Organizational Culture Orientation and Union Influence

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ABSTRACT
Employee unions are indispensable components of organizational success. The role of the employee union, which could be a consequence of organizational culture, determines the degree of an organization’s success. This study aims to explore the employee unions’ influence on the different cultural orientations of the organization. The study is based on survey data from 23 sample organizations’ 479 respondents. This study employed a mixed approach: a qualitative approach for understanding the fundamentals of employee unions and their influence in the Nepalese context and a quantitative approach for estimating unions’ influence. OCAI to determine the cultural orientation of sample organizations. A survey questionnaire was distributed to the employees, management leaders, and union leaders as respondents to estimate the influence of employee unions. Word clouds, OCAI charts, and descriptive statistics were used to conclude the study. Findings revealed unions’ influence on organizations in different functions like recruitment and selection, training and development, compensation, and the working environment. Union influence is found to be more active and influential in hierarchy culture than in market culture. This study contributes to the Power Resource Approach and Social Exchange Theory. It encourages the organizations’ leaders to orient their culture toward market culture to foster a fair, transparent, and competitive work environment and lessen the adverse influence of employee unions.

1. INTRODUCTION
Nepal possesses robust labor unions, and union alliances; trade union growth follows a distinct path characterized by significant membership, dense representation, and substantial voice or impact (Tulachan, 2019). Employee unions have the ability to abstain from work, which they have demonstrated in the past in various sectors such as hospitality, transportation, and certain retail services. Trade unions, as representative groups of employees, champion the interests of employees and play a role in the administration of labor relations (Blyton et al., 2001; Basnyat et al., 2017). Specifically, Nepali labor unions aim to utilize their political associations and alignments to accomplish their objectives. This approach aids in mobilization, as shared ideological beliefs and partisan identity ensure a strong membership base and facilitate collaborations with like-minded organizations affiliated with the same political party. Union movements in Nepal have also achieved notable success in enhancing institutional power by
advocating for the adoption of various workers’ rights conventions and progressive labor laws by the government, such as the elimination of child labor, abolishment of pay discrimination among workers based on gender, and employee participation in decision-making (Rimal, 1996). Unions have a significant role in the post-conflict economy (Druca, 2019), though there is evidence of immature union decisions resulting in several unexpected consequences.

With the changing global scenario and political system of the country, the role of the union is also changing (Basnyat et al., 2017) in terms of organizational politics, culture, and organizational stability. Active union increases the tendency of indirect employee voice, while employees’ voices become direct in organizations with absence or passive union. Both situations affect strategic human resource management (Sablok et al., 2013) and organizational performance. Evidence shows that practices related to employee voice are connected to increased employee engagement in decision-making, motivation (Lepak et al., 2006), and innovative work behavior. Besides the adverse impact on business conduct, these practices also correlate with heightened job satisfaction and a strong sense of trust in management (Mackey & Boxall, 2007), along with improved flexibility, efficiency, labor productivity, and overall organizational performance (Gautam & Gautam, 2022; Malik, 2009). In this way, unions are responsible for the employees’ work behavior.

Employee unions notably impact perceptions and practices related to trust and fairness within the workplace (Guest & Conway, 2004). These aspects, in turn, have implications for employee behavioral outcomes, notably their commitment to the organization. Serving as legitimate representative bodies for employees’ rights and interests, employee unions play a multifaceted role in shaping organizational outcomes. They effectively address conflicts within the workplace (Wright, 2011) and exert pressure on management across various domains, including work hours, wage structures, recruitment, training, promotions, discipline, contracts, retention, and more. Pohler and Luchak (2015) have affirmed the union’s positive contribution to overall organizational benefits, contingent upon productive cooperation with management. It’s widely recognized that unions extend their influence to lobbying, political engagement, and community involvement at local and global levels (Verma, 2005). This dynamic presence of unions can impact organizational culture and employees’ inclination toward innovative work behavior. Similarly, employee unions frequently establish cultural dynamics that present obstacles to organizational effectiveness and prove resistant to modification (News Week, 15 Oct 2012). Sinclair et al. (1995) found that employees who perceive their union as supportive tend to exhibit greater loyalty, accountability, readiness to contribute to the union’s efforts, and a strong belief in unionism, potentially impacting innovative work behavior.

