

# **The Importance of the Organizational Culture. Case Study: Assessing the Organizational Climate Factors inside a Four Stars Hotel from Romania**

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## **Abstract**

The current economic, political and cultural domain and society in general is subject to major changes, being an extremely competitive environment. Employers, managers and their teams under the coordination must adapt to these changes and evolve in order to have competitive advantage. Experts attach great importance to organizational culture, considering it essential for the success of the organization. Positive and strong cultures influence the organization members working together to benefit of the organization. Organizations that succeed in business are strong cultures that allow them to easily adapt to the external environment and a sustained improvement in their sphere of activity. Managers have an important role in shaping corporate culture through their attitude, which may cause adaptability or inadaptability of the organizational culture to the external environment.

The present paper tries to assess the factors that ensure a good organizational efficiency using a case study inside a four stars hotel from Bucharest, Romania.

**Keywords:** Organizational culture, organization, organizational climate, job performance

## **1. Introduction**

In a world in a continuous change and development from the economic point of view our country tries to impose on the business developers market. As in the recent years Romania has started to be an important outlet for foreign investors, the business tourism found a good opportunity for development, taking into consideration the number of foreign tourists arrived for business trips.

The business tourism continued its growth, from 2010 till present, with percentages between 10% and 20% annually (INS, 2014). This niche has enormous potential, both for Bucharest and for the other cities, over 60% from the tourists arrivals were for business and only 40% for pleasure. The business people trips mean for the hotels and for the travel agencies an important source of income. These companies need a highly trained professional staff with high motivation for doing their jobs for satisfying hotel customers (Kotler and Keller, 2007). It is important for the hotel, their employees to enjoy working in this industry, motivated by the desire to succeed in providing quality tourism services to the hotel clients.

The fierce competition between hotels determines the orientation towards a strong culture and an organizational climate performance. The organizational culture is the personality of the company, being distinctive, as are its employees (Denison, 1996). There are some features that individualize organization. These can be members' behaviours, approaches to problems and people who are in contact with the organization, promoted values, customs, and symbols chosen to represent the organization (Pro Vobis, 2003). It is very important that the management and other employees to know and identify with the culture of the organization in order to achieve company goals.

The organizational climate can be understood as a "surface" manifestation of the organizational culture and reflect the employees perception on the existing culture inside the organization (Hutu, 1999). The climate is "internal human environment of the organization" created as a result of the confrontation between employee expectations and resources of the organization (Ganescu, 2011).

The present paper is trying to assess the factors that ensure organizational effectiveness. These factors contribute for creating an efficient environment inside the organization.

The marketing research was conducted among employees of a 4-star hotel in Bucharest, belonging to a renowned international hotel chain. The research aimed to highlight the employees' opinions, perceptions and suggestions regarding the 13<sup>th</sup> dimensions of organizational climate identified by Professor Constantin Ticu (2008), and those are:

- *Clear objectives and tasks* regarding clear job tacks both for the collective as for the individual inside the organization;
- *Positive interpersonal relationships* related to the quality of the interpersonal relations, communication and professional collaboration among the employees and managers;
- *Stimulating motivation*, in relation to the motivational system existing in the organization;
- *Performance support*, in conjunction with the existing organization infrastructure in order to achieve performing activities;
- *Effective leadership*, about management and leadership style;
- *Objective assessment*, concerning the existence of criteria for the evaluation of employees;
- *Organizational fairness*, related to the fairness of the tasks and resources distribution to the employees and how they are treated or rewarded for their work;
- *Identification with the company*, considering the extent to which employees acquire values and principles of the organization, are involved and contribute to achieving organizational objectives;
- *The quality of decisions*, with respect to the degree of freedom in making decisions and the extent to which employees are consulted in decision-making at organizational level;

- *Organizational Learning*, regarding the stimulating working environment, an environment that enables continuous improvement and innovation;
- *Stimulating activity*, in relation to the satisfaction of the undertaken job, and the support provided for its realization and acknowledgment;
- *Work overloading*, about the high level of work loading and the lack of time dedicated to personal life;
- *Personal security*, as regards to job security, the professional future and the collegial relationships.

The hotel employees were asked to assess to what degree the behaviours and the attitudes described in the questioner are presented in the daily activity, at the entire company's levels. More than that for each of the analysed factors the employees were requested to describe the problems related with different aspects of the organizational activity, to identify the causes of those problems and to propose solutions to improve the hotel efficiency.

The questionnaires were completed by employees from different departments of the hotel, under conditions of anonymity. The employees had to grades on a scale from 0 to 5 the organizational climate factors inside the hotel.

