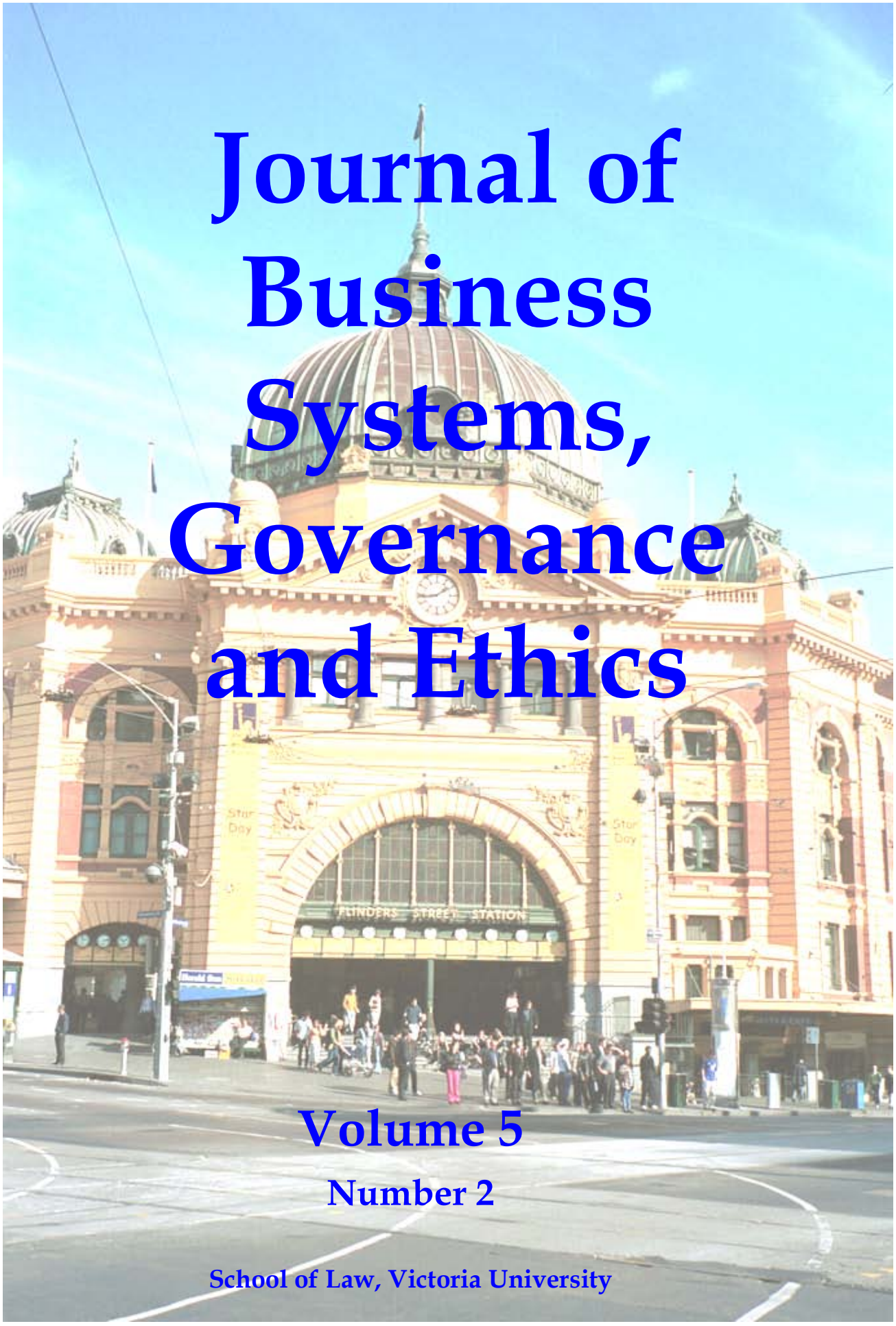
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Organisational Culture and Corporate Performance

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Item Type	Article
Authors	Ojo, Olu
Publisher	Victoria University
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Download date	2026-10-30 03:39:53
Link to Item	http://hdl.handle.net/20.500.12424/176295



Journal of Business Systems, Governance and Ethics

Volume 5

Number 2

School of Law, Victoria University

Journal of Business Systems, Governance and Ethics

Volume 5, Number 2. August 2010

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The Journal of Business Systems, Governance and Ethics is published four times a year by Victoria University in on-line format for no charge. Printed copies are available, for a fee, upon request.

All articles published in this journal were subject to a process of blind peer review by at least two reviewers before selection for publication by the Editorial Board.

Submissions are welcome for research articles of between about 5,000 and 10,000 words in any area relevant to the journal's wide coverage. Potential articles should, in the first instance, be sent to: Kumi Heenetigala, Victoria University: Kumi.Heenetigala@vu.edu.au

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Victoria University
PO Box 14428
Melbourne 8001
Victoria, Australia

National Library of Australia Cataloguing-in-Publication data:

ISSN: 1833-4318

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Vol 5, No 2.

August 2010

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Editorial

This is the second issue of Volume 5 of the *Journal of Business Systems, Governance and Ethics* for 2010, its 5th year of publication.

The first article in this issue: *Organisational Culture and Corporate Performance: Empirical Evidence from Nigeria* is by Olu Ojo from Osun State University, Nigeria. In the article the author uses a survey research design technique to examine different concepts of organisational culture in order to ascertain the importance of the relationship between organisational culture and corporate performance in a business context. The population used was employees of Nigerian commercial banks, and primary data was collected through questionnaires administered to the selected respondents. The conclusions drawn from the study were that organisational culture plays a vital role in an organisation's general performance.

Next is an article: *Entrepreneurial Intentions among Business Students in Pakistan*, by Abdullah Azhar, Annum Javaid, Mohsin Rehman and Asma Hyder from NUST Business School, Islamabad, Pakistan. The main focus of their study was on measuring factors affecting entrepreneurial intentions among business students in Pakistan. Their research made use of the 'Entrepreneurial Intention Model' which has its foundation in the Theory of Planned Behaviour. The study particularly focused on personal attraction, perceived social norms and perceived social behaviour.

Ahmed Hassin, from Deakin University, Australia, writes on *Effective Diagnosis in Organisation Change Management*. He notes that organisations are part of interactive and dynamic environments and face considerable pressure to meet customer, beneficiary and stakeholder expectations. In the article he argues that the key to establishing effective change and transformation in organisations lies in the early stages of assessment and diagnosis: if the diagnosis is wrong, the treatment will be ineffective.

The final article: *Ethics Code Awareness, Usefulness and Professionalism of Malaysian Journalists*, was written by Quah Chun Hoo and Leong Shi Yeing from the Universiti Sains Malaysia and Guok Eng Chai from GEC Management Consultant, Malaysia. Their article explores how Malaysian journalists with idealistic and relativistic orientations perceive their ethical codes. It also looks at the code's usefulness, their professionalism and whether there is any significant difference amongst Malaysian journalists from different language dailies and media of education in terms of their idealism and relativism. The research found that Malaysian journalists who scored higher in idealism and lower in relativism were more inclined to adhere to their codes of ethics compared to their counterparts.

Arthur Tatnall
Editor

Organisational Culture and Corporate Performance: Empirical Evidence from Nigeria

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Abstract

The purpose of this research article is to examine various concepts on organisational culture and strives to ascertain the importance of the relationship between organisational culture and corporate performance in a business context. The study adopted survey research design. The population of this study is the entire employees of Nigerian commercial banks. Primary data were used for this study. Data were collected through a questionnaire that was administered to the selected respondents, The two hypotheses proffered were tested and relevant recommendations were made. The conclusion drawn from the study is that organisational culture plays a vital role in an organisation's general performance. This study contributes to organisational culture's literature by showing that employees would commit themselves to organisational goals and work actively in achieving those goals when they buy into cultural norms of the organisation and thus increase organisational performance.

Keywords

Organisational Culture, Employee's Commitment, Corporate Performance

Introduction

The concept of organisational culture received unusual attention in the late 1980s and early 1990s as management scholars were exploring how and why the American firms failed to compete with their Japanese counterparts. Organisational culture is frequently said to be responsible for all manner of organisational ills and, on occasions, credited with creating positive qualities (Ouchi, 1981; Barney, 1986; Kathryn, 2002; Shani and Lau, 2005). A better understanding of the concept would allow people in organisations to solve problems and improve organisational performance.

According to Brooks (2006), an intimate knowledge and awareness of culture should improve our ability to analyse organisational behaviour in order to manage and lead.