Empirical evidence established the fact that trade unions or employee unions influence every organization differently. Irrespective of the leadership and organizational culture, unions work with the global philosophy that they need to work for the rights and interests of employees. This study explores whether the influence of unions at the organizational level (i.e., employee unions) depends on organizational culture.

In the context of Nepali industries, whether large or small, it has been noted that employee conduct and expectations are influenced by acts and interactions within unionized businesses, even in those without employee unions. This finding led to a study of how unionization affected organizational procedures and culture.

2. LITERATURE REVIEW

Union attitudes and behavior (Sarkar & Charlwood, 2014) are influenced by factors such as job satisfaction, general political beliefs (with left-leaning individuals more inclined to support unions), prior work experiences, family backgrounds, and the social context. When considering cultural orientation, it has typically been examined as a moderating factor. However, after conducting a systematic review of the literature (with complete details available from the authors upon request), we found no studies investigating the impact of cultural differences among
employees in different countries on their attitudes towards unions. Organizations that overlook the negative aspects of their organizational culture may not only face challenges in maintaining positive employee relations but may also struggle with the effective implementation of disciplinary measures (Crow & Hartman, 2022), meaning that the unions become more or less active based on organizational cultures. Organizational culture can be comprehended through two primary perspectives (Cacciattolo, 2014) and frameworks.

**The Interpretive Approach of Organizational Culture**

The interpretive approach focuses on characterizing the culture. Johnson and Scholes (1993) proposed a conceptual framework known as the “cultural web,” which encompasses paradigms, symbols, power structures, organizational structures, control systems, rituals, routines, and stories. The interpretivist perspective asserts that organizational culture emerges from the interplay of these diverse dimensions. Organizational culture pertains to a set of attitudes and behaviors that are not only endorsed within the organization but also adhered to by managers, supervisors, and staff members. These attitudes and behaviors have an impact on various aspects of organizational operations and the overall welfare of employees (Belias & Koustelios, 2014), aiming to fulfill employee satisfaction (Al-Shammari & Al-Am, 2018).

**The Structural Approach of Organizational Culture**

The structural approach of organizational culture links the organizational hierarchy, i.e., structure. This approach is concerned with delineating roles and authority within the organization. Based on this approach, organizational culture could be of four types - power culture, role culture, task culture, and person culture. Based on these, the organization’s management deals differently with individual employees and unions, resulting in the different reactive behavior of the unions.

**Hofstede’s Framework of Organizational Culture**

Hofstede (2011) proposed a cultural framework consisting of six dimensions that serve as a cornerstone for examining national and organizational cultures. It is particularly valuable for studying cross-cultural psychology, leadership styles, employee satisfaction, motivation, workplace behavior, and commitment. Organizational culture significantly motivates individuals to embrace diverse practices and behaviors, ultimately impacting their innovative behavior.

**Competing Values Framework**

Cameron and Quinn (2006) proposed organizational culture with an ignored dimension of organizational performance. They realized organizational culture is one of the influencing factors in creating organizational value to have self-evident underlying assumptions, expectations, and collective memories (Association, 2019). The Competing Values Framework becomes more appropriate as it is validated by research works (Denison & Mishra, 1995). This framework provides organizational emphasis on how it organizes people’s activities and makes the organizational system dynamic with the changing environment. CVF provides descriptive information regarding the organizational culture and aligns other dimensions, e.g., human relation value and open system value of organizing (Linnenluecke & Griffiths, 2010). Cameron and Quinn (2006) suggested four different cultural orientations, i.e., clan culture, hierarchy culture, market culture, and adhocracy culture. As the sample organizations follow the business model, the study followed the Cameron and Quinn (2006) model comprising clan culture, market culture, adhocracy culture, and hierarchy culture.

