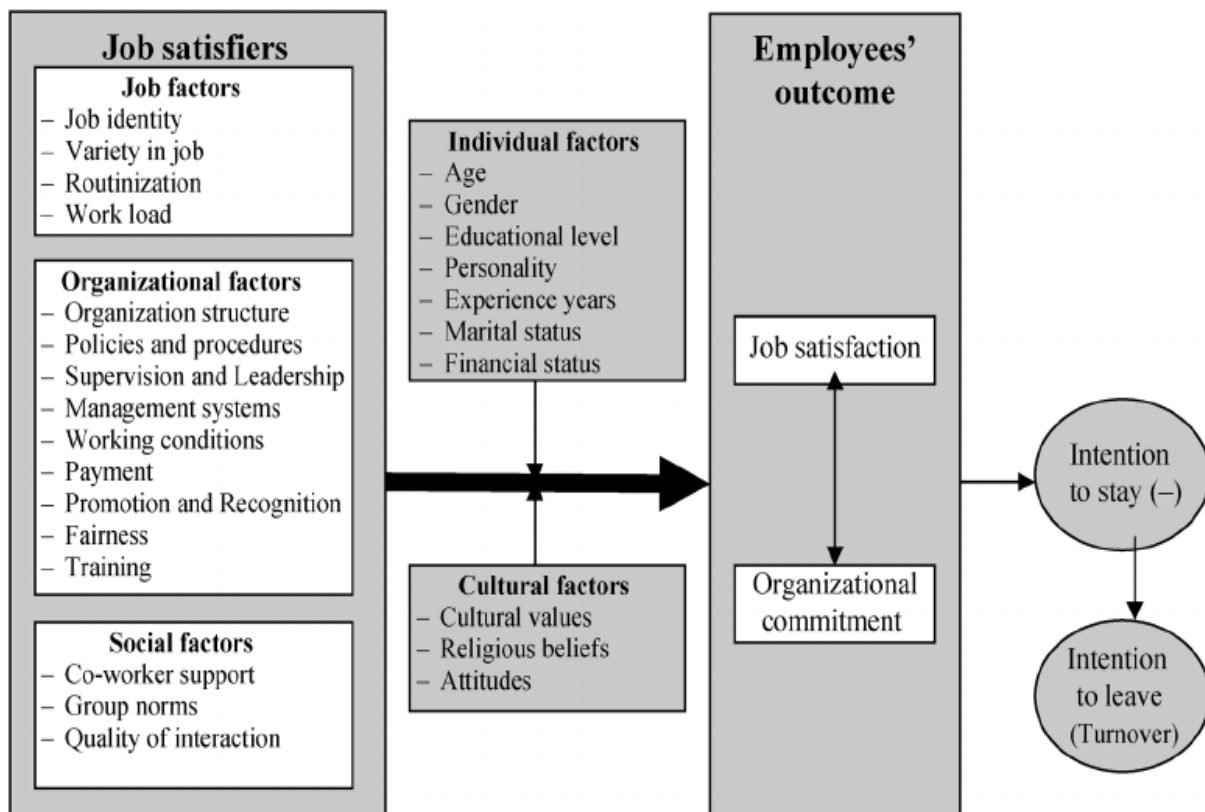
Figure 4.2: Relationship between job satisfaction, organisational commitment and turnover

Source: Mosadeghrad et al. (2011).

Figure 4.2 above is described below:

4.5.1 Job Satisfaction

"Job satisfaction refers to the extent to which employees have clear work objectives, and whether or not they have access to the necessary tools and resources to do their jobs effectively and are afforded the opportunity to utilise their talents and skills in their jobs fully" (Shah, Jatoi & Memon, 2012, pp. 809–829). Employees with clear objectives and who are provided with the necessary tools and resources to carry out their jobs can develop a positive attitude towards the job and organisation. Employees' job satisfaction has been found to be related to affective and continuance commitment (Shah et al., 2012). Reduced job satisfaction and career satisfaction lead to greater career withdrawal cognitions, including intent to change careers, which combine with the search for and availability of alternatives, and then leads to an actual career and visa versa (Latchigadu, 2016). These results find support in studies undertaken by Masemola (2011), who found that most of the respondents are more satisfied with what they do, which leads to the majority of the respondents from Turfloop campus (73.3%) intending to stay in the institution.

4.5.2 Policies and Procedures

"HR policies and procedures refer to the extent to which appropriate HR policies and procedures are in place and are easily accessible to and understood by employees" (Juhdi, Pa'Wan, Milah, Hansaram & Othman, 2012, pp. 30–36). Research by Juhdi, Pa'Wan, Milah, Hansaram and Othman (2012) indicated that properly implemented and managed HR policies and procedures increase organisational commitment and decrease intention to resign amongst employees. Mosadeghrad et al. (2011) note that managers at any level cannot motivate an employee; they must create an environment for individuals to motivate themselves. It is in the interest of an organisation to retain employees and minimise turnover. Possessing knowledge and information about employee motivation helps managers understand how employees can be involved to achieve process improvement. "Promotion policies perceived as unfair by employees may negatively impact their organisational commitment. It is very important to reinforce commitment by applying the right human resource policies. If employees are highly satisfied with management and policies, they are more likely to be committed to the organisation than if they are not satisfied. Changes in organisational variables, taking into account employee input in policy development and work environment, could then be made to improve organisational commitment" (Khyzer, 2011, p. 87).

4.5.3 Management Style, Recognition and Respect

Another major finding as the cause of employee commitment is the lack of respect and recognition employees receive from management. A supportive management style demonstrated through open communication, respect, and recognition can greatly improve the commitment of employees. Managers' understanding of the needs and wants of their employees, as well as a better understanding of the impact of their managerial behaviour on others would help them in increasing commitment in the workplace (Mosadeghrad et al. & Rosenberg, 2011).

"Recognition refers to the extent to which employees perceive recognition (e.g. promotions, verbal recognition, awards) to be effective and fairly implemented within the organisation. Monetary compensation is important, but not sufficient to retain employees. Recognition in the form of non-monetary elements (e.g. verbal recognition and positive feedback) is also important. Recognition and respect are highly important for good performance and vital in increasing commitment" (Zaitouni, Sawalha & Sharif, 2011, pp. 108-123). Management recognition and respect were the best predictors of commitment in Mosadeghrad et al.'s (1990) study. The results of this study revealed that recognition and respect are important predictors of organisational commitment (Mosadeghrad et al., 2011).

4.5.4 Organisational Climate

Organisational climate plays a very important role in organisational commitment. According to Noordin, Omar, Sehan, and Idrus (2010), organisational climate serves as a measure of individual perceptions or feelings about an organisation. "Organisational climate has been described as a combination of shared history, expectations, unwritten rules and social moves that affects the behaviours of everyone in an organisation" (Noordin et al., 2010, pp. 1-10). It can also refer to those aspects of the environment that are consciously perceived by organisational members. There is a general agreement that organisational climate is a multi-dimensional concept and the dimensions of organisational climate can be listed as organisational design, communication, leadership, teamwork, decision-making, culture, job satisfaction and motivation (Noordin et al., 2010).

Organisational climate serves as a measure of individual perceptions or feelings about an organisation. It includes management or leadership styles, participation in decision making, provision of challenging jobs to employees, reduction of boredom and frustration, provision of benefits, personnel policies, provision of good working conditions and creation of a suitable career ladder for academics (Adeniji, 2011). If employees within a unit or organisation agree on their perceptions of the work context, unit-level or organisational climate is said to exist. A

large number of studies have consistently demonstrated relationships between unit-level or organisational climate and individual outcomes such as performance, satisfaction, commitment, involvement and accidents (Brown, McHardy, McNabb & Taylor, 2011).

Many employees have experienced the effect of organisational climate at some point on their performance and commitment (Padmakumar & Gantasal, 2011). Organisational climate dimensions are significantly associated with attitudinal commitment of employees. Several studies have shown that statistically there is a significant correlation between organisational climate and employee commitment (Noordin et al., 2010). Organisational climate comprises of cognate sets of attitudes, values and practices that characterise the members of a particular organisation (Nordin, 2010). Organisations can take steps to build a more positive and employee centred climate through communication, values, expectations, norms, policies and rules, programmes as well as leadership. These steps are known to be carried out in organisations that have employees who are committed to their jobs (WeiBo, Kaur, & Jun, 2010).

4.5.5 Organisational Dependability

Organisational dependability can be looked at by using the psychological approach, which conceptualises commitment as an attitude or an orientation towards the organisation that links or attaches the identity of the person to the organisation because of its positive attitude towards retaining their employees (Khyzer, 2011). The three components of this orientation consist of identification with the goals and values of the organisation, high involvement in its work activities and a strong desire to maintain membership in the organisation (Khyzer, 2011). Values and culture refer to employees' perceptions regarding their organisation's vision, mission and values, as well as their experience of the organisational culture insofar as it is employee-centred and promotes good working relationships, trust and transparency. It appears to be that congruence between personal and organisational values and culture is highly motivating and may increase organisational commitment (Coetzee & Veldsman, 2013; Khandelwal & Mohendra, 2010). Employees' personal values and culture have been found to be related to affective commitment (Rostami, Veismoradi & Akbari, 2012). Organisational dependability was also found to be positively related to organisational commitment; thus the research scan collates empirical evidence about the characteristics of highly dependable organisations such as a strong work ethic, high reliability and how these organisations develop within and outside, hence influencing employee commitment, (Igella, 2014).

4.5.6 Organisations' Social Processes

Organisations consist of people. How well people work together depends on how these people interact and work together, generally along either hierarchical or process lines, and is a crucial factor in the success of any organisation (McDonald, 2011). Organisations have traditionally seen employees as collections of individuals held together through self-interest, rules and exercise of authority (McDonald, 2011). When observing any group of employees who work together, one can notice many social processes going on such as communicating, influencing each other, cooperating and competing with one another (Hausknecht, Trevor & Farr, 2012).

Social processes in an organisation assist with opportunities to play, as well as how challenges and issues are tackled. The presence and effectiveness of these processes enhance employee commitment (McDonald, 2011). Studies of the best highly dependable organisations show that a social-relational infrastructure of trust and regard is necessary for employees to be committed (Conway, Edel, Kathy & Monks, 2010).

Some researchers view social processes in an organisation as communication, influence and power, competition and prosocial behaviour. How well these processes effectively play in the organisation is highly responsible for the level of commitment among the employees (Conway et al., 2010). High levels of commitment are experienced in organisations where communication channels are open and transparent (Gantasala, 2011). For social processes to be viewed effectively in an organisation's setting, the organisation must have a procedure that emphasises work through top-down social interactions structured around the organisation chart or hierarchy which work end to end structured around their business processes which enfold into social processes (Bradley & McDonald, 2011).

When interacting, individuals or groups influence the behaviour of each other; this is called social interaction (Bradley & McDonald, 2011). People working with one another means an interaction of some kind. These interactions are about their attitudes about being involved, and thus the process becomes social. Most organisations are concerned with positive interactions because these create an environment that promotes employee commitment (Nguyen, Mai & Nguyen, 2014).

4.5.7 Change Management

"Change management refers to how the change management process is dealt within the organisation and how employees are managed throughout the change process in terms of adequate communication, involvement and support" (Visagie & Steyn, 2011, pp. 98 - 129). Visagie and Steyn (2011) further indicate that employees' commitment to the organisation is critical when an organisation engages in change initiatives. Committed employees can provide

many benefits, for example by putting in an extra effort to ensure that change succeeds, serving as public relations representatives during the change and going above and beyond the norm to assist the organisation to function effectively (Visagie & Steyn, 2011).

4.6 THEORETICAL APPROACHES AND MODELS OF ORGANISATIONAL COMMITMENT

Organisational commitment has been identified and measured in several ways and linked to many job-related variables. Meyer and Allen (1991) developed a measure of organisational commitment with the affective, continuance and normative commitment dimensions to better understand the reasons why employees remain with their organisations.

4.6.1 Three-Component Model of Commitment
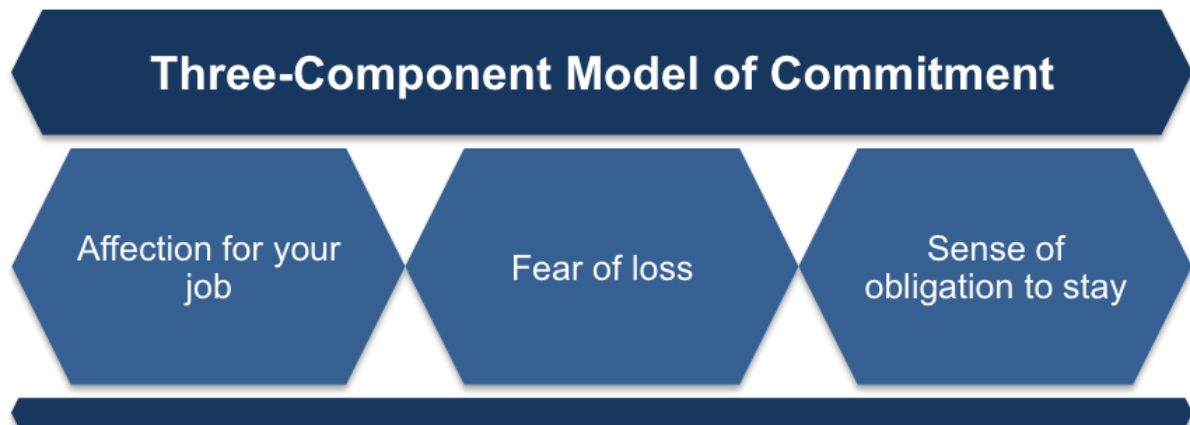
Figure 4.3: Component Model of Commitment

Source: Meyer and Allen (1991).

In an attempt to synthesise the organisational commitment research, Allen and Meyer (1990) and Meyer and Allen (1991) analysed an extensive amount of commitment literature. In both reviews they defined organisational commitment as a psychological state that characterises the relationship that the employee has with the organisation; a relationship that influences the decision of the employee to stay in or leave the organisation (Nagar, 2012).

Meyer and Allen (1991) organised commitment into three components: affective, normative, and continuance commitment, each with related antecedents or consequences (Rusu, 2013). In other words, as far as commitment is concerned, it can be said that the employees stay in the organisation because they want to (affective commitment), because they need to (continuance commitment) or because they feel they ought to (normative commitment), (Lumley, Cohen, Borszcz, Cano, Radcliffe, Porter & Keefe, 2011; Meyer & Allen 1991). These three dimensions can be described as follows:

101

- ***Affective commitment*** expresses the emotional attachment of the employees to their organisation, their desire to see the organisation succeed in its goals, and a feeling of pride at being part of that organisation, (Allen & Meyer, 1990; Nagar, 2012, Rusu, 2013). Those employees with a higher degree of emotional commitment are more likely to continue working for the organisation voluntarily and eagerly because they feel integrated within the organisation and identify with and internalise the norms and values of the organisation, (Nagar, 2012).

- ***Normative commitment***, by contrast, does not correspond to any individually felt attachment of the organisation members, but rather reflects their moral or ethical obligation towards the organisation because maintaining membership is viewed as "the right thing to do" (Meyer & Allen,1991; Nagar, 2012). "Normative commitment manifests from the socialisation and induction process of newcomers to the organisation so that the individual is "indebted to his organisation for having invested its time and resources on him and feels responsible to repay for the benefits that he gets from the organisation by putting effort on the job and staying on the job" (Nagar 2012, p. 48).

- ***Continuance commitment*** refers to the individual's perceived need to continue with the organisation because, when weighing the pros and cons, leaving the organisation would be costly. Those employees with continuance commitment find it difficult to give up membership to their organisation due to fear of the unknown, such as having few or no appealing professional alternatives, and therefore remaining with their organisation because they feel they must stay (Meyer, Allen, & Smith, 1993).

This three-component model of commitment was created to argue that commitment has three different components that correspond with different psychological states. All three components influence the length of time that employees stay with organisations. What is most important for organisations is to recognise each type of commitment in employees and to aim to encourage affection for the job and the organisation (Allen & Meyer, 1991).

4.6.2 The Three Pillar Model of Commitment
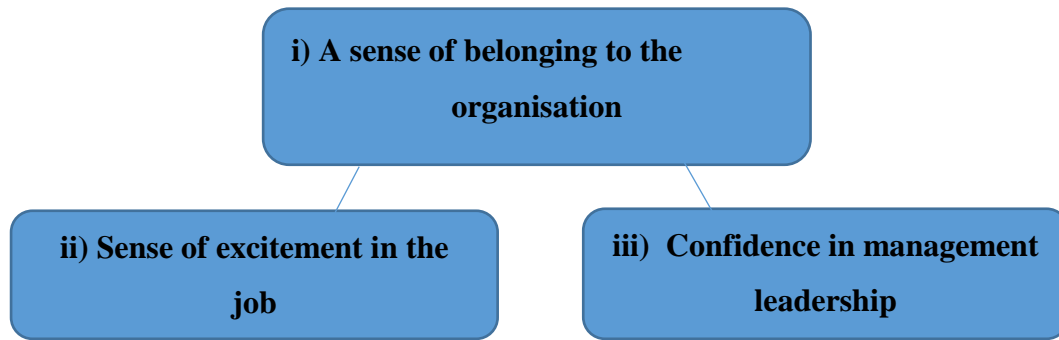
Figure 4.4: The Three Pillar Model of Commitment

Source: Mullins (1999, p. 813)

Motivation influences human behaviour and organisational performance explicitly; the level of employees' commitment to their work is driven by their level of motivation. Abraham Maslow suggests that the need to belong is a major source of human motivation. Maslow thought that it was one of the five human needs in his hierarchy of needs, along with physiological needs, safety, self-esteem, and self-actualisation needs (Gbededo & Liyanage, 2018; Mullins, 1999).

"Generally speaking, employees feel highly committed to their job when they first begin working within an organisation. New appointees are eager to please, excited about the opportunity and optimistic about the future. However, those feelings tend to change over time, especially if their career path does not follow the way they had expected" (Mullins, 1999, p. 813). Mullins (1999) formulated a model of commitment based on three major pillars, each with three factors, as shown in Figure 4.4. These pillars are:

Sense of belonging to the organisation: According to Maslow, belongingness is the human emotional need to be an accepted member of a group. Whether it is family, friends, co-workers, a religion, or something else, people tend to have an "inherent" desire to belong and be an important part of something greater than themselves. This implies a relationship that is greater than a superficial acquaintance or familiarity. The need to belong is the need to give and receive attention to and from others (Mullins, 1999; Powell, 2011). Mullins (1999) suggest that belonging is a strong and compelling feeling that exists in human nature. To belong or not to belong can occur due to one's choices or the choices of others. Not everyone has the same life and interests; hence not everyone belongs to the same thing or person. Without belonging, it is not possible to form one's identity clearly, thus having difficulties communicating with and relating to the surroundings. This puts pressure on the loyalty essential for successful

103

industrial relations. The sense of belonging is created by managers through ensuring that the workforce is informed, involved and sharing in success (Mullins, 1999; Powell, 2011).

A sense of excitement in the job: When employees feel that the organisation cares about them, it is more likely to translate into how they carry out their work duties. Employees will be more self-driven and inspired to do a good job and take care of their clients, thus creating a win-win situation for everyone (Schwartz, 2013). The Herzberg two factor theory is a development coming from Maslow's hierarchy of needs but with the needs instead classified into two categories called hygiene factors and motivator factors (Tyson, 2015). The hygiene and motivator factors correspond to the lower and higher level of human needs in Maslow's theory. The hygiene factors are categorised as those determinants that surround a work situation and have to be constantly scrutinised to prevent dissatisfaction. These may include attributes such as pay and rewards, work conditions and security (job security in the case of acquisitions). Improved results will not be achieved unless workers can also feel a sense of excitement about their work which results in the motivation to perform well. This sense of excitement can be achieved by appealing to the higher-level needs of pride, trust and accountability for results (Tyson, 2015).

Confidence in management leadership: The senses of belonging and excitement can be frustrated if employees do not have respect for, and confidence in management. Comprehending what motivates individuals is quite important for the management to know as it will help them to tap into the various ways to ensure that they can successfully motivate their employees (Nieto, 2014). In an acquisition, the need for job security would be an essential element about which employees would need to obtain assurances from management during an acquisition.

4.6.3 Maslow's Hierarchy of Needs
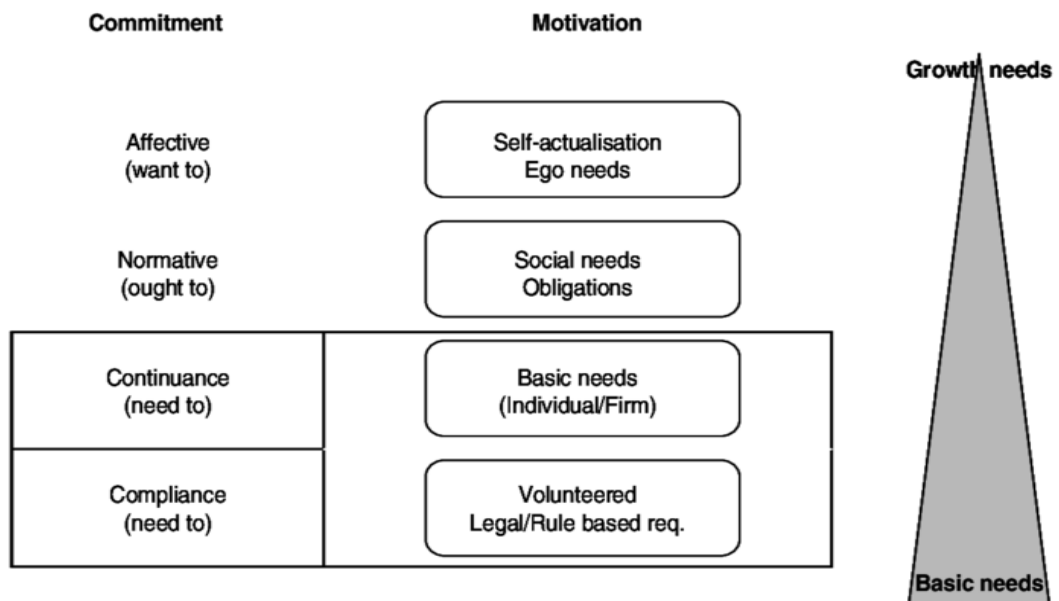
Figure 4.5: Maslow's Hierarchy of Needs

Source: Allen and Meyer (1996) and Maslow (1970) in Walker & Rowlinson (2009).

In 1954, Abraham Maslow proposed that humans have two types of motives; the deficiency and the growth motives. Deficiency or basic needs include the physical needs of the human body, safety and security, love and belonging, and esteem needs. These four needs are often called coping behaviours and are considered more short-term needs. Growth or being needs are the self-actualisation needs including those needs for satisfaction and happiness in the long term. Maslow's needs hierarchy is used today as a motivational tool today (Sadri & Bowen, 2011).

The theory is that all humans have certain needs, and when these needs are not being met, it will motivate them to get those needs met. Additionally, Maslow believed that some needs must be met before others can be used as motivating factors. Maslow believed that there is a higher need which is self-respect or self-esteem. This self-esteem need includes our feeling of confidence and competence (Powell, 2011). According to Maslow, employees with a strong commitment will be more motivated and more satisfied with their job and commonly less interested in leaving their organisation. Employees with high commitment are fully involved and enthusiastic for their jobs. Employee commitment is the relative strength of one's involvement in an organisation, indicated by a strong belief in the goals and values of the

105

organisation, willingness to make certain efforts for the organisation as well as a strong desire to continue to be organisation's member (Soelistya & Mashud, 2016).

Giving satisfaction to employees is essential because low empowerment, commitment and motivation lead to a less stable organisation, resulting in absenteeism, lack of commitment and decreasing productivity. To realise employee satisfaction, management has to consider empowerment and commitment factors (Soelistya & Mashud, 2016).

Soelistya and Mashud (2016) add that according to Susanto (2012), empowerment within an organisation can be conducted in two ways:

- "Providing coaching programmes for employees to improve their skills and capabilities.
- Providing safety to be creative. It means that an organisation has to assure employees in return for the risk of their creativity dedicated to the success of the organisation" (Soelistya and Mashud, 2016, p. 46).

"The Maslow theory of needs and the Meyer and Allen's theory of commitment are linked and are fundamental for effective retention strategies. As employees move from the bottom level of the pyramid, they are moving up in job satisfaction and moving through the three commitment components of the Meyer and Allen model" (Saxon, 2012, P. 17). Saxon (2012) further notes that affective commitment and self-actualisation needs are the highest levels of job satisfaction and organisational commitment. If an employee is realising her full potential and can identify with an organisation's goals, then that employee is likely to stay with the organisation. Likewise, continuance commitment, security, and physiological needs are related. An employee's need to stay with an organisation because of financial and social needs is expressed in continuance commitment. Normative commitment is related to an employee's need for belonging and esteem (Saxon, 2012).

4.6.4 Attitudinal Commitment Theory

This is the most famous approach for conceptualising organisational commitment. It was initiated by Mowday, Steers and Porter's study in the 1070s (Mowday, Steers & Porter, 1979). Theories that are based on an attitudinal definition of commitment focus on the desire of the individual to remain in an organisation (Mercurio, 2015). Meyer and Allen (1984, 1991) termed this attitudinal type of commitment as "affective" commitment and base their term on Mowday et al.'s (1979) work in developing the Organisational Commitment Questionnaire (OQM), which measures affective commitment to organisations by measuring value congruence with the organisation, feelings of care for the organisation, pride in the organisation, and willingness to put extra effort into the organisation.

106

According to this approach, organisational commitment is the relative strength of an individual's identification with an involvement in a particular organisation, (Mowday et al., 1979). They mention the following three characteristics of organisational commitment:

- Strong belief in and acceptance of the organisation's goals and values;
- Willingness to exert a considerable effort on behalf of the organisation; and
- Strong intent or desire to remain with the organisation.

In this approach, the factors associated with commitment include work experiences, personal and job characteristics, while the outcomes include increased performance, reduced absenteeism and reduced employee turnover (Mercurio, 2015).

4.6.5 Social Exchange Approach

Based on the social exchange theory grounded in an economic model of human behaviour where interaction between individuals is motivated by a desire to maximise rewards and minimise losses, the individual's organisational commitment depends on his or her perceived balance of reward utilities over input utilities. The more favourable the exchange from the participants' viewpoint, the greater his commitment to the organisation (Zaman, Hudaib, & Haniffa, 2011).