From the statement above, it can be said that research in organisational culture enables ability to analyse organisational behaviour which translates into superior corporate performance. Brooks (2006) insists that despite the emphasis given to the concept of organisational culture for over five decades, there remain considerable debate and contention surrounding the nature of, and the value of studying organisational culture.

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The continuous growth in the global nature of business serves as one of the main catalysts for the renewed interest in the study of organisational culture which has now been realised that culture affects the behaviour and success of individuals, teams and organisations (Shani and Lau, 2005). Academic interest in corporate culture is evidenced by the level of

attention it has received over the last few decades (Ojo, 2009). The relationship between organisational culture and corporate performance has been the subject of abundant research in several fields, including strategic management, organisational behaviour, and industrial and organisational psychology.

While this topic is rich in studies, many researchers (Saffold, 1988; Denison, 1990; Johns and Saks, 2005; Dasanayake and Mahakalanda, 2008) concurred on the fact that there is no agreement on the precise nature of the relationship between organisational culture and corporate performance. In other words, there is no widely accepted causal relationship between organisational culture and corporate performance. The empirical evidences emerging from various studies about the effect of organisational culture on corporate performance have so far yielded mixed results that are inconclusive and contradictory. Because of these contradictory results, the question of whether organisational culture improves or worsens corporate performance is still worthy of further research.

A review of academic literature on the subject of organisational culture and corporate performance reveals that there is dearth of literature on it in developing countries including Nigeria. Thus, it is hoped that this study will fill the existing gaps in the literature especially in the less developed countries in general and Nigeria in particular.

The main rational for this research study is therefore to contribute to the broader research community by enhancing existing knowledge and generating new knowledge within the field of Industrial and Organisational Psychology. Furthermore, this study addresses this topic from Nigerian work context and viewpoint by focusing on the banking industry. In addition, the study will be of immense benefit to a number of people. These include academics who are interested in furthering their knowledge of organisational culture and corporate performance as the results obtained are capable of adding new insights to the present state of knowledge in the field and may therefore be found useful for teaching and for developing a body of management theory. Equally important is the fact that this study will also be of great benefit to practicing managers in banking industry that might be willing to consider the usefulness of the study in managing and strengthening the performance of their companies.

In order to address the issues raised above, the following questions are answered in this study. (1) Does organisational culture has any effect on employee's commitment to corporate goals? (2) In what way does organisational culture affects corporate performance? The primary objective of this study is to assess the impact of organisational culture on corporate performance.

Literature Review

The Concept of Organisational Culture

Culture has been called "the way of life for an entire society." The culture of a group can be defined as: "A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that 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, 1990).

In other words, as groups evolve over time, they face two basic challenges: integrating individuals into an effective whole, and adapting effectively to the external environment in order to survive. As groups find solutions to these problems over time, they engage in a kind of collective learning that creates the set of shared assumptions and beliefs we call "culture."

According to Brooks the current fascination with organisational culture began in the 1970s and early 1980s with the works of Peters and Waterman (1982), Deal and Kennedy (1982) among others. In 1952, Jacques referred to culture of a factory as 'its customary and traditional way of thinking and of doing things which is shared and which new members must learn' (Jacques, 1952, cited in Brooks (2006). He argued that culture comprised behaviours, attitudes, customs, values, beliefs, and the less conscious conventions and taboos.

Evolution of Organisational Culture Concept

The concept of organisation culture received attention in the late 1980s and early 1990s as management scholars were exploring how and why the American companies failed to compete with their Japanese counterparts. The concept of a national culture was not a sufficient explanation to this phenomenon. Instead, a model was needed that allowed for differentiation between organisations within a culture (Schein, 1990). This ultimately resulting to the concept of organisational culture. According to Baker (2002) organisational culture became a business phenomenon in the early 1980s, triggered by four influential books:

- Ouchi (1981) *Theory Z: How American Business Can Meet the Japanese Challenge*
- Pascale and Athos (1982) *The Art of Japanese Management: Applications for American Executives*
- Deal and Kennedy (1982) *Corporate Cultures: The Rites and Rituals of Corporate Life*
- Peters and Waterman (1982) *In Search of Excellence: Lessons from America's Best Run Companies*.

All these books suggested that corporate culture is a key to organisational performance and that corporate culture could be managed to improve a company's competitive advantage. They provided pragmatic prescriptions to American business leaders desperate with the increasing competition from Japanese manufacturers.

Attention to organisational culture lost ground as organisational science, and social science in general, became increasingly quantitative. To the extent that research on organisational culture survived, its focus shifted to its more measurable aspects, particularly employee attitudes and perceptions and/or observable organisational conditions thought to correspond to employee perceptions. This research, referred to as *organisational climate* studies, was prominent during the 1960s and 1970s (Denison, 1990).

The renewed interest in organisational culture that emerged in the late 1970s and resulted in the four books mentioned above suggested that a deeper, more complex anthropological approach was necessary to understand crucial but largely invisible aspects of organisational life.

Characteristics of Organisational Culture

According to Hodgetts and Luthans (2003) a number of important characteristics are associated with an organisation's culture.

1. Observed behavioural regularities, as typified by common language, terminology and rituals.
2. Norms as reflected by things such as the amount of work to be done and the degree of cooperation between management and employees.
3. Dominant values that the organisation advocates and expects participants to share, such as high product or service quality, low absenteeism, and high efficiency.
4. A philosophy that's set forth in the Multinational corporations, beliefs regarding how employees and customers should be treated.
5. Rules that dictate the do's and don'ts of employee behaviour relating to areas such as productivity, customer relations, and intergroup cooperation.
6. Organisational climate or the overall atmosphere of the enterprise as reflected by the way that participants interact with each other, conduct themselves with customers, and feel about the way they are treated by higher-level management.

Besides, Schein (1992) suggests that organisational culture is even more important today than it was in the past. Increased competition, globalisation, mergers, acquisitions, takeovers, buyouts, alliances, and various workforce developments have created a greater need for the following:

1. Coordination and integration across organisational units in order to improve efficiency, quality, and speed of designing, manufacturing, and delivering products and services.

2. Product, Strategy and Process innovations and the ability to successfully introduce new technologies, such as information technology.
3. Effective management of dispersed work units and increasing workforce diversity.
4. Cross-cultural management of global enterprises and/or multi-national partnerships.
5. Construction of meta- or hybrid- cultures that merge aspects of cultures from what were distinct organisations prior to an acquisition or merger.
6. Management of workforce diversity.
7. Facilitation and support of teamwork.

In addition to a greater need to adapt to these external and internal changes, organisational culture has become more important today as the world is geared towards knowledge based economy. Maximising the value of employees as intellectual assets requires a culture that promotes their intellectual participation and facilitates both individual and organisational learning, new knowledge creation and application, and the willingness to share knowledge with others (Dasanayaka and Mahakalanda, 2008).

These characteristics are not intended to be all inclusive but they do help to illustrate the nature of organisational culture.

Organisational Culture and Performance

Several writers argue that a strong corporate culture is good for business because it serves three important functions discussed below.

First, corporate culture is a deeply embedded form of social control that influences employee decisions and behaviour.

Second, corporate culture is the social glue that bonds people together and makes them feel part of the organisational experience. This social glue is increasingly important as a way to attract new staff and retain top performers.

Finally, corporate culture assists the sense-making process. In other words, it helps employees understand organisational events and employees can communicate more efficiently and effectively thereby, reaching higher levels of cooperation with each other because they share common mental models of realities (McShane and Glinow, 2005).

The powerful, pervasive role culture plays in shaping organisational life lends plausibility to speculations that cultural factors may be linked with exceptional levels of organisational performance. A commonly hypothesised link suggests that if an organisation's culture is to contribute to or enhance performance, it must be both "strong" and possess distinctive "traits": particular values, beliefs, and shared behaviour patterns. Some scholars have claimed that positive cultural traits boost performance in proportion to the strength of their manifestation. This view has been called the strong culture hypothesis. (Denison, 1984) cited in Saffold (1988).

Strong, powerful cultures have been hailed as keys to improved performance. Strong culture has almost always been the driving force behind continued success in businesses. Strong culture firms are said to generate an almost tangible social force field of energy that empowers employees and drives the organisation toward superior performance. Several management researchers have connected strongly shared values with commitment, self-confidence, ethical behaviour, and reduced job stress (Saffold, 1988). He further states that studies on organisational culture tend to emphasise a single, unitary organisational culture. Multiple subcultures, however, appear to be the rule, unitary cultures the exception in several companies of cultural control in there exists highly complex interrelationships among the plant's or branch's subcultures. Organisation development efforts, for example, may be often hindered rather than helped by strong, widely shared values. This is because the management and labour may represent powerful subcultures that are committed to highly salient but competing value systems.