**Clan culture and employee union**

Clan culture, also known as a collaborative culture, fosters a friendly and cooperative work environment. This cultural orientation can also be described as a team-based culture. Instead of just being directors, managers in this culture act as mentors and paternal figures. The organization invests in long-term human resource development efforts, which help maintain high levels of employee commitment and involvement (Čuček & Kač, 2020). An organization
with a clan culture promotes teamwork, participation, and consensus-building when tackling problems or generating new business ideas (Zhang & Li, 2013). Key features of clan culture include frequent updates to human resource development policies, a focus on gradual, long-term changes, a team-based management style with full team involvement, the view of employees as partners, and managers who take on mentoring and coaching roles for employees facing challenges or seeking growth (Al-bawai et al., 2022) and maintaining low stress (Kim & Jung, 2022) leading the supporting role of employee unions.

**Adhocracy culture and employee union**

Adhocracy culture, also called a creative or entrepreneurial culture, thrives in a dynamic and innovative work environment. Leadership in this culture is characterized by an entrepreneurial spirit and a willingness to take risks for the sake of creativity and innovation (Haffar et al., 2014). Both employees and leaders are encouraged to experiment and create, with organizational success measured by the performance of new products, creativity, and innovation. Leaders give employees the autonomy needed for new ideas, change initiation, and implementation. Adhocracy culture is marked by the following features: a strong emphasis on creativity and innovation for everyone, full autonomy for generating new ideas and making changes, visionary leadership with entrepreneurial qualities, a preference for transformational change, and a commitment to disruptive services to drive change.

**Hierarchy culture and employee union**

Hierarchy culture is defined as a structured organizational hierarchy that follows strict rules, relies on positional power and authority, and maintains clear communication channels, supervision, and control. It is often referred to as a control culture (Haffar et al., 2014). Key characteristics of hierarchy culture include adherence to formal rules and procedures, strict adherence to the organizational structure for command and reporting relationships, an expectation of error-free performance, meticulous attention to details before making decisions, and a focus on low production costs, continuous planning, and reliable delivery as indicators of organizational success.

**Market culture and employee union**

Market culture is an outcome-driven organizational culture that prioritizes speed in production and delivery to stay competitive. It is also known as a competitive or rational culture. In market culture, leaders and managers place a strong emphasis on meeting deadlines, achieving target results, and honoring commitments because of which the employees, in general, employees feel a need for security (Demir et al., 2011). The organization’s success is often tied to a robust market share, which serves as a unifying force among its members. Key features of market culture include quick decision-making, rapid production and delivery of goods and services, leaders who display determination, provide clear direction, and offer close supervision, employees expected to align with leaders’ goals for organizational success, a preference for assertive decision-making to outpace market competition, customer-centric organizational activities, ease of accepting and implementing change, frequent acquisition and outsourcing of resources for speedy market delivery, and an external focus and a high degree of control-oriented behavior.

Research works (e.g., van der Meer, 2018) reported that unions influence organizations for salary, wages, and working conditions. There are two contradictory findings of the research regarding union influence (Gordon & Desini, 1995): job satisfaction of unionized workers is less than the employees of non-unionized workers; unionized workers have a lower turnover rate than non-unionized workers. This insists that unionization strongly affects workplace relations through collective bargaining, which influences the innovative work behavior of employees. This study examines the influence of employee unions on different cultural orientations in Nepalese organizations.
This study followed the pragmatism philosophy of inquiry as the pragmatism philosophy of inquiry reflects that the truth lies within the situation. The pragmatism philosophy facilitates researchers to adopt a flexible approach to investigating, accommodating outcomes, and using adaptive-oriented inquiry methods (Johnson & Onwuegbuzie, 2004) and also allows for using mixed methods.

