

The Impact of Culture on Organisational Development at a Large Retailer in South Africa

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Abstract

This paper explores the significant impact of culture on organizational development and change management. The primary aim of this study is to analyse the effects of culture on individuals, organizations, and the processes of change and development. Various elements were analysed, including organisational culture, individual staff culture, customer culture, leadership styles, and the overall awareness and understanding of the organisational culture within the community context. A quantitative approach was followed, and surveys were used to collect data from both employees and customers of a retail chain in South Africa. The study found that the culture of an organization significantly affects its stakeholders and influences both internal operations and marketplace interactions. As a result, organizational culture plays a major role in development and change management, impacting the development of employees who are directly or indirectly responsible for the organization's growth, as well as customers and suppliers who play a vital role in the management and progress of the organization. To foster a positive relationship between employee and organizational cultures, inclusivity is essential.

Keywords

Organisational culture, customer culture, leadership culture.

1. Introduction

Almost every if not all organisations, have its own culture/s which may be just recognised by staff and/or others or written down as a formal policy or procedures for operational purpose of an organisation (Driskill, 2018). The retail chain has employed people from different background with different beliefs, behaviour, attitude, and values to come together as a team to produce a goods or services for consumers that have different test, preference, needs/wants due to their ethnic group, background, culture. These differences have a significant impact organizational culture for the retail chain, which in turn has a significant impact on the organisational development and change management.

Culture plays a significant role in our lives and day- to-day activities, as well as in the social activities and business environment (Von, 2023). Culture has major effects on our behaviour, beliefs, and attitude, so culture has a serious impact on employees and their performance, which affects their development and therefore also has an impact in the development of the organisation and change management (Cherian. Gaikar. Paul. and Pech. 2021).

1.1 Objectives

The objective of the study was to establish how culture influences behaviour, beliefs, and attitude, and how it affects staff performance and their development at the retail chain. Also, the study assessed at how organization culture contributed to customer's satisfaction retail chain in South Africa.

1.2 Significance

This study seeks to elevate awareness of cultural issues and underscore their profound impact on organizational development and change management within the retail chain. By proactively addressing these issues, the retail chain can significantly enhance its prospects of achieving successful organizational transformation. The initiative will focus on cultivating a vibrant culture centered on employee development, which is crucial for driving

improved customer satisfaction. By embracing and valuing the rich diversity of both employees and customers, as well as integrating the essential values of customers and suppliers into the retail chain's organizational culture, the potential for impactful change management and robust organizational development increases dramatically. This strategic approach not only fosters a more inclusive environment but also strengthens the connection with all stakeholders, ultimately propelling the retail chain toward greater success and sustainability.

2. Literature review

Every organization possesses a distinct culture that profoundly influences its members, operational processes, customers, suppliers, management, and overall success. This culture, comprised of core values and beliefs, creates a robust foundation for behavioral norms and expectations, guiding how things are accomplished within the organization (Akpa et al, 2021). In recent years, the understanding of culture has evolved significantly, resulting in a variety of definitions and in-depth studies aimed at uncovering its essence, significance, and mechanisms. These insights reveal how culture shapes processes that are often mistakenly perceived as autonomous. Embracing the importance of culture is essential for fostering a thriving organizational environment and driving enduring success (Tan et al. 2022). Hill (2021) argues that culture does not necessary come from just anywhere, but that it actually come from the people, management, and the organisation itself, he further defines it 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.

2.1 Serving Culture

Serving culture is defined as “a pattern or 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” (Schein, 2021). (Tai et al. (2022) hypothesized that serving culture has a positive effect on employee job performance, creativity, and customer service behaviour. However, it is negatively related to turnover intentions, both directly and through employees' identification with the organization. Managers at the retail chain must influence the culture directly by motivating their followers to engage in serving behaviour. Their indirect influence on culture occurs through modelling desired behaviours, which are then adopted by their followers, as explained by social learning theory (Akpa et al., 2021). Therefore, when implementing change management at Pick n Pay, it is essential to select a manager who is highly respected and admired by their followers—someone whose behaviour they will imitate, and who also supports and embodies the organizational culture.