It could be deduced from the above explanations that some firms may obtain sustained superior financial performance from their organisational cultures; firms without such cultures cannot expect to engage in managerial activities that generate such performance.

According to Barney (1986) in order for a firm's culture to provide sustained competitive advantages, and thus, by implication, be a source of sustained superior financial performance, three conditions must be met First, the culture must be valuable; it must enable a firm to do things and behave in ways that lead to high sales, low costs, high margins, or in other ways add financial value to the firm. Because superior financial performance is an economic concept, culture, to generate such performance, must have positive economic consequences. Second, the culture must be rare; it must have attributes and characteristics that are not common to the cultures of a large number of other firms. Finally, such a culture must be imperfectly imitable; firms without these cultures cannot engage in activities that will change their cultures to include the required characteristics, and if they try to imitate these cultures, they will be at some disadvantage (reputational, experience, etc.) compared to the firm they are trying to imitate.

Barney goes on to state that superior financial performance can be either temporary or sustained. Temporary superior performance is the result of competitive dynamics widely described in microeconomics. Suppose a particular firm is able, for any of a variety of reasons, to obtain superior financial performance. Other firms, observing this, typically will seek to obtain this same level of performance by duplicating whatever makes a successful firm successful. Imitation increases the competition facing the initially successful firm, reduces margins, and decreases the level of financial performance.

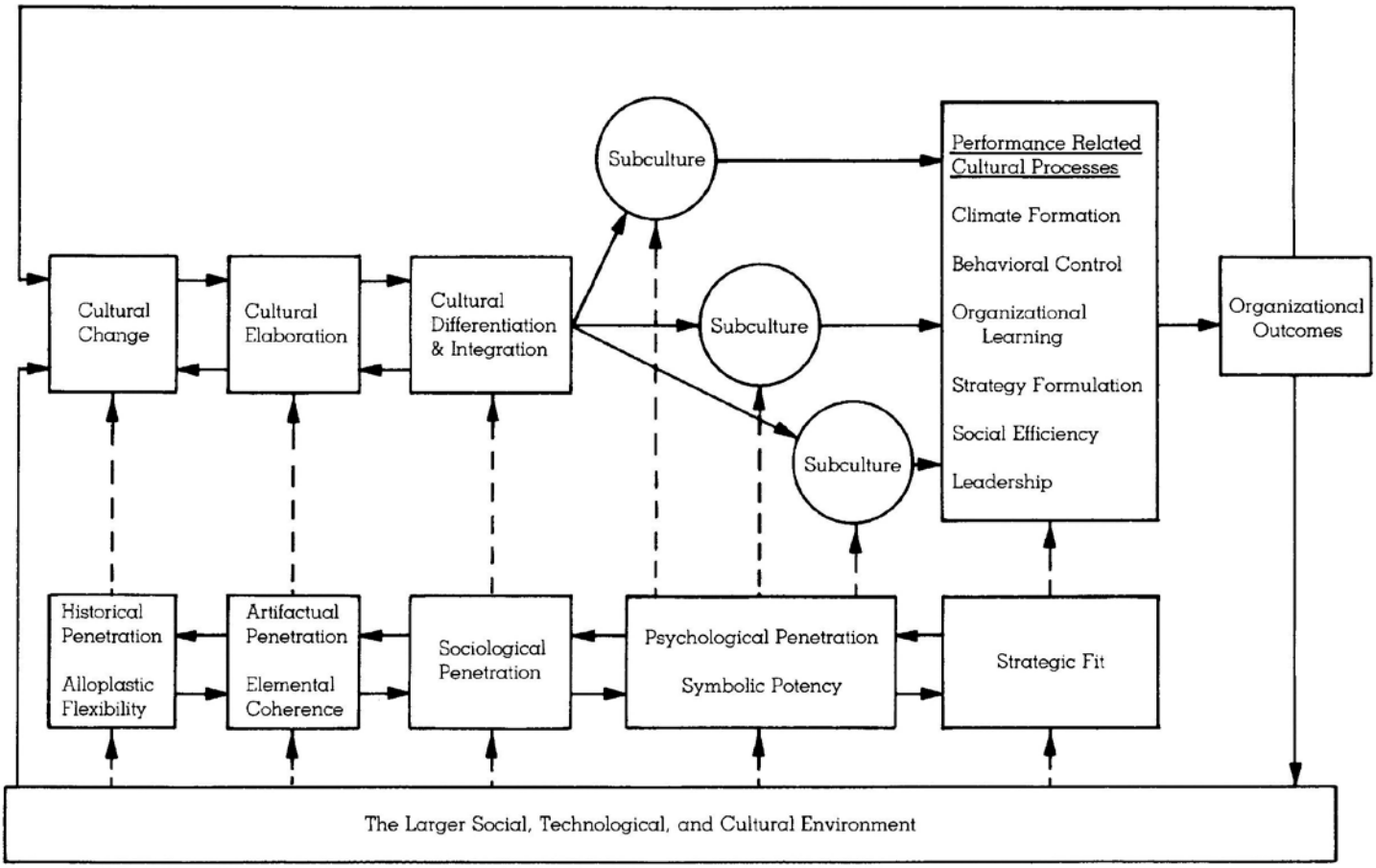
Deal and Kennedy (1982) state that cultures, both weak and strong have powerful influence on organisational behaviour, but in strong cultures "everyone knows the goals of the corporation, and they are working for them. Thus, in a strong culture employees' goals are aligned with management's goals; in a weak culture members' goals are counter to management's direction or perhaps simply scattered and divergent.

It could be drawn from all the explanations above that firms with sustained superior financial performance typically are characterised by a strong set of core managerial values that define the ways they conduct business. It is these core values (about how to treat employees, customers, suppliers, and others) that foster innovativeness and flexibility in firms; when they are linked with management control, they are thought to lead to sustained superior financial performance.

Furthermore, Saffold (1988) identifies two relevant facts: first, culture can shape organisational processes, but processes also act to create and modify culture. Culture's contribution to performance is a consequence of this ever-evolving interaction. Second, it is likely that culture's link to performance is considerably less straightforward than many studies imply.

The figure below shows some elements and relationships of a culture-performance framework.

Figure 2: Elements and Relationship of Culture-Performance Framework



Source: Adapted from Saffold, G.S. 1988)

According to McShane and Glinow (2005), when a firm's strong culture is misaligned with its environment, it is unable to effectively serve customers and other dominant stakeholders. Furthermore, these strong cultures would lock decision makers into mental models that blind them to new opportunities and unique problems. Thus, strong cultures might cause decision makers to overlook or incorrectly define subtle misalignments between the organisation's activities and the changing environment.

Methodology

The design of this study is the survey research design. The study population of this research work was made up of senior staff, directors, and managers of the Nigerian banks. Owing to the widespread of the network of branches of these banks all over the country, it is therefore impossible to carry out this research using the whole population. The population of this study is the entire employees of Nigerian commercial banks. For effective coverage and lower cost, stratified sampling technique was used to select the participating banks. These banks were stratified into two strata based on the year they were established. Thus we have "old" generation banks and "new" generation banks. From each stratum, two banks were randomly selected. The employees in the selected banks were stratified into three strata: senior staff, directors, and managers. 30 respondents each were selected from senior staff and directors' stratum while 20 respondents were selected from manager's stratum. In all, 80 respondents constitute our sample size. In conducting this study the researcher ensured that data collection method match the research objective--to explore the relationship between organisational culture and corporate performance in Nigerian banking industry. Primary data were used for this study. Our data were collected through a questionnaire that was administered to the selected respondents. The questionnaire was titled "The Strategic Role of Organisational Culture on Corporate Performance Questionnaire".

However, only 72 out of 80 respondents filled in and returned their questionnaire and were used for final analysis in this study. Data collected from the study were collated and analysed using descriptive analysis to obtain the basic statistics that describe the variables in the questionnaire. The information gathered from the research is presented in tabular form and data were sorted into different categories of rows and columns. Furthermore, all the hypotheses were tested using a parametric t-test with the aids of SPSS.

Research Hypothesis

Hypothesis 1

H_1: Employees believe that there is a correlation between organisational culture and employee's commitment to corporate goals.

Hypothesis 2

H_1: Employees believe that there is a correlation between organisational culture and corporate performance.

Data Presentation and Analysis

This section focuses mainly on the presentation, analysis and interpretation of primary data collected with the aid of a structured research questionnaire. The data collected were analysed using the Statistical Package for Social Sciences (SPSS) version 15.

The table below gives a summary of the rate of return of questionnaire and participation level of the respondents.

