Organizational Culture and Scale Development: Methodological Challenges and Future Directions

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\textbf{ABSTRACT:} Defining and measuring organizational culture (OC) is of paramount importance to organizations because a strong culture could potentially increase service quality and yield sustainable competitive advantages. However, such process could be challenging to managers because the scope of OC has been defined differently across disciplines and industries, which has led to the development of various scales for measuring OC. In addition, previously developed OC scales may also not be fully applicable in the hospitality and tourism context. Therefore, by highlighting the key factors affecting the business environment and the unique characteristics of hospitality industry, this paper aims to align the scope of OC closely with the industry and to put forth the need for a new OC scale that accurately responds to the context of the hospitality industry.

\textit{Keywords:} Organizational culture, hospitality industry, scale development, organizational culture scales

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1. Introduction

Nowadays, the hospitality industry is becoming increasingly competitive, globalized and technologically driven (Assaf & Cvelbar, 2011). Companies often struggle to focus on their customer needs and wants, service quality and guest retention with their available resources (Sipe & Testa, 2009). To seek competitive advantages, organizations must not only be concerned with the technological and physical elements related to guest satisfaction, but must also seek ways to maximize the performance of their employees. Organizational culture (OC) is one of the most important tools that shapes employee behaviors positively and upholds organizational effectiveness (Alvesson, 2012; Valencia et al., 2011). Therefore, defining and measuring OC is vital for managers in providing better control over employees in order to meet financial goals of their company.

The considerable importance of OC has received remarkable attention among researchers. Over the past three decades, there has been much debate over the conceptualization and the measurement (Delobbe et al., 2002; Harrison, 1982; Schall, 1983; Schein, 1985; Wallach, 1983) of the construct. Several studies examined OC concerning in relation to the competitiveness, productivity, sales, profitability, and growth of companies (Barney, 1986; Peters & Waterman, 2006). OC in the hospitality industry, however, has received comparatively less attention (Tepeci & Bartlett, 2002). Since human involvement is an inherent part of the hospitality industry (Yavas & Konyar, 2003), the relationship between hosts and guests is more fragile than those in other industries, such as manufacturing and retailing. Despite the distinct characteristics of the hospitality industry such as inseparability and perishability, OC is more important in this industry and may affect employees’ behaviors to a noticeable degree. Currently, there is lack of scale development for measuring OC in the hospitality industry. Thus, the purpose of this paper is twofold: first, to present evidence of how OC differs across various industries; and second, to provide directions for researchers to conduct studies on OC in the hospitality context.

2. Literature Review

Organizational culture and industry relationships

The concept of OC first became important in the late 1970s-1980s and has been used to inform the economic achievement of Japanese over American firms, through developing well-motivated employees, and committing to a common set of core values, beliefs, and assumptions (Joyce, 1982; Rentsch, 1990). The reason researchers paid more attention to culture-based approaches is that OC enables positive economic outcomes such as increased employee commitment and cooperation, greater efficiency, improved job performance and better decision making (Ahmed, 1998; Barney, 1986; Lund, 2003). Therefore, culture of organizations has become the center of foci in a number of disciplines.

Culture has been defined differently by various researchers (Hofstede et al., 1990; Schein, 1985; Smircich, 1983) and differently across various disciplines, such as anthropology, sociology, and psychology. Further, researchers have used more than one definition of culture depending on their field, subject, and when the definition was constructed (Ouchi & Wilkins, 1985; Smircich,
Despite the wide range of definitions of culture that have been produced, it is generally agreed that culture mainly consists of certain values, assumptions, and beliefs (Deshpande et al., 1993; Hofstede et al., 1990), which have been regarded as key determinants of organizational effectiveness, competitiveness, productivity, profitability, and company growth (Barney, 1986; Joyce, 1982; Kotter & Heskett, 1992; Peters & Waterman, 2006). In this regard, OC is of great importance because it “[provides] the reasons why people behave as they do” (Ott, 1989, p. 39).