## 2. The socio-demographical characteristics of the researched employees

The personnel structure regarding the professional studies	11.72% higher studies 39.85% medium studies 48.43% <i>medium specialized studies</i>
The personnel structure regarding the age	2.34% age under 20 years old 35.94% <i>between 20-25 years old</i> 25.00% <i>between 25-30 years old</i> 10.16% between 30-35 years old 13.28% between 35-40 years old 9.35% between 40-45 years old
The personnel structure regarding sex	60.00% <i>male</i> 40.00% <i>female</i>
The personnel structure regarding the area of origin	100% <i>urban</i>

**Source:** *the research undertaking inside the hotel*

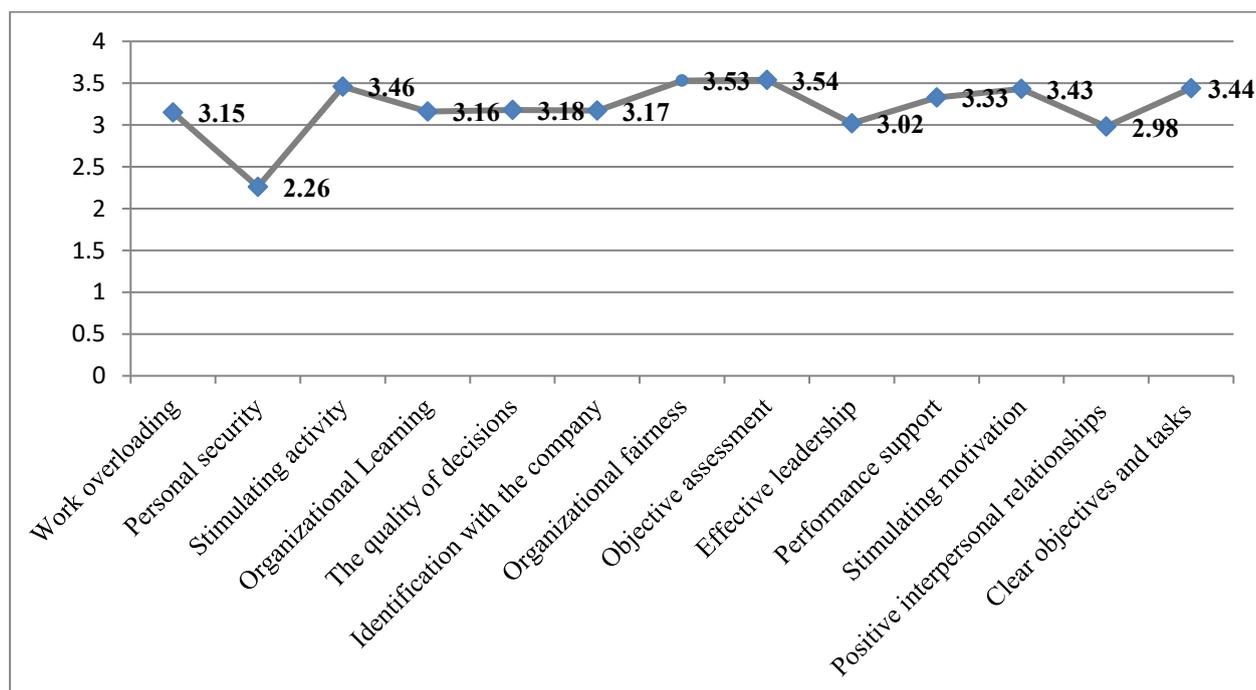
Most people hired in the hotel have *medium specialized studies*, and this thing is possible because most of the hotel's employees are students at the tourism Faculties. On the second place, we can find the employees with medium studies (40% from the total personnel of the hotel), as waiters, dishwashers, chambermaids, bell boys, porter, valet parking, and so on, and these positions do not require higher education. Last but not the least, the hotel personnel with higher studies (11.72%) includes assistant managers, managers, sales and marketing agents.

Most of the hotel employees fall in the age group 20-25 years, which is a good thing, because this is the best period for the formation of an employee, and the employee has not yet formed its own style of working. The second large age category of hotel personnel is

between 25 and 30 years old, and in this category some of the managers of the hotels are included too, this fact point out that the young workforce is appreciated and represents an undeniable potential. Regarding the socio-demographical characteristics the hotel is well organized in terms of employees' professional studies and training programs (because there are no persons over or under qualified for the position they occupy inside the hotel) and the personnel age allows the development of a clean and clear organizational climate.

### 3. The research results and implications

For the present study it was very important to see the perception of the employees regarding the hotel organizational culture, selected by the following criteria: the length of service and their work experience. The first category of employees was with a length of service less than one year inside the hotel. From their point of view the lowest score of these factors was for the personal security, meaning the job security, the professional future and the collegial relationships. The newest personnel need to be integrated into the hotel collective and this requires time and training and accommodation programs. Not every time the new employees receive "warmth and hugs" from the oldest employees, but lot of work to do and overloaded tasks. The highest score was for organizational fairness factor and for the objective assessment factor meaning the fact that the tasks and resources distribution to the employees and how they are treated or rewarded for their work are appreciated by the new employees and the hotel dispose of the criteria for the objective evaluation of new employees.