Table 1: Respondents' Response Rate

Response	Number of respondents	Percentage (%)
Returned	72	90%
Not returned	8	10%
Total distributed	80	100%

Source: Field Survey, 2009

A total of 80 copies of the questionnaires were administered selected respondents. Of these, 72 copies 90% were adequately filled returned and used in this analysis while 8 copies of the questionnaires representing 10% were not returned. The return rate indicates that overwhelming majority of the respondents cooperated with the researcher in the process of data gathering.

Table 2: Does Organisational Culture Affects Employee Productivity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	69	95.8	97.2	97.2
	No	2	2.8	2.8	100.0
	Total	71	98.6	100.0	
Missing	System	1	1.4		
Total		**72**	**100.0**		

Source: Field Survey, 2009

From table 2 above, the responses presented reveal that 97.2% of the respondents believe that the culture in their organisation affects employees' productivity as well as corporate performance; while only 2.8% of the respondents believe otherwise. One of the respondents (1.4%) however did not respond to the question.

Table 3: There is a correlation between organisational culture and employees' commitment to corporate goals.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	12	16.7	16.9	16.9
	Agree	24	33.3	33.8	50.7
	Indifferent	17	23.6	23.9	74.6
	Strongly disagree	6	8.3	8.5	83.1
	Disagree	12	16.7	16.9	100.0
	Total	71	98.6	100.0	
Missing	System	1	1.4		
Total		**72**	**100.0**		

Source: Field Survey, 2009

Table 3 above reveals that 16.7 % of the respondents agreed that there is a correlation between organisational culture and employees' commitment to corporate goals. In other words, we can say that workers who have internalised the organisation's culture function better in terms of goals achievement. 33.3% of the respondents agree, 23.6% of the respondents are indifferent to the statement, 8.3% of the respondents strongly disagree, and 16.7% of the respondents disagree with the statement. We are unable to get the response of one respondent. From the above, we can marginally say that workers who have internalised themselves with organisational culture will achieved better performance and be committed to corporate goals than their colleagues who did not internalised organisational culture.

Table 4: There is a Correlation between Organisational Culture and Corporate Performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	18	25.0	25.0	25.0
	Agree	46	63.9	63.9	88.9
	Indifferent	2	2.8	2.8	91.7
	Strongly disagree	1	1.4	1.4	93.1
	Disagree	5	6.9	6.9	100.0
	Total	**72**	**100.0**	**100.0**	

Source: Field Survey, 2009

Here, responses as to whether there is a relationship between organisational culture and corporate performance are presented in table 4 above. The table reveals that 25.0% of the respondents strongly agreed, another 63.9% of the respondents agreed to this assertion. 2.8% of the respondents are indifferent to the statement. 1.4% of the respondents strongly disagree while remaining 6.9% of respondents disagree with the statement. The inference that can be drawn here is that there is a correlation between organisation culture and corporate performance.

Table 5: Employees commit themselves to actively achieving organisational goals when they buy into cultural norms of the organisation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	21	29.2	29.6	29.6
	Agree	43	59.7	60.6	90.1
	Indifferent	5	6.9	7.0	97.2
	Disagree	2	2.8	2.8	100.0
	Total	71	98.6	100.0	
Missing	System	1	1.4		
Total		**72**	**100.0**		

Source: Field Survey 2009

In table 5 above, respondents were required to state whether employees commit themselves to actively achieving organisational goals when they buy into cultural norms of their organisation. The responses presented reveal that 29.2% of the respondents strongly agreed, 59.7% of the respondents agreed to this assertion. However, 6.9% of respondents are indifferent to the statement, while 2.8% of respondents disagreed. 1.4% of the respondents did not respondent to the statement. Thus, we can say that employees commit themselves to actively achieving organisational goals when they buy into cultural norms of the organisation. Hence, they enhance organisational performance.

Testing of Hypotheses and Discussion of Results

The hypotheses for this study are tested here using the non-parametric chi-square test and a parametric t- test. Below are the discussions of the results obtained.

Hypothesis 1

H_1: Employees believe that there is a correlation between organisational culture and employee's commitment to corporate goals.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
There is a correlation between Organizational culture and Employees, commitment to Corporate goals.	72	2.01	.986	.116

Interpretation: Where 1 represents strongly agree, 2 represents agree, 3 represents indifferent, 4 represents strongly disagree, and 5 represents disagree. Therefore, the mean of 2.01 shows the average response indicates the respondents agree that there is a correlation between organisational culture and employee's commitment to corporate goals.

One-Sample Test

	Test Value = 0					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
There is a correlation between Organisational culture and Employees' commitment to corporate goals.	17.336	71	.000	2.014	1.78	2.25

Interpretation: This is a two tailed test with d. f. = 72-1. The statistical value for 0.05 at 71 degree of freedom is 1.99 and the calculated value t=17.336 is greater than the tabulated value of 1.99, we accept the alternative hypothesis (H_1). This implies that organisational culture is positively correlated to employee commitment to corporate goals.

Hypothesis 2

H_1: Employees believe that there is a correlation between organisational culture and corporate performance.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
There is correlation between organizational culture & corporate performance	71	1.99	1.049	.124

Interpretation: Where 1 represents strongly agree, 2 represents agree, 3 represents indifferent, 4 represents strongly disagree, and 5 represents disagree. Therefore, the mean of 1.99 shows the average response indicates that the respondents agree that organisational culture impacts corporate performance positively. Thus, there is a correlation between organisational culture and corporate performance.

One-Sample Test

	Test Value = 0					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
There is a correlation between organizational culture and corporate performance	15.956	70	.000	1.986	1.74	2.23

Interpretation: This is a two tailed test with d. f. = 71-1. The statistical value for t at 0.05 and 70 degree of freedom is 1.99 and the calculated value of t=15.956. Since the calculated value of t (15.956) is greater than the tabulated value of t which is 1.99, we accept the alternative hypothesis (H_1). This implies that there is a correlation organisational culture and corporate performance.

From the data obtained and analysed, it was discovered that:

i. Proper organisational culture is performance driven which is supported by the employees' responses to whether organisation culture promotes employees' commitment, encourages participation and reinforces their effectiveness and productivity. In essence, there is a correlation between organisational culture and corporate performance. This answers one of the questions posed in the first part of this research. It was also proven after testing the relevant hypothesis.
ii. The study further reveals that the values imbibed by employees' overtime are reflected in the way they think and act.
iii. The result from table 5 reveals that a large percentage of the respondents agree that employees commit themselves to actively achieving organisational goals when they buy into cultural norms of their organisation.
iv. From statistical analysis derived from testing the hypothesis one, the calculated value t=17.336 is greater than the tabulated value of 1.99; we therefore accept the alternative hypothesis (H_1). This implies that organisational culture affects employee commitment to corporate goals.
v. Finally, from our test of hypothesis two, the statistical value for 0.05 at 70 degree of freedom is 1.99 and the calculated value of t=15.956. Since the calculated value of t (15.956) is greater than the tabulated value of 1.99, we accept the alternative hypothesis (H_1). This implies that there is a correlation between organisational culture and corporate performance.

Conclusion

In this study, the researcher examines the impact of organisational culture on corporate performance with evidence from Nigerian banking industry. Questionnaires were administered to respondents who

were randomly selected from the study population to find out their opinions and views on whether organisational culture has an impact on corporate performance.

Judging from the various computations, analyses and findings, resulting from data collected for this study, the results revealed some vital facts which our conclusions are based. One, of the things we can deduce from this study is that organisational culture is very important in every business entity and that it is correlated to corporate performance. Besides, organisational culture affects the level of employee's commitment to corporate goals in a positive way.

This study shows that there is a positive relationship between organisational culture and corporate performance.

Considering the high percentage of respondents in favour of the two hypotheses, we can infer that organisational culture plays vital roles in corporate performance. This research has been able to describe and evaluate the effects of various dimensions of organisational culture to explain why some organisations outperform others.

Recommendations

The following recommendations are made to the management of case study companies and other organisations that are interested in modifying their culture in order to improve their general performance.

Every individual has different culture and beliefs that he works with and when he joins an organisation that has a completely different culture and beliefs from his own, he should be allowed to internalise himself first with the organisation's culture and values to know whether he can cope with them or not. It is the ability of the employee to cope with the organisations culture that will determine his commitment to corporate goals.

In cases where an organisational culture must be changed, employees must first of all be notified and made to learn the modification of the old culture as this will affect their performance as well as the general performance of the organisation.

Organisational culture must be binding on all member and staff of the company as this will encourage uniformity among members of the organisation and thus enhance commitment and group efficiency.