This approach emphasises the current exchange relation between individuals and organisations. Thus, relationships providing more rewards than costs will yield enduring mutual attraction and commitment to the organisation (Suls & Wheeler, 2013). Social exchange viewpoint studies have shown that employee's commitment to organisations derives from their perceptions of the employers' commitment to them through positive beneficial actions directed at the employees by the organisation, thus establishing a high-quality exchange relationship. This creates obligations for employees to reciprocate in positive, beneficial ways in their own commitment to the organisation through high work performance.

"There is a significant and positive relationship between extrinsic rewards and employee motivation and hence performance. But the challenge is that organisations are not offering fair and adequate financial rewards to their employees. If employees feel that their effort is appreciated and the organisation has a good compensation structure based on job evaluation, the employees' motivation and commitment, and hence performance, will improve" (Zaman et al., 2011, pp. 165–197)

4.6.6 Investment Approach

According to Rusbult, Agnew and Arriaga (2011), the investment model of commitment processes is rooted in interdependence theory and emerged from the broader scientific zeitgeist of the 1960s and 1970s that sought to understand seemingly irrational persistence in

107

social behaviour. The model was originally developed to move social psychology beyond focusing only on positive affect in predicting persistence in a close interpersonal relationship. "The investment model provides a useful framework for predicting the state of being committed to someone or something, and for understanding the underlying causes of commitment.

A major premise of the investment model is that relationships persist not only because of the positive qualities that attract people to one another (their satisfaction), but also because of the ties that bind them to each other (their investments) and the absence of a better option beyond the current state, (lack of alternatives). The investment approach centres on the time element; the longer a person has been with an organisation, the more that person wants to stay" (Rusbult et al., 2011, p. 3).

4.7   VALUE OF ORGANISATIONAL COMMITMENT

"Organisations can benefit from committed employees in a variety of ways. On a broader scale, when employees are committed to an organisation, they have the potential to influence the organisation's effectiveness" (Shahid & Azhar, 2013, p. 254). Shahid and Azhar (2013) further state than when an employee is committed to an organisation, many positive outcomes can be seen for the individual as well as for the organisation itself. One benefit that organisational commitment has for the employee is that it has the potential to influence the employee's well-being. In addition, "organisational commitment has been shown to increase the employee's job satisfaction" (Shahid & Azhar 2013, p. 253).

Wainwright (2018) notes that committed employees bring added value to the organisation through their determination, proactive support, relatively high productivity and awareness of quality. Employees are also less likely to call in sick. Committed employees display positive behaviour within organisations, are more likely to refer positively about the organisation to contacts and further, are more likely to adopt the organisation's vision and goals (both professionally and personally). Alongside this, committed employees are much less likely to leave their current position. In light of the increasingly competitive nature of organisations, employee commitment is increasingly playing a key part in retaining top talent (Wainwright, 2019).

Committed employees are less likely to leave the organisation, reducing the turnover (Allen & Meyer 1990). "Equally important, committed employees can often make things work even without very good systems and are key for higher productivity in the organisations" (Shahid & Azhar 2013, p. 253). Employees who gain energy from their work feel good about themselves and enjoy doing their work. Apart from the positive effect on the individual employee, organisations benefit when employees gain energy from their work. Employees who gain

energy from their work are generally more productive, work better with colleagues and are more willing to develop (Wainwright, 2019).

4.8 WAYS OF ENHANCING EMPLOYEE COMMITMENT

Organisations should create a good attitude to employees in terms of affective commitment, such as enhancing the employees' morale to make them proud to be part of the organisation. Organisations working on increasing employee commitment should satisfy some influencers. Simply by addressing one of the following four areas, organisations can positively impact employees' commitment (Wainwright, 2019).

- ***Clear organisational objectives:*** Clarity about intended goals helps employees make better day-to-day decisions at work. Employees know what the collective objective is, and they can adapt their own contribution to it accordingly. Knowing the organisation's objectives helps employees to co-operate more efficiently with one another and further, reduces the time and resources wasted on issues that do not have any bearing on the bigger picture (Wainwright, 2019).

- ***Job match, training and development:*** Wainwright (2018) mentions that organisations should ensure a good match between employees and their work. If there turns out to be a mismatch, assistance and/or training should be offered to bridge the gap. In the case of long-term mismatches, every effort should be made to help employees find more suitable work. Management should pay attention to employees' development. Stagnant jobs with limited challenges will diminish the energy employees get from their work. It is therefore vital that employees' jobs evolve, for instance, by broadening the scope of work.

- ***Work environment***: Discuss the biggest frustrations that employees encounter at work in terms of culture and challenge them to suggest solutions. Every organisation has its own culture. Ebert and Griffin (2017) emphasise the notion that organisational culture influences important aspects such as performance and commitment.

- ***Fitting in:*** When employees feel like they fit in well with an organisation, they feel a bond and commitment to their organisation. Management should ensure that employees are clear about the corporate identity. Employees only know if they feel at home if they know what the organisation stands for (mission/vision) and what is important to the organisation (standards/values). If employees feel at home, they put a greater effort into the organisation and tend to remain with the organisation for a longer period of time (Wainwright, 2019).

4.9 INTEGRATION OF ACQUISITION; ORGANISATIONAL CULTURE AND COMMITMENT

Organisational culture and organisational commitment need to be understood within the global context, as well as within the South African environment. The influence of national culture on organisational culture is sometimes ignored when analysing organisational culture, (Brenton & Driskill, 2011). Organisational culture coincides with organisational commitment (Pinho et al., 2014). Given that employees are well acquainted with the organisational culture, they will commit to the cause of the organisation (Alvesson, 2013).

According to Schein (1990), one of the most obvious forces toward culture change is the bringing together of two or more cultures. Unfortunately, in many acquisitions, the culture compatibility issue is not raised until after the deal has been consummated, which leads, in many cases, to cultural "indigestion" and the eventual divestiture of units that cannot become culturally integrated. To avoid such problems, organisations must either engage in more pre-acquisition diagnosis to determine cultural compatibility or conduct training and integration workshops to help the meshing process. Such workshops have to take into account the deeper assumption of layers of culture to avoid the trap of reaching consensus at the level of artefacts and values while remaining in conflict at the level of underlying assumptions" (Schein,1990, p. 117).

Weber and Tarba (2012) analysed cross-cultural management during all stages of acquisitions and concluded that there is a high rate of acquisition failures due to a lack of harmonised activities during all stages of the acquisition. The study arrived at a conclusion that the continuing inconsistency of the high rate of acquisition failures against the growing activity of acquisitions may be due to the lack of synchronised activities of all the acquisition stages. The study presents frameworks and managerial tools that can help researchers and practitioners conduct better corporate culture assessment during all the stages of acquisitions, including screening, planning, and negotiation, and enhance the effectiveness of interventions carried out during the post-acquisition integration process. It offers insights into organisational culture and its impact during the pre-acquisition stage, negotiation, and the post-acquisition process.

A strong culture may influence the employees' commitment to the organisation's mission or goals to be successful (Dhladhla, 2011). Organisational culture is an important factor in improving the achievement of goals and objectives of the organisation. By developing the right corporate culture, the organisation can achieve the success that will affect the taste of employee loyalty, and a sense of an organisation's core values (Nongo & Ikyanyon, 2012). Organisational culture covers all the core values, beliefs and shared assumptions that helps to get employees committed and motivated and helps align employee's goal with management

110

goals. This helps to improve productivity and increase overall performance (Owoyemi & Ekwoaba, 2014). Studies have shown that employees who are happy with the organisation's culture are willing to make significant strides in their endeavours to meet organisational objectives (Mitic, Vukonjanski, Terek, Gligorovic, & Zoric, 2016). In line with the above, organisational culture and organisational commitment contribute significantly to the development of the success of any organisation (Pinho et al., 2014). Studies have also shown how uniquely and significantly organisational culture and commitment can add to the success and competitiveness of organisations (Mitic et al., 2016; Shahid & Azhar, 2013). Committed employees are known to exhibit innovation, work satisfaction, high performance and less turnover (Shahid & Azhar, 2013).

Lund and Whitt (2017), in change management during acquisitions, suggested the following on how to improve integration performance:

- "Focus on change management during acquisitions: All strategies and objectives will fall flat if one does not take change management effort as seriously as strategy, objectives and numbers. Initiate the change management effort at the earliest possible stage. Change management preparation should already be initiated at the strategy formulation and analyses of the acquisition. Change management will provide numerous insights to engage in formulating a workable approach to integration.
- Perform cultural due diligence: As is so often seen, cultural clashes and poor human integration follow in the path of many acquisitions. Performing cultural due diligence to create an understanding of the organisations involved will mitigate a number of issues later.
- Create a common platform and a shared language for the change management effort across the involved organisations: It is already necessary to learn each other's languages on so many other levels, and if we are not able to reach a common change management language, the effort will go wrong.
- Use Change Verification: There are so many unknowns and so many conditions that change during the process; we cannot plan all change management activities or for all eventualities. Change Verification (measurements, follow-up, ownership and actions) enables the organisation intervene where the biggest challenges and the biggest opportunities exist" Lund and Whitt (2017, p. 3),

4.10 CHAPTER SUMMARY

This chapter explained the concept of organisational commitment in detail. The origin of the construct, theoretical background as well as the importance of the construct were explored. Finally, the integration of the constructs acquisition, organisational culture and organisational commitment were discussed based on previous studies.

Chapter 5 will discuss the research methodology.

RESEARCH METHODOLOGY AND ETHICAL CONSIDERATION

5.1 INTRODUCTION

This chapter describes the methodology used in the study in line with the research topic. It further presents the research design, approach, measuring instruments and sampling technique. In addition, this chapter discusses data collection and how the patterns in the data were analysed in light of the research questions and methodological features of the study. Justification for the specific analyses chosen is provided.

5.2 RESEARCH METHODOLOGY

Rajasekar, Philominaathan and Chinnathambi (2013) define research methodology as the procedures by which researchers go about their work of describing, explaining and predicting phenomena. It is a discerning pursuit of the truth. "Research methods involve the form of data collection, analysis, and interpretation that researchers propose for their studies" (Creswell, 2014, p. 247). This view is supported by Saunders et al. (2016) in their definition of research as the systematic collection and interpretation of information with a clear purpose, to find things out.

Creswell (2014) argues that researchers must question themselves about the knowledge claims and theoretical perspectives that they are bringing to any research. They must reflect upon the strategies they intend to use within their study which will, in turn, inform their methods and the questions of how they will collect and analyse information. Similarly, Quinlan, Babin, Carr, Griffin and Zikmund (2015) note that research methodology signals to the reader how the research was conducted and what philosophical assumptions underpin the research. "Research methodology is the general approach a researcher takes in carrying out a research project, for example, a particular quantitative or qualitative research design" (Leedy & Ormrod, 2015, p. 389).

Ngulube (2015) diagrammatically outlines the various components of the research methodology enterprise and illustrates the hierarchical connections and relationships as indicated in Figure 5.1.
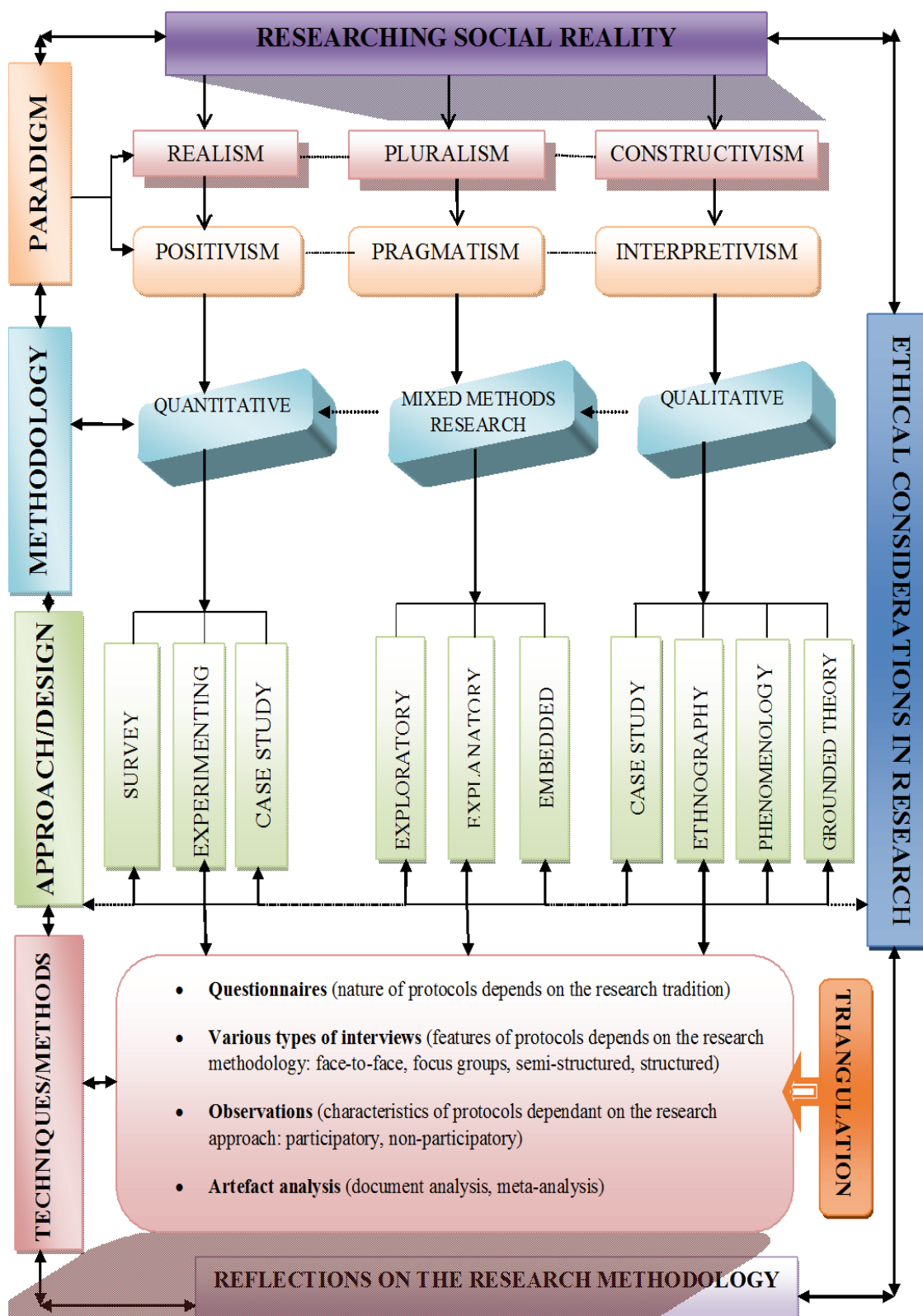
Figure 5.1: Mapping research methods

Source: Ngulube (2015)

5.3 RESEARCH DESIGN

"Research design is the method and structure of an investigation chosen by the researcher to conduct data collection and analysis" (Salkind, 2018, p. 262). Creswell (2014) considers research designs to be different types of inquiry within these different approaches, which Denzin and Lincoln (2011) called "strategies of inquiry". Different design logics are used for different types of study. "A choice of research design reflects decisions about the priority being given to a range of dimensions of the research process and is influenced by the kind of research question that is posed" (Bryman & Bell 2015, p. 538). There are three distinct approaches to connecting research, namely quantitative, qualitative and mixed methods (Creswell, 2014).

The research design for this study is the descriptive research design; where the data is analysed through quantitative methods and by way of surveys where questionnaires are used as measuring instruments. Quantitative data processing is most often completed via statistical analysis methods, from the simplest to the most complex. In organisational culture research, the statistical methods most often used include descriptive statistics. Descriptive statistics methods are the simplest statistical analysis method. They are performed to measure the arithmetic mean, median, or mode, response frequency and standard deviation in answers to a questionnaire (Janićijević, 2011). According to Bryman and Bell (2015, p 537), "quantitative research is research that usually emphasises on quantification in the collection and analysis of data and as a research strategy it is deductivist and objectivist and incorporates a natural science model of the research process (in particular, one influenced by positivism), but quantitative researchers do not always subscribe to all three of these features". In agreement with Bryman and Bell (2015); Rovai, Baker and Ponton (2014) note that quantitative research is regarded as a deductive approach to research. "Quantitative researchers regard the world as being outside of themselves and that there is an objective reality independent of any observations" (Rovai et al. 2014, p. 4).

5.4 MEASURING INSTRUMENTS

Instrument is a generic term that researchers use for a measurement device (survey, test, questionnaire, etc.). The two most commonly used instruments in quantitative research studies include questionnaires and tests (Bryman, 2012). The quantitative method was selected for this study. The LimeSurvey programme was used to collect data and structured questionnaires used to collect primary data for this study. Survey research is a type of research that uses a written or oral survey form as its primary tool for the collection of information (Salkind, 2018).

115

The measuring studies chosen were guided by three variables used in the study, namely, biographical characteristics, organisational culture and employee commitment. Each variable was measured using a suitable instrument that is capable of identifying various attributes to determine whether the instruments represent the population accordingly. "The ultimate goal is to learn about a large population by surveying a sample of that population" (Leedy & Ormrod 2015, p. 159).

The measuring instruments used are as follows:

- A biographical questionnaire was developed to establish a profile of the sample group concerning age, gender, qualifications, service period, occupation and income.
- The Organisational Culture Questionnaire (OCQ) was utilised to measure organisational culture developed by Harrison and Stokes (1992).
- Employee commitment was measured using the Organisational Commitment Scale (OCS) developed by Allen and Meyer.

The instruments were selected on the basis that they have proven to be reasonably reliable and have acceptable validity.

5.4.1 Biographical Information Questionnaire

The biographical information part of the questionnaire was developed to establish a profile of the sample group in relation to age, gender, qualifications, service period, occupation and income. The participants were measured against the inclusion criteria as follows:

- *Age:* 25 - 34 years, 35 - 44 years, 45 - 54 years and 55 - 65 years.
- *Gender:* Female and Male. The researcher acknowledged that employees would select the option based on the gender they identify with or feel comfortable with between male and female.
- *Tenure period in the* **organisation***:* < 5 years, 5 - 15 years and > 15 years.
- *Highest level of education:* Below Matric, Matric, Diploma and University degree.
- *Occupational level in the organisation:* Non-management employee, Junior Manager level and Middle Manager level.
- *Income per month (CTC):* < R10,000, R 10,000 - R 19,000, R 19,001 - R 29,000, R 29,001 - R 40,000 and > R 40,000. The question was brought in to establish whether employees' salary level would impact employee commitment.

5.4.2 Organisational Culture Questionnaire

The measurement instrument used to measure organisational culture in this study was the Organisational Culture Questionnaire (OCQ) developed by Harrison and Stokes (1992).

The following discussion in the study focuses on the dimensions of the OCQ, the rationale around the selection of the instrument, the administration thereof as well as its reliability and validity.

5.4.2.1 Rationale and Objective

"The Organisational Culture Questionnaire is a questionnaire that was developed to diagnose culture in an organisation, in order to identify the different cultural orientations and initiate culture change strategies" (Harrison, 1993, p. 9). "The questionnaire is intended to measure four dimensions of organisational culture, namely achievement, power, role, and support cultures" (Harrison 1993, p. 1). It is self-explanatory and requires no supervision during completion.

5.4.2.2 Dimensions of the OCQ

A questionnaire for diagnosing organisational culture was used for the purpose of measuring the independent variable of this study which is organisational culture. The OCQ consists of 60 items (15 items for each dimension), the dimensions are set out below as outlined by Harrison, (1993).

- **Power orientation dimension:** This dimension measures the inequality of accessing resources such as money, privileges, job security, working conditions and the ability to control other's access to these. It explores how leadership is based on the strength, justice and paternalistic benevolence of the leader and the distribution of power in the organisation to control and influence others' behaviour. Power culture is based on strength in terms of direction, decisiveness and determination (Harrison, 1993).

- **Role orientation dimension:** This dimension measures the values being role orientated, which are control, stability, order, dependability, rationality and consistency. Role culture is based on structure. It indicates how the role culture substitutes a system of structures and procedures for the naked power of the leaders, which gives protection to subordinates and stability to the organisation. A role oriented organisation is described as the one that provides stability, justice and efficient performance. In this culture, the role or job description is more important than the individual who fulfils it (Harrison, 1993).

- **Achievement orientation dimension:** This measure how organisational culture is based on competence. The focus by leadership, individuals, and the organisation is mainly on growth, success and distinction. This type of organisational culture is job or project-oriented where the end task is to bring together the appropriate resources, the right people at the right level of the organisation and to let them get on with the task.

Influence is based more on expert power than on position or personal power, but the influence is more widely dispersed (Harrison, 1993).

- ***People or support oriented dimension:*** This dimension measures the people-oriented organisational culture in terms of the commonly held set of doctrines, myths and symbols. In this culture, the individual is the central point; if there is an organisation, it exists only to serve and assist the individuals within it. The questionnaire items measure decision making, work processes, work environment and relationships between subordinates and supervisors in the organisation from a people or support oriented organisational culture. The focus is on mutuality, service and integration in relationships in the work context (Harrison, 1993).

Table 5-1: Factor content of the OCQ

Organisational Culture Dimensions	No. of items	Allocated questions
Power orientation	15	1(a), 2(a)……15(a)
Role orientation	15	1(b), 2(b)……15(b)
Achievement orientation	15	1(c), 2(c)……15(c)
Support orientation	15	1(d), 2(d)……15(d)

5.4.2.3 Interpretation of the questionnaire

The questionnaire consists of four dimensions with 15 statements per dimension, 60 in total, i.e. 15 statements for the power-oriented dimension, 15 for the role dimension, 15 for the achievement dimension and 15 for the support-oriented dimension. The items are structured in a statement format with a rating scale for each statement. Respondents rate statements based on their observations of the different cultural dimensions in their organisation in which participants responded to a scale ranging from 1 to 4, where 1 is "least dominant view", and 4 is "most dominant view", (as indicated in Section 5.4.2.4). For questions 1 to 15: Participants are expected to assign a 4 to the statement best representing their dominant view, 3 to the next closest statement, then *2* to the next and a 1 score to the statement out of the four options that least represents the culture of their organisation.

5.4.2.4 Administration of the questionnaire.

A four-point Likert-type scale was used for rating both existing and preferred responses of the questionnaire. The Likert (1932) scale is one of the most widely used instruments for measuring opinion, preference, and attitude. It consists of a number of items with around 4 to 7 points or categories each. Analysis can be based on individual items or a summation of items forming a scale. Some distinguish a Likert item from a Likert-type item, the former having bivalent and symmetrical labels about a middle or neutral point (Leung, 2011).

The following is how the ratings are defined:

> 4 = The most dominant view, or most preferred alternative.
>
> 3 = The next most dominant view or preferred alternative.
>
> 2 = The dominant view or preferred alternative.
>
> 1 = The least dominant view or least preferred alternative.

The OCQ is a self-administered questionnaire and could, therefore, be completed by the participants without any assistance. Negatively worded responses were reversed to accurately score the responses.

Written consent was obtained from each participant, ensuring the confidentiality of their results, explaining the research procedure, and how the results would be used. The questionnaires were loaded on the LimeSurvey platform and the link sent by the human resource department of the insurance company under study via email. The survey was completed on an anonymous and voluntary basis.

5.4.2.5 Reliability and Validity

The reliability of the OCQ's four dimensions, as calculated by the Spearman-Brown formula are 0.86 for achievement, 0.90 for power, 0.64 for role and 0.87 for support. The overall reliability of the OCQ is 0.85 (Harrison, 1993).

There is also evidence of construct validity of the OCQ, which is the ability of the questionnaire to vary simultaneously with other measures, which should reflect the same underlying attitudes and values (Harrison, 1993).

5.4.3 Organisational Commitment Scale

The measurement instrument used for employee commitment was the Organisational Commitment Scale (OCS). The model explains that commitment to an organisation is a psychological state and that it has three distinct components that affect how employees feel about the organisation that they work for (Meyer & Allen, 1997).

5.4.3.1 Rationale and Objective

The Organisational Commitment Scale was developed with the aim of measuring organisational commitment as a tri-dimensional construct. The scale is intended to measure three components of organisational commitment: affective, continuance and normative commitment (Meyer & Allen, 1997). The instrument is also self-explanatory and requires no supervision during completion.

119

5.4.3.2   Dimensions of the OCS

"The Organisational Commitment Scale measures the three components of organisational commitment, namely affective, continuance and normative, which are measured through 24 structured items or statements" (Meyer & Allen, 1991, pp. 63-64). The following is a description of the three dimensions (Allen & Meyer, 1996).

- ***Affective commitment dimension:*** The dimension measures the emotional attachment to the organisation, the identification with the organisation and the involvement in the organisation. Employees that are strong affective committed want to stay employed in the organisation (Allen & Meyer, 1996).

- ***Continuance commitment dimension:*** The dimension measures perceived employees' commitment based on costs linked to leaving the organisation. Employees with this kind of commitment stay employed in the organisation because they need to. Fear of loss can extend to beyond financial concerns and include the loss of friendships that they have developed while working for the organisation (Allen & Meyer, 1996).

- ***Normative commitment dimension:*** The normative dimension measures employees feeling of obligation to stay with the organisation. Employees that are strong normative committed stay in the organisation because they believe they ought to. They have so much loyalty that they will not leave even if they are not happy with their jobs. There is also a moral aspect to these employees in the sense that they stay even if things are not good for them because it is the right thing to do (Allen & Meyer, 1996).

5.4.3.3   Interpretation of the OCS

The OCS is a self-scoring instrument which comprises of a five-point Likert scale with 24 items or statements, which participants responded to on a scale ranging from 1 to 5, where 1 is *strongly disagree* and 5 is *strongly agree*. The 24 are divided into three dimensions with eight statements per dimension, i.e. eight statements for the affective commitment dimension, eight for the continuance commitment dimension and eight for the normative commitment dimension, as indicated in Section 5.4.3.4.   "The scale is intended to measure three components of organisational commitment: affective, continuance and normative commitment" (Meyer & Allen 1997, p. 121). The scale ranges from strongly disagree, disagree, neither agree nor disagree, agree and strongly agree. Participants are expected to assign a 5 to the statement that they strongly agree with, 4 to the next closest statement and so on. 1 represents the score with which the participants most strongly disagree with.

5.4.3.4   Administration of the OCS

A five-point Likert-type scale is used for rating the responses of the participants. The ratings are defined as follows:

120

<div style="text-align: right">

5 = Strongly agree

4 = Agree

3 = Neither agree nor disagree

2 = Disagree

1 = Strongly disagree

</div>

The OCS is also a self-administered questionnaire that can be completed by the participants without any assistance.