2.2 Servant Leadership

Management style and corporate culture set the tone for the entire organization, influencing communication, leadership patterns, and decision-making throughout the system. Servant leadership is defined by the idea that the most effective leaders are those who prioritize the needs of their followers over their own personal desires (Fatima, Abbas, and Hassan, 2023). This means that servant leaders are deeply concerned about others, demonstrating humility that fosters strong relationships with their followers and encourages them to fully commit to their work (Cuenca, Tomei, and Mello, 2022). As a result, the behaviour of a servant leader helps employees unlock their full potential, contributing to a positive organizational culture (Fatima et al., 2023). Servant leadership is linked to followers' performance, attitudes toward their jobs, organizational citizenship behaviour, and various outcomes (Fatima et al., 2023). It is also associated with organizational culture, which plays a crucial role in development and change management. This leadership style has a positive impact on change management and organizational development. Organizations should consider adopting servant leadership when changing management practices, as neglecting this approach could negatively affect operations and organizational development, both in the short and long term.

3. Methodology

The study followed a quantitative approach. Data was collected through a structured questionnaire. A total of n=30 customers and n=15 staff were interviewed. Nonprobability sampling methods were employed to select the respondents. A 5 point Likert scale was used to measure employees' and customers' opinions, understanding, and beliefs concerning the impact of culture in organizational development and change management. (1) equals strongly agree to five (5) equals strongly disagree scale, for survey one (A large retailer Survey) and for survey two (A large retailer Customer Survey) it were dichotomous questions with a yes/positive and no/negative response.

3.1 Research Design

A quantitative research approach was applied in this study. A survey was used to collect the necessary data for this research. Sekaran & Bourgie, (2013) defines survey as “a system for collecting information from or about people to describe, compare, or explain their knowledge, attitudes, and behaviour.

3.2 Population and Sampling

The population of the study was both the employees and staff of the retail chain. The overall targeted sample size was 120 employees and 180 customers. The nonprobability sampling methods were employed to select the respondents, therefore, the members of the sample did not have an equal or known chance of being selected as sample subjects.⁵

3.3 Procedure of Data Collection

I applied descriptive survey questionnaires research strategy in this study to measure employees and/or customers' opinions, understanding, and beliefs concerning the impact of culture in organizational development and change management. This strategy or technique is very popular because it allows the researchers to collect a quantitative and qualitative data on many types (various and related) of questions (Sekaran & Bourgie, 2013). This technique is very relevant method for my study because survey involves careful description, and incorporate exploratory and casual research to collect data about events and people.

Response scales for the measures will be on a one (1) equals strongly agree (2) agree, (3) Neutral, (4) disagree and (5) strongly disagree for the employee survey. The customer survey was ranked as yes/positive and no/negative response. This simplified the data analysis processes, as well as the results interpretation.

3.4 Data Analysis Techniques

Scale technique (rating scale) analysis, which is one of the quantitative data analysis techniques, was used to analyse the data collected through a survey. The number of respondents for each question was analysed according to how they responded to the same question (whether it be strongly agreed, agree, neutral, disagree, and strongly disagree), then the responses were converted the number of respondents into a percentage.

4. Results

Table 1 below shows the results for the retail chain staff. Using the 5-point semantic scale to measure the responses of the staff. The data collected validates that culture does have considerable impact on organizational development, change management, organizational operations, and overall success of the firm, as well as to show the extent to which culture is involved and affects the organizations operating processes, activities, customers, and employees.