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Entrepreneurial Intentions among Business Students in Pakistan

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Abstract

The present exploratory study is based on the 'Entrepreneurial Intention Model' and has its foundation in 'Planned Behavioural Theory'. The main focus of the study is on measuring factors affecting Entrepreneurial Intentions among business students in Pakistan. Apart from demographics, the study is particularly focused on personal attraction, perceived social norms and perceived social behaviour. The paper is based on systematic sampling methodology and targets business graduates and nascent entrepreneurs. The study will provide useful implications for educational institutions within the field of business and management, and off course for government policy makers.

Keywords

Entrepreneurship, entrepreneurial intention, behavioural variables, Business Studies

1. Introduction

Today entrepreneurship has become one of the most critical activities for the development of any economy. Reason for this importance is that growth of entrepreneurial activities lead to creation of opportunities for the various sectors of the society. Entrepreneurial activities generate job opportunities and multiple other economic benefits. This happens because in economic terms entrepreneurial activity is the combination of risk taking and innovation. So such activities lead to new businesses offering innovative products and services, which eventually lead to a significant contribution to the development of the economy.

In an under developed country like Pakistan, importance of entrepreneurship grows by many fold. However, unfortunately Pakistan's economy is severely lacking in such activities. There are multiple reasons for this which includes both psychological and hardcore factors. In Pakistan, only government is expected to take initiatives and for the setup of new establishments. Thus in order to encourage entrepreneurial activities in Pakistan, it is imperative that along with modifying the Mercantilist role of government, ideology and behaviour of people also needs to be altered as well.

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Schumpeter tersely defined different function and activities that entrepreneurs play in an economy. Schumpeter in theory of business enterprise proclaimed that entrepreneur is pecuniary, hence from a neoclassical viewpoint this explains entrepreneur as a capitalist and profit oriented. Nevertheless pecuniary has less to do with profit motives. In Mark I theory (1911) Schumpeter claimed that changes in

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shape of technology or innovation are led by entrepreneurs. Later, Mark II theory states that players contributing to innovation and economy are usually big organizations with proper resources and capital.

The main focus of this study is to measure how different factors influence 'Entrepreneurial Intentions' among the business students or young graduates those who are about to enter in the labour/ job market. For this selected behavioural variables; entrepreneurial knowledge, professional attraction, social valuation, entrepreneurial capacity, entrepreneurial capacity are used as determinants of entrepreneurial intentions among young entrepreneurs. Apart from these behavioural variables demographics and father's education is also included the estimated model. The study aims to provide useful implications for educational institutions within the field of business and management, and for government policy makers.

Now the scheme of the study is outlined. Introduction is followed by the section two which is Literature Review. Third section is of Data that describes sample properties and questionnaire. Model and Methodology is the fourth section that comprises of the model used for the research. Section five is based on discussion and analysis of the results obtained. Finally the paper ends with the conclusion.

2. Literature Review

A huge amount of literature is available on the subject topic. However this study is restricted on few important, most relevant and interesting studies. Bird (1988) identified variables which characterize the entrepreneurial climate - willingness to take risks and accept the possibility of failure, the level of difficulty associated with the initiation and growth of a start up, level of respect given to people involved in the entrepreneurial activities and the socialization; the study explain that these variables differ among individuals. The study also emphasized that success rate of startups and number of large firms in the society influences the entrepreneurial behaviour. Similar findings are found by Jackson & Rodkey (1994). Later on, literature also highlight that values, behaviours and traits are very significant determinants in setting up the entrepreneurial environment [Jesselyn Co and Mitchell (2005)]. The comparison of two different theories in the subject, i.e., 'Entrepreneurial Event' [Shapero & Sokol, (1982)] and 'Planned Behaviour' [Ajzen (1991)] presented by Linan et al. (2005) and further found that salaried job preference negatively relates with entrepreneurial intention while with respect to some socio-demographic predominantly gender, has a significant impact on intention. Similar work has been done by Linan and Santos (2007) in entrepreneurs' intentions.

The individuals who want to become entrepreneurs are motivated by both intrinsic and extrinsic rewards. The barriers on the other hand are lack of capital, skills, confidence and compliant cost etc Wong & Choo (2006). Based on the same idea Schoof (2006) also explored the same issue and concludes that social/cultural attitude towards youth entrepreneurship, entrepreneurship education, access to finance/start-up financing, administrative/ regulatory framework and business assistance/support are the significant barriers in starting up a new business.

Rommi (2005) analysed women entrepreneurs in Pakistan by developing a greater understanding of women belongs to different cultural background, presenting gender-related challenges and opportunities. A important study carried out in Pakistan is by Haque (2007) concluded that for amplifying entrepreneurial base in the country, government reform to limit rent-seeking, encourage innovation and to foster enterprise are essential and proposed the strategy for a new growth and empowerment of cities might be the fundamental steps. Chemin (2008) analysed the role of government policies in Pakistan for SMEs. The paper emphasized the factors such as workers employment, credit acquisition, taxes payment and enforcement of contracts further obstacle the upbringing of entrepreneurs in Pakistan.

Basu and Virick (2008) evaluated entrepreneurial intentions and their antecedents. Their findings highlight that education and prior experience does have a positive and significant impact on entrepreneurial behaviour. Nasurdin, Ahmad and Lin (2009) in their research tested a causal model and examined the effect of factors like role model, social identification, and social norm and perceived desirability on entrepreneurial intention in Malaysia.

3. Data

Entrepreneurial activities plays very important role in economic growth and development. Several studies have identified entrepreneurship as a critical factor in the economic growth and development of nations (Birley, 1987; Reynolds, 1987; Morris & Lewis, 1991; Shane, Kolvereid, & Westhead, 1991). Young entrepreneur can play an important role in improving the entrepreneurial activities in a country. The encouragement and provision supporting environment and institutions are important for young entrepreneurs so that they can start and take a step toward establishing their own set-up. This would be helpful in reducing queues for employment and generate the economic activity in the society. In Pakistan many institutions are providing entrepreneurial education and many graduates are produced every year in business administration but still the country has not achieved a significant level of economic activity.

Thus this study is based on information gathered from young graduates in business studies to explore the facts about hindrances in entrepreneurial activity. Since study is focused on nascent entrepreneurs the data collected for the study is based on stratified sampling from seven public and private universities located in twin cities, i.e, Rawalpindi and Islamabad. The strata's are constructed based on geographical basis so that all areas of two cities can be covered properly. The universities considered are those recognized by Higher Education Commission.

For the analysis the study focused only final year students, our target sample are serious students with some prior knowledge of business. Basu and Virk (2008) emphasized in their study on the argument those students who had prior entrepreneurship education have a positive attitude towards a career in entrepreneurship. Since business students get relatively higher exposure to entrepreneurial activities and education, the response rate of data selection is 85% out of 376 students surveyed.

For our study we used *Entrepreneurial Intention Questionnaire*[2] which has been previously used in many studies[3] and was actually designed by Linen (2005). This questionnaire assesses the entrepreneurial intention based on eight properties which include Education and experience, Entrepreneurial knowledge, Professional attraction, Social valuation, Entrepreneurial capacity, Entrepreneurial intention, Entrepreneurial objectives and Entrepreneurship education. Apart from these variables demographics are also included in the analysis. The questionnaire utilized is included 2 in Annexure. All of these variables have been measured using Likert- type scale.

4. Model and Methodology

The questionnaire used in the study has various factors which together measure the entrepreneurial intention among young individuals who are about to graduate and have plans to start their own establishments. The variables that are in the questionnaire are as follows and discussed below:

4.1 Education and Experience

This variable measures the education level of the respondents and the degree they want to complete, when they expect it to finish and which factors influenced them to take it. Further, it measures the work experience if any.

4.2 Entrepreneurial Knowledge

This variable measures the entrepreneurial knowledge the respondents have and whether they know any entrepreneur in their family, friends or acquaintances. Moreover, it measures the extent of knowledge on some particular aspects related to starting a firm.

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2 The questionnaire is not attached with the study, however can be provided on request.

3 Linan, F., Rodriguez-Cohard, J.C., & Guzman, J. (2008). Temporal Stability of Entrepreneurial Intentions: A Longitudinal Study. Paper presented at 4th European Summer University Conference on Entrepreneurship, Bodø, Norway, 22nd to 26th August 2008.

4.3 Professional Attraction

Professional Attraction captures the respondent's career plans, the type of profession they would choose based on external environment from medium to long term perspective and whether becoming an entrepreneur attracts them or not.