Table 5-2: Factor Content of the OCS

Factors	No. of items	Measure
Affective Commitment Indicates that members stay in the organisation because they want to do so	8	Measures organisational member's emotional attachment to, identification with and involvement in the organisation.
Continuance Commitment Indicates that members whose primary link to the organisation is based on continuance commitment remain because they need to do so	8	Measures organisational member's commitment to the organisation based on the costs that are associated with leaving the organisation.
Normative Commitment Implies that members remain in the organisation because they ought to.	8	Measures organisational member's feelings of obligation to remain with the organisation.

Before conducting the item analysis, negatively worded item responses were reversed, for all items to measure in the same direction and present a unified picture of the commitment score (Meyer & Allen, 1997).

5.4.3.5 *Reliability and Validity*

The construct validity of the OCS is based on the fact that they correlate as predicted with proposed antecedent variables, such as personality, experience, demographic factors, and situational variables, such as task interdependence, job involvement and workgroup attachment (Meyer & Allen, 1997).

OCS dimensions vary between 0.85 for affective, 0.79 for continuance and 0.73 for normative. The overall reliability estimates exceed 0.70 (Meyer & Allen, 1997).

121

5.5 RESEARCH PROCEDURE

5.5.1 Procedure

5.5.1.1 Ethical considerations

Ethics can be defined as that branch of philosophy that studies human behaviour in terms of what is good or bad regarding a relationship with themselves, others and their environment (Britz & le Roux, 2011). All research is based on some underlying philosophical assumptions about what constitutes "valid" research and which research methods are appropriate for the development of knowledge in a given study (Myers, 2009).

This study was guided by the following research questions:

- How is the concept of organisational culture and its dimensions measured in an insurance organisation?

- How is the concept of employee commitment and its dimensions measured in an insurance organisation?

- What is the empirical impact of organisational culture on employee commitment in an insurance organisation during an acquisition?

- What practical and future research recommendations can be made for the field of Industrial and Organisational Psychology on the impact of organisational culture on employee commitment during an acquisition?

Permission was requested from the College of Economics and Management Sciences as well as the Research Ethics Committee of the Department of Industrial and Organisational Psychology and granted accordingly, (ERC reference #: 2018_CEMS/IOP_030). The research activities adhered to the UNISA research policy guidelines.

Permission was also obtained from the Human Resources Department of the Insurance organisation under study before conducting the study. A LimeSurvey link to access the online survey was sent by the HR department to qualifying employees to complete voluntarily and anonymously.

A covering letter was attached to the questionnaire, explaining the aim of the study and providing instructions on how to complete the questionnaire. The questionnaire included biographical information containing questions on the age, gender, qualifications, service period, occupation and income as well as the Organisational Culture Questionnaire and the Organisational Commitment Scale.

Both the OCS and OCQ instruments are self-explanatory, and no supervision was necessary. The questionnaires were completed online by respondents individually, voluntarily and anonymously.

Several ethical considerations were taken into account to ensure that the study was conducted in an appropriate manner. To comply with ethical considerations in conducting research, all participants were given the opportunity to provide consent to participate in the research.

The following ethical codes formed part of the data collection process:

- ***Protection from harm:*** Participants were not exposed to any harm, or undue stress during the duration of research. The findings of the researcher may be provided to the participants on request.

- ***Informed consent:*** Participants were provided with consent letters before participating in the surveys. All participants were informed that they could withdraw from the research at any time. In the event that they had any complaints about the study, contact details of the study supervisor were provided to them.

- ***Right to privacy:*** The right to privacy of participants was respected; their names were not recorded or mentioned in any of the findings of the study.

- ***Honesty with professional colleagues:*** The findings form a part of academia, which means that, it can be used as a point of reference. There are no misrepresentations of the findings or fabricated data to influence the findings. To avoid plagiarism, all the sources utilised are acknowledged and referenced accordingly.

5.5.2 Population and Sampling

In any research study, the best strategy is to investigate the problem in the whole population. However, it is not always possible to study the entire population. Alternatively, researchers study a "sample" which is sufficiently large and representative of the entire population (Acharya, Prakash, Saxena & Nigam, 2013). "A population is an entire group about which some information is required to be ascertained. It is a complete set of people with a specialised set of characteristics" (Banerjee, & Chaudhury, 2010, p. 60). The total population for this study is made up of about 600 employees.

Banerjee and Chaudhury (2010) define a sample as a subset of the population. "The sample must be representative of the population from which it was drawn, and it must have a good size to warrant statistical analysis" (Banerjee & Chaudhury, 2010, p. 63). Sample size is one element of research design that investigators need to consider as they plan their study. Sufficient sample size is the minimum number of participants required to identify a statistically significant difference if a difference truly exists. Reasons to accurately calculate the required

123

sample size include achieving both a clinically and statistically significant result and ensuring research resources are used efficiently and ethically (Burmeister & Aitken, 2012).

Gay, Mills and Airasian (2012) propose the following guidelines for identifying a sufficient sample size:

- "If the population is 100 or fewer, do not sample but rather take the whole population as your sample.
- If the population size is around 500, 50% should be sampled.
- If the population size is around 1 500, 20% should be sampled.
- Beyond a certain point (about N = 5 000), the population size is almost irrelevant and a sample size of 400 will be adequate" (Gay, Mills & Airasian, 2012, p. 39).

Sampling methods differ for different types of research. Sampling techniques are broadly classified into "probability" and "non-probability" samples. Probability sampling allows the investigator to generalise the findings of the sample to the target population. Probability sampling includes simple random sampling, systematic random sampling, stratified random sampling, cluster sampling, etc. A sampling frame is crucial in probability sampling because if the sampling frame is not drawn appropriately from the population of interest, random sampling from that frame cannot address the research problem. Generalisations can be made "only" to the actual population defined by the sampling frame (Acharya et al., 2013).

Non-probability sampling includes convenience/purposive sampling, quota sampling, snowball sampling, etc. Non-probability sampling in the form of quota sampling was used for this study. In quota sampling, the population is divided into categories/strata and subjects are selected from each category. The advantages of this sampling method are that the cost is moderate, it is very extensively used, well understood, and there is no need for a list of population elements. It also introduces some elements of stratification (Acharya et al., 2013). The quota sampling procedure ensures that a specific characteristic of a population sample is represented to the exact extent that the investigator desires. The purpose is to select a representative sample and/or to allow sub –group analyses. The sampling was appropriate to cater for the sample profile requirements of the study. The disadvantages of this type of sampling include the fact that one cannot generalise beyond the sample. Non-probability samples are those in which the probability that a subject is selected is unknown and can result in selection bias in the study (Acharya et al., 2013). These risks were mitigated by ensuring that the LimeSurvey link was sent only to employees who qualified for the selection criteria. The selection criteria specified employees up to the middle management level who were already employed by the organisation during the acquisition process, that is, those employed before 1 July 2017. These participants were selected based on the fact that they were not

involved in strategic decision-making processes, and therefore their input was not included in the acquisition process.

A sample of 318 employees from about 600 total employees was selected, i.e. (53% of total number of permanent employees). These employees are based in the organisation's 80+ offices in the nine provinces of South Africa, including the organisation's Head Office. The sample is representative of employees, junior and middle managers who were already employed by the organisation when the acquisition process was finalised in July 2017. The acquisition process started in 2013 and ended in 2017. This non-probability sampling approach caters for the heterogeneous nature of employees in the different branches made of subgroups characterised by the employee's position, education and service period.

Inclusion group criteria:

The participants were categorised as follows:

    Group 1: Individuals who were already employed by the organisation during the acquisition process, i.e. those employed before 1 July 2017.

    Group 2: Junior managers who were already employed by the organisation during the acquisition process, i.e. those employed before 1 July 2017.

    Group 3: Middle managers who were already employed by the organisation during the acquisition process, i.e. those employed before 1 July 2017.

These participants were selected based on the fact that they were not involved in strategic decision-making processes, and therefore their input was not included in the acquisition process.

Exclusion group criteria:

The participants were categorised as follows:

    Group 1: Individuals employed after the finalisation of the integration process, i.e. those employed after 1 July 2017.

    Group 2: Junior managers employed by the organisation after 1 July 2017.

    Group 3: Middle managers employed by the organisation after 1 July 2017.

    Group 4: Senior and Executive Management irrespective of whether they joined the organisation before or after the process has been implemented. Senior and Executive Management are excluded due to the fact that they were involved in the strategic decision making processes of the acquisition process.

Table 5-3: Sample frequency table (N = 318)

Variable	Category	Frequency	Representation%
Age	<25 years	0	0%
	25 – 34 years	168	52.8%
	35 – 44 years	93	29.2%
	45 – 54 years	57	17.9%
	55 – 65 years	0	0%
Gender	Male	91	28.6%
	Female	227	71.4%
Tenure period	<5 Years	50	15.7%
	5 – 15 Years	171	53.8%
	>15 Years	97	30.5%
Qualifications	No matric	3	0.9%
	Matric	155	48.7%
	Diploma	71	22.3%
	University degree	89	28%
Occupation level	Non-management	261	82.1%
	Junior Manager	24	7.5%
	Middle Manager	33	10.4%
Income (gross)	< R 10,000	82	25.8%
	R 10,000 – R 19,000	131	41.2%
	R 19,001 – R 29,000	59	18.6%
	R 29,001 – R 40,000	31	9.7%
	> R 40,000	15	4.7%
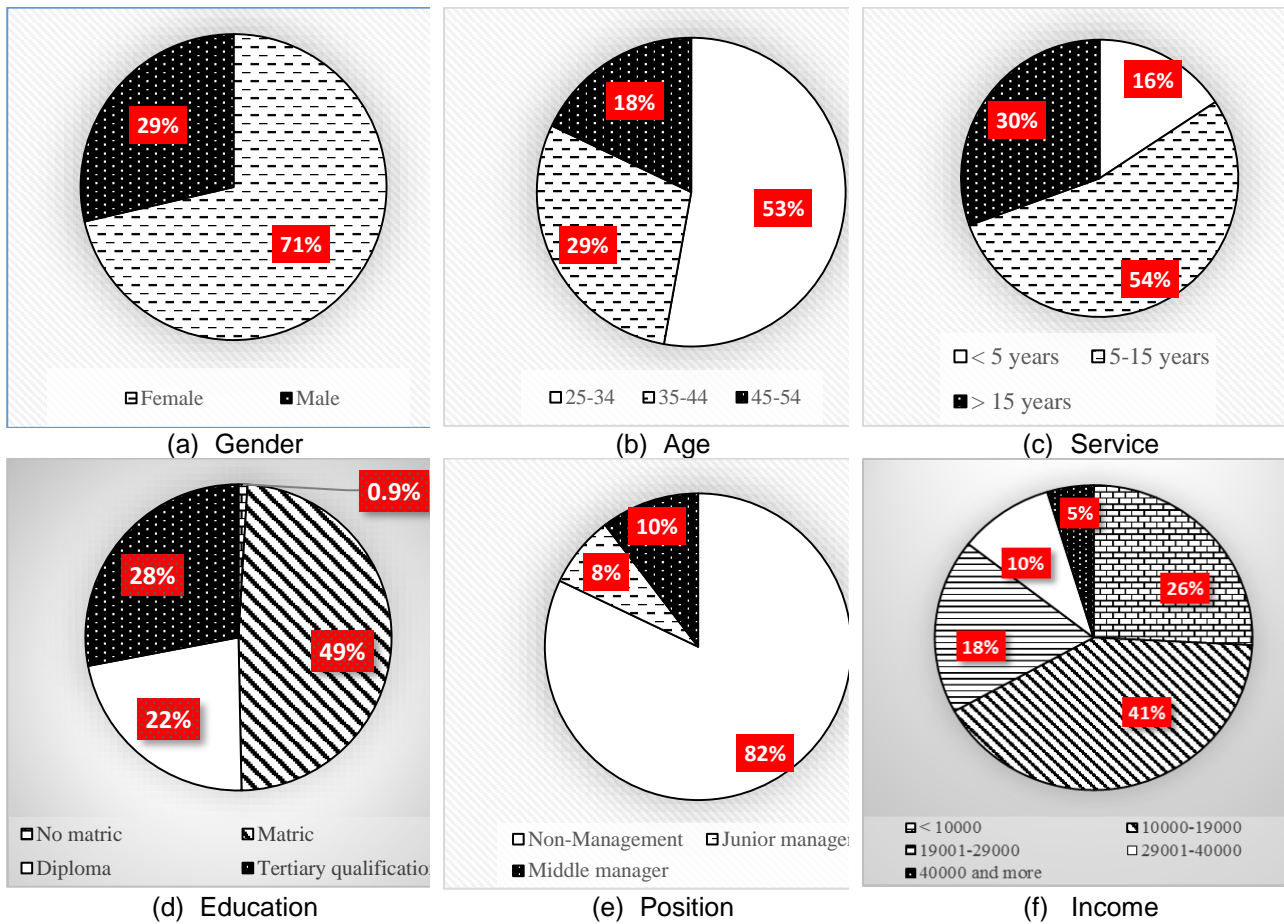
Figure 5.2: Demographical statistics of the employees

This section (Figure 5.2 [a-f]) provides a summary of data collected from questionnaires completed by the employees. The data is summarised according to personal particulars (i.e. gender, age, service, education, occupation, and income). According to Table 5.3 and Figure 5.2, 318 employees responded, 91 (29%) of the respondents were males, and 227 (71%) of the respondents were females. These figures are in line with the organisation's gender ratio of approximately 64% females and 36% males.

In terms of occupation, most respondents are on a non-managerial level at 82% and 18% on the managerial level. Most employees have matric as their highest qualification, 49%, followed by 28% of respondents with a degree and 22% of respondents have a diploma. Less than 1% of the employees do not have a matric qualification.

Almost 54% of the employees have between 5 and 15 years of service, and 30% have more than 15 years of service. This means that 84% of the respondents have 5 years of service or more, which indicates that the company has a high retention rate that could be attributed to

commitment as per the study's findings. Only 16% of the respondents have less than 5 years of service in the organisation.

Sixty-seven per cent (67%) of the respondents earned less than R19,000.00 gross income per month, and more than 14% earn R29,000.00 or more. Close to 19% of the respondents earned between R19,000.00-R29,000.00 per month.

It can be seen that 53% of the respondents are aged between 25 and 34 years. However, no employees below the age of 25 completed the questionnaires. This could be because this is an entry age in the workplace for most employees, and the study excluded employees who joined the organisation after July 2017.

Twenty-nine per cent (29%) of the respondents are between 35 and 44, and 18% of them are aged between 45 and 54 years. Again, none of the respondents aged above 55 completed the questionnaires. Considering that the research was conducted online, we can assume that the employees over the age of 55 could be challenged by the online survey. Another assumption that could be made is that the two age brackets that we did not receive completed questionnaires from could well fall under questionnaires that were discarded due to being not fully completed or invalid.

5.5.3   Administration of the Assessment

5.5.3.1   Data collection

Data was collected through the distribution of structured questionnaires via the LimeSurvey online survey platform to participants. A structured questionnaire asks closed questions (Cohen, Manion & Morrison, 2007). A questionnaire could be structured in which all the participants are asked the same questions in the same way (Kazi & Khalid, 2012). An option regarding informed consent was included in the questionnaire, where the participant could click "Yes" or "No" before continuing with the survey. The Human Resources department was responsible for sending a link of the survey to employees, and a response rate of 53%, i.e. 318 valid/complete responses was achieved.

Vaske (2011) and Sue and Ritter (2012) list the advantages of online survey research for both researchers and participants as set out below.

- **Simplicity:** Online surveys software does not require expertise on the part of the researcher and participant. Tools such as survey monkey are user friendly. LimeSurvey was utilised for the online survey in this study (Vaske, 2011).
- **Speed and time saving:** Online surveys allow a researcher to reach thousands of participants with common characteristics in a short amount of time, despite possibly being separated by great geographic distances. It provides access to groups and

individuals who would be difficult, if not impossible, to reach through other channels" (Vaske (2011, p. 149-153).

- ***Cost-saving:*** Online survey researchers can also save money by moving to an electronic medium from a paper format. Paper surveys tend to be costly, even when using a relatively small sample, and the costs of a traditional large-scale survey using mailed questionnaires can be enormous. The use of online surveys circumvents this problem by eliminating the need for paper and other costs, such as those incurred through postage, printing, and data entry. Costs for recording equipment, travel, and the telephone can be eliminated. In addition, transcription costs can be avoided since online responses are automatically documented (Sue & Ritter, 2012).

Szolnoki and Hoffmann (2013) support the view that online surveys have several strengths, such as lower cost and higher speed; they are visual, interactive, and flexible; they do not require interviewers to be present. "Often educated, busy and well-off individuals who systematically ignore taking part in telephone surveys, are willing to answer questions posted on their computer screens" (Szolnoki & Hoffmann, 2013, p. 58). Nevertheless, Couper (2011) argues that relying on such modes, which require initiative from respondents, will likely lead to selective samples, raising concerns about non-response bias. "Samples used for large national and international face-to-face and telephone surveys are considered representative of the general population, while online samples are currently regarded as representative of population subgroups only" (Couper, 2011, p. 901).

5.5.4 Statistical Data Analysis

The aim of every researcher is to turn data into usable and useful information. It is important that a researcher knows the concepts of the basic statistical methods used for conducting a research study. This will help to conduct an appropriately well-designed study leading to valid and reliable results. Inappropriate use of statistical techniques may lead to faulty conclusions, inducing errors and undermining the significance of the study (Ali & Bhaskar, 2016).

Statistical methods are used for the development and validation of research tools. Reliability coefficients such as Cronbach's alpha, intra-class correlation coefficient, split-half coefficient, etc., are used for measuring the reliability of a questionnaire. Another aspect of tool preparation is validity, which requires looking for content, criterion and face validity (Binu, Mayya & Dhar, 2014).

The analysis of data used in this study entailed determining the impact of organisational culture on employee commitment during an acquisition process. The analysis further determined whether the impact of organisational culture on employee commitment would differ based on the variables of age, gender, occupation, service period and income.

129

Ong and Puteh (2017) indicate that in choosing the right statistical software for performing the data analysis, firstly, researchers usually look at their research objective. If the research objective is comparative analysis, SPSS statistical software is usually the preferred statistical package compared to other statistical packages such as MINITAB, STATA, and R-Programming statistical software. This is because the SPSS statistical software is able to perform both parametric and non-parametric comparison analysis easily. The statistical software undertakes both comparison and correlational statistical tests in the context of univariate, bivariate and multivariate analysis for both the parametric and non-parametric statistical techniques. It also permits the researcher to check the assumptions of the tests, such as the normality test and outliers test (Ong & Puteh).

The Statistical Package for the Social Sciences 2017 (SPSS 2017 version 25) was used to analyse the quantitative data for this study. SPSS is a statistical package designed by IBM Corporation and widely used by researchers or academics worldwide. This statistical package is very user friendly, and various statistical tests could be conducted using this software" (Ong & Puteh, 2017, p. 18).

5.5.4.1 Descriptive data analysis

"A descriptive survey is an investigation technique which focuses on describing and interpreting existing phenomena in the form of processes, effects, attitudes and beliefs" (Kufakunesu, 2011, p 31). Descriptive statistics were obtained for all dependent and independent variables as set out below.

- *Means and standard deviation* as measured by the OCQ and OCS constructs were determined for the total sample. Means and standard deviations determine the distribution of variable data and describe the scores that contribute to reliability levels. Once a sample mean and variance (or standard deviation) are calculated, researchers often use these estimates to generate inferences about the population parameters, the true mean (which is the expected value of the population), and the variance (Martinez & Bartholomew, 2017).

- *Mean* is also known as average. A mean is the sum of all scores divided by the number of scores. The mean is used to measure the central tendency or centre of a score distribution generally.

- *Standard deviation* determines how close the scores are centred around the mean. These tools are used to determine the scores and the distribution of the variable data.

- *Cronbach's alpha* was used to determine the internal consistency of the measuring instruments. The alpha coefficients were obtained for the OCQ and the OCS to determine their reliability levels for this study. According to Nunnally and Bernstein

(2010), Cronbach's alpha coefficients of between 0.5 and 0.6 are acceptable for basic research purposes, whereas coefficients of 0.8 and higher are considered to be important or ideal.

5.5.4.2 Inferential data analysis

Descriptive statistics is followed by inferential statistics dealing with generalisation of the sample results to the population (Binu et al., 2014). Inferential statistics is used to make the generalisation about the population based on the samples. Inferential statistics makes use of sample data taken from a population to describe and make inferences about the whole population. It is valuable when it is not possible to examine each member of an entire population, (Ali & Bhaskar 2016).

Pearson product correlation coefficients are calculated to assess the direction and strength of the relationship between variables (Pillay, Viviers, & Mayer, 2013). Usually, Pearson' Correlation analysis is conducted when the assumptions of the test (i.e. normality distribution and both variables measurement at least at the interval level) are met. This test is classified as the parametric statistical method. The correlation coefficient is usually given the symbol r and ranges from -1 to +1. A correlation coefficient close to -1 implies a positive relationship between the two variables, whilst one close to -1 indicates a negative relationship between the two variables (Pillay et al., 2013).

Spearman's Rank Correlation analysis is another common statistical correlation method that could be adopted if the assumptions of Pearson's Correlation analysis are not met (Pallant, 2015). This test is categorised as a non-parametric method (Hauke & Kossowski, 2011). Hence, the Spearman Correlation was used in the study to answer the question: What is the impact of organisational culture on employee commitment during an acquisition?

The researcher acknowledges that when it comes to inferential statistics, assumptions could be difficult to make because the study involves the sampling of the human population. The population could be too small to apply the conclusions to a more general population.
To ensure that data is analysed accurately and represents the true picture of the study, a statistician with expertise in analysing research data was contracted to verify same.

5.5.4.3 Formulation of the research hypothesis

A hypothesis is a precise, testable statement of what the researcher(s) predict will be the outcome of the study. This usually involves proposing a possible relationship between two variables or the impact of one variable on another: the independent variable (what the researcher changes) and the dependent variable (what the research measures (McLeod, 2018).

The following hypothesis was formulated in this study:

(H$_0$): Organisational culture has no significant impact on employee commitment.

(H$_1$): Organisational culture has a significant impact on employee commitment.

5.6   CHAPTER SUMMARY

This chapter focused on the methodological features used in the study. The questionnaires used to collect data as well as the validity and reliability of this measuring instrument were discussed. Data collection and statistical analysis processes were explained, including the ethical considerations of this study.

6.1   INTRODUCTION

This section presents the summary statistics, analysis and interpretation of the findings based on the research methodology applied to investigate the impact of organisational culture on employee commitment during acquisition in an insurance organisation. These findings are described in terms of descriptive and inferential statistics. The research findings are presented and described in this chapter in tables and graphs.

6.2   ANALYSIS OF THE FINDINGS

Research on human social behaviour and attitudes is conducted for many reasons, including to explore, describe, explain, and evaluate to understand an issue in depth, arrive at decisions, and make predictions (Nardi, 2018).

Binu et al. (2014) noted that the final step in a research study is to communicate the results and interpretations using the appropriate figures and tables. Norris, Plonsky, Ross and Schoonen (2015) added that results are reported in the form of text, tables and graphs; and confirmed that charts and graphs are often the best way to present the results.

The questionnaires were loaded on the LimeSurvey online platform for respondents who are employees of an insurance organisation in South Africa to complete. At least 437 (72.8%) of the questionnaires were completed, but 119 of the questionnaires were invalid due to incompleteness and unanswered questions. Therefore, the target of 318 respondents was reached, which amount to 53% in terms of the response rate.

6.3   DESCRIPTIVE STATISTICS

Descriptive statistics are used to describe the basic features of the data in a study. They provide simple summaries about the sample and the measures. Together with simple graphics analysis, they form the basis of virtually every quantitative analysis of data (Trochim, 2020). A consolidated summary of the reliability of the OCQ and OCS measuring instruments was reviewed in terms of the means and standard deviations as well as the Cronbach coefficient.

6.3.1   Cronbach Alpha Coefficients of the Measuring Instruments

"The investigation of internal consistency (reliability) is one of the most important steps in data analysis. Reliability concerns the faith that one can have in the data obtained from the use of

an instrument, that is, the degree to which all items in a measurement (or test) measures the same attribute. Validity concerns what an instrument measures, and how well it does so. The purpose of establishing reliability and validity in research is essential to ensure that data are sound and replicable and that the results are accurate. It is uncommon, if not impossible, for an instrument to be 100% valid" (Haradhan, 2017; p. 1-2).

In this section, the Cronbach's alpha coefficient is used to test the reliability of the questionnaire. The results of this test are summarised in Table 6.1.

6.3.1.1 Cronbach's alpha coefficients of organisational culture (OCQ-EC)

Table 6-1: Cronbach's alpha coefficients

	Organisational culture statement- existing culture				
Factor	Dimension name	Cronbach'salpha	Items per dimension	Deleted Item	No. of items
1	Power culture	.748	2, 3, 7, 10, 11, 12 & 13	None	7
2	Role culture	.600	1, 4, 5 & 6	None	4
3	Achievement culture	.607	8, 9, 14 & 15	None	4
	Total	**.887**			**15**

Table 6.1 provides the summary findings of the factor analysis of the existing organisational culture within an insurance organisation in South Africa. It indicates the factors extracted from each section of the questionnaire, as well as the corresponding total number of items per factor. Factors categorised for the OCS-EC are power culture, role culture and achievement culture. The OCS-EC questionnaire consisted of 15 statements per dimension in which participants responded to a scale ranging from 1 to 4, where 1 is "least dominant view", and 4 is "most dominant view".

The Cronbach's alpha coefficient of each dimension identified in the exploratory factor analysis was analysed to determine the scale's reliability as a whole. Where factors did not meet the required reliability criteria of this study, such factors were excluded from further analysis and did not form part of the overall scale. For this reason, the support culture was excluded, improving the internal consistency to 0.887. Even though the support culture was excluded, the results in Table 6.1 are acceptable and satisfactory for OCS-EC. The Cronbach's alpha coefficient of the OCS-EC construct ranges from 0.600 to 0.748, which is acceptable, even though the support culture was excluded as per Harrison's (1993) correlation results table below.