OC refers to group behaviors, which could be shaped by several factors (Schein, 2010). To identify and measure the nature of an organization’s culture, it is important to understand the reasons and factors that influence OC (Alvesson, 2012) because the behaviors of individuals within an organization depend on both internal and external forces that influence on individuals’ values, beliefs, and assumptions. Therefore, different pressures on organizations provide unique characteristics, which make organizations differ from each other (Deal & Kennedy, 1982; Barley 1983; Gregory, 1983; Smircich, 1983; Gomez, 2004). Gordon (1985, p. 121) concluded that “the characteristics of the industry and the marketplace and the diversity, size, and market position of the organization define the broad outlines of an appropriate culture”.

3. **Hospitality and organizational culture**

The hospitality industry has been categorized as part of the service sector. Several studies confirm that it has distinguishable characteristics from both the service, as well as other sectors (Hansen et al., 2004; Hemmington, 2007). One of the distinctive characteristics of the hospitality industry is related to the type of interaction that occurs between hosts and guests. For example, guests buy memories and not just the service quality; and they pay for meal experiences but not only for food or drink (Hemmington, 2007). Therefore, the guest-and-host relationship in the hospitality industry is associated with more advanced social interactions than those in the service industry (Sloan et al., 2013). In terms of products, manufacturers offer goods, which are tangible products. In contrast, the service industry offers intangible products, which are associated with the behaviors of employees and physical elements. The hospitality industry is associated with combining distinct products and services that create experiences and memorable moments for guests throughout their accommodation (Pine & Gilmore, 1998; Walker & Miller, 2009). Another distinctive characteristic of the hospitality industry is guest affiliation. There is an economic relationship between a service provider and a customer in the service industry (King, 1995). In the service industry, companies charge customers based on the amount of products and/or services they consumed. On the contrary, generosity is one of the key characteristics of hospitality industry, providing various offerings where minor elements of the products or services are not charged to guests’ account such as a welcome drink, birthday cake, and honeymoon pack (O’Connor, 2005).

These examples indicate that the hospitality industry, unlike tangible goods, is related to experiences and requires an amalgam of various goods and services such as food and beverage, entertainment, recreation, and gaming facilities (Hemmington, 2007). These elements are essential aspects in the hospitality industry. However, King (1995) stressed that hospitality is an
industry that is thoroughly associated with human interactions. Therefore, employee skills and behaviors are complementary functions during the service encounter as product, service and employees are all inseparable from each other (Manoharan et al., 2013). Employees are a particularly vital resource to the hospitality industry due to its heavy reliance on human involvement and the close relationship between hosts and guests (Tepeci & Bartlett, 2002). In the hospitality industry, therefore, behaviors of employees and the way they speak or act is a critical bridge for achieving productivity improvements (Chu & Murrmann, 2006).

4. **Measuring hospitality industry organizational culture**

During the last two decades, various cultural scales have been developed, designed, and applied in various sectors such as manufacturing, education, public administration, banking, and health care (Webster, 1993). However, the measurement of OC has long been a contentious subject in the literature (Denison & Mishra, 1995; Schein, 1985). One possible reason could be the different techniques researchers have adopted in measuring OC of the hospitality industry. This area is also in its empirical infancy and it is still unclear how different methods will eventually relate to one another. In this sense, the debate over the measurement of OC has been as controversial as the question on the definition of OC. Fletcher and Jones (1992, p. 30) stated that “the concept of OC, like human personality, can most conveniently be operationalized in terms of either types or dimensions”. These conflicts have been mainly revolving around the definition, different typologies, and the use of different data collection methods, target respondents, generalizability, and applicability of developed scales (Weinzimmer et al., 2008).

Contradictory dimensional structure is a crucial and critical problem of OC measurements (Janičijević, 2012). Several authors (Alexander, 1978; Amsa, 1986; Cooke & Rousseau, 1988; Glaser, Zamanou, & Hacker, 1987; Meglino, Ravlin, & Adkins, 1989; Tucker et al., 1990; Webster, 1993) have reported diverse dimensions. These dimensions range from one to fourteen, which create variation in the dimensional scope. Some studies focus on the one or more specific dimension of OC (Amsa, 1986; Schall, 1983), while others present a more comprehensive range of dimensions (Alexander, 1978; Gordon, 1979). For example, Webster (1993) revealed 34 items and 6 dimensions derived from factor analysis: service quality; interpersonal relationships; selling task; organization; internal communication; and innovation. On the other hand, Alexander (1978) reported 42 items and 10 dimensions: organizational and personal pride; performance excellence; teamwork and communication; leadership and supervision; cost effectiveness and productivity; associate relations; citizen relations; innovation and creativity; training and development; and candor and openness.