4.4 Social Valuation

The social valuation seeks to find out whether being an entrepreneur is valued more than other professions and careers in the close social network of the respondent. Furthermore, it tries to find out how acceptable it is by the society to become an entrepreneur.

4.5 Entrepreneurial Capacity

Entrepreneurial capacity highlights respondent's aptitude to start any entrepreneurial project or a firm. Additionally it entails ability to effectively manage and monitor the project. For this reason an individual's characteristics such as opportunity recognition, creativity, innovation, problem solving, communication and networking are being analyzed.

4.6 Entrepreneurial Intention

This variable examines how much a respondent is interested to be an entrepreneur either in present scenario or may be some time later in future. In essence the level of determination of choosing entrepreneurship as a career is gauged.

4.7 Entrepreneurship Education

Entrepreneurship Education evaluate the depth of knowledge a respondent has about entrepreneurial environment, required abilities, recognition of the entrepreneur's figure and the intention to be an entrepreneur, by taking an entrepreneurship course. It further examines the level awareness that can be developed by taking relevant courses.

The model use to evaluate entrepreneurial intention can be written as follows:

Entrepreneurial Intention = f (Demographics, Experience, Entrepreneurial Knowledge, Professional Attraction, Social Valuation, Entrepreneurial Capacity, Entrepreneurial Intention, Entrepreneurship Education) or

$$\mathbf{EI = \alpha + \beta_1 Gender + \beta_2 Age + \beta_3\ Father's\ Education + \beta_4\ Father's\ Employment + \beta_5 Exp + \beta_6 EK + \beta_7 PA + \beta_8 SV + \beta_9 EC + \beta_{10}\ EE + \varepsilon} \quad \mathbf{(1)}$$

Where:
Dependant Variable
EI = Entrepreneurial Intention
Independent Variables:
Gender = 1 if male
= 0 if female
Age = Age of the respondent measured in years
Father's Education = Respondent's father's years of schooling
Father Employment = Four dummies are introduced to capture the effect of father's employment status
= 1 if father employed and zero otherwise
= 1 if father self-employed and zero otherwise
= 1 if father unemployed and zero otherwise (this category has been used as reference group in the regression analysis)
The independent variables include Exp, EK, PA, SV, EC, EE these variables are abbreviated by Experience measured in months, Entrepreneurial Knowledge, Professional Attraction, Social Valuation, Entrepreneurial Capacity and Entrepreneurship Education. α and ε are intercept and error terms respectively.

To estimate the equation (1) the study is relying on Ordinary Least Square method. Few studies employed simultaneous equation method or other econometric techniques. The study equation (1) fulfils all the assumptions of the ordinary least square. The estimated results are presented in following sections.

5. Discussion and Analysis

Now the results are discussed in order.

5.1 Reliability Analysis

The questionnaire used for this study has been developed in Spain and later on used after checking the reliability and validity in Spain, Taiwan, Brazil and Korea. Culture is an important component of entrepreneurship or establishment of new set-ups Hofstede (1980) but this study is very initial step toward exploring the business intentions in Pakistani environment thus it do not attempt to address the cultural sensitivity analysis. To examine the reliability of the questionnaire in different environment the study calculated the Chronbach alpha's. All the alpha's meet the required criteria except the variable "social valuation" that is comparatively low. However this study does not attempt to develop new scale to capture this particular variable. Moreover some studies [for example: McGrath, MacMillan, and Scheinberg (1992) found that entrepreneurs share a common set of values despite differences in cultural background.

The values for Cronbach's Alpha are presented in Appendix Table 5.1. Reliability coefficient of .70 or more is regarded as "adequate" in most research situations [Nunnally (1978)]. The test reveals that value of Cronbach's Alpha for variables including entrepreneurial knowledge, professional attraction, entrepreneurial capacity, entrepreneurship intention and entrepreneurial education have high internal consistency as their respective values are higher than 0.8. However one variable i.e. Social Valuation is having a low internal consistency as its value is 0.64. The low value of Cronbach Alpha for *Social Valuation* is probably due to differences in culture. However the study is stick to using the same items for this analysis.

5.2 Summary Statistics

Appendix Table 5.2 presents the summary statistics of data used in the study. Survey results have shown that on average thirty percent of the respondents have work experiences. The average age of sample came out to be almost twenty two years and it comprised of about sixty percent male. While on the education scale we found fathers to be more literate than mothers result revealed that average education of father is university and that of mother is Higher Secondary. Sixty one percent of the respondent's fathers are employed either in public and private sector, while twenty one percent of them are entrepreneurs. On the basis of Likert Scale ranging from one to seven average score for entrepreneurial knowledge is 4, professional attraction 4.6, social valuation 4.2, entrepreneurial capacity 4.3, entrepreneurial intention 4.3 and entrepreneurial education 4.8. That shows the average response on the behavioural variables.

5.3 Pearson Correlation

The Pearson Correlation is calculated only among the behavioural variables. The results are presented in Appendix Table 5.4. The purpose of presenting Pearson Correlation estimates is to confirm the relationship and relevance of variables with each other. All the variables are significantly related to each other but low magnitude of relationship confirms the absence of multicollinearity. Later on before estimation of regression analysis we checked the assumption of multicollinearity and found that there is no multicollinearity among independent variables. Only the social valuation has an insignificant relationship with Entrepreneurial Intention. The strongest correlation of Entrepreneurial Intentions is found to be with Personal Attraction. The detailed discussion of results will be provided in the regression analysis section.

5.4 Regression Analysis

The results of regression analysis are presented in Appendix Table 5.3. Over all the estimated model gives a good fit. This value of R-Square is comparatively low but this is quite acceptable for cross-section data [see Kmenta (1997)]. The estimated co-efficient are discussed below in order.

Starting from gender, the estimated results show that being male increase the entrepreneurial intentions. Gender is entered as dummy variable in our regression equation; the estimated results show that male business students have .61 percentage points more entrepreneurial intention as compared to female business students. Among Pakistani households the role of male and female members are usually predetermined. Females are responsible for household responsibilities and male members are responsible for bread earning. Thus within Pakistani perspective this result is quite obvious. However, the age and experience are insignificant but have positive relationship in regression analysis. Parental background is insignificant in the regression equation estimation. The reason might be that business students are sometimes not very influenced with their parental work experience especially during the initial time period of starting the practical life. Many business students are not from families with business background.

All the behavioural variables are significant at conventional level and have positive relationship with entrepreneurial intention. Among all the behavioural categories professional attraction is most influential factor on the entrepreneurial intention and it is closely followed by entrepreneurial capacity. Since this study is based on perception of young people those who are about to enter in labour market. At this stage in life students are attracted toward starting their own business not only because of their interest and ambitions in life but also because of desperate condition of availability of jobs in the market. In addition to this entrepreneurial education and gender also depicted a strong relation with the aim of becoming an entrepreneur. At the same time social valuation has the most noteworthy negative relationship with entrepreneurial intention. The Pakistani households are usually characterized as risk averse and socially it is considered embarrassing if their children or any member of the household is starting or establishing a small business like opening a shop etc. Moreover decision of career selection is not only individual's decision but many social pressures are negatively or positively influencing on it. Results for correlation statistics are presented in Table 5.4. For the correlation coefficients it has been found that most significant relationship of Entrepreneurial Intention is with professional attraction which is followed by entrepreneurial capacity and entrepreneurial education. Entrepreneurial knowledge is insignificant which shows the lack of awareness among nascent entrepreneurs; they don't have ideas about the type of business they should start, how and from where to start. This also points toward the education that is provided in educational institutions which lacks in provision of such information.

Significance of entrepreneurial intention was advocated by Linan and Cohard (2008) as well. They concluded that entrepreneurial intention as one of the strongest predictor for start up decisions. In addition to this with their longitudinal study they found that in order to encourage entrepreneurial acidities socialization of young graduates is important. Linan and Chen (2006) stated that social aspects have an insignificant effect on the process from perceptions to intentions. However we have found different results in Pakistan, as our research shows that many of the young people were not willing to opt for entrepreneurial activities, just because it was not socially admired. Thus it means that social norms and admiration significantly influences entrepreneurial intention in Pakistan.

6. Conclusion

On the basis of our research we came to the conclusion that there exists a strong positive correlation between entrepreneurial intention and professional attraction. On the other hand social valuation is negatively correlated to entrepreneurial intention. Thus the results convey this message that in order to develop a healthy entrepreneurial climate in the country, it is required that current entrepreneurs must be appreciated and awareness about the benefits of entrepreneurship must be created among individuals. Our results imply that even in the presence of entrepreneurial attraction, lack of proper platform hinders the intentions of entrepreneurial activities in the country. This leads towards very

important policy implication for institutionalization of starting a business or establishment of new setups.