Table 1. Staff survey

Statement	1. Strongly Agree	2. Agree	3 Neutral	4. Disagree	5. Strongly Disagree
Culture has a significant impact on organisational operations and processes.	33.33%	53.33%	6.67%	6.67%	0%
Culture affects the employees' or individuals' development in an organisation.	20%	66.67%	6.67%	6.67%	0%
Culture has an impact on activities to be performed and organisational management.	0%	66.67%	26.67%	0%	6.67%
Organisational culture has strong effects and influence on the relationships of the organisation with its suppliers	40%	26.67%	26.67%	6.67%	0%
There is a relationship between the culture of customers and how customers are handled in the retail chain	0%	53.33%	46.67%	0%	0%

Culture significantly impacts organizational operations and processes. 53.33% agreed that culture has a strong influence on business processes and operations. Additionally, 33.33% strongly agreed with this statement. 6.67% of the employees disagreed that operations were impacted by the organisational culture.

A majority of employees, totalling 20% and 66.67% consecutively strongly agree and agree, that culture affects the employees and individual development in an organisation. When asked if culture has an impact on activities to be performed and organisational management, 6.67 % of employees strongly disagreed while 66.67% of respondent agree and 26.67% were neutral about it.

A total of 40% respondents strongly agree that culture goes to such extent to play a major role in dealings with the suppliers of the organization, meaning that culture has a strong impact and/or influence on the firm's relationship with its suppliers. 26.67% were on neutral, the same goes for agree, and one who disagree.

53.33% of the respondents agree there is a relationship between the culture of customers and how customers are handled in the retail chain, however a large 46.67% respondent were on the neutral about the issue..

Figure 1 below demonstrates the results for the retail chain customers. Using the dichotomous questions with a yes/positive and no/negative response. The data collected confirms that culture does have considerable impact on customers satisfaction and attitudes towards and organization.