Scott et al. (2003) stated that the empirical formulation of OC dimensions is also inconsistent about which dimensions might be included in OC models. The probable reason of such inconsistency is that some dimensions are not unipolar while others are bipolar. For example, some studies paired up communication dimension with teamwork or openness (Alexander, 1978; Tucker et al., 1990) whereas some researchers split communication into two dimensions, ‘communication and openness’ and ‘communication and teamwork’ (Gordon, 1979). Therefore, studies have been exploring different levels of OC, which resulted in varied dimensions (Delobbe et al., 2002).
Differences in methodological approaches toward data collection are another problem of measuring OC (Delobbe et al., 2002). Metaphoric studies (Ogbonna & Harris, 2002; Sathe, 1983; Wilkins & Ouchi, 1983) used qualitative whereas variability studies preferred quantitative methods (Alexander, 1978; Calori & Sarnin, 1991; Cooke & Rousseau, 1988; Denison, 1984). While both techniques possess their own advantages, the strength of one has been presented as the weakness of another in the literature. For instance, Creswell (2009) stressed that qualitative approach requires ability to go beyond the superficial characteristic of OC, which provides a broader understanding of the construct (Saldana, 2009). Indeed, adopting qualitative approach not only allows quantitative data be supported with more detailed information (Van Maanen, 1979), but is also effective in providing a greater awareness of the perspectives of respondents (Schein, 1990). However, Lee and Yu (2004) stressed that the objectivity of qualitative studies could be compromised due to researcher or respondent errors. Schein (2010) mentioned that quantitative approach facilitates measuring ideas, beliefs, and attitudes in a larger scale, because quantitative data capture more information with numbers rather than in the form of pictures. A final problem with the measurement of OC lies on target respondents (Janičijević, 2012). Relevant studies have used different representative populations for measuring OC. Some studies for example, (Hartog & Verburg, 2004) collected data from executives and top management within the organization. However, Scott et al. (2003, p. 929) stated that “this is an important group in terms of formal leadership roles, for instance. But such an approach clearly results in only a partial view of the OC”. In this sense, this method is unable to provide deeper understanding of the OC constructs (Weinzimmer et al., 2008).

As mentioned earlier OC in the hospitality industry has received little attention (Tepeci & Bartlett, 2002). Although some studies (Deery, 1999; Sparrowe, 1994) attempted to measure OC in the hospitality industry, instruments adopted were mainly in aggregated form. For example, Tepeci and Bartlett (2002) have developed a scale, called the Hospitality Industry OC Profile (HIOCP) based on the OC Profile (OCP) after O’Reilly et al. (1991). They have also added ‘valuing the customer’, ‘honesty’, and ‘ethics’ dimensions based on previous hospitality research (Woods, 1989) with the sample of 182 junior and senior hospitality management students. The sample was, however, demographically homogenous and generalizability of the different population of hospitality employees is questionable. Recently, Dawson et al. (2010) developed the hospitality industry organizational culture scale HIOC. However, the study gathered previously developed scale items for the study. The items appear to be limited in terms of other industry characteristics that can be also found in the hospitality industry. Therefore, existing items may not be good enough to uncover the unique characteristics of the hospitality industry. On the other hand, other studies were devoted to finding the roles of OC. For example, Sparrowe (1994) inspected the relationship between OC and empowerment among employees in the hospitality industry. In a related but slightly in different vein, Deery and Shaw (1999) examined employee turnover and the role of OC within the hotel industry. Kemp and Dwyer (2001) examined the cultural influences on employee behaviors within the organization and applied in the Regent Hotel in Sydney.