On the psychological side it is important that entrepreneurship must be made socially attractive so that instead of preferring jobs, people take initiatives of launching their own businesses. In Pakistan generally people are risk averse while growth of entrepreneurship has a very strong relationship with the risk taking ability. Thus in order to promote entrepreneurship people must be provided proper consultancy and platform so that they have a sense of security. While on the tangible grounds it is important that role of SME (Small and Medium Enterprises) and SMEDA (Small and Medium Enterprises Development Authority) must be made much more effective and communication gap between them and general public must be reduced.

The present study is an attempt to measure the entrepreneurial intention admitting the fact that there is dearth of research on the subject topic. But this study is not without limitations. First the variable 'Social Valuation' needs to modify in terms of items in questionnaire. Second the study is based on cross-section data and can be converted into longitudinal study.

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Appendix

Table 5.1
Reliability Analysis

Variable	**Cronbach's Alpha**
Entrepreneurial Knowledge	0.86
Professional Attraction	0.89
Social Valuation	0.64
Entrepreneurial Capacity	0.84
Entrepreneurship Intention	0.85
Entrepreneurial Education	0.88

Table 5.2
Descriptive Statistics

	Minimum	Maximum	Mean	Std. Deviation
Exp	.00	1.00	.3031	.46033
Age	19.00	32.00	21.9781	1.49067
Gender	.00	2.00	.6125	.50063
Father_edu	5.00	14.00	12.1375	2.73715
Father_emp	.00	1.00	.6125	.48794
Father_selfemp	.00	1.00	.2156	.41190
Father_unemp	.00	1.00	.1750	.38056
EK_1	1.00	7.00	3.9806	1.42605
PA_1	1.00	7.00	4.6775	1.63611
SV_1	1.20	7.00	4.2325	1.13809
EC_1	1.00	7.00	4.2651	1.29871
EI_1	1.00	7.00	4.2615	1.74219
EE_1	1.00	7.00	4.7881	1.37400
N	320			

Table 5.3
Regression Output

Independent Variables [(a)]	Beta Coefficents	Std. Errors	t-Values
(Constant)	-1.286	1.198	-1.073
Exp	-.078	.147	-.533
Age	.026	.051	.501
Gender	.611	.146	4.196
Father_edu	.004	.026	.150
Father_emp	-.160	.193	-.830
Father_selfemp	.243	.227	1.068
EK_1	-.006	.055	-.107
PA_1	.430	.051	8.414
SV_1	-.117	.065	-1.792
EC_1	.456	.058	7.863
EE_1	.251	.058	4.333

a. Dependent Variable: EI_1

R = .74 R- Square = .556

Table 5.4
Pearson Correlation

	EK_1	**PA_1**	**SV_1**	**EC_1**	**EE_1**	**EI_1**
EK_1	1	-	-	-	-	-
PA_1	.331**	1	-	-	-	-
SV_1	.351**	.261**	1	-	-	-
EC_1	.162**	.406**	.161**	1	-	-
EE_1	.317**	.437**	.133*	.173**	1	-
EI_1	.224**	.613**	.080	.528**	.436**	1

Notes:
Sample Size= 320
*. Correlation is significant at the 0.05 level (2- tailed).
**. Correlation is significant at the 0.01 level (2-tailed).

Effective Diagnosis in Organisation Change Management

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Abstract

Organisations are part of interactive and dynamic environments and modern organisations face considerable pressure to meet or exceed customer/ beneficiary's and stakeholders' expectations. The key to establishing effective change and transformation in organisations lies in the early stages of assessment and diagnosis: if diagnosis is wrong, treatment will be ineffective. An organisation development programme should be based on a sound analysis of relevant data about the problem situation, and during the diagnosis process, it is important to look at both the environment and organisation. The OD practitioner's choice of a certain diagnosis method or model or a combination of methods depends on the context, type of problem and organisation.

Keywords

Diagnosis, organisation development, OD practitioner

Introduction

Organisations do not exist by themselves in a vacuum; they are part of interactive and dynamic environments. In today's highly turbulent, extremely competitive environment, fast communications and technology developments, change of laws, and globalisation, the modern organisation faces considerable pressure to meet or exceed customer/ beneficiary's and stakeholders' expectations by delivering products and services that are of the highest quality.

It is clear that what is needed to survive into this millennium is the ability of organisations (commercial, government or non-government) to respond and adapt. This means competing on several dimensions to meet all customer needs. This will require visionary leadership, and a change-orientation. Organisational results should be the driver to the extent to which the results match customer demands and expectations (Kay and Dayson 1998). The key to establishing an effective change and transformation in organisations lies in the early stages of assessment and diagnosis. It is just like medicine, if diagnosis is wrong, treatment will be ineffective (Bolton and Heap, 2002). "All successful innovation, including effective human factors interventions, needs to address the problems of organizational inertia as well as active opposition and resistance" (Badham, 2006). In any organisation change and development programme, organisation development (OD) practitioners should be aware of where they stand before they plan or conduct any interventions (Wasson, 2004).

Diagnosis provides information that allows a faster-reacting organisation to emerge, one that can deal proactively with changing forces; and, it is the most critical element in the OD process (Brown and Harvey, 2006). Organisations can be conceived of as highly interdependent sub-groups and sub-systems. That is, the impact of any factor in an organisation such as structure, team cohesiveness, leadership, strategy or culture must not be seen in isolation from the factors. The interdependence of these factors and the need for diagnostic tools for their assessment have been extensively discussed in literature. Organisation diagnostic models and surveys have often been demonstrated by OD practitioners to

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be very effective in supporting organisational development programs (Lok and Crawford, 2000). In this review, I have tried to shed the light on the key components of proper and effective diagnosis of problem areas in organisations.

Theoretical Background and Literature Review

According to Brown and Harvey (2006) organisation diagnosis is a process that helps organisations to improve their capacity to assess and change inefficient patterns of organisational behaviour as a basis for greater effectiveness. An organisation development programme should be based on a sound analysis of relevant data about the problem situation. "Organizational Diagnosis is an effective ways of looking at an organization to determine gaps between current and desired performance and how it can achieve its goals" (RapidBi, 2000-2008). It is very much data-based approach that can set a beginning and the changing objective (Brown and Harvey, 2006). Within the diagnosis and assessment phase, we are trying to uncover essential information about the future in which the organisation must operate and we are beginning to understand the capacity of the organisation to manage its part in the future (Bolton and Heap 2002). Effective diagnosis provides the systematic understanding of the organisation necessary for designing appropriate change interventions intended to resolve problems and improve organisational functioning (Waddell et al, 2004).

Johnston (1979) described a seven-step process for major organisation development efforts. These are:

- Clarification of whole organisation objectives,
- Data gathering and sharing,
- Diagnosis of organisation strengths and weaknesses,
- Joint action prescription of OD interventions to correct weaknesses, -Joint commitment of resources to action,
- Implementation of OD interventions, and
- Periodic progress review of results.

According to Brown and Harvey (2006, p.129), "Diagnosis is a cyclical process that involves data gathering, interpretation and identification of the problem areas and possible action programs".

During the diagnosis process, it is important to look at both the environment and organisation. The environmental factors to be assessed will depend upon the nature of the organisation but will always include cultural factors (Bolton and Heap, 2002). Each organisational culture profile reflects underlying attributes including the management style, strategic plans, climate, reward system, leadership, and basic values of the organisation. So, changing the culture requires that these various elements of culture be identified and altered (Cameron and Quinn, 1999). Organisations try to achieve a sustainable competitive advantage by learning its environment through a scanning process as the environment is a determinant of human resource management (Braton and Gold, 2002). Diagnosing the environment is an assessment process that focuses on determining the readiness of the target group to accept change (Werner and DeSimone, 2006). External environment (economic, social, political, technological, etc) and industry structure are key inputs affecting the strategic planning of an organisation. This Understanding the way how an organisation functions should be done by examining inputs and the alignment of these two components (Waddell et al, 2004). It is important to identify key stakeholders and their views about the organisation (Bolton and Heap, 2002). The first area of diagnosis comprises the interacting sub-elements that compose the organisation, such as: departments, divisions, products and services and the relationship amongst them. The second area is the organisational processes, such as: internal and external communication networks, leadership styles, team conflict resolution, decision-making and planning methods (Brown and Harvey, 2006).