This study also embraced the Power Resources Approach (PRA), which operates on the fundamental premise that organized employees can effectively safeguard their interests by collectively mobilizing power resources. This concept has significantly influenced the scholars’ approach to the topics of union revitalization and labor conflict through the utilization of existing power resources while striving to cultivate new ones (Chun, 2009; Dörre, 2010a; Lehndorff et al., 2017; Ludwig & Webster, 2017; McCallum, 2013; Schmalz et al., 2019; Xu & Schmalz, 2017). Regarding the theoretical base, this study followed the Social Exchange Theory (SET), the most influential conceptual paradigm in understanding employees’ behavior (Cropanzano & Mitchell, 2005). There could be three types of relational reciprocities: reciprocity as interdependence, reciprocity as folk beliefs, and reciprocity as moral norms (Cropanzano & Mitchell, 2005).

3. RESEARCH METHODS

This research followed an inductive approach, following the deductive approach for theoretical support; in totality, this study followed a triangulation approach with a descriptive research design. Using an inductive approach (interviews with different respondents such as managers, operating-level employees, and union activists), this study explored the possible influence of unions. Face-to-face interviews with opinion leaders and employees working in various organizations were conducted, recorded, and analyzed data with content analysis using a word cloud.

Figure 1
OCAI Profile of Clan Culture

A separate questionnaire, prepared as the Organizational Culture Assessment Instrument (OCAI), was distributed to identify the cultural orientation of the organization. This instrument incorporates six dimensions regarding dominant characteristics: organizational leadership, employee management, organizational glue, strategic emphases, and success criteria. Respondents divided 100 points into four statements of each dimension and grouped them into four cultural dimensions, i.e., clan culture, hierarchy culture, market culture, and adhocracy culture. Based on the summatred points, sample organizations were divided into four cultural orientations. However, the sample organizations were found to be only of three types: clan culture, market culture, and hierarchy culture (Figures 1, 2, and 3).

This study incorporated Nepalese organizations from the different clusters, i.e., public/private, service/trading orientation, and unionized/non-unionized organizations,
who were selected as the population. Public organizations were defined as organizations with
government investment in any proportion, while private organizations were defined as
organizations with no government share. Twenty-three organizations in total, representing
each stratum, were selected purposively as the sample organizations. Employees with
different job responsibilities were selected with a convenience sampling approach to compare
cultural orientation and union influence. Managers, supervisors, and union leaders were
selected to collect the qualitative data. As for the survey data, 479 respondents participated
voluntarily (though 550 questionnaires were distributed, 498 were returned, but 21 incomplete
responses were discarded from the analysis process). Descriptive statistical instruments were
used to identify the cultural orientation and the average responses to identify the influence of
unions on organizations with different cultural orientations.

Figure 2

\textit{OCAI Profile of Hierarchy Culture}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Hierarchy_Culture.png}
\caption{OCAI Profile of Hierarchy Culture}
\end{figure}

Figure 3

\textit{OCAI Profile of Market}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Market_Culture.png}
\caption{OCAI Profile of Market}
\end{figure}

To align the study with its specific context, preliminary interviews were conducted with
various individuals, including managers, supervisors, and employees who were representative
of unionized and non-unionized organizations, regulatory bodies, and businesses. These
interviews involved six participants covering various job levels within these organizations.
During these interviews, eight open-ended questions were posed, addressing topics such as organizational culture, leadership styles, the support system in the workplace, and the impact of organizational culture on leadership styles and innovative work behavior. Respondents were asked to describe the type and nature of organizational culture’s influence on leadership styles, workplace social support, and innovative work behavior. Additionally, they were questioned about the influence of employee unions on organizational culture. In the subsequent section, key findings from these interviews have been analyzed using word cloud techniques (Figures 4, 5, and 6).

4. RESULTS AND DISCUSSION

Meaning of Organizational Culture

Every respondent demonstrated a strong understanding of organizational culture (Figure 4). They consistently expressed that organizational culture encompasses the collective amalgamation of an organization’s values, norms, and decision-making processes. The respondents emphasized that established norms, beliefs, and values guide organizational decision-making.