134

Table 6-2: Correlation results (Harrison, 1993)

Diagnosing the Organisational Culture Questionnaire	Culture Index Questionnaire			
	Values	Power	Rules	Index
Power	-0.7	0.79	0.01	-0.8
Role	0.19	-0.47	0.4	0.29
Achievement	0.69	-0.69	-0.38	0.83
Support	0.41	-0.68	-0.46	0.69
Note: p<.05 if r<.3, and p<.01 if r<.41				

This indirect evidence of the validity of the diagnosing organisational culture questionnaire suggests that the questionnaire shows acceptable reliability and validity (Manetje, 2009).

None of the 15 items were deleted to increase internal consistency. From the above table, we can see that the variable with the strongest association to the underlying latent variable is *power culture* with a factor loading of 0.748 followed by *achievement* and *role* culture at 0.607 and 0.600, respectably. This outcome may be due to the self-administration of the questionnaire because, except for the written instructions provided, there was no further instruction before the completion of the questionnaire. This outcome is consistent with Naik (2012), whose findings found *power culture* to be measured at 0.80, *achievement culture* at 0.60 and *role culture* at 0.53. On the contrary, Latchigadu's (2016) organisational culture internal consistency was high with *power culture* at 0.97, role at 0.98 and *achievement* at 0.96. *Preferred* culture was also high, *power culture*, 0.97, role, 97 and *achievement* culture at 0.98.

6.3.1.2 *Cronbach alpha coefficients of the preferred organisational culture (OCQ-PC)*
Table 6-3: Factor analysis and internal consistency of the OCQ-PC per dimension

	Organisational culture statement- Preferred culture				
Factor	Dimension name	Cronbach's alpha	Items per dimension	Deleted Item	No. of items
1	Power culture	.643	1, 2, 3, 9, 10 & 11	None	6
2	Role culture	.539	4, 6, 8 & 15	None	4
3	Achievement culture	.476	5, 7, 12, 13 & 14	Item 14	4
	Total	**.803**			**14**

Similarly, Table 6.3 provides the summary findings of the factor analysis of the preferred organisational culture. Again, factors categorised for the OCS-PC are power culture, role culture and achievement culture.

The Cronbach's alpha coefficient of each dimension identified in the exploratory factor analysis was analysed to determine the reliability of the scale as a whole. The support culture did not meet the required reliability criteria set for this study, and as a result, was excluded on OCS-PC. The OCS-PC questionnaire consisted of 15 statements in which participants responded to a scale ranging from 1 to 4, where 1 is "least dominant view", and 4 is "most dominant view".

The Cronbach's alpha coefficient of OCS-PC is not good. To increase the internal consistency for the OCS-PC, item 14 was deleted, hence 14 of the 15 items were deemed to be acceptable. Again, the variable with the strongest association to the underlying latent variable is power culture with a factor loading of 0.643.

There is a concern about the consistency of the OCS-PC data, especially on achievement culture at 0.476. Again, this may be related to the self-administration of the questionnaire. Although the consistency on achievement culture is not particularly good, the total internal consistency was improved to 0.803 after deleting Item 14, which is good.

Harrison and Stokes' (1992) OCQ research measuring instrument has already been tested in the South African population and the questions therein were proven to be suitable. Manetje and Martins (2009) conducted a research study to determine the relationship between organisational culture and employee's commitment on 371 employees in a South African motor manufacturing organisation. They found a positive relationship between the power culture dimension and normative commitment. Their results indicated that all the dimensions of organisational culture reflected significant correlations with normative commitment except the existing achievement culture (Naik, 2012). Similar to this study, Naik (2012) found the existing role and achievement subscales and the preferred role and support subscales to be low (0.53, 0.60, 0.45 and 0.63, respectively).

6.3.1.3 *Cronbach alpha coefficients of organisational commitment (OCS)*

Table 6-4: Factor analysis and internal consistency of the OCS per dimension

	Organisational commitment scale				
Factor	**Dimension name**	**Cronbach's alpha**	**Items per dimension**	**Deleted Item**	**No. of items**
1	Affective commitment	.909	1, 2, 3, 5, 6, 7, 8, 17, 18, 20, 21, 22 & 23	None	13
2	Continuance commitment	.860	10, 11, 13, 14, 15 & 16	None	6
3	Normative commitment	.421	04, 09, 12, 19 & 24	Item 9	4
	Total	**.877**			**23**

Table 6.4 provides detailed information on the factor analysis of the different scales of the OCS questionnaire. Factors categorised for the OCS are affective, continuance and normative commitment. The OCS questionnaire consisted of 24 statements which participants responded to on a scale ranging from 1 to 5, where 1 is *strongly disagree* and 5 is *strongly agree*. All the dimensions of the commitment scale were accepted, and there was only one item that had to be deleted; hence 23 of the 24 items were deemed to be acceptable. The internal consistency of the different scales of the questionnaire were also provided in the table. The Cronbach's alpha coefficient of each dimension identified in the exploratory factor analysis was analysed to determine the reliability of the scale as a whole. The Cronbach's alpha coefficient of the OCS construct for affective commitment was 0.860, and it was 0.909 for continuance commitment, which is good. However, the Cronbach's alpha coefficient of OCS is not good for normative commitment at 0.421. Item 9 was deleted to increase the internal consistency. Although normative commitment was not particularly good, the total internal consistency was improved to 0.877 after deleting item 9, which is good.

6.3.2 Inter-Item Correlations of the Measuring Instruments

According to tables 6.5 to 6.7, the inter-item correlations of the organisational culture and organisational commitment demonstrate that most of the correlations between the OCQ and OCS items are positive. These findings indicate a relatively high level of internal consistency across the scale and items of these two variables with overall reliability for OCS, OCQ (EC and PC) at 0.877, .0887 and 0.803, respectably. Meyer and Allen (1997) note that dimensions vary between 0.85 for affective, 0.79 for continuance and 0.73 for normative commitment. The overall reliability estimates exceed 0.70. Pallant (2013) concurs that Cronbach's alpha values above 0.7 are considered to indicate acceptable levels of reliability. Even though the reliability on normative commitment is low at 0.421, we can focus on the Cronbach's alpha instrument because the overall reliability across the OCQ scale and items exceed 0.70, at 0.877.

Table 6-5: Inter-item correlations for organisational culture - existing culture

	OCS01_EC	OCS02_EC	OCS03_EC	OCS04_EC	OCS05_EC	OCS06_EC	OCS07_EC	OCS08_EC	OCS09_EC	OCS10_EC	OCS11_EC	OCS12_EC	OCS13_EC	OCS14_EC	OCS15_EC
OCS01_EC	1.000	.275	.262	.310	.234	.282	.105	.096	.191	.184	.163	.128	.141	.212	.286
OCS02_EC	.275	1.000	.309	.184	.163	.224	.282	.100	.265	.301	.218	.276	.257	.195	.264
OCS03_EC	.262	.309	1.000	.281	.217	.295	.332	.127	.197	.302	.326	.279	.234	.170	.264
OCS04_EC	.310	.184	.281	1.000	.287	.193	.264	.019	.254	.263	.206	.215	.168	.142	.290
OCS05_EC	.234	.163	.217	.287	1.000	.305	.246	.041	.238	.355	.228	.226	.123	.142	.293
OCS06_EC	.282	.224	.295	.193	.305	1.000	.238	.214	.303	.297	.242	.221	.107	.209	.312
OCS07_EC	.105	.282	.332	.264	.246	.238	1.000	.131	.282	.370	.312	.239	.298	.225	.332
OCS08_EC	.096	.100	.127	.019	.041	.214	.131	1.000	.262	.184	.161	.171	.101	.206	.258
OCS09_EC	.191	.265	.197	.254	.238	.303	.282	.262	1.000	.325	.332	.222	.225	.265	.431
OCS10_EC	.184	.301	.302	.263	.355	.297	.370	.184	.325	1.000	.430	.330	.251	.240	.349
OCS11_EC	.163	.218	.326	.206	.228	.242	.312	.161	.332	.430	1.000	.331	.266	.206	.362
OCS12_EC	.128	.276	.279	.215	.226	.221	.239	.171	.222	.330	.331	1.000	.285	.228	.289
OCS13_EC	.141	.257	.234	.168	.123	.107	.298	.101	.225	.251	.266	.285	1.000	.265	.370
OCS14_EC	.212	.195	.170	.142	.142	.209	.225	.206	.265	.240	.206	.228	.265	1.000	.327
OCS15_EC	.286	.264	.264	.290	.293	.312	.332	.258	.431	.349	.362	.289	.370	.327	1.000

OCS_EC = Organisation culture statement- existence culture

OCS01 = Members of the organisation are expected to give first priority to (statement 01)

OCS02 = People who do well in the organisation tend to be those who (statement 02)

OCS03 = The organisation treats individuals (statement 03)

OCS04 = People are managed, directed or influenced by (statement 04)

OCS05 = Decision-making processes are characterised by (statement 05)

OCS06 = Assignments of tasks or jobs are based on (statement 06)

OCS07 = Employees are expected to be (statement 07)

OCS08 = Managers and supervisors are expected to be: (statement 08)

OCS09 = It is considered legitimate for one person to tell another what to do when (statement 09)

OCS10 = Work motivation is primarily the result of: (statement 10)

OCS11 = Relationships between workgroups or departments are generally: (statement 11)

OCS12 = Intergroup and interpersonal conflicts are usually: (statement 12)

OCS13 = a jungle, where the organisation is in competition for survival with others (statement 13)

OCS14 = If rules, systems or procedures get in the way, people: (statement 14)

OCS15 = New people in the organisation need to learn: (statement 15)

Table 6-6: Inter-item correlations for organisational culture – preferred culture

	OCS01_PC	OCS02_PC	OCS03_PC	OCS04_PC	OCS05_PC	OCS06_PC	OCS07_PC	OCS08_PC	OCS09_PC	OCS10_PC	OCS11_PC	OCS12_PC	OCS13_PC	OCS14_PC	OCS15_PC
OCS01_PC	1.000	.167	.214	-.006	.212	.094	.149	.117	.130	.153	.138	.116	.139	.055	.092
OCS02_PC	.167	1.000	.351	.281	.086	.248	.171	.126	.246	.306	.316	.159	.293	.004	.216
OCS03_PC	.214	.351	1.000	.196	.082	.149	.189	.135	.258	.223	.204	.118	.182	.058	.245
OCS04_PC	-.006	.281	.196	1.000	.211	.197	.278	.222	.127	.229	.156	.043	.141	.102	.285
OCS05_PC	.212	.086	.082	.211	1.000	.158	.292	-.031	.124	.193	.031	.033	.124	.055	.065
OCS06_PC	.094	.248	.149	.197	.158	1.000	.109	.223	.201	.255	.254	.193	.167	.043	.252
OCS07_PC	.149	.171	.189	.278	.292	.109	1.000	.090	.145	.301	.115	.184	.258	.103	.233
OCS08_PC	.117	.126	.135	.222	-.031	.223	.090	1.000	.107	.090	.198	.088	.165	.064	.239
OCS09_PC	.130	.246	.258	.127	.124	.201	.145	.107	1.000	.219	.177	.150	.307	.042	.200
OCS10_PC	.153	.306	.223	.229	.193	.255	.301	.090	.219	1.000	.380	.195	.226	.061	.208
OCS11_PC	.138	.316	.204	.156	.031	.254	.115	.198	.177	.380	1.000	.244	.240	.002	.210
OCS12_PC	.116	.159	.118	.043	.033	.193	.184	.088	.150	.195	.244	1.000	.244	.057	.265
OCS13_PC	.139	.293	.182	.141	.124	.167	.258	.165	.307	.226	.240	.244	1.000	.129	.220
OCS14_PC	.055	.004	.058	.102	.055	.043	.103	.064	.042	.061	.002	.057	.129	1.000	.029
OCS15_PC	.092	.216	.245	.285	.065	.252	.233	.239	.200	.208	.210	.265	.220	.029	1.000

OCS_PC = Organisation culture statement- preferred culture

OCS01 = Members of the organisation are expected to give first priority to (statement 01)

OCS02 = People who do well in the organisation tend to be those who (statement 02)

OCS03 = The organisation treats individuals (statement 03)

OCS04 = People are managed, directed or influenced by (statement 04)

OCS05 = Decision-making processes are characterised by (statement 05)

OCS06 = Assignments of tasks or jobs are based on (statement 06)

OCS07 = Employees are expected to be (statement 07)

OCS08 = Managers and supervisors are expected to be: (statement 08)

OCS09 = It is considered legitimate for one person to tell another what to do when (statement 09)

OCS10 = Work motivation is primarily the result of: (statement 10)

OCS11 = Relationships between work groups or departments are generally: (statement 11)

OCS12 = Intergroup and interpersonal conflicts are usually: (statement 12)

OCS13 = a jungle, where the organisation is in competition for survival with others (statement 13)

OCS14 = If rules, systems or procedures get in the way, people: (statement 14)

OCS15 = New people in the organisation need to learn: (statement 15)

Table 6-7: Inter-item correlations for organisational culture – preferred culture

	OCS_S01	OCS_S02	OCS_S03	OCS_S04	...	OCS_S20	OCS_S21	OCS_S22	OCS_S23	OCS_S24
OCS_S01	1.000	.512	.531	-.199	...	.577	.490	.496	.403	-.105
OCS_S02	.512	1.000	.348	-.039	...	.335	.206	.183	.086	-.048
OCS_S03	.531	.348	1.000	-.063	...	.523	.449	.426	.371	.061
OCS_S04	-.199	-.039	-.063	1.000	...	-.196	-.158	-.129	-.082	.187
OCS_S05	.659	.390	.547	-.186	...	.570	.486	.467	.356	-.046
OCS_S06	.606	.352	.520	-.175	...	.481	.454	.398	.343	-.004
OCS_S07	.739	.471	.599	-.138	...	.627	.480	.493	.367	-.100
OCS_S08	.667	.394	.554	-.152	...	.597	.492	.509	.396	-.029
OCS_S09	.209	.113	.103	-.193	...	.184	.089	.252	.115	-.108
OCS_S10	.351	.214	.241	-.134	...	.343	.354	.384	.309	-.001
OCS_S11	.181	.160	.205	-.100	...	.178	.368	.248	.251	-.102
OCS_S12	-.053	.080	.030	.162	...	.084	.129	-.012	.030	.089
OCS_S13	-.046	.030	.100	.029	...	.027	.064	.121	.132	-.024
OCS_S14	-.039	.067	.087	.215	...	.029	.054	.078	.169	.049
OCS_S15	-.074	-.009	.114	.066	...	.028	.106	.025	.076	.034
OCS_S16	.411	.267	.321	-.227	...	.408	.450	.303	.303	-.065
OCS_S17	.245	.165	.207	-.025	...	.240	.185	.223	.262	.069
OCS_S18	.544	.235	.529	-.146	...	.628	.506	.629	.554	-.097
OCS_S19	-.102	-.175	-.036	.149	...	-.057	-.090	-.009	-.065	.257
OCS_S20	.577	.335	.523	-.196	...	1.000	.562	.591	.460	-.015
OCS_S21	.490	.206	.449	-.158	...	.562	1.000	.474	.547	-.044
OCS_S22	.496	.183	.426	-.129	...	.591	.474	1.000	.611	-.013
OCS_S23	.403	.086	.371	-.082	...	.460	.547	.611	1.000	-.077
OCS_S24	-.105	-.048	.061	.187	...	-.015	-.044	-.013	-.077	1.000

OCS_S = Organisation commitment scale- statement

OCS_S01 = I would be very happy to spend the rest of my career with this organisation

OCS_S02 = I enjoy discussing my organisation with people outside it

OCS_S03 = I really feel that this organisation's problems are my own

OCS_S04 = I think that I could easily become as attached to another organisation as I am to this one

OCS_S05 = I feel like part of the family at my organisation

OCS_S06 = I feel emotionally attached to this organisation

OCS_S07 = This organisation has a great deal of personal meaning for me

OCS_S08 = I feel a strong sense of belonging to my organisation

OCS_S09 = I am not afraid of what might happen if I quit my job without another one lined up

OCS_S10 = It would be very hard for me to leave my organisation right now, even if I wanted to

OCS_S11 = Too much in my life would be disrupted if I decided I wanted to leave my organisation now.

OCS_S12 = It would not be too costly for me to leave my organisation now

OCS_S13 = Right now, staying with my organisation is a matter of necessity as much as desire

OCS_S14 = I feel that I have too few options to consider leaving the organisation

OCS_S15 = One of the few consequences of leaving this organisation would be the scarcity of available alternatives

OCS_S16 = One of the major reasons I continue to work for this organisation is that leaving would require considerable personal sacrifice - another

OCS_S17 = I think that people these days move from company to company too often

OCS_S18 = I believe that a person must always be loyal to his or her organisation

OCS_S19 = Jumping from organisation to organisation does not seem at all unethical to me

OCS_S20 = One of the major reasons I continue to work for this organisation is that I believe that loyalty is important and therefore feel a sense of

OCS_S21 = If I got another offer for a better job elsewhere I would not feel it was right to leave my organisation

OCS_S22 = I was taught to believe in the value of remaining loyal to one organisation

OCS_S23 = Things were better in the days when people stayed with one organisation for most of their careers

OCS_S24 = I think that wanting to be a company man or company woman is sensible anymore

6.3.3 Mean scores of organisational culture (PC & EC) and organisational commitment

Table 6-8: Summary of the Means and Standard Deviations for the OCQ (EC) instrument

Dimension	N	Minimum	Maximum	Mean	Standard Deviation
Existing Power Culture	318	1	4	2.63	1.27
Existing Role Culture	318	1	4	2.95	2.14
Existing Achievement Culture	318	1	4	2.77	1.61
Total				**2.78**	

Table 6.8 indicates the scores reported based on the standard variable scores based on the items for the OCQ - EC variable. The mean scores range from 2.63 to 2.95 on organisational culture–existing culture. The highest score was on the existing role culture (mean = 2.95), which is much closer to 3, indicating that the perceived dominant culture in this organisation is role culture. This indicates that employees of this organisation perceive the current culture as one that provides stability, justice and efficient performance. Role culture is based on structure and indicates how the role culture substitutes a system of structures and procedures for the naked power of the leaders, which give protection to subordinates and stability in the organisation (Harrison, 1993).

Achievement culture was the next highest score with a mean score of 2.77. According to this culture, the focus by leadership, individuals and the organisation is mainly on growth, success and distinction. It measures how the organisational culture is based on competence. This type of organisational culture is job or project oriented where the end task is to bring together the appropriate resources, the right people at the right level of the organisation and to let them get on with the task (Harrison, 1993).

Power culture was the least preferred at 2.63. This dimension measures the inequality of accessing resources such as money, privileges, job security, working conditions and the ability to control other's access to these. Power culture allows people in power to be either good or bad. Thus, the resources of the organisation can be used to frustrate members or to make them happy. This is believed to be the tool used to control others or behaviours of employees. Power is centred on an individual or a few individuals in the organisation (Harrison, 1993). The existing support culture did not meet the required reliability criteria and was excluded. The standard deviations of the dimensions range from 1.27 to 2.14, which explains the variability in the respondents (i.e. employees).

Table 6-9: Summary of the Means and Standard Deviations for the OCQ (PC) instrument

Dimension	N	Minimum	Maximum	Mean	Standard Deviation
Preferred Power Culture	318	1	4	3.01	1.14
Preferred Role culture	318	1	4	2.83	1.84
Preferred Achievement Culture	318	1	4	2.87	2.07
Total				**2.90**	

Table 6.9 provides the scores reported based on standard variable scores based on the items for the OCQ – PC variable. The mean scores range from 2.83 to 3.01 on organisational culture–preferred culture. The dominant preferred culture in this organisation is the power culture with a mean of 3.01. "The dimension measures how leadership is based on the strength, justice and paternalistic compassion of the leader and the distribution of power in the organisation to control and influence others' behaviour. Most crucial decisions are made by the person in power and that particular person has absolute authority in almost all matters of the business. Thus, the success of the organisation is strongly dependent on the capabilities of the leader(s). This means that employees prefer leadership that is strong in terms of direction, decisiveness and determination" (Wiseman, Ngirande & Setati, 2017, pp. 244-245). Achievement culture was the next dominant, with a mean score of 2.87. In this culture, influence is based more on expert power than on position or personal power, but the influence is more widely dispersed. It measures how organisational culture is based on competence (Harrison, 1993).

Closely aligned to achievement culture in terms of the mean score is role culture which is the least dominant with a mean score of 2.83. This type of culture is based on structure and indicates how the role culture substitutes a system of structures and procedures for the naked power of the leaders, which give them protection to subordinates and stability in the organisation (Harrison, 1993).

The preferred support culture did not meet the required reliability criteria and was excluded. The standard deviations of the dimensions ranged from 1.14 to 2.07.

Table 6-10: Summary of the Means and Standard Deviations for the OCS instrument

Dimension	N	Minimum	Maximum	Mean	Standard Deviation
Affective commitment	318	1	5	3.50	1.20
Continuance commitment	318	1	5	3.25	1.27
Normative commitment	318	1	5	3.39	1.21
Total				3.38	

Table 6.10 provides score reports based on standard variable scores for the items of the OCS instrument. In this summary table, the mean scores indicate that employees are generally committed to the organisation for various reasons, with mean scores ranging from 3.25 to 3.50 on organisational commitment. The highest score is on affective commitment at 3.50, indicating that employees stay with the organisation because they feel a strong sense of belonging to the organisation (Allen & Meyer, 1996).

Normative commitment was the next highest with a mean score of 3.39 commitment, which shows that as much as the employees have affection to the organisation, there is a sense of obligation to stay with the organisation. Employees stay in the organisation because they believe they ought to. These employees display both loyalty and moral aspects in the sense that they stay even if things are not good for them because it is the right thing to do (Allen & Meyer, 1996).

Also indicating a positive mean at 3.25 is continuance commitment, which indicates the employees' commitment based on costs associated with leaving the organisation. Employees with this kind of commitment stay employed in the organisation because they need to. Fear of loss can extend beyond financial concerns and include concerns such as the loss of friendships that the employees have developed whilst working for the organisation (Allen & Meyer, 1996).

The standard deviations of the dimensions ranged from 1.20 to 1.27.

6.3.4 Descriptive Summary of the OCQ and the OCS Instruments

Tables 6.11 and 6.12 summarise the perspective of the employees towards the OCQ and OCS.

145

Table 6-11: Descriptive summary of the organisational culture - EC & PC.

	Stdev	Min	Max	Mean	Mode	1	2	3	4
OCS01_EC	1.014	1	4	2.14	2	97 (30.5%)	127 (39.9%)	47 (14.8%)	47 (14.8%)
OCS01_PC	.988	1	4	2.71	3	51 (16.0%)	61 (19.2%)	135 (42.5%)	71 (22.3%)
OCS02_EC	1.050	1	4	2.32	2	86 (27.0%)	98 (30.8%)	80 (25.2%)	54 (17.0%)
OCS02_PC	.989	1	4	2.75	3	42 (13.2%)	79 (24.8%)	114 (35.8%)	83 (26.1%)
OCS03_EC	1.078	1	4	2.43	2	73 (23.0%)	106 (33.3%)	67 (21.1%)	72 (22.6%)
OCS03_PC	.932	1	4	2.91	3	29 (9.1%)	67 (21.1%)	127 (39.9%)	95 (29.9%)
OCS04_EC	.953	1	4	2.11	2	96 (30.2%)	122 (38.4%)	68 (21.4%)	32 (10.1%)
OCS04_PC	.881	1	4	2.57	3	38 (11.9%)	107 (33.6%)	127 (39.9%)	46 (14.5%)
OCS05_EC	.974	1	4	1.77	1	166 (52.2%)	90 (28.3%)	32 (10.1%)	30 (9.4%)
OCS05_PC	1.041	1	4	2.74	2	38 (11.9%)	110 (34.6%)	67 (21.1%)	103 (32.4%)
OCS06_EC	.994	1	4	2.22	2	82 (25.8%)	130 (40.9%)	59 (18.6%)	47 (14.8%)
OCS06_PC	.952	1	4	2.83	3	30 (9.4%)	86 (27.0%)	111 (34.9%)	91 (28.6%)
OCS07_EC	1.065	1	4	2.23	1	103 (32.4%)	89 (28.0%)	77 (24.2%)	49 (15.4%)
OCS07_PC	.912	1	4	2.96	3	35 (33%)	33 (10.4%)	159 (50.0%)	91 (28.6%)
OCS08_EC	1.312	1	4	2.29	1	139 (43.7%)	49 (15.4%)	29 (9.1%)	101 (31.8%)
OCS08_PC	1.281	1	4	2.77	4	92 (28.9%)	29 (9.1%)	57 (17.9%)	140 (44.0%)
OCS09_EC	1.064	1	4	2.31	2	90 (28.3%)	93 (29.2%)	80 (25.2%)	55 (17.3%)
OCS09_PC	.917	1	4	2.96	3	31 (9.7%)	47 (14.8%)	144 (45.3%)	96 (30.2%)
OCS10_EC	1.138	1	4	2.40	1	101 (31.8%)	54 (17%)	97 (30.5%)	66 (20.8%)
OCS10_PC	.889	1	4	3.12	3	27 (28.0%)	28 (8.8%)	144 (45.3%)	119 (37.4%)
OCS11_EC	1.113	1	4	2.36	1	93 (29.2%)	86 (27.0%)	72 (22.6%)	67 (21.1%)
OCS11_PC	.951	1	4	3.14	4	31 (9.7%)	31 (9.7%)	118 (37.1%)	138 (43.4%)
OCS12_EC	1.121	1	4	2.45	1	88 (27.7%)	71 (22.3%)	87 (27.4%)	72 (22.6%)
OCS12_PC	.913	1	4	3.13	3	29 (9.1%)	27 (8.5%)	135 (42.5%)	127 (39.9%)
OCS13_EC	.937	1	4	2.40	2	61 (19.2%)	109 (34.3%)	108 (34.0%)	40 (12.6%)
OCS13_PC	.880	1	4	2.81	3	26 (8.2%)	81 (25.5%)	139 (43.7%)	72 (22.6%)
OCS14_EC	.879	1	4	2.12	2	76 (23.9%)	159 (50.0%)	53 (16.7%)	30 (9.4%)
OCS14_PC	.930	1	4	2.57	2	19 (6.0%)	179 (56.3%)	41 (12.9%)	79 (24.8%)
OCS15_EC	.986	1	4	2.33	2	70 (22.0%)	123 (38.7%)	76 (23.9%)	49 (15.4%)
OCS15_PC	.888	1	4	2.97	3	26 (8.2%)	51 (16.0%)	146 (45.9%)	95 (29.9%)

OCS_EC = Organisational culture statement- existence culture

OCS_PC = Organisational culture statement- preferred culture

OCS01 = Members of the organisation are expected to give first priority to (statement 01)

OCS02 = People who do well in the organisation tend to be those who (statement 02)

OCS03 = The organisation treats individuals (statement 03)

OCS04 = People are managed, directed or influenced by (statement 04)

OCS05 = Decision-making processes are characterised by (statement 05)

OCS06 = Assignments of tasks or jobs are based on (statement 06)

OCS07 = Employees are expected to be: (statement 07)

OCS08 = Managers and supervisors are expected to be: (statement 08)

OCS09 = It is considered legitimate for one person to tell another what to do when: (statement 09)

OCS10 = Work motivation is primarily the result of: (statement 10)

OCS11 = Relationships between work groups or departments are generally: (statement 11)

OCS12 = Intergroup and interpersonal conflicts are usually: (statement 12)

OCS13 = a jungle, where the organisation is in competition for survival with others (statement 13)

OCS14 = If rules, systems or procedures get in the way, people: (statement 14)

OCS15 = New people in the organisation need to learn: (statement 15)

Stdev = Standard deviation; Min = minimum; Max = maximum (statement 01)

1 = Least dominant; 2 = second least dominant; 3 = second most dominant; 4 = most dominant (statement 01)

Table 6.11 provides a detailed analysis of the OCQ (EC and PC), i.e. the mean and standard deviation per statement or item on the questionnaire. The table indicates that the mean scores range from 1.77 to 2.45 on organisational culture-EC and from 2.57 to 3.14 on organisational culture-PC. The highest score on the existing culture was the role culture and power culture in terms of preferred culture.