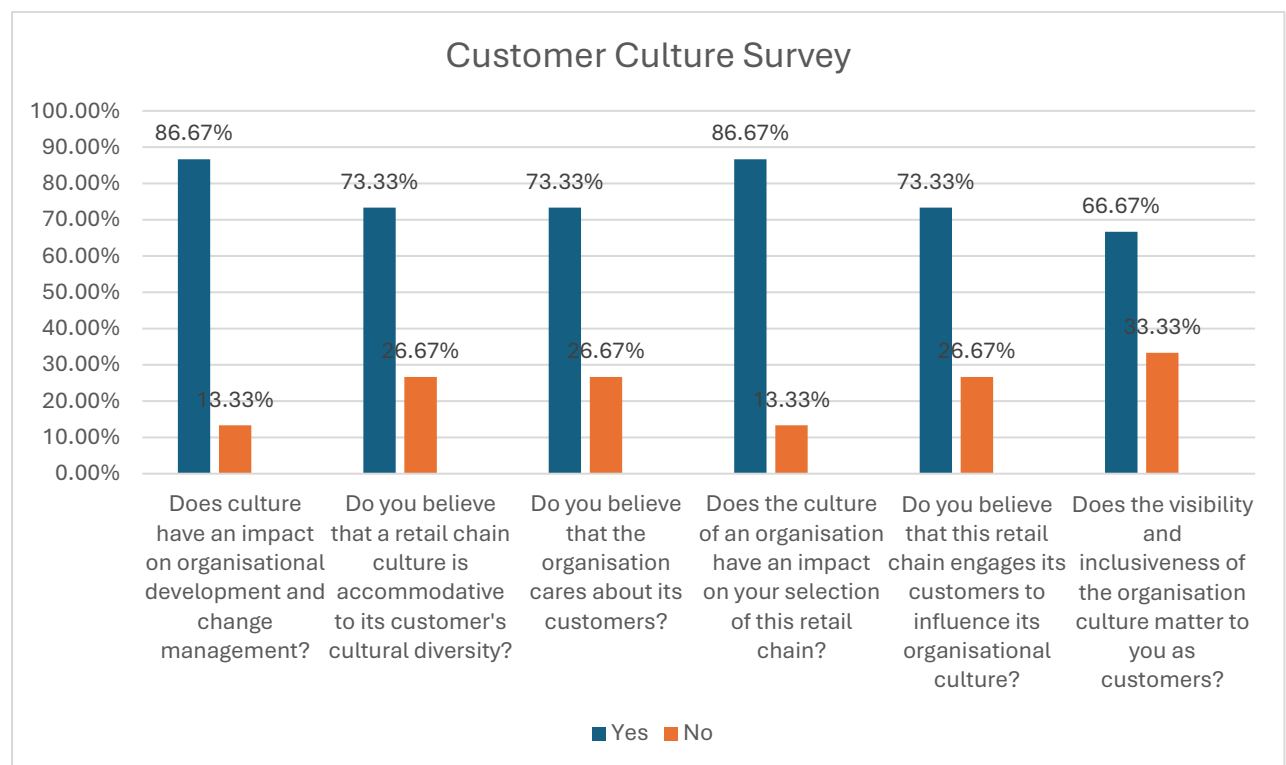


Figure 1. Customer's culture survey

The impact of culture on organizational development and change management is significant. A survey revealed that 86.67% of respondents acknowledged that culture greatly affects change management and organizational development, while 13.33% disagreed.

When asked if the organization cares about the culture of its community and individuals, 73.33% of respondents believed that a large retailer is considerate of the cultural aspects of both individuals and the community it serves, while 26.67% disagreed.

Regarding the influence of organizational culture on buying behavior, 86.67% of respondents agreed that the culture of the organization positively affects their purchasing decisions and selection of the retailer, with 13.33% saying it does not. In terms of customer engagement, 73.33% of respondents felt that a large retailer is actively involving customers and considering their input in shaping the organizational culture. Conversely, 26.67% believed that the retailer does not engage or motivate them to participate in cultural activities that influence the company's culture.

Finally, when it comes to the visibility and inclusiveness of organizational culture, 66.67% of respondents indicated that these aspects are important to them as customers. The remaining 33.33% expressed that they do not care whether the organization's culture is inclusive and visible.

5. Recommendations and Conclusion

The study asserts that the culture of an organization significantly affects its stakeholders and influences both internal operations and marketplace interactions. As a result, organizational culture plays a major role in development and change management, impacting the development of employees who are directly or indirectly responsible for the organization's growth, as well as customers and suppliers who play a vital role in the management and progress of the organization. To foster a positive relationship between employee and organizational cultures, inclusivity is essential.

This approach creates an environment where employees not only embrace the organizational culture but also contribute positively to it, paving the way for employee development, which further supports organizational growth. Clear communication and visibility of the cultural values to all stakeholders—customers, employees, and suppliers—enhance organizational development and improve change management. When everyone understands that the organization seeks not only to generate profit but also to serve the community, it aligns with the needs of individuals within that community.

The retail chain exemplifies this by incorporating values and beliefs shared by their staff, customers, and community into their practices. As a result, they create a positive relationship between their culture and that of their customers and community, influencing buying patterns and preferences, ultimately boosting organizational development and sustainability. Retail chain managers should ensure that the company has strategic plans that align with its culture and foster a cultural climate conducive to rewarding high performance, celebrating success, focusing on continuous improvement, and setting broad objectives.

Clear communication of expectations and motivating staff members to be creative and take the initiative in their work is crucial, as is treating employees with respect and dignity. A strong cultural foundation at a large retailer positively impacts the development of its members and the company overall. However, this does not happen by chance; it requires effective management and the successful implementation of strategies that align with the organization's culture while also accommodating the cultures of its employees, customers, suppliers, and the surrounding community. Culture can be an excellent tool for organizational development and change management; however, if not correctly implemented, managed, and understood, it can have negative consequences, particularly if it excludes key stakeholders. This mismanagement can significantly impact the organization's reputation, image, productivity, and the overall success of its development and change initiatives. Therefore, it is crucial to recognize and reward groups and individuals who support cultural change programs that meet customer needs and promote organizational development and success.

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