Organizational Culture for Setting up Workplace Support System

The respondents concurred that organizational culture substantially influences the work environment (Figure 5). This is because organizational culture establishes communication norms, authority delegation, support mechanisms, and a system for recognizing and rewarding employees. Managers, supervisors, and employees adjust their mindset based on the prevailing organizational culture, determining whether to delegate authority, involve employees in decision-making, acknowledge and encourage creative initiatives, and promote innovative work behavior. The respondents emphasized that fostering strong workplace collaboration and support necessitates a supportive culture that rewards contributions and encourages cooperation. It was concluded that organizational culture significantly and positively impacts the support systems within the workplace.

Role of the Employee Union in Organizational Culture

The respondents concurred that employee unions have a discernible influence on the organizational culture (Figure 6). They believe that unions advocate for the welfare and interests of employees by addressing issues related to their rights and well-being. Unions actively support employee benefits, amenities, security, and growth opportunities. Additionally, the respondents noted that unions take a stance against organizational policies, procedures, and strategies when they perceive that these may have an adverse impact on employees’ welfare and prosperity, sometimes leading to confrontations. To navigate the
interests and pressures of unions, organizational leaders may adapt their leadership styles, which can subsequently impact the level of social support within the workplace. In this manner, the presence of unions can indeed shape an organization’s workplace culture.

**Unions’ Influence on Organizational Functions**

Respondents were asked to share their firsthand experiences with employee unions’ impact on organizations, aiming to assess how unions influence organizational culture (Table 1). In this section, respondents were encouraged to provide input only if they had direct experience with employee unions or had worked in organizations with such unions. Respondents have conveyed various ways in which unions exert influence on different facets of management, including salary, incentives, and wage negotiations (46.76%), fostering workplace relations (45.30%), promotions and transfers (25.05%), checking board decision-making (22.30%), scrutinizing organizational decisions (21.29%), and recruitment and selection processes (19%).

**Table 1**

*Employee Union’s Influence on Organizations’ Functions*

<table>
<thead>
<tr>
<th>Employee unions in organization</th>
<th>Salary, wage, incentives</th>
<th>Recruitment &amp; selection</th>
<th>Promotion &amp; transfer</th>
<th>Check board decision</th>
<th>Maintain workplace relation</th>
<th>Scrutinize organizational decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>224 (46.76%)</td>
<td>120 (25.05%)</td>
<td>106 (22.13%)</td>
<td>217 (45.30%)</td>
<td>102 (21.29%)</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Weightage based on frequency</td>
<td>1</td>
<td>6</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

Table 2 provides information regarding the impact of employee unions across various cultural orientations. The data reveals that unions exhibit a notably strong influence across all aspects of a hierarchy culture. This data suggests that employee unions tend to be more proactive when dealing with organizations that uphold strict structures, rules, and operational principles. Unions often seek to counter organizational leadership that vigorously enforces hierarchical structures for authority delegation, communication, and control systems.

**Table 2**

*Union influence based on organizational cultural orientation*

<table>
<thead>
<tr>
<th>Cultural orientation (CO)</th>
<th>Salary, wage, incentives</th>
<th>Recruitment &amp; selection</th>
<th>Promotion &amp; transfer</th>
<th>Check board decision</th>
<th>Maintain workplace relation</th>
<th>Scrutinize organizational decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clan culture</td>
<td>60</td>
<td>38</td>
<td>40</td>
<td>36</td>
<td>87</td>
<td>41</td>
</tr>
<tr>
<td>Market culture</td>
<td>56</td>
<td>16</td>
<td>19</td>
<td>16</td>
<td>37</td>
<td>19</td>
</tr>
<tr>
<td>Hierarchy</td>
<td>114</td>
<td>39</td>
<td>63</td>
<td>52</td>
<td>95</td>
<td>42</td>
</tr>
</tbody>
</table>