The standard deviations of the existing culture dimensions ranged from .0879 to 1.312, whilst the preferred culture deviations ranged from .880 to 1.281. From the above table, the mean values of the OCQ-EC and OCQ-PC are closer to 2 and 3, respectively, which means that the employees tend to agree on the statement on a greater scale than 2. These results mean that the employee's dominant or next most dominant view represents that currently the organisation is based on structure, i.e. a system of structures and procedures are substituted for the naked power of the leaders, which give them protection to subordinates and stability in the organisation. This dimension measures values such as control, stability, order, dependability, rationality and consistency. The employees view the organisation as one that provides stability, justice and efficient performance. The role or job description is more important than the individual who fulfils it in this culture (Harrison, 1993). Other items can be interpreted in a similar way on Table 6.11.

However, the members of this organisation prefer the power culture as indicated by the score in table 6.11 on preferred culture. Power culture is based on strength in terms of direction, decisiveness and determination and measures the ability to control other's access to privileges, job security and working conditions. This means that employees prefer an organisation in which leadership is based on the strength, justice and paternalistic compassion of the leader (Harrison, 1993).

147

Table 6-12: Descriptive summary of the diagnostic of organisational commitment scale

	Stdev	Min	Max	Mean	Mode	1	2	3	4	5
OCS_S01	1.236	1	5	3.69	5	32 (10.1%)	12 (3.8%)	79 (24.8%)	95 (29.9%)	100 (31.4%)
OCS_S02	1.170	1	5	3.63	4	25 (7.9%)	23 (7.2%)	78 (24.5%)	110 (34.6%)	82 (25.8%)
OCS_S03	1.168	1	5	3.44	4	28 (8.8%)	33 (10.4%)	87 (27.4%)	110 (34.6%)	60 (18.9%)
OCS_S04	1.239	1	5	2.97	3	46 (14.5%)	71 (22.1%)	89 (28.0%)	72 (22.6%)	40 (12.6%)
OCS_S05	1.199	1	5	3.65	4	24 (7.5%)	32 (10.1%)	62 (19.5%)	112 (35.2%)	88 (27.7%)
OCS_S06	1.161	1	5	3.38	4	31 (9.7%)	32 (10.1%)	91 (28.6%)	113 (35.5%)	51 (16.0%)
OCS_S07	1.145	1	5	3.63	4	26 (8.2%)	22 (6.9%)	66 (20.8%)	133 (41.8%)	71 (22.3%)
OCS_S08	1.139	1	5	3.62	4	25 (7.9%)	26 (8.2%)	61 (19.2%)	139 (43.7%)	67 (21.1%)
OCS_S09	1.316	1	5	3.48	5	31 (9.7%)	44 (13.8%)	82 (25.8%)	63 (19.8%)	98 (30.8%)
OCS_S10	1.230	1	5	3.57	4	26 (8.2%)	39 (12.3%)	65 (20.4%)	104 (32.7%)	84 (26.4%)
OCS_S11	1.247	1	5	3.55	5	26 (8.2%)	40 (12.6%)	75 (23.6%)	88 (27.7%)	89 (28.0%)
OCS_S12	1.301	1	5	2.87	3	60 (18.9%)	71 (22.3%)	79 (24.8%)	67 (21.1%)	41 (12.9%)
OCS_S13	1.055	1	5	3.72	4	75 (23.6%)	133 (41.8%)	69 (21.7%)	27 (8.5%)	14 (4.4%)
OCS_S14	1.132	1	5	3.06	3	31 (9.7%)	68 (21.4%)	103 (32.4%)	83 (26.1%)	33 (10.4%)
OCS_S15	1.177	1	5	3.22	4	33 (10.4%)	51 (16.0%)	88 (27.7%)	104 (32.7%)	42 (13.2%)
OCS_S16	1.248	1	5	3.42	4	32 (10.1%)	44 (13.8%)	67 (21.1%)	107 (33.6%)	68 (21.4%)
OCS_S17	1.068	1	5	3.77	4	12 (3.8%)	29 (9.1%)	66 (20.8%)	123 (38.7%)	88 (27.7%)
OCS_S18	1.065	1	5	3.98	5	10 (3.1%)	21 (6.6%)	60 (18.9%)	101 (31.8%)	126 (39.6%)
OCS_S19	1.216	1	5	3.30	4	38 (11.9%)	36 (11.3%)	88 (27.7%)	105 (33.0%)	51 (16.0%)
OCS_S20	1.141	1	5	3.54	4	23 (7.2%)	34 (10.7%)	74 (23.3%)	123 (38.7%)	64 (20.1%)
OCS_S21	1.225	1	5	2.91	3	53 (16.7%)	60 (18.9%)	101 (31.8%)	70 (22.0%)	34 (10.7%)
OCS_S22	1.232	1	5	3.50	4	25 (7.9%)	51 (16.0%)	57 (17.9%)	110 (34.6%)	75 (23.6%)
OCS_S23	1.300	1	5	3.17	4	51 (16.0%)	41 (12.9%)	79 (24.8%)	96 (30.2%)	51 (16.0%)
OCS_S24	1.080	1	5	2.95	3	41 (12.9%)	45 (14.2%)	148 (46.5%)	58 (18.2%)	26 (8.2%)

OCS_S = Organisational commitment scale- statement

OCS_S01 = I would be very happy to spend the rest of my career with this organisation

OCS_S02 = I enjoy discussing my organisation with people outside it

OCS_S03 = I really feel that this organisation's problems are my own

OCS_S04 = I think that I could easily become as attached to another organisation as I am to this one

OCS_S05 = I feel like part of the family at my organisation

OCS_S06 = I feel emotionally attached to this organisation

OCS_S07 = This organisation has a great deal of personal meaning for me

OCS_S08 = I feel a strong sense of belonging to my organisation

OCS_S09 = I am not afraid of what might happen if I quit my job without another one lined up

OCS_S10 = It would be very hard for me to leave my organisation right now, even if I wanted to

OCS_S11 = Too much in my life would be disrupted if I decided I wanted to leave my organisation now.

OCS_S12 = It would not be too costly for me to leave my organisation now

OCS_S13 = Right now, staying with my organisation is a matter of necessity as much as desire

OCS_S14 = I feel that I have too few options to consider leaving the organisation

OCS_S15 = One of the few consequences of leaving this organisation would be the scarcity of available alternatives

OCS_S16 = One of the major reasons I continue to work for this organisation is that leaving would require considerable personal sacrifice - another organisation may not match the overall benefits I have here

OCS_S17 = I think that people these days move from company to company too often

OCS_S18 = I believe that a person must always be loyal to his or her organisation

OCS_S19 = Jumping from organisation to organisation does not seem at all unethical to me

OCS_S20 = One of the major reasons I continue to work for this organisation is that I believe that loyalty is important and therefore feel a sense of moral obligation to remain

OCS_S21 = If I got another offer for a better job elsewhere I would not feel it was right to leave my organisation

OCS_S22 = I was taught to believe in the value of remaining loyal to one organisation

OCS_S23 = Things were better in the days when people stayed with one organisation for most of their careers

OCS_S24 = I think that wanting to be a company man or company woman is sensible anymore

Stdev = Standard deviation; Min = minimum; Max = maximum

1 = Strongly disagree; 2 = Disagree; 3 = Neither agree nor disagree; 4 = Agree; Strongly agree

Similar to Table 6.11, Table 6.12 provides a detailed analysis of the OCS per item or statement. The mean scores range from 2.87 to 3.98 on organisational commitment. The standard deviations of the dimensions range from 1.055 to 1.316. From this table, for most of the items, the mean value is between 3 and 4 (most of the values are closer to 4) which means that the employees tend to agree with the statement. For example, the employees tend to agree that they would be very happy to spend the rest of their careers with this organisation and enjoy discussing the organisation with people outside it. They also agree that they feel like part of the family in this organisation and feel emotionally attached to the organisation. However, the employees also displaced a sense of continuance commitment, which means to an extent they would also stay with the organisation because they need to for reasons such as costs associated with leaving the organisation and loss of friendships (Allen & Meyer, 1996). The employees tend to neither agree nor disagree that they could easily become as attached to another organisation as they are to the current.

6.3.5 Multiple Comparisons- Dependent variables - Mean value

Figure 6.1 (a-g) displays information on the mean difference for the different demographic groups. For instance, the older the employee, the higher the position. The older the employees, the more experience they have (see Figure 6.1 (b)). The rest of the graphs can be interpreted in a similar way, except for Figure 6.1 (f), which highlights that the first years of service does not necessarily influence positions positively. However, as the years of service of the employee increases, the position turns to be positively influenced.

(a)

(b)

(c)

(d)

(e)

(f)

150
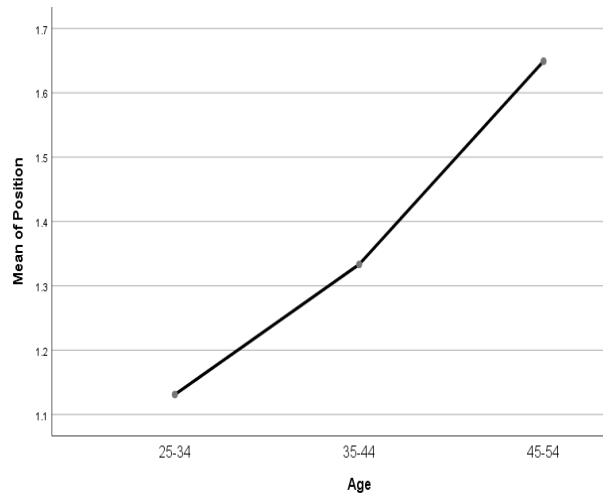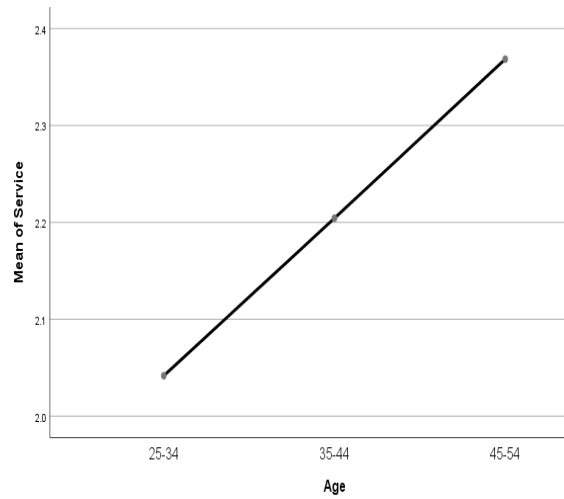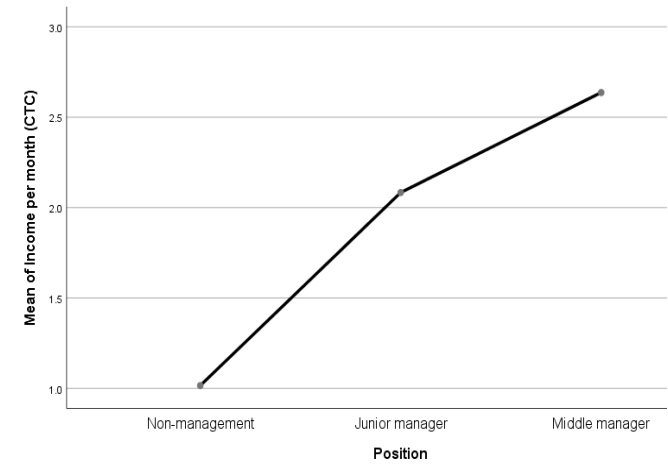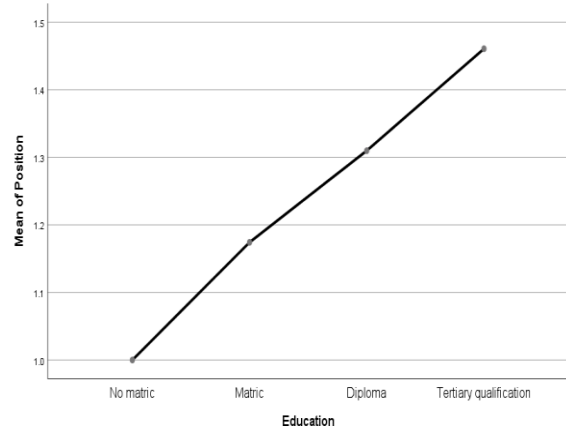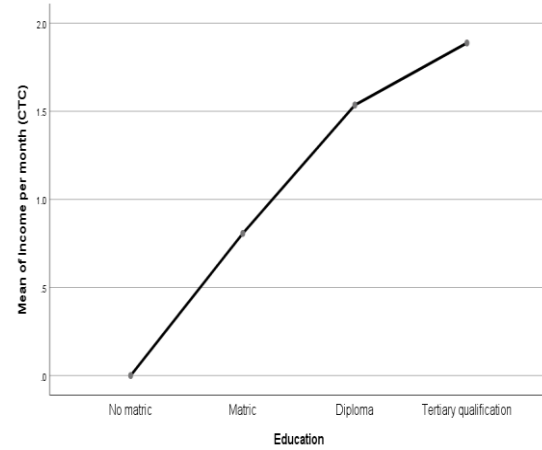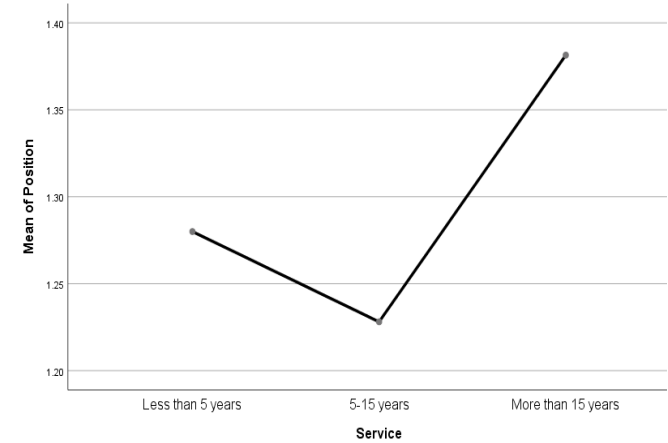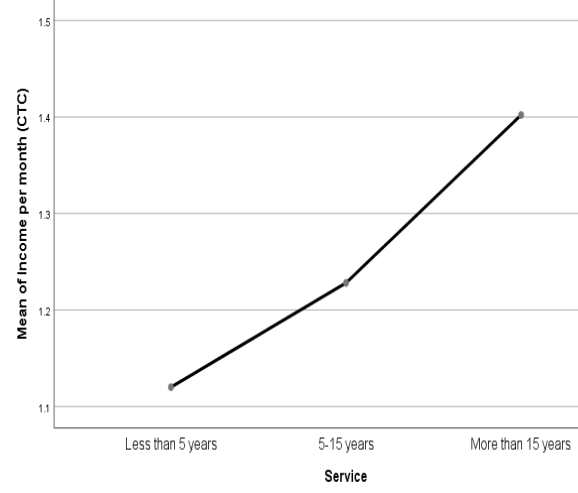
(g)

Figure 6.1: Mean value for different groups

6.4 CORRELATIONAL STATISTICS

To investigate the impact between the variables under study, correlational statistics for the variables were obtained. These correlations were obtained to test the hypotheses, which are:

(H_0): There is no significant impact between organisational culture and employee commitment.

(H_1): There is a significant impact between organisational culture and employee commitment.

The researcher was guided by these statistics to accept or reject the hypothesis. The statistics determine significant impact between variables and their dimensions. Pearson's correlations were used to determine the level of significance. These correlations determine whether the null hypothesis is true or false. Hypothesis (H_1) was accepted based at a 5% level of significance and therefore the null hypothesis (H_0) was rejected.

Below, Pearson correlations for the dimensions of the independent variable and the dependent variables are provided.

6.4.1 Correlation analysis

Once the reliability statistics and the descriptive analysis of the data are completed, the next step in the process is the correlation analysis done by means of the Pearson product-moment correlation. These correlations identify the direction and significance on the impact between the OCS-EC, OCS-PC and OCS factors.

6.4.1.1 Correlation analysis - demographic data

Table 6-13: Correlation for demographic data

		Age	Service	Education	Position	Income per month (CTC)
Age	Pearson Correlation	1	.188**	-.214**	.298**	.126*
	Sig. (2-tailed)		.001	.000	.000	.025
	N	318	318	318	318	318
Service	Pearson Correlation	.188**	1	-.002	.072	.089
	Sig. (2-tailed)	.001		.972	.202	.111
	N	318	318	318	318	318
Education	Pearson Correlation	-.214**	-.002	1	.194**	.445**
	Sig. (2-tailed)	.000	.972		.000	.000
	N	318	318	318	318	318
Position	Pearson Correlation	.298**	.072	.194**	1	.496**
	Sig. (2-tailed)	.000	.202	.000		.000
	N	318	318	318	318	318

		Age	Service	Education	Position	Income per month (CTC)
Income per month (CTC)	Pearson Correlation	.126**	.089	.445**	.496**	1
	Sig. (2-tailed)	.025	.111	.000	.000	
	N	318	318	318	318	318

significant at 1% (**) and significant at 5% (*)

[P≤0.001; P≤0.01; P≤0.05]

The purpose of the table above is to provide further analysis of how demographic variables impact one another. From table 6.13 above, it is evident that there is a significant positive relationship between age group and years of experience ($p\text{-}values = 0.001 < 0.01$). This means, the older the employees, the more experience they have. There is also a significant positive relationship between age group and position in the organisation. The older the employee, the higher the position in the organisation. This can also be explained by the experience one obtained that allows him to get promotion after some time.

At 1% significant level, there are significant positive relationships between education-position and education-income. This means the more educated the employee is, the higher his position will be in the organisation and the more educated he is, the higher the income. This is consistent with Boshara, Emmons and Noeth (2015), cited in Woll and Sullivan (2017) who confirms that the relationship between education and income is strong, i.e. those with more education earn a higher income. However, at the 1% significant level, there is a significant negative relationship between education and age group. This means that young employees are more educated than the old ones.

There are significant position correlations at the 1% significant level between age group with income, education with income and position with income. This means that the older the employee, the higher the income, the more educated he is; the higher the income and the higher the position, the higher the income. Studies by Ziyou (2014) on the relationship between income and age as well as education and gender found that there is a significant and positive relationship between higher education and income. Age was found not to have a significant relationship with income. Gender was found to have a significant relationship with income.

6.4.1.2 Multiple comparisons organisational culture - EC and organisational commitment

From table 6.14, at a 5% level of significance, it can be seen that for existing culture, power and role culture are positively correlated with affective and continuance commitment and uncorrelated to normative commitment. This means that when the level of affective and continuance commitment increases, the level of power and role cultures increases as well and

153

visa versa. It can also be observed that at a 5% significance level, the achievement culture of the existing culture is significantly correlated to affective commitment and uncorrelated to the continuance and normative commitment. The higher the level of affective commitment, the higher the level of achievement commitment.

Table 6-14: Correlation analysis between OCS-EC and OCS

		Affective commitment	Continuance commitment	Normative commitment
Power culture	Correlation (*r*)	.285**	.211**	-.049
	p-value	.000	.000	.389
Role culture	Correlation (*r*)	.174**	.133*	-.020
	p-value	.002	.018	.722
Achievement culture	Correlation (*r*)	.142*	-.005	.072
	p-value	.011	.931	.203

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed). `

Table 6.15 indicates that at 5% significance level, power culture of the preferred culture is negatively correlated to continuance commitment (p-value=0.01) and statistically uncorrelated to other OCS factors (p-value >0.05). This means that when the level of continuance commitment increases, the level of power culture decreases and vice versa.

Table 6-15: Correlation analysis between OCS- PC and OCS

		Affective commitment	Continuance commitment	Normative commitment
Power culture	Correlation (*r*)	-.038	**-.142***	-.002
	p-value	.502	.011	.976
Role culture	Correlation (*r*)	.076	-.004	-.025
	p-value	.174	.942	.655
Achievement culture	Correlation (*r*)	-.074	.048	.000
	p-value	.187	.397	.998

*. Correlation is significant at the 0.05 level (2-tailed).

6.4.1.3 Multiple Comparisons OCQ-EC and OCS

From table 6.16, it is evident that with respect to existing power culture, under affective commitment, most of the employees choose the most dominant view instead of the least view (significant positive mean value with p-value=0.002<0.05). Comparing the second most dominant to the least dominant view, the employees prefer the second most dominant view

instead of the least dominant view (significant positive mean value with p-value=0.004<0.05). Under continuance commitment, the employees tend to choose the most dominant view instead of the least view. With regards to normative commitment, there is no significant mean difference since all the p-values are greater than 0.05.

Table 6-16: Multiple Comparisons: Power culture - EC and OCS

Dependent Variable	(I) Power culture	(J) Power culture	Mean Difference (I-J)	Std. Error	Sig.
Affective commitment	Least dominant	Second least dominant	-.12939231	.37173097	.728
		Second most dominant	-.53766267*	.18497482	.004
		Most dominant	-.81208481*	.25745551	.002
	Second least dominant	Least dominant	.12939231	.37173097	.728
		Second most dominant	-.40827035	.33426560	.223
		Most dominant	-.68269250	.37921121	.073
	Second most dominant	Least dominant	.53766267*	.18497482	.004
		Second least dominant	.40827035	.33426560	.223
		Most dominant	-.27442214	.19958186	.170
	Most dominant	Least dominant	.81208481*	.25745551	.002
		Second least dominant	.68269250	.37921121	.073
		Second most dominant	.27442214	.19958186	.170
Continuous commitment	Least dominant	Second least dominant	-.40229735	.37525940	.285
		Second most dominant	-.42051403*	.18673058	.025
		Most dominant	-.60969128*	.25989925	.020
	Second least dominant	Least dominant	.40229735	.37525940	.285
		Second most dominant	-.01821668	.33743841	.957
		Most dominant	-.20739393	.38281065	.588
	Second most dominant	Least dominant	.42051403*	.18673058	.025
		Second least dominant	.01821668	.33743841	.957
		Most dominant	-.18917725	.20147626	.348
	Most dominant	Least dominant	.60969128*	.25989925	.020
		Second least dominant	.20739393	.38281065	.588
		Second most dominant	.18917725	.20147626	.348
Normative commitment	Least dominant	Second least dominant	-.06549256	.37837311	.863

Dependent Variable	(I) Power culture	(J) Power culture	Mean Difference (I-J)	Std. Error	Sig.
		Second most dominant	.12595610	.18827998	.504
		Most dominant	.24850097	.26205577	.344
	Second least dominant	Least dominant	.06549256	.37837311	.863
		Second most dominant	.19144866	.34023831	.574
		Most dominant	.31399354	.38598702	.417
	Second most dominant	Least dominant	-.12595610	.18827998	.504
		Second least dominant	-.19144866	.34023831	.574
		Most dominant	.12254488	.20314801	.547
	Most dominant	Least dominant	-.24850097	.26205577	.344
		Second least dominant	-.31399354	.38598702	.417
		Second most dominant	-.12254488	.20314801	.547
		Most dominant	.08285551	.20038073	.680
	Most dominant	Least dominant	-.64497592*	.25848604	.013
		Second least dominant	-.31109037	.38072910	.414
		Second most dominant	-.08285551	.20038073	.680

*The mean difference is significant at the 0.05 level.

From table 6.17, it can be observed that with respect to existing role culture, under affective commitment, most of the employees tend to choose the most dominant view instead of the second least dominant view (significant positive mean value with p-value=0.043<0.05). There is no significant difference under continuance, and normative commitments with respect to the role culture since all p-values are greater than 0.05.

Table 6-17: Multiple Comparisons: Role culture - EC and OCS

Dependent Variable	(I) Role culture	(J) Role culture	Mean Difference (I-J)	Std. Error	Sig.
Affective commitment	Least dominant	Second least dominant	.02302330	.16367663	.888
		Second most dominant	-.21198314	.17527092	.227
		Most dominant	-.41259244	.24448467	.092
	Second least dominant	Least dominant	-.02302330	.16367663	.888
		Second most dominant	-.23500644	.13085465	.073
		Most dominant	-.43561574*	.21488555	.043
		Least dominant	.21198314	.17527092	.227

Dependent Variable	(I) Role culture	(J) Role culture	Mean Difference (I-J)	Std. Error	Sig.
	Second most dominant	Second least dominant	.23500644	.13085465	.073
		Most dominant	-.20060930	.22384292	.371
	Most dominant	Least dominant	.41259244	.24448467	.092
		Second least dominant	.43561574*	.21488555	.043
		Second most dominant	.20060930	.22384292	.371
Continuous commitment	Least dominant	Second least dominant	-.15128591	.16400174	.357
		Second most dominant	-.31021387	.17561906	.078
		Most dominant	-.45377657	.24497029	.065
	Second least dominant	Least dominant	.15128591	.16400174	.357
		Second most dominant	-.15892795	.13111457	.226
		Most dominant	-.30249065	.21531237	.161
	Second most dominant	Least dominant	.31021387	.17561906	.078
		Second least dominant	.15892795	.13111457	.226
		Most dominant	-.14356270	.22428754	.523
	Most dominant	Least dominant	.45377657	.24497029	.065
		Second least dominant	.30249065	.21531237	.161
		Second most dominant	.14356270	.22428754	.523
Normative commitment	Least dominant	Second least dominant	.14375813	.16473420	.384
		Second most dominant	.26097398	.17640340	.140
		Most dominant	.12465816	.24606436	.613
	Second least dominant	Least dominant	-.14375813	.16473420	.384
		Second most dominant	.11721585	.13170015	.374
		Most dominant	-.01909997	.21627399	.930
	Second most dominant	Least dominant	-.26097398	.17640340	.140
		Second least dominant	-.11721585	.13170015	.374
		Most dominant	-.13631581	.22528924	.546
	Most dominant	Least dominant	-.12465816	.24606436	.613
		Second least dominant	.01909997	.21627399	.930
		Second most dominant	.13631581	.22528924	.546

*The mean difference is significant at the 0.05 level.