The review of the literature above indicates that several organizational culture scales have been proposed. However, given the fact that the various industries have unique characteristics, the
applicability of the existing scales is still debatable (Jennifer & Jehn, 1994; Gordon, 1991; Janićijević, 2012; Ouchi & Wilkins, 1985; Xenikou, 1996). Although the hospitality industry is one of the largest industries, it has been a neglected area in terms of the measurement of organizational culture within this industry. Although there have been some constructive studies on organizational culture in the hospitality industry context, these studies have subsequently been shown to have had both conceptual and empirical shortcomings (Dawson et al., 2011; Tepeci & Bartlett, 2002). Specifically, there appears to be a dearth of well-established and tailored scales that penetrate the multiple layers of organizational culture within the hospitality industry. From an academic perspective, this gap on organizational culture research in this industry described above has clouded studies on the dimensionality and validity of organizational culture scales that have been developed in the hospitality industry. In addition, it has also created difficulty for practitioners to understand related implications of the construct on organizational performance. Furthermore, an effective organizational culture scale can facilitate practitioners to diagnose the cultural elements that are central to a company and hence assist companies in improving organizational performance. Therefore, without this essential tool, there are difficulties in aligning a company’s organizational principles and ideology to employees’ behavior.

5. **Future research directions**

The measurement of OC is an important concern for both researchers and managers due to organizational changes, and which can assist organizations to adapt to these changes and to succeed. Therefore, it is important for managers to know “how to assess their own culture and whether it fits the competitive situation” (Goffee et al., 1999, p. 134). In light of the discussion above, this section provides future research agendas related to measurement of OC, including methodological approaches, data collection, and dimensional structure.

The first major pitfall is contradictory dimensional structure. More specifically, dimensions were identified as bipolar versus unipolar dimensions, and with targeted respondents. Thus applicability of the scales to the hospitality industry is still questionable. In this sense, we suggest that an industry specific measurement may increase the understanding of organizational culture in the hospitality industry.

A second pitfall is that previous studies addressed organizational culture often as either a qualitative or quantitative measurement. However, relying on a single method could deprive the advantages of another. We strongly argue that the best way of overcoming this issue is using a multiple data collection method of measuring OC which could be employed to reduce the provided problems related with the limitations of using singular measures, while at the same time also covering different layers of OC and providing more significant validity and reliability. Additionally, when measuring OC in the hospitality industry, concern must be shown for the degree to which certain criteria are consistent with the nature of the hospitality industry, and both internal and external factors.

Another pitfall concerns the collection of data only from single hierarchical positions. Despite the fact that it provides important insights about the organizational culture of the company,
assessment of organizational culture in a single hierarchical level (e.g., bottom line employees, supervisor, managers) or department (e.g., front office, housekeeping, sales) may limit the generalizability of results and may not reflect the culture of a company or organization as a whole. Therefore the results would reflect merely a partial view of the organizational culture. To respond to this concern, we suggest that the researchers should perceive companies and organizations as an integrated whole, that data could be collected from both managers and bottom line employees in order to uncover the management’s perception of how the culture is perceived. Similarly, assessment of OC at a single level or department may limit the generalizability of results and may not reflect the culture of whole company. Therefore, data should be collected from various departments across an organization.

6. Conclusion

This paper highlights that different approaches have uncovered and measured different layers of organizational culture. Thus, focusing on a single approach will result in the absence of other layers. This paper also reveals that there are several scales measuring OC, whereas the generalizability, applicability, and the validity of these studies are still questionable and there is yet no single scale that can be applied perfectly to the hospitality industry.

In addition, it was also highlighted that there is a need for scale development in hospitality industry OC that captures the recommended issues highlighted above. Considering the methodological problems and lack of previously developed scales particularly for the hospitality industry, this paper suggests using multiple definitional and empirical approaches that will be an amalgam of several points of review. We strongly believe that amalgamation of approaches will elaborate and cover different layers and provide wide range of details of measuring OC in the hospitality industry.

In conclusion, we hope that this paper may provide future researchers with a better understanding of the dynamics underlying organizational culture, specifically in the hospitality context. We hope that researchers in hospitality studies can benefit from the theoretical concepts and methods discussed in this paper to further explore organizational culture research in this context as well as other segments in the hospitality industry.
References