The findings indicate that clan culture is the second most influenced by unions (Figure 7). Clan culture is characterized by a high degree of collaboration and a low level of competition compared to other cultures. It is anticipated that in such a collaborative and less competitive environment, unions may feel more at ease and confident in establishing their principles and work-related values. However, in a market culture, organizations operate within a competitive atmosphere, not only externally with other organizations but also internally among employees, emphasizing collaboration and cooperation. In such an environment, employees tend to have higher levels of satisfaction due to the organization’s reputation and the growth opportunities it offers. Consequently, employee unions appear to have less influence in organizations that embrace a market culture.
The major objectives of the study were to identify the influence of employee unions on different organizational cultural orientations. Results revealed a more powerful influence of employee unions in the hierarchy culture. It is revealed that unions mostly influence hierarchy culture, clan culture, and market culture. Being a more rigid organizational structure, employee unions intervene in each function of the organization, especially for their benefit. Clan culture is the most collaborative and least competitive of the others. In such a more collaborative and less competitive environment, unions are expected to feel more comfortable and confident in setting principles and working values according to their wishes. But, in the market culture, the organization follows a competitive working environment not only among the other organizations but also among the employees, full of collaboration and cooperation. The positive influence of the union for a comprehensive reward system in this culture influences employee motivation (Gautam, 2019; Olynic & Li, 2020). In such an environment, employees’ satisfaction levels remain high because of the organization’s image and growth opportunities, resulting in low stress and high performance. Working environments influence employees’ work attitudes (Gautam, 2020); thus, employee unions’ influence affects employees’ work attitudes. In general, employee unions influence or wish to control all the functions of organizations, as the unions in Nepal are directly associated with the mainstream political parties, as Tulachan (2020) suggested. Injustice feelings among employees cause deviant work behavior (Gautam, 2022; Macky & Boxall, 2007). Thus, a fair, professional, and forward-looking employee union should maintain a comprehensive reward system, ensure fairness in behavior, and provide growth opportunities.

5. CONCLUSION

The relationship between union and non-union entities can be likened to a fault line, influenced by various factors such as labor-management interactions, conflicts, disparities in individual characteristics, and job and work environments. The most significant distinctions between union and non-union cohorts were observed in the domain of employee engagement. Union members reported lower levels of empowerment, less effective teamwork, and diminished backing for career growth and progression within the company. This finding carries a sense of irony, considering that one of the primary objectives of unions is to enhance job security and foster a sense of belonging and participation among employees within the organization. Cultures can harmonize union influence in the organization. A crucial element in the company’s culture involves conveying the performance expectations for all parties involved to enhance the
organization’s effectiveness and competitiveness, resulting in employee satisfaction or dissatisfaction. Employees’ dissatisfaction becomes a strong factor in unions’ activities.

This study concludes that the unions’ activities align with the organizational culture of dealing with employees. Unions remain less active in the market culture, where work-related values and principles are well-established and practiced for collaboration and coexistence. In organizations where employees compete fairly for performance, they do not feel the need for unions to protect their rights and interests. The achievement-oriented employees enjoy working in a market culture. Thus, in such a situation, to make the union less reactive, the organization should work towards maintaining a fair and transparent working environment, ample opportunities for employee participation in decision-making processes, a performance-based pay structure, and a climate of competition for performance.

6. IMPLICATION OF THE STUDY

This study contributes to enriching common rhetorical understanding regarding the presence of employee unions in the organization and denies the myth that unions are always in opposition to the organization. Besides, they are the watchdogs in the organizations. They encourage a fair and performance-based pay structure in market culture. They become more reactive and influential in the hierarchy culture because of the radical mindset of top leadership, which overrules organizational structure with strict responsibility-authority relationships. Thus, this study appeals to organizations to orient their organizational culture to the market culture for optimal support from employee unions. In addition, this study also supports the validity of the Power Resource Approach and Social Exchange Theory in the organizational setting.

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We declare the absence of a conflict of interest in the publication of the paper.

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