From table 6.18, it can be seen that with respect to existing achievement culture, under affective commitment, most of the employees choose the most dominant view instead of the

least and second least views (significant positive mean value with p-values < 0.05). Comparing the second most dominant to the least dominant view under continuance commitment, the employees prefer the second least dominant view instead of the second most dominant view (significant positive mean value with p-value<0.05). Under normative and, there is no significant mean difference since all the p-values are greater than 0.05.

Table 6-18: Multiple Comparisons: Achievement culture - EC and OCS

Dependent Variable	(I) Achievement	(J) Achievement	Mean Difference (I-J)	Std. Error	Sig.
Affective commitment	Least dominant	Second least	-.39267598*	.15553745	.012
		Second most	-.53722458*	.16126764	.001
		Most dominant	-.52946238*	.21871310	.016
	Second least dominant	Least dominant	.39267598*	.15553745	.012
		Second most	-.14454861	.13132350	.272
		Most dominant	-.13678641	.19767152	.489
	Second most dominant	Least dominant	.53722458*	.16126764	.001
		Second least	.14454861	.13132350	.272
		Most dominant	.00776220	.20221124	.969
	Most dominant	Least dominant	.52946238*	.21871310	.016
		Second least	.13678641	.19767152	.489
		Second most	-.00776220	.20221124	.969
Continuous commitment	Least dominant	Second least	.05258026	.15580914	.736
		Second most	.31562982	.16154935	.052
		Most dominant	-.30517367	.21909515	.165
	Second least dominant	Least dominant	-.05258026	.15580914	.736
		Second most	.26304956*	.13155290	.046
		Most dominant	-.35775394	.19801681	.072
	Second most dominant	Least dominant	-.31562982	.16154935	.052
		Second least	-.26304956*	.13155290	.046
		Most dominant	-.62080349*	.20256446	.002
	Most dominant	Least dominant	.30517367	.21909515	.165
		Second least	.35775394	.19801681	.072
		Second most	.62080349*	.20256446	.002
Normative commitment	Least dominant	Second least	.16044935	.15738527	.309
		Second most	-.01053708	.16318354	.949
		Most dominant	-.23099569	.22131146	.297
	Second least dominant	Least dominant	-.16044935	.15738527	.309
		Second most	-.17098644	.13288366	.199
		Most dominant	-.39144504	.20001990	.051

Dependent Variable	(I) Achievement	(J) Achievement	Mean Difference (I-J)	Std. Error	Sig.
	Second most dominant	Least dominant	.01053708	.16318354	.949
		Second least	.17098644	.13288366	.199
		Most dominant	-.22045861	.20461355	.282
	Most dominant	Least dominant	.23099569	.22131146	.297
		Second least	.39144504	.20001990	.051
		Second most	.22045861	.20461355	.282

*The mean difference is significant at the 0.05 level.

Table 6.19 indicates that concerning preferred power culture, under affective and continuance commitment, most of the employees tend to choose the least dominant view instead of the most dominant view (significant positive mean value with p-value<0.05). Under normative commitment, there is no significant mean difference since all the p-values are greater than 0.05.

Table 6-19: Multiple comparisons: Power culture - PC and OCS

Dependent Variable	(I) Power culture	(J) Power culture	Mean Difference (I-J)	Std. Error	Sig.
Affective commitment	Least dominant	Second least dominant	-.01233166	.30877773	.968
		Second most dominant	-.08429963	.28657351	.769
		Most dominant	.20894130	.30033071	.487
	Second least dominant	Least dominant	.01233166	.30877773	.968
		Second most dominant	-.07196797	.15601385	.645
		Most dominant	.22127297	.18004022	.220
	Second most dominant	Least dominant	.08429963	.28657351	.769
		Second least dominant	.07196797	.15601385	.645
		Most dominant	.29324094*	.13854662	.035
	Most dominant	Least dominant	-.20894130	.30033071	.487
		Second least dominant	-.22127297	.18004022	.220
		Second most dominant	-.29324094*	.13854662	.035
Continuous commitment	Least dominant	Second least dominant	.00991349	.30690941	.974
		Second most dominant	.40793417	.28483954	.153
		Most dominant	.39649538	.29851349	.185
	Second least dominant	Least dominant	-.00991349	.30690941	.974
		Second most dominant	.39802067*	.15506986	.011
		Most dominant	.38658189*	.17895085	.032
		Least dominant	-.40793417	.28483954	.153

Dependent Variable	(I) Power culture	(J) Power culture	Mean Difference (I-J)	Std. Error	Sig.
Normative commitment	Second most dominant	Second least dominant	-.39802067*	.15506986	.011
		Most dominant	-.01143879	.13770832	.934
	Most dominant	Least dominant	-.39649538	.29851349	.185
		Second least dominant	-.38658189*	.17895085	.032
		Second most dominant	.01143879	.13770832	.934
	Least dominant	Second least dominant	-.04273217	.31085624	.891
		Second most dominant	-.07725003	.28850255	.789
		Most dominant	-.01640224	.30235235	.957
	Second least dominant	Least dominant	.04273217	.31085624	.891
		Second most dominant	-.03451786	.15706404	.826
		Most dominant	.02632993	.18125214	.885
	Second most dominant	Least dominant	.07725003	.28850255	.789
		Second least dominant	.03451786	.15706404	.826
		Most dominant	.06084779	.13947923	.663
	Most dominant	Least dominant	.01640224	.30235235	.957
		Second least dominant	-.02632993	.18125214	.885
		Second most dominant	-.06084779	.13947923	.663

*The mean difference is significant at the 0.05 level.

From table 6.20, it is observed that with respect to preferred role culture, under affective commitment, most of the employees tend to choose the second least dominant view instead of the most dominant view (significant positive mean value with p-value<0.05). There is no significant difference under continuance, and normative commitments with respect to the role existing culture since all p-values are greater than 0.05.

Table 6-20: Multiple comparisons: Role culture - PC and OCS

Dependent Variable	(I) Role culture	(J) Role culture	Mean Difference (I-J)	Std. Error	Sig.
Affective commitment	Least dominant	Second least dominant	-.02847368	.19446081	.884
		Second most dominant	.00930758	.19100419	.961
		Most dominant	-.43111146	.24342676	.078
	Second least dominant	Least dominant	.02847368	.19446081	.884
		Second most dominant	.03778126	.12619607	.765
		Most dominant	-.40263778*	.19672172	.042
	Second most dominant	Least dominant	-.00930758	.19100419	.961
		Second least dominant	-.03778126	.12619607	.765
		Most dominant	-.44041904*	.19330552	.023
	Most dominant	Least dominant	.43111146	.24342676	.078
		Second least dominant	.40263778*	.19672172	.042
		Second most dominant	.44041904*	.19330552	.023
Continuous commitment	Least dominant	Second least dominant	.31125801	.19528887	.112
		Second most dominant	.24916663	.19181752	.195
		Most dominant	.16182628	.24446332	.508
	Second least dominant	Least dominant	-.31125801	.19528887	.112
		Second most dominant	-.06209138	.12673344	.625
		Most dominant	-.14943173	.19755940	.450
	Second most dominant	Least dominant	-.24916663	.19181752	.195
		Second least dominant	.06209138	.12673344	.625
		Most dominant	-.08734035	.19412866	.653
	Most dominant	Least dominant	-.16182628	.24446332	.508
		Second least dominant	.14943173	.19755940	.450
		Second most dominant	.08734035	.19412866	.653
Normative commitment	Least dominant	Second least dominant	-.24323336	.19496740	.213
		Second most dominant	-.22102664	.19150177	.249
		Most dominant	.06615987	.24406090	.787
	Second least dominant	Least dominant	.24323336	.19496740	.213
		Second most dominant	.02220671	.12652482	.861
		Most dominant	.30939323	.19723419	.118
	Second most dominant	Least dominant	.22102664	.19150177	.249
		Second least dominant	-.02220671	.12652482	.861
		Most dominant	.28718652	.19380910	.139
	Most dominant	Least dominant	-.06615987	.24406090	.787
		Second least dominant	-.30939323	.19723419	.118
		Second most dominant	-.28718652	.19380910	.139
		Second most dominant	.31981459	.19411766	.100

*The mean difference is significant at the 0.05 level.

Table 6.21 shows that with respect to the preferred achievement culture, under affective and continuance commitments, most of the employees tend to choose the least dominant view instead of the most dominant view (significant positive mean value with p-value<0.05). There

is no significant difference under continuance, and normative commitments with respect to the role culture since all p-values are greater than 0.05.

Table 6-21: Multiple comparisons: Achievement culture - PC and OCS

Dependent Variable	(I) Achievement	(J) Achievement	Mean Difference (I-J)	Std. Error	Sig.
Affective commitment	Least dominant	Second least dominant	-.05445333	.19190164	.777
		Second most dominant	.20420671	.19190164	.288
		Most dominant	.18856034	.27280670	.490
	Second least dominant	Least dominant	.05445333	.19190164	.777
		Second most dominant	.25866003*	.12319446	.037
		Most dominant	.24301367	.22972621	.291
	Second most dominant	Least dominant	-.20420671	.19190164	.288
		Second least dominant	-.25866003*	.12319446	.037
		Most dominant	-.01564637	.22972621	.946
	Most dominant	Least dominant	-.18856034	.27280670	.490
		Second least dominant	-.24301367	.22972621	.291
		Second most dominant	.01564637	.22972621	.946
Continuous commitment	Least dominant	Second least dominant	.55517208*	.18847280	.003
		Second most dominant	.44898985*	.18847280	.018
		Most dominant	-.16428275	.26793227	.540
	Second least dominant	Least dominant	-.55517208*	.18847280	.003
		Second most dominant	-.10618223	.12099326	.381
		Most dominant	-.71945483*	.22562153	.002
	Second most dominant	Least dominant	-.44898985*	.18847280	.018
		Second least dominant	.10618223	.12099326	.381
		Most dominant	-.61327260*	.22562153	.007
	Most dominant	Least dominant	.16428275	.26793227	.540
		Second least dominant	.71945483*	.22562153	.002
		Second most dominant	.61327260*	.22562153	.007
Normative commitment	Least dominant	Second least dominant	-.09980210	.19244635	.604
		Second most dominant	.00436819	.19244635	.982
		Most dominant	-.37761797	.27358106	.168
	Second least dominant	Least dominant	.09980210	.19244635	.604
		Second most dominant	.10417029	.12354414	.400
		Most dominant	-.27781587	.23037829	.229
	Second most dominant	Least dominant	-.00436819	.19244635	.982
		Second least dominant	-.10417029	.12354414	.400
		Most dominant	-.38198616	.23037829	.098
	Most dominant	Least dominant	.37761797	.27358106	.168
		Second least dominant	.27781587	.23037829	.229
		Second most dominant	.38198616	.23037829	.098

*The mean difference is significant at the 0.05 level.

162

6.5 INFERENTIAL STATISTICS

Inferential statistics were used to make inferences or estimates about the data collected. Summaries of appropriate statistical techniques were produced such as the Chi- square, multiple regression, exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) using path analysis and structural equation modelling (SEM). These are also reported to determine significance and substantiate the model and correlation coefficients.

6.5.1 Exploratory Factor Analysis (EFA)

"The main purpose of the exploratory factor analysis is to summarize data so that relationships and patterns can be easily interpreted and understood" (Yong & Pearce, 2013, p. 79).

The main objective of this analysis is to reduce the dimensions by grouping the variables (items) that are correlated into one component and studying the relationship between the items for each variable. In this section, the Kaiser-Meyer-Olkin (KMO) test was used to check whether the collected data is suitable for factor analysis by measuring the sampling adequacy for each variable to be used in the model.

Bartlett's test was also used to test the null hypothesis that the correlation matrix has an identity matrix. Thus, the hypotheses regarding the interrelationship between the variables are summarised as follows:

- Null hypothesis (H_0): There is no statistically significant impact between variables, i.e. the organisational existing or preferred cultures and organisational commitment scale, and
- Alternative hypothesis (H_1): There may be a statistically significant impact between variables affecting either the organisational existing or preferred cultures and organisational commitment scale.

From table 6.22, it can be seen that all the KMO measures are greater than 0.8, which indicates the sampling adequacy. In other words, the KMO measures are excellent; the data is suited for factor analysis. The Bartlett's test of Sphericity at a 0.05 level of significance (i.e. $\alpha = 0.05$) shows that the approximate of chi-square for organisational culture statement-existing culture (OCS-EC), organisational culture statement-preferred culture (OCS-PC) and organisational commitment scale (OCS) are 940.714, 641.532 and 3536.55 with degrees of freedom 105, 105 and 276, respectively. All *p-values* = 0.00 < 0.05, therefore the factor analysis is valid as indicated in table 6.22. As *p-value* < α, we, therefore, reject the null

hypothesis and consider the alternative hypothesis that there may be a statistically significant interrelationship between variables.

Table 6-22: KMO and Bartlett's Test for Organisational culture and Organisational commitment

		OCS-EC	OCS-EC	OCS
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.887	.803	.877
Bartlett's Test of Sphericity	Approx. Chi-Square	940.714	641.532	3536.550
	df	105	105	276
	Sig.	.000	.000	.000

OCS_EC = Organisation culture statement- existence culture

OCS_PC = Organisation culture statement- preferred culture

OCS_S = Organisation commitment scale- statement

6.5.2 Confirmatory Factor Analysis (CFA)

In this study, the following indices for the quality assessment of a model (i.e. goodness of fit) were used: Chi-square, Goodness of fit index (GFI), Adjusted Goodness of fit index (AGFI), Tucker-Lewis index (TLI), comparative fit index (CFI), root mean square error of approximation (RMSEA) and root mean square residual (RMSER). For a model with an acceptable quality (i.e. good model), the following threshold values were recommended: Chi-square test p-value> 0.05, GFI > 0.95, AGFI >0.95, RMSEA < 0.08, SRMR < 0.08, TLI > 0.95, CFI > 0.95 (Balog, 2015). AMOS v25 was used to study the covariance structure and model fit. Figures 6.3 and 6.4 below present the path diagrams of the impact of the independent variables OCQ-EC and OCQ-PC on the dependent variable OCS. Figure 6.3 displays the path diagram fitting the global model of the OCS for organisational culture. Figure 6.4 displays the path diagram of the covariance structure explaining the interrelationship between the constructs. The findings suggest that the model fit is not good since chi-square p-value = 0.00, (p-value < 0.05), GFI = 0.725 (GFI < 0.95), AGFI = 0.703 (AGFI <0.9), RMSEA = 0.065 (RMSEA <0.08). These findings suggest that the model fit of the global model is not good.
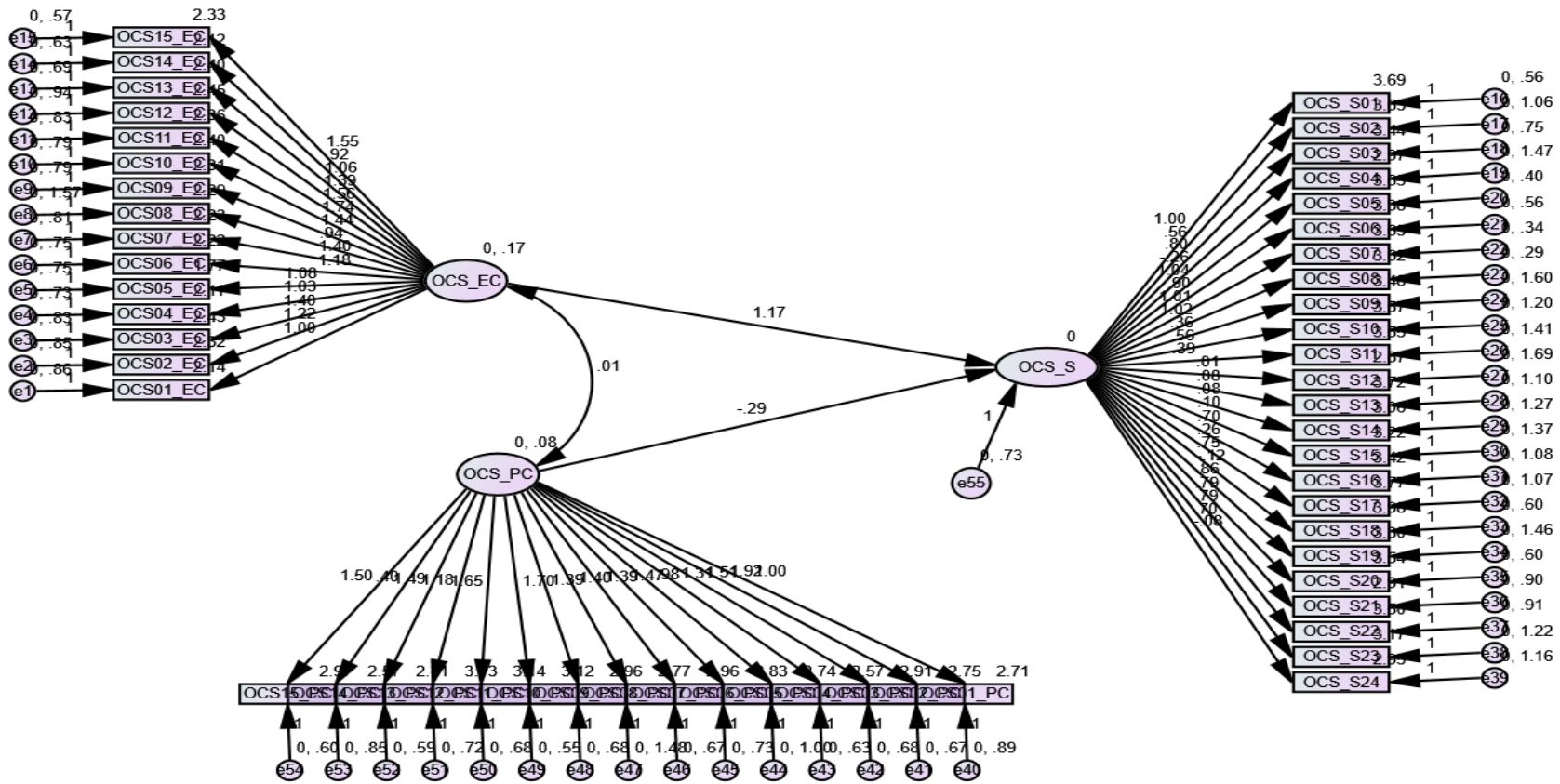
Figure 6.2: Path diagram for the global model
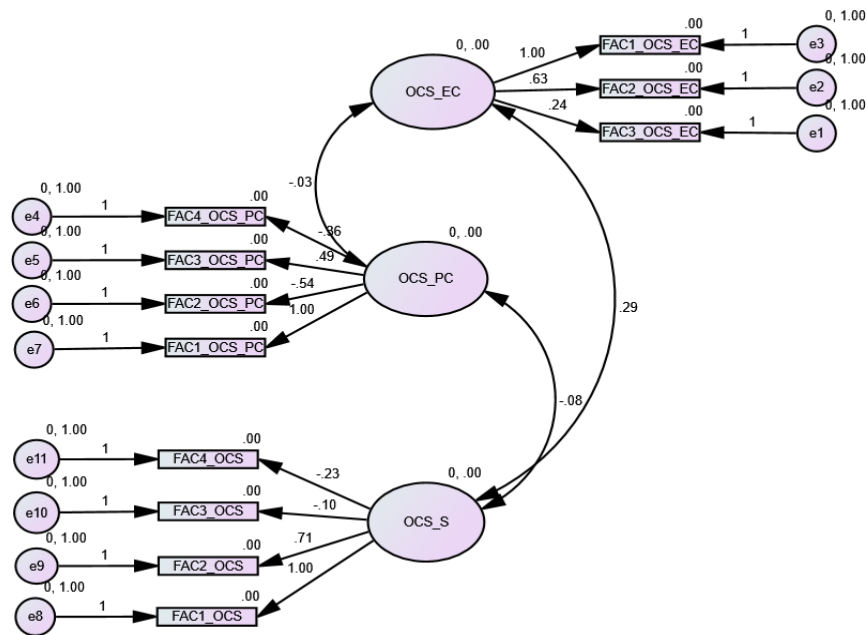
Figure 6.3: Reduced model fit using confirmatory analysis (CFA) in AMOS® 26

Tables 6.23 to 6.25 present the model fit of the OCS global model. It can be seen that chi-square min/degrees of freedom (CMIN/DF) value is less than 5 (see table 6.23). This suggests a good fit. The results confirm the findings by Nazir, Qun, Hui and Shafi (2018) who reported that the goodness-of-fit was superior with DF@ 2.59. Research studies by Masouleh, and Allahyari (2017) also suggested a good adequacy and that the estimated parameters in the model are reliable. Their results of the SEM confirmed the appropriacy of the proposed model and the impact of organisational culture on commitment in their case study.

The tables further indicate that the root mean square error of approximation is greater than 0.08 (RMSEA > 0.08), the goodness of fit and adjusted goodness of fit are less than 0.9 (GFI = 0.725 < 0.9 and AGFI = 0.703 < 0.9), respectively. The model is good when (MIN/DF<5), when the chi-square (χ2) p-value >0.05, TL1 (rho > 0.05), RMSEA <0.05 and PCFI>0.8. The model is not acceptable if pclose is <0.05. Masouleh, Allahyari and Ebrahimi (2014) confirmed that the most important adequacy parameters are chi-square (χ2), RMSEA and CFI parameters. The value of chi-square statistic is affected by sample size and the number of structural model relationships; chi-square relative to the degrees of freedom is a basic index. GFI, AGFI, RMSR, IFI, NFI, NNFI and PNFI are the model fit parameters, (Masouleh et al., 2014).

Table 6-23: The model fit of the OCS Global model.

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	111	3213.385	1374	.000	2.339
Saturated model	1485	.000	0		
Independence model	54	6979.193	1431	.000	4.877

Table 6-34: Goodness of fit index and adjusted goodness of fit index

Model	RMR	GFI	AGFI	PGFI
Default model	**.086**	**.725**	**.703**	**.671**
Saturated model	.000	1.000		
Independence model	.226	.370	.346	.357

Table 6-25: Root mean squared error approximation (RMSEA)

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.065	.062	.068	.000
Independence model	.111	.108	.113	.000

Table 6.26 displays the results of the parsimonious fit, which suggests that the model is not a good fit since the parsimony measures are greater than 0.5. In their study, Aranki, Suifan, and Sweis (2019) found that the data for the research variables are not normally distributed because the significant value is less than 0.05. Glen (2015) notes that there is generally a trade-off between the goodness of fit and parsimony: Low parsimony models (i.e. models with many parameters) tend to have a better fit than high parsimony models.

Table 6-26: Parsimony-Adjusted measure

Model	PRATIO	PNFI	PCFI
Default model	.960	.518	**.642**
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

This poor fit entails the modification of the global model by either interacting the error items or removing items that are weakly (correlation < 0.3) and strongly correlated (correlation > 0.9). To fix the problem, in the following section, we present the reduced regression analysis of the OCQ and OCS. The parsimony property suggests the use of significant factors and discards (or remove) the non-significant ones. This will then improve the model fit. Next, the reduced

models are used to investigate the impact of the independent variable on the dependent variable.

6.5.3 Regression Analysis of the OCQ and OCS

In this section, the impact of organisational culture on organisational commitment is investigated. Multiple regression analyses were performed to determine interrelationships between organisational culture (EC and PC) with organisational commitment. Regression will also assist with analysis on the impact of any change regarding the impact of organisational culture on employee commitment during the acquisition. The process of performing a regression allows the researcher to confidently determine which factors matter most, which factors can be ignored, and how these factors influence each other. The results are reported below and interpreted to respond to the formulated hypotheses.

6.5.3.1 Organisational culture - preferred culture and organisational commitment

Tables 6.27 and 6.28 display the results of the regression analysis investigating the impact of organisational culture - preferred culture on affective commitment. The model contains three parameters or dimensions namely, power, role and achievement. The regression results indicate that the full model is not statistically significant at 1% and 5% levels of significance (R = 0.015 with a p-value of 0.38, p-value > 0.05). Table 6.28 indicates that at 1% and 5% significance level, all the three dimensions of the organisational culture-preferred culture do not have a significant contribution to the affective commitment model. This is consistent with previous studies in literature such as Nazir et al. (2018) whose study indicated that organisational culture has no significant impact on affective commitment.

On the other hand, research findings by Azar and Avanki (2016) in the scientific and industrial organisations of Iran, found that there is a positive relationship between organisational culture and affective commitment at the 0.05 level of significance.