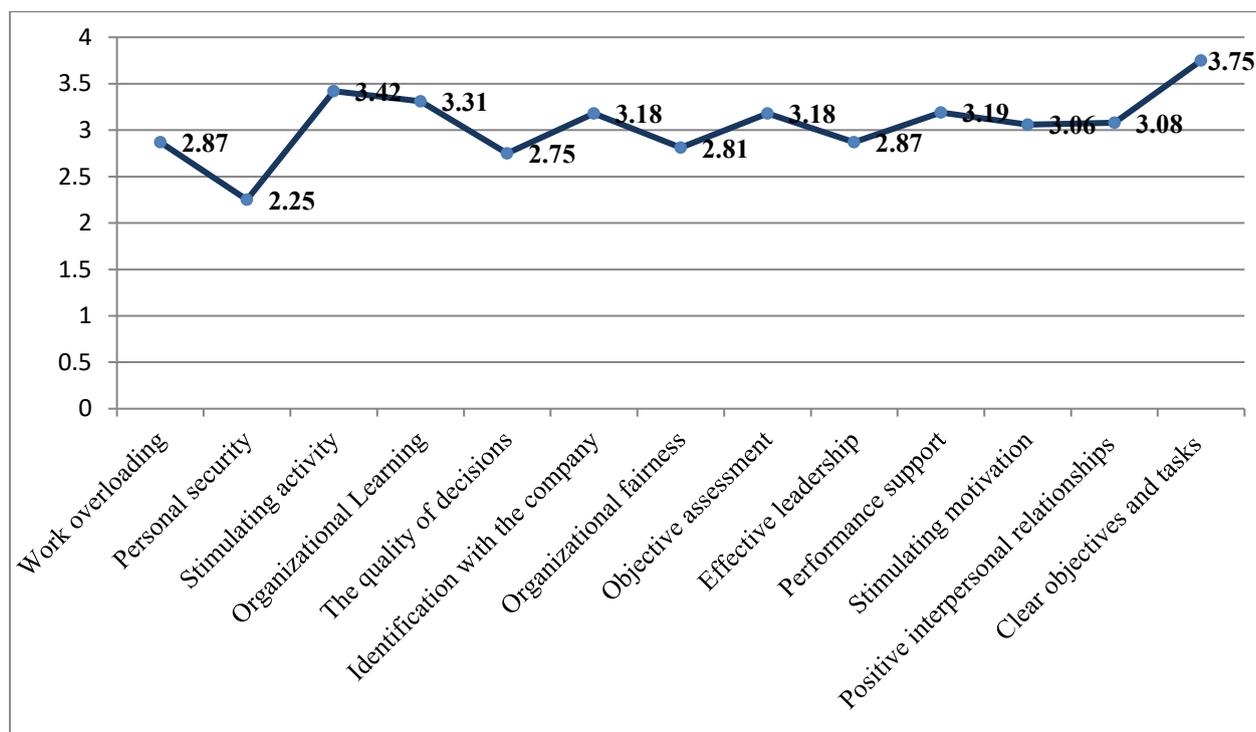


Source: the research undertaking inside the hotel

*Graph no.1.* The organizational climate factors of the hotel seen from the perspective of the employees with less than one year of service and work experience in the hospitality activity

The length of service reflects the attachment which was formed among older employees compared to the new employees. The older employees' perceptions' regarding the functional factors of the organizational climate inside the hotel differs from the opinion

of the new employees. The opinion formed by the older employees regarding the organizational climate of the hotel it is more meaningful and better to consider for the future development of the hotel organizational culture.



Source: the research undertaking inside the hotel

*Graph no.2.* The organizational climate factors of the hotel seen from the perspective of the employees with 1 and 3 years of service and work experience in the hospitality activity

As can be seen, the obtained scores are lower and closer, with lowest values for the following factors: personal security, the quality of decisions, effective leadership and organizational fairness. The highest scores were for the following factors: stimulating activity, organizational learning and clear objectives and tasks.

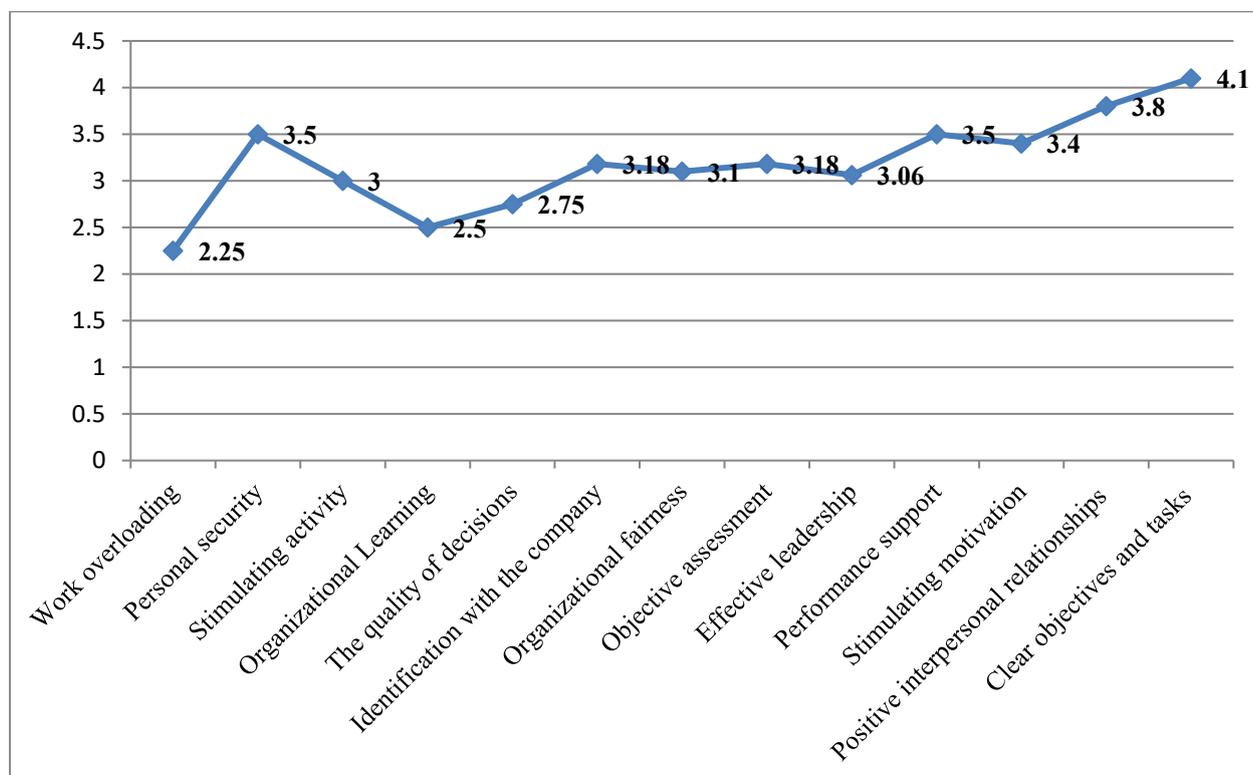
The employees with work experience and a length of service between 1 and 3 years inside the hotel are supported by management to do their tasks and their merits are recognized.

In the functional climate we find the fact that once with increasing seniority inside the hotel the staff easily appropriates values and principles of the company and contribute increasingly more to achieving the organizational goals.

Also in the functional climate, but closer to the climate performance is found clarity of objectives and tasks, demonstrating that the staff knows very well the tasks that are assigned.

Some of the problems identified by employees were: lack of training of the hired staff, low investment in training, the deficiency in the motivation and reward system, overload at work, infringement procedures and fluctuation of the personnel. The causes that led to these problems were the inadequate remuneration, lack of trainings, centralized decision-making and the absence of communication.

The solutions generated by the personnel were: a motivational package that includes higher salaries, professional development opportunity, more delegation of tasks, additional recruitment in the needing departments of the hotel and removing excessive bureaucracy.



Source: the research undertaking inside the hotel

Graph no.3. The organizational climate factors seen from the perspective of the hotel managers

Another important target of the study was to evaluate the perception of the hotel managers regarding the organizational climate factors. Their opinion was extremely valuable for our research.

From the managers point of view the organizational climate of the hotel is functional and they deliver clear objective and tasks for the employees in order to do their jobs.

Also, the managers admit that inside the hotel the *work is overloaded* and we can find high level of work loading and the lack of time dedicated to personal life. The work in a hotel is on "continuous fire", and when everybody is resting, in the hotel everyone is working.

Last but not the least, inside the hotel, the managers see the opportunity to promote on the hierarchy relatively low and hard to achieve.

#### 4. Conclusions

At the level of any organization, the climate can be a barrier to organizational development. It is essential for the organization to align employee goals with organizational ones. The role of specialized personnel is determined when it comes to the effective activity of the hotel, and the delivery of services required. Training helps staffs to develop skills necessary to do their work, especially for the front of the line staff that comes in direct contact

with the customers. Also, the managers have to motivate the employees helping them deliver quality service.

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The researched hotel has a functional organizational climate and place for improve some factors like: personal security, the interpersonal relationships, performance support, organizational learning, and work overloaded. The identification with the company factor reaches higher score in every studied case and this is a positive issue for the hotel organizational culture and performance.

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