Table 6-27: Organisational culture - Preferred culture and affective commitment

ANOVA[a]	R Square	F	Sig.	Durbin-Watson	Sig.
Regression	.013	1.013	.401[b]	1.947	0.401

a. Dependent Variable affective commitment

b. Predictors: (Constant), power culture, role culture and achievement culture-preferred culture

Table 6-28: Regression analysis: organisational culture-Preferred culture and affective commitment

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	4.558E-17	.056	
Power culture	-.054	.056	-.039
Role culture	.079	.056	.077
Achievement culture	-.081	.056	-.076

Dependent Variable: Affective commitment

Predictors: power culture, role culture and achievement culture-preferred culture

Table 6-29: Organisational culture - Preferred culture and continuance commitment

ANOVA[a]	R Square	F	Sig.	Durbin-Watson	Sig.
Regression	.024	1.921	.107[b]	2.068	0.107

a. Dependent Variable: continuance commitment

b. Predictors: (Constant), power culture, role culture, achievement culture and support culture-preferred culture

Tables 6.29 and 6.30 display the results of the regression analysis investigating the impact of organisational culture-preferred culture on continuous commitment. Multiple regression is a multivariate tool that calculates the degree of the relationships between a set of dependent and independent variables (Sekaran & Bougie, 2016). Regression will assist with analysis on the impact of any change regarding the impact of organisational culture on employee commitment during the acquisition. Even though table 6.30 indicates that power culture is significant in the model, the regression results in table 6.29 indicates that the full model is not statistically significant at 1% and 5% levels of significance (R = 0.024 with a p-value of 0.107, p-value > 0.05). This finding is consistent with Azar and Avanki's (2016) findings that there is

169

no relationship between organisational culture and continuous commitment, with the value of R at 0.126 and the level of significance at 0.05.

Table 6-30: **Regression analysis: organisational culture-Preferred culture and continuance commitment.**

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
2	(Constant)	4.133E-17	.057		.000	1.000
	Power culture	-.144	.056	-.142	-2.502	.014
	Role culture	-.033	.054	-.013	-.071	.922
	Achievement culture	.049	.059	.044	.849	.381

    a.   Dependent Variable: continuance commitment

    b.   Predictors: (Constant), power culture, role culture and achievement culture

Tables 6.31 and 6.32 display the results of the regression analysis investigating the impact of organisational culture-preferred culture on normative commitment. The regression results in table 6.31 indicates that the full model is not statistically significant at 1% and 5% levels of significance (R = 0.002 with a p-value of 0.901, p-value > 0.05). Table 6.32 indicates that power culture and achievement culture are significant in the normative commitment model.

This is in line with Adams' (2017) exploratory study of organisational culture and employee commitment: A case study at a local municipality which found the level of commitment within the organisation being normative commitment. However, Azar and Avanki (2016) found that there is not a relationship between organisational culture and normative commitment in the scientific and industrial organisation of Iran at a 0.05 level of significance.

The results of the empirical study by Latchigadu (2016) to ascertain the influence of organisational culture on organisational commitment found that there was one statistically significant difference between the preferred role culture groups, and that is related to the normative commitment.

Table 6-31: Regression analysis: organisational culture-Preferred culture and normative commitment

ANOVA	R Square	F	Sig.	Durbin-Watson	Sig.
Regression	.002	.054	.983b	2.027	0.901

a. Dependent Variable: Normative commitment

b. Predictors: (Constant), power culture, role culture, achievement culture and support

Table 6-32: **Regression analysis (model 1): organisational culture-Preferred culture and normative commitment**

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
3	(Constant)	-3.759E-17	.059		.000	1.000
	Power culture	-.012	.061	-.012	-.029	.922
	Role culture	-.029	.063	-.029	-.422	.606
	Achievement culture	.020	.058	.050	.013	.921

a. Dependent Variable: Normative commitment
b. Predictors: (Constant), power culture, role culture, achievement culture and support culture

6.5.3.2 *Organisational culture - existing culture and organisational commitment*

Table 6.33 displays the results of the regression analysis investigating the impact of organisational culture-existing culture on affective commitment. The regression results indicate that the full model is statistically significant at 1% and 5% levels of significance (R = 0.132 with a p-value of 0.000, p-value < 0.01), indicating that 13.2% of the total variation in "affective commitment" is explained by the organisational culture - existing culture.

Table 6-33: Organisational culture-existing culture and affective commitment

ANOVA[a]	R Square	F	Sig.	Durbin-Watson	Sig.
Regression	.132	15.854	0.000[b]	2.009	0.000

a. Dependent Variable; *affective commitment*
b. Predictors: (Constant), power culture, role culture and achievement culture-existing culture.

Table 6.34 shows that all three factors, i.e. power culture, role culture and achievement existing culture have a significant contribution in the affective commitment model. There is a positive relationship between power culture, role culture and achievement culture and affective commitment. The higher the degree of the organisational existing culture, the higher the affective commitment. This is consistent with the findings by Masouleh and Allahyari (2017) who confirmed the relationship between organisational culture and commitment in their case study.

The results of the SEM in their case study found that affective commitment with a factor loading of 0.64 has the highest role. Continuance and normative commitment with factor loadings of 0.51 and 0.43 were placed in the next grades.

Table 6-34: Regression analysis (model 1): Organisational culture-existing culture and affective commitment

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1	(Constant)	1.196E-17	.053			.000	1.000
	Power culture	.265	.043	.285		5.418	.000
	Role culture	.154	.053	.174		3.304	.001
	Achievement culture	.131	.049	.142		2.700	.007

a. Dependent Variable; *affective commitment*
b. Predictors: (Constant), power culture, role culture and achievement culture-existing culture.

Table 6.35 displays the results of the regression analysis investigating the impact of organisational culture-existing culture on continuance commitment. The regression results indicate that the full model is statistically significant at 1% and 5% levels of significance (R = 0.062 with a p-value of 0.000, p-value < 0.01) indicating that 6.2% of the total variation in "continuance commitment" is explained by the organisational existing culture.

Tables 6.36 further indicates that power culture and role culture have a significant contribution to the continuance commitment model. However, the achievement is not significant in this model. There is a positive relationship between power culture, role culture and affective commitment. The higher the degree of the organisational existing culture, the higher the continuance commitment. Contradictorily to this theory, Azar and Avanki (2016) found in the scientific and industrial organisation of Iran, that with regards to the data of the results from Pearson's correlation coefficient concerning the relationship between organisational culture and continuous commitment, there is not significant at the 0.05 level.

Table 6-35: Organisational culture-existing culture and continuance commitment.

ANOVA[a]	R Square	F	Sig.	Durbin-Watson	Sig.
Regression	.062	6.950	0.000[b]	2.162	0.000

a. Dependent Variable *continuance commitment*

b. Predictors: (Constant), power culture, role culture and achievement culture-existing culture

Table 6-36: Regression analysis (model 2): organisational culture-existing culture and continuance commitment

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
2	(Constant)	2.651E-17	.055		.000	1.000
	Power culture	.261	.058	.211	3.867	.000
	Role culture	.143	.052	.133	2.426	.016
	Achievement culture	-.007	.056	-.005	-.089	.929

a. Dependent Variable *continuance commitment*
b. Predictors: (Constant), power culture, role culture and achievement culture-existing culture

Tables 6.37 and 6.38 display the results of the regression analysis investigating the impact of organisational culture-existing culture on normative commitment. The model contains three parameters, namely power, role and achievement culture-existing culture. The regression results indicate that the full model is not statistically significant at 1% and 5% levels of significance (R = 0.008 with a p-value of 0.478, p-value > 0.05). This is consistent with Azar and Avanki (2016), whose study found that in the scientific and industrial organisation of Iran the relationship between organisational culture and normative commitment is not significant (since p-value > 0.05).

Table 6.38 further indicates that the three factors, i.e. power culture, role culture and achievement culture do not have a significant contribution in the normative commitment model.

Table 6-37: Organisational culture-existing culture and normative commitment

ANOVA[a]	R Square	F	Sig.	Durbin-Watson	Sig.
Regression	.008	.832	.478[b]	2.021	0.478

a. Dependent Variable *normative commitment*

b. Predictors: (Constant), power culture, role culture and achievement culture-existing culture

173

Table 6-38: Regression analysis (model 1): organisational culture-existing culture and normative commitment

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
3	(Constant)	-4.130E-17	.056		.000	1.000
	Power culture	-.042	.056	-.049	-.863	.389
	Role culture	-.024	.056	-.020	-.357	.722
	Achievement culture	.070	.056	.072	1.273	.204

a. Dependent Variable: *normative commitment*

6.6 RESPONSE TO THE HYPOTHESES

The discussions above dealt with the analysed reliability scores, correlational statistics and inferential statistics. On the basis of the above, the hypotheses could be accepted or rejected as follows.

(H_0): Organisational culture has no significant impact on employee commitment. This hypothesis is **rejected.**

(H_1): Organisational culture has a significant impact on employee commitment. This hypothesis is **accepted**.

Although the research findings indicate that preferred organisational culture has an insignificant impact on employee commitment, existing organisational culture has a significant impact on affective and continuance commitment. Sufficient evidence has been provided by the research to support this impact, and this is consistent with the findings by Presbitero, Newman, Le, Jiang and Zheng (2019). Azar and Avanki (2016) also confirmed that organisational culture affects staffs' commitment in the scientific and industrial community in Iran. In other words, there is a positive direct relationship between organisational culture and organisational commitment. Aranki et al. (2019, p. 12) also confirmed that there is a relationship between organisational culture and organisational commitment.

Zhou (2017, p. 122) found that there is a significant statistical relationship between organisational culture and commitment in a study about the influence of organisational culture on organisational commitment and intention to resign among employees at selected retail organisations in the Western Cape province of South Africa. Findings by Amofa and Ansah (2017 p.18) also confirmed that organisational culture of the banks in Ghana has a positive relationship with affective commitment, continuance and normative commitment. Messner (2013, pp. 90–95) also suggested that there is a positive relationship between organisational culture and organisational commitment, and also recommended designing a corporate culture

174

change strategy to increase organisational commitment. Findings by Khalili (2014), Abbasi et al. (2014), Acar (2012), Altin Gulova and Demirsoy (2012), as well as Manetje and Martins (2009) also confirmed this theory that organisational culture has an impact employee commitment.

6.7   CHAPTER SUMMARY

This chapter provided the results of the empirical study. After thorough analysis of the findings, it is evident that the dominant existing culture as perceived by employees is the role culture. However, the study indicated that the dominant preferred culture is the power culture.

With regards to commitment, the findings revealed that the employees are affectively committed to the organisation. However, elements of continuance and normative cultures were also displayed.

The next chapter provides a conclusion, limitations as well as recommendations of the stud

CHAPTER 7.

CONCLUSION, LIMITATIONS AND RECOMMENDATIONS

7.1 INTRODUCTION

Chapter 6 provided the findings of the study. In this chapter, the significance of the findings in light of what was already known or assumptions about the investigation on the impact of organisational culture on employee commitment are described and interpreted to formulate conclusions.

New understanding or insights about the research problem after taking the findings into consideration are explained and conclusions made in relation to the literature review of this dissertation.

Limitations are identified and recommendations provided for this study.

7.2 CONCLUSION

7.2.1 Conclusions relating to the literature review

Culture develops over some time and, in the process of developing, acquires significantly deeper meaning. Creating an organisational culture that values and respects each member of the organisation is effective in producing higher levels of organisational commitment. Satisfied employees increase organisational loyalty and are more likely to talk positively about their organisation, help others, and go beyond the reasonable expectations in their jobs. Organisational culture provides the "glue" which holds the employees together, stimulates their commitment to a common mission, and galvanises their creativity and energy (Batugal, 2019).

The following research objectives were formulated for the purpose of the literature review:

- To conceptualise the construct organisational culture and its dimensions based on the literature.
- To conceptualise the construct employee commitment and its dimensions based on the literature.
- To conceptualise the construct acquisition based on the literature.
- To describe the theoretical impact of organisational culture on employee commitment during acquisitions using the literature.

The discussion below summarises how the above objectives were achieved.

This study provided a detailed discussion of the variables under study. Theoretical relationships between the variables were described. The construct business acquisition was

176

discussed in-depth in relation to organisational culture and organisational commitment. Different waves which happened until recent years in the 21st century provided insight into reasons why acquisitions happen. Various suggestions on how to manage acquisitions were provided. The history behind the constructs, models and approaches thereof based on literature review were interrogated.

7.2.1.1 Conceptualising Organisational Culture

The origin of the construct was investigated based on the literature review. The researcher also looked into the various theories pertaining to this variable. The theoretical approaches were discussed in detail. We conducted a comprehensive search of the literature on organisational culture using Google Scholar and related databases. Keywords used to search for literature were culture, commitment and acquisitions. Relevant articles were selected based on satisfying the criteria to measure the variable and adopted the quantitative method for the study.

The review of the literature highlighted several theoretical perspectives drawn by researchers which revealed that there is a growing research interest in the investigation of the construct organisational culture. For this study, the concept of organisational culture was defined as "referring to the shared meanings, beliefs, and understandings held by a particular group or organisation about its problems, practices, and goals" (Schein, 2010, p40). The definition was also adopted by other researchers such as Badia, Adan, and Losilla (2020), Van Rooij and Fine (2018), Pathiranage (2019) and Tedla (2016).

Different models of organisational culture applicable to this study were discussed in various studies. The researcher found one of the most predominant theories adopted being Harrison & Stokes' (1992) centralisation and formalisation dimension approach. This theory permits the classification of organisational cultures into four types, namely power culture, role culture achievement culture and support culture. These culture types create awareness of the culture gap between the existing and preferred cultures in an organisation. They have proven to have an impact on organisational commitment in a positive or negative way. Each type of dimension reflects some behaviour based on different values and provides insight into where the organisation's employees stand in relation to culture. The model was adopted for this study. Similarly, studies by Olaigbe, Unachukwu and Oyewole (2018), Govender (2017) as well as Wiseman et al. (2017) used this model.

Other models used by previous studies include Hofstede (2011) as well as Cooke and Szumal (2000) adopted by Breuer, Ghufran, and Salzmann (2018), Zainuddin, Yasin, Arif, and Hamid (2019), Khan and Law (2018), and Vicente Prado-Gascó, Pardo and Pérez-Campos (2017).

177

The questionnaire for diagnosing organisational culture, the Organisational Culture Questionnaire (OCQ) which consists of 60 items and measure four dimensions of organisational culture, was used to measure organisational culture in this study. The discussion in the study focused on the rationale around the selection of the instrument, the administration thereof as well as its reliability and validity.

A four point Likert-type scale was used for rating both existing and preferred responses of the questionnaire.

The ratings are defined as follows:

4 = The most dominant view, or most preferred alternative.
3 = The next most dominant view or most preferred alternative.
2 = The dominant view or preferred alternative.
1 = The least dominant view or least preferred alternative.

7.2.1.2 *Conceptualising Organisational Commitment*

Another construct that was investigated in-depth is organisational commitment. The origin of this construct was thoroughly investigated. Organisational commitment factors at both individual and organisational levels were discussed. The integration between the concepts acquisition, culture and commitment based on previous studies were determined.

Organisational commitment has been widely investigated in previous studies. Numerous empirical theories were adopted by researchers to investigate organisational commitment such as the social exchange theory and social identity theory, e.g. Presbitero et al. (2019); Khoreva (2016) as well as Hitotsuyanagi-Hansel, Froese, and Pak (2016) whilst studies by Van Rooij and Fine (2018) and Soelistya and Mashud (2016) adopted the Maslow's Hierarchy of Needs (1943).

Other theories such as the 15-item full scale of Mowday et al. (1979) and the 18/24-item scales of Meyer and Allen (1991, 1997), which include the three sub-dimensions, affective commitment, continuance commitment and normative commitment were adopted by Pinho, Silva, Oliveira, Oliveira, and Barbosa (2020), Batugal (2019), McNamara, Carapinha, Pitt-Catsouphes, Valcour, and Lobel (2017), Zhang, McNeil, Bartram, Dowling, Cavanagh, Halteh and Bonias (2016), Edwards and Kudret (2017) as well as Wong and Wong (2017).

During the review of the literature on organisational commitment, the researcher discovered that one of the most prevalent theories adopted in organisational commitment is Allen and Meyer's (1991, 1997) theory, which was utilised for this study. According to Jung and Yoon

178

(2016), the three-dimensional conceptualisation of organisational commitment is well-thought-out. It is the current model in organisational commitment research which has been used extensively and comprehensively in measuring organisational commitment.

Allen and Meyer (1997) analysed an extensive amount of commitment literature in an attempt to synthesise the organisational commitment research, amongst others. Various definitions of the variable were found to share similarities in that they all are about involvement and identification with the organisation. Researchers further analysed commitment from a person-centred approach by considering the different types of behavioural commitment named focal behaviour, which included the performance, tenure and turnover of employees as well as discretionary behaviour, which included a review of employee organisational citizenship behaviours. Meyer and Allen (1997) held that organisational commitment was a multidimensional construct comprising of three components, namely affective, continuance and normative commitment. This three-component model dominant framework in organisational commitment literature was adopted for this study. The definition was also used by Pinho et al. (2020) as well as Mitonga-Monga and Flotman (2017), amongst others.

The measurement instrument used for employee commitment is the Organisational Commitment Scale (OCS).

A five-point Likert-type scale was used for rating the respondents defined as follows:

> 5 = Strongly agree
> 4 = Agree
> 3 = Neither agree nor disagree
> 2 = Disagree
> 1 = Strongly disagree

7.2.2 Conclusions relating to the empirical study

The main objective of this study was to investigate the impact of organisational culture on employee commitment during an acquisition in an insurance organisation. Two hypotheses were selected. To test these hypotheses, data was collected from employees working in an insurance organisation in South Africa:

(H$_0$): Organisational culture has no significant impact on employee commitment,

(H$_1$): Organisational culture has a significant impact on employee commitment.

Generally, the study found that organisational culture has a significant impact on employee commitment. This supports the study by Aranki et al. (2019), who confirmed that organisational

culture has an impact on organisational commitment. Other studies with the same outcomes include Wiseman et al. (2017) and Mitic et al. (2016). It was further discovered that existing organisational culture has a significant effect on affective and normative commitment followed by continuance commitment. This implies that employees are emotionally attached to the insurance organisation as a result of the organisational culture in their organisation. This is consistent with the findings by Masouleh and Allahyari (2017). In their study in the Ghanaian Banking Industry, Amofa and Ansah (2017) also observed that organisational culture has a greater influence on affective commitment; followed by continuance commitment while normative commitment had the least impact. However, Nazir et al. (2018) found that organisational culture has no significant impact on affective commitment.

Measuring instruments used and their dimensions

The following measuring instruments were used in this study to address the variables identified:

- The biographical questionnaire was used to describe the sample.
- The Organisational Culture Questionnaire (OCQ) developed by Harrison & Stokes (1992) was used to measure culture.
- The Organisational Commitment Scale (OCS) developed by Allen and Meyer (1997) was used to measure commitment.

Both the OCS and OCQ instruments are self-explanatory, and no supervision was necessary during the process of data collection.

These measuring instruments representing the variables were described, including background information on them, how they were developed, how they are administered and how the results are interpreted.

Reliability and validity were explained and substantiated from previous studies. Justification for each instrument's selection was also made. The various measures had different numbers of dimensions. The OCQ consists of 60 items (15 items for each of the four dimensions) whilst the Organisational Commitment Scale measures the three components of organisational commitment, which are measured through 24 structured items or statements, (8 items for each of the three dimensions).

The research findings indicated a high level of internal consistency across the scale and across the items of these variables as indicated below:

Table 7-1: Summary of the OCQ (EC & PC) and OCS reliability

Reliability Statistics of OCS-EC		Reliability Statistics of OCS-PC		Reliability Statistics of OCS-S	
Cronbach's Alpha	No. of Items	Cronbach's Alpha	No. of Items	Cronbach's Alpha	No. of Items
.887	15	.803	15	.877	24

Table 7.1 provides a summary of the Cronbach alpha of the 15 items (questions answered) on the organisational culture statements for the existing and preferred cultures (OCS-EC and OCS-PC) and 24 items of the organisational commitment scale statements (OCS-S), values of which are 0.887, 0.803 and 0.877, respectively based on the total sample (N=318).

7.2.2.1 Population and sample selected

The population was defined and contextually described. The sample was identified and using the biographical questionnaire, various questions were asked to determine whether the sample represented the population by identifying the respondent's age, race, gender, qualifications, occupation and income levels. Information received from sampling was then interpreted to determine that the population was representative as indicated in the table below.

Table 7-2: Response rate

Employee response rate	
Population	600
Sample	318
Total responses received	437
Incomplete / invalid responses	119
Complete / valid responses	318
Response rate (based on valid responses)	53%

7.2.2.2 Processing of data

This study investigated the impact of the existing and preferred organisational cultures on organisational commitment as well as the relationship between the constructs. The construct related to organisational culture was divided into two sub-constructs, namely the existing and preferred culture. Therefore, three constructs were considered in this study (i.e. existing organisational culture, preferred organisational culture and employee commitment). To address the research questions and construct a theoretical model, data was collected through a questionnaire and appropriate statistical techniques such as the test for comparison (e. g. the t-test and ANOVA), multiple regression, exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) using path analysis and structural equation modelling (SEM) were used.

The Cronbach's alpha coefficient was used to test the reliability of the questionnaire. Means and standard deviations were used to determine the distribution of variable data and describe the scores that contribute to reliability levels. A series of t-tests and ANOVA for the difference between and with some groups was implemented.

Correlational analysis was conducted to determine the impact of organisational culture on employee commitment.

The level of significance was explained to indicate how the variables were interrelated. The hypotheses were then tested.

7.2.2.3 Results and Findings

Specific empirical aims for this study were as follows:

- To measure the concept organisational culture and its dimensions in an insurance organisation;
- To measure the concept employee commitment and its dimensions in an insurance organisation;
- To measure the concept acquisition and its dimensions in an insurance organisation;
- To determine the empirical impact of organisational culture on employee commitment during an acquisition in an insurance organisation; and
- To formulate practical and future research recommendations for the field of Industrial and Organisational Psychology on the impact of organisational culture on employee commitment during an acquisition.

The following hypotheses were formulated in this study:

- (H_0): Organisational culture has no significant impact on employee commitment,
- (H_1): Organisational culture has a significant impact on employee commitment.

7.2.2.4 Summary on findings regarding existing organisational culture v/s preferred culture

From a culture perspective, the empirical study findings indicated that the dominant existing culture is perceived to be the role orientated culture. According to Harrison (1993), the role culture dimension measures role orientated values, namely control, stability, order, dependability, rationality and consistency. A role-oriented organisation is described as one that provides stability, justice and efficient performance. In this culture, the role or job description is more important than the individual who fulfils it.

However, the study indicated that the dominant preferred culture is the power culture. This

culture is based on strength in terms of direction, decisiveness and determination and measures the ability to control other's access to privileges, job security and working conditions. This means that employees prefer an organisation in which leadership is based on the strength, justice and paternalistic compassion of the leader (Harrison, 1993).

According to the descriptive summary of the organisational culture for both the existing and preferred cultures in Chapter 6, for most of the items, the mean value is between 2 and 3 (leaning more towards 3) which means that the employees tend to agree on the statement on a greater scale than 2.

7.2.2.5 *Summary on findings regarding organisational commitment*

With regards to commitment, the findings revealed that the employees are affectively committed to the organisation. According to the descriptive summary of the organisational commitment scale in Chapter 6, for most of the items the mean value is between 3 and 4 (most of the values are closer to 4) which means that the employees tend to agree on the statement. For example, the employees tend to agree that they would be very happy to spend the rest of their careers with this organisation and enjoy discussing the organisation with people outside it. They also agree that they feel like part of the family in this organisation and they feel emotionally attached to the organisation. This is a demonstration that the respondents are affectively committed to the organisation. Affective commitment expresses the emotional attachment of the employees to their organisation, their desire to see the organisation succeed in its goals, and a feeling of pride at being part of that organisation. In other words, as far as commitment is concerned, it can be said that the employees stay in the organisation because they want to, as defined by Meyer and Allen (1990; 1991; 1997), and also indicated in studies by Pinho et al. (2020), Presbitero et al. (2019) as well as Amofa and Ansah 2017 p.18).

The standard deviations of the dimensions ranged from 1.20 to 1.27. The dimension with the highest score is continuance commitment, with a total mean score of 1.27. This means that as much as the employees have affection to the organisation, there is somewhat a sense of obligation around the sense of belonging, i.e. employees also feel that they ought to stay with the organisation.

7.2.2.6 *Summary of the findings on the impact of organisational culture on employee commitment during an acquisition in an insurance organisation*

After using the statistical techniques, the following were discovered:

Table 7-3: Summary of discussions

1	What is the impact of organisational existing culture on employee commitment during an acquisition process in an insurance organisation?	Existing organisational culture has a positive impact on affective and continuance commitment. This means that when the level of organisational culture increases, the level of affective and continuance commitment increases significantly. However, existing organisational culture has a negative impact on normative commitment, indicating that when the level of existing organisational culture decreases, the level of normative commitment decreases.
2	What is the impact of organisational preferred culture on employee commitment during an acquisition process in an insurance organisation?	Organisational preferred culture has a negative impact on employee commitment, which means that when the level of preferred organisational culture decreases, the level of commitment decreases.
3	What is the empirical impact of organisational culture on employee commitment in an insurance organisation during an acquisition?	The impact of preferred organisational culture on commitment is insignificant. However, the impact of existing organisational culture on employee commitment is significant.

From the summary above, it can be concluded that (H_1) is accepted. Organisational culture has an impact on employee commitment. This is evident with the impact of existing culture on employee commitment being positive. Similarly, Presbitero et al. (2019) found organisational culture to have an influence on organisational commitment of employees in their study regarding multi-national corporations. Studies by Aranki et al. (2019, p. 12), Batugal (2019) as well as Zhou (2017) have also consistently found that there is a relationship between organisational culture and commitment.

- Therefore (H_0) is **rejected**. Organisational culture has no significant impact on employee commitment.

  (H_1): Organisational culture has a significant impact on employee commitment. This hypothesis is **accepted**. The researcher then, conclude that there is enough evidence

to infer that organisational culture has an impact on employee commitment at 5% significance level.

7.3 LIMITATIONS

The limitations of the literature study and empirical investigations are discussed below:

7.3.1 Limitations of the Literature Review

Despite the high volumes of acquisitions taking place in South Africa as well as the large number of employees working in the financial and insurance industry, the researcher acknowledges that there is an increasing need of organisational change research. There is also a growing need of literature focusing on this concept as well as its process and factors that contribute to its impact. The researcher has learnt that there is a dearth of knowledge on the topic under study. There are still many gaps that require further investigations to fully understand the impact of organisational culture on employee commitment during an acquisition. These gaps are discussed below to guide future studies and inform managerial practice within organisations going through the acquisition process.

- Although knowledge work has been studied extensively, knowledge workers' commitment in different organisational contexts remains a less understood phenomenon (Kinnie & Swart, 2012). Demo, Fogaça and Costa (2018) add that there is much to explore in the studies involving the theme and other constructs in the area of organisational behaviour.
- The antecedents and outcomes of organisational commitment have been studied extensively over the last three decades. However, the majority of research has focused on the organisational commitment of employees working in organisations based in a single country or region. Studies have also emerged examining the organisational commitment of employees working in multinational corporations. However, there has been no attempt to comprehensively review and synthesise the literature in this area, limiting our understanding on how to effectively manage organisational commitment, (Presbitero et al. (2019). Weber and Tarba (2012) add that studies conducted so far in the area of acquisition as a form of change management have primarily concentrated on different financial parameters, cross cultural integration process and problems in cross-border acquisitions.
- The modern environment of economic uncertainty, rapid change, continued globalisation, increasing competition, and the rise of the mobile millennial generation serves as the backdrop and potential driver of this increased attention and focus on employee commitment from both practitioners and scholars (Gibb, 2011; Morrow,

185

2011). As practitioners look to building commitment as both a business and talent management strategy, it is important to focus on what practices are in place to secure shaping of Individual Behaviours and Organisational (Affective) Commitment - Emotional attachment to the organisation amongst others. Although many organisations may focus on benefits, salaries, positions, and career advancement structures as a means of building commitment, they may be overlooking what research has found to be a possible antecedent to these elements: the affective, emotional bond employees have with their organisations. Research has identified key practices for which organisations should plan and which they should investigate (Mercurio, 2015).

- Jiang (2016) points out that there are few studies that relate to HR practices with different constructs, particularly commitment. Various culture models may need to be reviewed and tested to gauge which ones pose a problematic situation within the organisation (Zhou, 2017).

7.3.2 Limitations of the Empirical Study

In terms of the empirical study using the OCQ and OCS, the following limitations were found:

- The study is based on one insurance organisation and therefore limited. Consideration should be given to similar studies in other insurance organisations.
- Because all respondents are from one organisation, this could influence their responses during the research process. Therefore, the present results are limited to the specific insurance organisation, and further research would be required to generalise the results to other populations.
- The sample could be too small to rely on the results without further investigations.
- The biographical questionnaire includes income brackets, which some employees may not have liked to share, thereby leading to incomplete/invalid questionnaires.
- Conflicting responses to similar questions may indicate that employees did not understand some questions clearly, which could translate to the fact that the questions asked on the questionnaire were too difficult to understand. However, the research findings indicated a high level of internal consistency across the scale and across the items of these variables (the organisational culture statements for the existing and preferred cultures [OCS-EC and OCS-PC] and the organisational commitment scale statements [OCS-S], the values of which are 0.887, 0.803 and 0.877, respectively based on the total sample [N=318], which indicates validity). Others may have chosen not to respond to such questions, hence the incomplete questionnaires.
- Quantitative methods were used for this research. According to Nazir et al. (2018), quantitative data can only be utilized to conclude what the relationship between two

186

different variables is, but this type of data cannot describe why such relationships exist or do not exist. In this study, qualitative data or the mixed method could have been helpful to determine why power culture is preferred as well as why existing organisational culture has a negative impact on normative commitment.

- Finally, the support culture sub-scale on both existing and preferred cultures did not yield reliable results and could not be used fully identifying whether organisational culture has an impact on employee commitment or not. In addition, the reliability analysis of data on the achievement culture sub-scale on preferred culture as well as the normative commitment sub-scale were considered to be low with an internal consistency of α = .476 and .421 respectively. (Other items were excluded to improve the internal consistency of these sub-scales as indicated in Chapter 6). Therefore, with a reliability score being that low it would be unjustifiable to draw conclusive judgements on that sub-scale.

7.4 RECOMMENDATIONS

Based on the limitations of the study, the conclusion as well as the findings above, the following are recommended:

7.4.1 Recommendations for the organisation under study

- Role culture seems to be dominant on existing culture whilst power culture is dominant in terms of the preferred culture. This finding can be the basis for the leadership of the organisation to create or enhance a culture which will enhance the preferred power culture. Ritonga, Ibrahim, and Bahri (2019) add that leadership styles in such conditions are meaningful. Furthermore, the strengths of this culture should also be highlighted, emphasised and celebrated by the organisation.

- It is also recommended that the organisation under study communicate the findings to its employees and revise their strategy to pave the way for the culture preferred by employees.

- The strength of the affective commitment should be highlighted, emphasised and celebrated by the organisation. The organisation should strive to maintain this type of commitment. However, the continuance commitment also being high in terms of the mean scores should be addressed.

- It is further recommended that the organisation should communicate frequently with employees through a range of channels. Sharing the structure of the new organisation is important. Management is advised to share, post and live the structure and plans, and ask their employees to do the same. This level of openness goes a long way

towards alleviating some of the pressure that employees are feeling. Gantasala (2011) notes that high levels of commitment are experienced in organisations where communication channels are open and transparent. According to Amofa and Ansah (2017) good people management proficiency would help advance employee commitment levels.

- Based on the findings of this study as well as other literature studies, it is clear that there is no one size fit all when it comes to the impact of organisational culture on organisational commitment. The relationship is based on the nature and type of the business, the environment in which the business operates as well as the employees thereof (Wiseman et al., 2017). It will be beneficial for the organisation under study to review their culture to obtain an overview of their employees' behaviour during the acquisition and adjust or capitalise on the positives.

- The implications of these finding are that the implementation of the preferred organisational culture may assist the insurance organisation under study to be the insurance organisation of choice going forward.

7.4.2 Recommendations for other insurance organisations

- Given the results in Chapter 6, it is evident that organisational culture has an impact on employee commitment in one way or another. Based on these findings and other previous studies, organisations are advised to diagnose their cultures and determine how it affects their employees' commitment.

- A better understanding of the current and preferred organisation's culture may lead to the development of a better culture. Van Rooij and Fine (2018) note that cultures are notoriously difficult to change, and lofty promises of changed cultural values and practices can generate more corporate dissonance when real change does not occur. It is therefore important to caution against promises of an easy fix.

- Subsequently, it is recommended that other organisations should develop cultures that are well appreciated and consistent with the interest of the employees to gain their commitment and retain them for the maximum periods (Olaigbe et al., 2018).

- Employers and employees of other insurance organisations are advised to use the results found in this study to adopt strong organisational culture for each of its items to increase the degree of employee commitment during an acquisition process.

7.4.3 Recommendations for IOP practitioners and future researchers

- Based on the limitations of this study, future research should look at obtaining larger samples to represent the entire population in the organisation under study to enhance reliability and validity.

188

- The financial industry is a constantly developing and fast-paced environment which may have a huge impact on how employees view and respond to the change. The culture of an organisation needs to move consistently with the changing environment. Therefore, future research should continue investigating the impact of organisational culture and employee commitment.

- Based on the finding that there is a dearth of knowledge on the topic at hand, the high volumes of acquisitions taking place in South Africa as well as the large number of employees working in the financial and insurance industry, it is evident that there is a need for further studies on investigating the impact of organisational culture on employee commitment during an acquisition in South African insurance organisations.

- Studies available in this regard primarily concentrated on different financial parameters, cross-cultural integration processes and problems in cross-border acquisitions (Weber & Tarba, 2012). Pinho et al. (2020) add that studies relating this theme to other variables of organisational behaviour are necessary.

- It is also proposed that future studies are conducted to extend the current study by making a comparative analysis between insurance organisations in South Africa and other African countries, which would wholly contribute new knowledge to the existing knowledge on organisational culture of insurance organisations and the impact on employee commitment between countries within the continent. This will pave a way to compare the analysis globally going forward.

7.5 CHAPTER SUMMARY

This chapter discussed the conclusion and limitations of the study based on both theoretical and empirical studies. Lessons learnt were highlighted and recommendations made on how to address these going forward.

Recommendations were made for the insurance organisation under study, other insurance organisations as well as for future and practical use of the study.

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190

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213

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APPENDICES

APPENDIX A: ETHICS APPROVAL

UNISA | university of south africa

UNISA CEMS/IOP RESEARCH ETHICS REVIEW COMMITTEE

14 November 2018

Dear Ms Maropeng P Makgalo,

NHREC Registration # : (if applicable)
ERC Reference # : 2018_CEMS/IOP_ 030
Name : Ms Maropeng Portia Makgalo
Student #: 31221661
Staff #: N/A

Decision: Ethics Approval from 14 November 2018 to 14 November 2021

Researcher(s): Name: Ms Maropeng Portia Makgalo
Address: 48 Oppiehoek Complex, Garsfontein, Pretoria, 0081
E-mail address, telephone: 072 574 1169, portiam@assupol.co.za

Supervisor (s): Prof OM Ledimo
E-mail address, telephone: manetom@unisa.ac.za, +27 12 429-8219

Investigation of the impact of organisational culture on employee commitment during acquisition in an insurance company.

Qualification: Post graduate degree

Thank you for the application for research ethics clearance by the Unisa CEMS/IOP Research Ethics Review Committee for the above mentioned research. Ethics approval is granted for **Three** years.

*The **low risk application** was **reviewed** by the CEMS/IOP Research Ethics Review Committee on the 16th October 2018 in compliance with the Unisa Policy on Research Ethics and the Standard Operating Procedure on Research Ethics Risk Assessment. The decision was approved on 16th October 2018.*

The proposed research may now commence with the provisions that:

1. The researcher(s) will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.
2. Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study should be communicated in writing to the Unisa CEMS/IOP Research Ethics Review Committee.
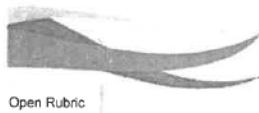
Open Rubric

3. The researcher(s) will conduct the study according to the methods and procedures set out in the approved application.

4. Any changes that can affect the study-related risks for the research participants, particularly in terms of assurances made with regards to the protection of participants' privacy and the confidentiality of the data, should be reported to the Committee in writing, accompanied by a progress report.

5. The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study. Adherence to the following South African legislation is important, if applicable: Protection of Personal Information Act, no 4 of 2013; Children's act no 38 of 2005 and the National Health Act, no 61 of 2003.

6. Only de-identified research data may be used for secondary research purposes in future on condition that the research objectives are similar to those of the original research. Secondary use of identifiable human research data require additional ethics clearance.

7. No field work activities may continue after the expiry date (14th November 2021). Submission of a completed research ethics progress report will constitute an application for renewal of Ethics Research Committee approval.

Note:

The reference number **2018_CEMS/IOP_030** should be clearly indicated on all forms of communication with the intended research participants, as well as with the Committee.

Yours sincerely,

Signature
Chair of IOP ERC
E-mail: vnieka2@unisa.ac.za

Tel: (012) 429-8231

Signature
Executive Dean : CEMS
E-mail: mogalmt@unisa.ac.za

Tel: (012) 429-4805

URERC 25.04.17 - Decision template (V2) - Approve

218

APPENDIX B: REQUEST TO CONDUCT RESEARCH, INSURANCE ORGANISATION

ASSUPOL
SERVING THOSE WHO SERVE SINCE 1913

The HR Director
Assupol Life LTD

23 May 2017

Dear Mr Ndwalaza

REQUEST FOR PERMISSION TO CONDUCT RESEARCH

I am a registered Master's student in the Department of Industrial Psychology at the University of South Africa.

The research I wish to conduct for Master's dissertation is the investigation of impacts of acquisitions on employees in the financial industry.
This project will be conducted under the supervision of Professor Ophilia Ledimo (UNISA).

I am hereby seeking your consent to conduct the study using Cornerstone Brokers as a case study by requesting Cornerstone employees to complete survey questionnaires regarding the envisaged topic.

I have provided you with a copy of my dissertation proposal. Upon completion of the study, I undertake to provide the company with a copy of the full research report.

Your permission to conduct this study will be greatly appreciated.

Yours sincerely,

Portia Makgalo
Manager: Branch Office Liaison

t +27 12 741 4084
f +27 87 233 7872
m +27-72-574-1169

APPENDIX C: AUTHORISATION TO CONDUCT RESEARCH, INSURANCE ORGANISATION

ASSUPOL

LIFE LIMITED

9 July 2018

Group Executive Director: Human Resources
Assupol Life
P. O. Box 35900,
Menlo Park,
0102

LETTER OF AUTHORISATION TO CONDUCT RESEARCH AT OUR ORGANISATION

Dear Ms Makgalo,

This letter will serve as authorisation for you to conduct the research project entitled "The investigation of impacts of acquisitions on employees in the financial industry" at our Assupol offices.

Upon a review of the letter you sent to us, we are glad to offer you an opportunity to conduct the same study in our organisation. All interviews, filed surveys, observations around the site and the distribution of questionnaires are approved and will be duly supervised by the human resource department.

If you have any concerns or require additional information, feel free to contact the HR department.

Yours sincerely,

SL NDWALAZA
GROUP EXECUTIVE DIRECTOR: HR

APPENDIX D: INFORMATION SHEET AND CONSENT TO PARTCIPATE IN RESEARCH

Information Sheet and Consent to Participate in Research

Dear Sir / Madam,

Thank you for taking time to complete this survey. My name is Maropeng Portia Makgalo. I am a Masters student at the University of South Africa (UNISA). As part of my studies I am required to conduct a research study. I am not paid to conduct this study.

The research is about the investigation of the impact of organisational culture on employee commitment during acquisition in an insurance organisation. The study endeavours to provide generation of worthy information that will be usable in the organisation understudy and industry in relation to the subject investigated. The findings thereof will enable the organisation and the industry in general to put the theory tested into practice by providing ways to address the impact discovered during research.

You are requested to complete a questionnaire in this study that will involve us asking you approximately 20 questions about the integration process. It should take about 15 to 45 minutes for you to answer the questions, with your answers being recorded on the prepared questionnaire. These questionnaires do not record your name or address.

The information shared by you will be kept confidential and no unauthorised person will have access to the information you provided. The information will only be accessed by myself, my supervisor and authorised personnel of the University of South Africa. Your informed consent form will be kept up to a maximum of five years after the completion of the research study.

The study will not provide any direct benefits to you, the participant, but it will help us gain more knowledge on your views on the subject. There are no risks involved in participation in this study. Participation in this research is voluntary and you may withdraw participation at any point of the study. In the event of refusal/withdrawal of participation you will not incur any penalty or loss of benefits to which you are normally entitled. Please note that there will be no compensation for you to participate in this research study.

This study has been ethically reviewed and approved by the University of South Africa Research Ethics Committee.

A report on this research study will be available to you as well as to your employer upon request. The University's Policy on Research Ethics is also available freely, anytime, for your perusal should you so wish. If you are willing to participate in this research study, please complete the section below.

Should you have any further questions about his research study, please do not hesitate to contact me, Maropeng Portia Makgalo at portiam@assupol.co.za, telephone number 012 741 4084 / 072 574 1169 or my supervisor, Professor Ophillia Ledimo from the Department of Industrial and Organisational Psychology, UNISA, at manetom@unisa.ac.za / 012 429 8219.

Thank you

Maropeng Portia Makgalo (Ms)

Informed consent

I, _____ hereby give my consent to participate in the research study titled: Investigation of the impact of organisational culture on employee commitment during acquisition in an insurance organisation. I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting benefits that I would usually be entitled to.

I have read and understood the terms and conditions of my participation in this research study and I have had an opportunity to ask questions for my further clarity. I am willing to participate freely in this research study.

_____   _____
Signature   Date

23
2017_CEMS-RERC_Human Participant Application Form 1

Questionnaire

Dear Prospective Participant

My name is Portia Makgalo. I am currently studying towards a Masters degree at the University of South Africa and I am conducting a research with Professor Ledimo in the Department of Industrial and Organisational psychology.

We are inviting you to participate in a study entitled investigation of the impact of organisational culture on employee commitment during acquisition in an insurance organisation.

Thank you, your co-operation is highly appreciated.

SECTION A: BIOGRAPHICAL INFORMATION

Date:

dd		mm		yy	

Please tick the most appropriate answer

1. Age:
    a. 25 - 34   ☐
    b. 35 - 44   ☐
    c. 45 - 54   ☐
    d. 55 - 65   ☐

2. Gender:
    a. Female   ☐
    b. Male   ☐

1

222

3. Service Period in Assupol Group:

   a. < 5 years   ☐

   b. 5 – 15 years   ☐

   c. > 15 years   ☐

4. Highest level of education:

   No Matric   ☐

   Matric   ☐

   Diploma   ☐

   University qualification   ☐

5. Occupation, i.e., position in the organisation:

   Non-management employee   ☐

   Junior Manager   ☐

   Middle Manager   ☐

SECTION B: ORGANISATIONAL CULTURE QUESTIONNAIRE

Dimensions of the questionnaire

Questionnaire for diagnosing organisational culture will be used for the purpose of measuring the independent variable of this study which is organisational culture. The questionnaire measures four dimensions of organisational culture. The four dimensions of the questionnaire are power, role, achievement or task and support or people orientations according to Ott (1989, p 133) and Harrison (1993, p 1). Structured questions or items measuring organisational culture in four dimensions are sixty (60) in number. Section B in this study will be diagnosing organisational culture questionnaire while section A will be biographical information. The following is a description of this dimension:

* Power orientation dimension (15 items – all statements number a in the questionnaire)
This dimension measures inequality of accessing resources such as money, privileges, job security, working conditions and the ability to control other's access to these. How leadership is based on the strength, justice and paternalistic benevolence of the leader and

the distribution of power in the organisation to control and influence others' behaviour. Power culture is based on strength in terms of direction, decisiveness and determination.

* Role orientation dimension (15 items– all statements number b in the questionnaire)

It measures the values being role orientated which are control, stability, order, dependability, rationality and consistency. Role culture is based on structure. It indicate how the role culture substitute a system of structures and procedures for the naked power of the leaders, which give them protection to subordinates and stability in the organisation. A role oriented organisation is described as the one that provides stability, justice and efficient performance. In this culture, the role or job description of more important than the individual who fulfills it.

* Achievement orientation dimension (15 items– all statements number c in the questionnaire)

It measures how organisational culture is based on competence. The focus by leadership, individuals and the organisation is mainly on growth, success and distinction. This type of organisational culture is job or project oriented where the end task is to bring together the appropriate resources, the right people at the right level of the organisation and to let them get on with the task. Influence is based more on expert power than on position or personal power, but influence is more widely dispersed.

* People or support oriented dimension (15 items– all statements number d in the questionnaire)

This dimension measures the people oriented organisational culture in terms of commonly held set of doctrines, myths and symbols. In this culture the individual is the central point, if there is an organisation it exist only to serve and assist the individuals within it. The questionnaire items measures decision making, work processes, work environment and relationships between subordinates and supervisors in the organisation from a people or support oriented organisational culture. The focus is on mutuality, service and integration in relationships in the work context.

Diagnosing organisational culture questionnaire
Ranking key:

> 4 = The dominant view, or your most preferred alternative.
> 3 = The next most dominant view or preferred alternative.
> 2 = The next most dominant view or preferred alternative.
> 1 = The least dominant view or least preferred alternative.

	EXISTING CULTURE	PREFERRED CULTURE
1. Members of the organisation are expected to give first priority to:		
a. meeting the needs and demands of their supervisors and other high level people in the organisation.		
b. carrying out the duties of their own jobs; staying within the policies and procedures related to their jobs.	....	....
c. meeting the challenges of the task, finding a better way to do things.	....	....
d. cooperating with the people with whom they work, to solve work and personal problems.	....	....
2. People who do well in the organisation tend to be those:		
a. know how to please their supervisors and are able and willing to use power and politics to get ahead.		
b. play by the rules, work within the system, and strive to do things correctly.	....	....
c. are technically competent and effective, with a strong commitment to getting the job done.	....	....
d. build close working relationships with others by being cooperative, responsive and caring.	....	....
3. The organisation treats individuals:		
a. as "hands" whose time and energy are at the disposal of persons at higher levels in the hierarchy.	....	....
b. as "employees" whose time and energy are purchased through a contract, with rights and obligations for both sides.	....	....
c. as "associates" or peers who are mutually committed to the achievement of a common purpose.	....	....
d.. as "family" or "friends" who like being together and who care about and support one another.		

4

225

4. People are managed, directed or influenced by:		
a. people in position of authority, who exercise their power through the use of rewards and punishment.	....	....
b. the systems, rules and procedures that prescribe what people should do and the right way of doing it.	....	....
c. their own commitment to achieving the goals of the organisation.	....	....
d. their own desire to be accepted by others and to be good members of their work group.		
5. Decision-making processes are characterised by:		
a. directives, orders, and instructions that come down from higher levels.	....	....
b. the adherence to formal channels and reliance on policies and procedures for decision making.	....	....
c. decisions being made close to the point of action, by the people on the spot.	....	....
d. the use of consensus decision-making methods to gain acceptance and support for decisions.		
6. Assignments of tasks or jobs are based on:		
a. the personal judgement, values and wishes of those in positions of power.	....	....
b. the needs and plans of the organisation and the rules of the system (seniority, qualifications, etc.).	....	....
c. matching the requirements of the job with the interests and abilities of the individuals.	....	....
d. the personal preferences of the individuals and their needs for growth and development.		

5

226

7. Employees are expected to be:		
a. hard-working, complaint, obedient and loyal to the Interests of those to whom they report.	....	....
b. responsible and reliable, carrying out the duties and responsibilities of their jobs and avoiding actions that could surprise or embarrass their supervisors.	....	....
c. self-motivated and competent, willing to take the initiative to get things done, willing to challenge those to whom they report if that is necessary to obtain good results.		
d. good team workers, supportive and cooperative, who get along well with others.	....	....
8. Managers and supervisors are expected to be:		
a. strong and decisive, firm but fair.	....	....
b. impersonal and proper, avoiding the exercise of authority for their own advantage.	....	....
c. democratic and willing to accept subordinates' ideas about the task.	....	....
d. supportive, responsive and concerned about the personal concerns and needs of those whose work they supervise.		
9. It is considered legitimate for one person to tell another what to do when:		
a. he or she has more power, authority or "clout" in the organisation.		
b. it is part of the responsibilities included in his or her job description.	....	....
c. he or she has greater knowledge and expertise and uses it to guide the other person or teach him or her to do the work.	....	....
d. the other person asks for his or help, guidance or advice.	....	....

6

227

10. Work motivation is primarily the result of:	....	....
a. hope for rewards, fear of punishment, or personal loyalty to the supervisor.	....	....
b. acceptance of the norm of providing a "fair day's work for a fair day's pay".	....	....
c. strong desires to achieve, to create and to innovate and peer pressure to contribute to success of the organisation.		
d. people wanting to help others and to develop and maintain satisfying working relationships.		
11. Relationships between work groups or departments are generally:		
a. competitive, with both looking out for their own interests and helping each other only when they can see some advantage for themselves by doing so.	....	....
b. characterised by indifference towards each other, helping each other only when it is convenient or when they are directed by higher levels to do so.	....	....
c. cooperative when they need to achieve common goals, people are normally ready to cut red tape and cross organisational boundaries in order to get the job done.	....	....
d. friendly, with a high level of responsiveness to requests for help from other groups.		
12. Intergroup and interpersonal conflicts are usually:		
a. dealt with by the personal intervention of people at higher levels of authority.	....	....
b. avoided by reference to rules, procedures, and formal definitions of authority and responsibility.	....	....
c. resolved through discussions aimed at getting the best outcomes possible for the work issues involved.	....	....
d.. dealt with in a manner that maintains good working relationships and minimizes the chances of people being hurt.		

228

13. The larger environment outside the organisation is responded to as though it were:		
a. a jungle, where the organisation is in competition for survival with others.	....	....
b. an orderly system in which relationships are determined by structures and procedures and where everyone is expected to abide by the rules.	....	....
c. a competition for excellence in which productivity, quality, and innovation bring success.	....	....
d. a community of interdependent parts in which common interests are most important.		
14. If rules, systems or procedures get in the way, people:		
a. break them if they have enough clout to get by with it or if they think they can get away with it without being caught.		
b. generally abide by them or go through proper channels to get permission to deviate from them or have them changed.	....	....
c. tend to ignore or by-pass them to accomplish their tasks or perform their jobs better.	....	....
d. support one another in ignoring or bending them if they are felt to be unfair or to create hardships for others.	....	....
15. New people in the organisation need to learn:		
a. who really run things, who can help or hurt them, whom to avoid offending, the norms (unwritten rules) that have to be observed if they are to stay out of trouble.	....	....
b. the formal rules and procedures and to abide by them, to stay within the formal boundaries of their jobs.	....	....
c. what resources are available to help them do their jobs, to take the initiative to apply their skills and knowledge to their jobs.		
d. how to cooperate, how to be good team members, how to develop good working relationships with others.	....	....

8

SECTION C: ORGANISATIONAL COMMITMENT SCALE

The rating scale which best describes your view or perception is as follows:

1 = Strongly disagree
2 = Disagree
3 = Neither agree nor disagree
4 = Agree
5 = Strongly agree

MARK WITH " X "

	1	2	3	4	5
1. I would be very happy to spend the rest of my career with this organisation.					
2. I enjoy discussing my organisation with people outside it.					
3. I really feel that this organisation's problems are my own.					
4. I think that I could easily become as attached to another organisation as I am to this one.					
5. I feel like part of the family at my organisation.					
6. I feel emotionally attached to this organisation					
7. This organisation has a great deal of personal meaning for me.					
8. I feel a strong sense of belonging to my organisation.					
9. I am not afraid of what might happen if I quit my job without another one lined up.					
10. It would be very hard for me to leave my organisation right now, even if I wanted to.					
11. Too much in my life would be disrupted if I decided I wanted to leave my organisation now.					
12. It wouldn't be too costly for me to leave my organisation now.					
13. Right now, staying with my organisation is a matter of					

9

necessity as much as desire.						
14. I feel that I have too few options to consider leaving the organisation.						
15. One of the few consequences of leaving this organisation would be the scarcity of available alternatives.						
16. One of the major reasons I continue to work for this organisation is that leaving would require considerable personal sacrifice - another organisation may not match the overall benefits I have here.						
17. I think that people these days move from company to company too often.						
18. I believe that a person must always be loyal to his or her organisation.						
19. Jumping from organisation to organisation does not seem at all unethical to me.						
20. One of the major reasons I continue to work for this organisation is that I believe that loyalty is important and therefore feel a sense of moral obligation to remain.						
21. If I got another offer for a better job elsewhere I would not feel it was right to leave my organisation.						
22. I was taught to believe in the value of remaining loyal to one organisation.						
23. Things were better in the days when people stayed with one organisation for most of their careers.						
24. I think that wanting to be a company man or company woman is sensible anymore.						

References: Organisational Culture

Harrison, R. (1993). *Diagnosing Organisational Culture: Trainer's Manual.* Amsterdam. Pfeiffer & Company.

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References: Organisational Commitment

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