To effectively improve organisational performance, as well as individual and group development, OD practitioners must be knowledgeable of quantitative and qualitative methods, as well as, the different diagnosis models to choose the most appropriate, given the intervention's objectives, resources, and organisational culture and context (Justo, 2009). Mosley and Green (1974) consider the research diagnosis phase (gathering data and studying the organisation) as well as the other OD phases as an important intervention. However, prior to data collection and diagnosis phase of an OD programme,

there might be some pre-requisites and qualifiers which enable an organisation to succeed in diagnosing problem areas: OD practitioner skills including leadership, project management, communication, problem-solving, interpersonal and personal skills (Brown and Harvey, 2006). Another pre-requisite is a healthy relationship between the organisation and external practitioner. Building a relationship of trust, openness and mutual understanding will make the organisation (or internal practitioners) have real commitment to change. This will, consequently, provide valuable contribution to the diagnosis of the problem areas. The values and ethical beliefs that underline organisation problems suggest that both organisation members and change agents should be jointly involved in discovering the organisational problem areas (Waddell et al, 2004). OD practitioners need maximum involvement and participation of the organisation members in the diagnosis process. An OD practitioner or manager "who spends more time on inspirational or transformational leadership rather than controlling or transactional managerial activities" is a crucial component of effective change management (Badham, 2006). The more objective the data and the more the analysis includes both strengths and weaknesses, the better outcomes the OD programme will have (Brown and Harvey, 2006). Practitioners have to ensure involving people who will be engaged in implementing change initiatives and whose acceptance is necessary for ensuring a successful change effort (Cameron and Quinn, 1999). Lacking the capacity for open discussion, top team cannot arrive at a shared diagnosis (Appelbaum et al, 1998). Diagnosis must be a collaborative venture, so that the process commences with a shared understanding of the basis for subsequent action (Rowley, 2004). Establishing viable system diagnosis requires awareness of reflective thinking and learning as ongoing organisational process (Stephens & Haslett, 2002).

Organisational diagnostic models are designed to help OD practitioners to categorise data about the organisation, enhance understanding about organisational problems, interpret data systematically and provide appropriate change strategies (Lok and Crawford 2000). Data collection component of the OD process is vital for identification of the problem areas. OD practitioner should acquire relevant, deep and accurate data about the organisation systems (Brown and Harvey, 2006). "To diagnose an organisation, OD practitioners and organisational members need to have some idea as to what information they collect and analyse, which can be based on intuitive hunches right through to scientific explanations of how the organization functions" (Waddell et al, 2004, p.88). Effective information management, including, data quality assurance, training for data collection and input, data warehousing, definition and data analysis, are all essential for effective quality change management (Billing and Temple, 2001).

The failure of organisations to carry out a well planned diagnosis based on accurate data partially explains the high rates of failure of change efforts in organisations (Di Pofi, 2002).

The data collection process has few steps starting with defining the objectives of the change programme. The broad goals and purpose of data collection should be clearly defined to select methods and standards (Brown and Harvey, 2006). It is important to make certain that the target of analysis is the same among all respondents; that is, to be sure that some people are not rating a division while others are looking at the overall organisation (Cameron and Quinn, 1999).

The second step is to identify the key factors involved in the situation such as: culture, isolated management, turnover rates, communication problems, and remuneration schemes. This step should increase the focus on the depth of data to gain insight into other dimensions of the organisation systems (the quality of transactions among individuals and groups) (Brown and Harvey, 2006).

The key to effective diagnosis is to know what to look for at each level (organisation, divisions, departments or teams), as well as how each level affects each other. Understanding organisation level issues is vital in diagnosing any level of analysis as these issues are important inputs to understanding groups or individuals (Waddell et al, 2004).

The third step is selecting a method to collect data depending on the nature of the problem. It should be in a systematic manner to identify certain characteristics that may be measured to help in the achievement of the OD programme (Brown and Harvey, 2006). The first diagnostic tool was presented as the result of a research study conducted in some British companies. The tool is based on interviews, joint working days and some workshops, and it contains nine sub-areas (Moilanen, 2001). Choosing

an appropriate diagnostic model is very essential; and OD practitioners should be very careful about the model which addresses the organisation's problems as well as ensures comprehensiveness (Waddell et al, 2004). An effective diagnostic model allows identifying reliable data to help organisations better understand their strengths, deficiencies, and opportunities for improvement, to later articulate a targeted intervention and measurement strategy (Justo, 2009). Some major data gathering methods are:

- Secondary Sources of Data, which are generated for other organisational purposes that can be used in identifying problem areas, such as: performance indicators, accounting data, productivity and quality data. Secondary data are recognised of being time and cost-effective as availability of secondary data sources can make the extraction of information rapid and at marginal costs (Sorensen et al, 1996; Steppingstones, 2004). On the other hand, it is also acknowledge that secondary sources have their limitations of availability, or are only available in insufficient quantities (Steppingstones, 2004).
- Direct observation of people behaviours is another important source of data. This can include member actions or reactions to specific situations, and communication patterns. It leads to a greater understanding of the situation and collect more qualitative data (Brown and Harvey, 2006; Stake, 1995). It can be done by site visits to compare the operated behaviour to the observed one. This method provides flexibility and informality of contact (Hill and Stewart, 2000).
- The other method of data collection is Employee Surveys (Brown and Harvey, 2006). The data provide a snapshot of an existing situation, and can be used to compare an organisation's current state with some desired state (Werner and DeSimone, 2006). This method is based on questionnaires used to provide large number of important quantitative information about the values, attitudes and believes of members (Brown and Harvey, 2006). Nowadays, not only traditional paper-based surveys are used; ready-to-use organisational technological solutions are available like web-based surveys (Survey Monkey as an example) (Hartley, 2004). However, if technology-enabled OD solution is selected, the OD practitioner "ensure that you know and define the explicit functional requirements so that your purchase is the best fit possible" (Hartley, 2004).
- Questionnaire-based surveys are one of the most effective tools for OD practitioners to understand and evaluate organisational issues is the (Lok & Crawford, 2000). As an example, the framework for diagnosis of TQM impact and integration (Kaye and Dyason, 1998) helped companies to identify where they were within the "quality eras" (namely the eras of inspection, quality control, quality assurance or strategic quality management) by comparing their own companies' "characteristics" with those characteristics typically found at each era. While this framework provided an overview and useful starting point, the culture change questionnaire built on the contents of the framework, thereby allowing the issues to be explored in more depth. However, the "heart of quality strategy should be self-evaluation", Billing and Temple (2001) suggest, not the questionnaires.
- Interviews, however, are the most widely used data-gathering technique in OD programmes (Brown& Harvey, 2006). Interviews can be structured, semi-structured or informal. They are more direct, flexible and not public than surveys (Hill and Stewart, 2000). Interviewing provides data (subjective) that are virtually unobtainable by other methods (Brown& Harvey, 2006). Interviews or even structured or non-structured one-on-one meetings or with more people can be very effective as they are interesting, less stressful and can reveal information that cannot be obtained by other techniques (Badham, 2006).
- Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis is one of the important tools to help understanding the organisation's internal and external environments helps in diagnosing the gaps and recommendation of possible suitable organisation development programme(s) (NMSU, 2009). SWOT analysis is "a simple framework for generating strategic alternatives from a situation analysis" (NetMBA, 2002-7). Billing and Temple (2001) argue that self-evaluation of the organisation by using SWOT analysis should be the basis of review and further development at all organisational levels.

- Task analysis is conducted to exactly identify the employee needs to do his/ her job effectively (Blanchard and Thacker, 2007). This technique is a process analysis model used in order to design an effective HRD programmes. It helps in identification of performance discrepancy in the "Process" phase of the model, which will, consequently, lead to identification of the training or non-training needs. There is a need to understand how all employees can deliver constant and consistent high levels of service and how we can design jobs and motivate employees to do this (Johnston, 1999). This method can be more applicable in the manufacturing organisations.

Waclawski and Church (1998: 10) consider all the above methods fall within the framework of research action, which is a data-base systematic quantitative and qualitative data gathering process. This "Data-driven Process Using Action Research" model is attributed to Lewin's view of the organisation change in the 1940's and 1950's (Waclawski and Church, 1998: 10; Herbert, 2009). The strength of Lewin's model, according to Herbert (2009) lies in "its ability to recognize which forces are working within an organization, and developing methods to encourage driving forces while minimizing restraining forces". (Hartley (2004) has highlighted that as OD practices can be "diverse and entail a variety of underlying practices, multiple systems and tools can support different aspects of OD work". Kimberlin and Winterstein (2008) argue that most data sources involve a greater degree of subjectivity in judgment or other potential sources of error; therefore, it is the researcher's duty to control for known sources of error and to report the reliability and validity. Therefore, Kellehear (1990: 52) argues, that use of watchful methods increase the probability of being careful to protect from having any bias and to have objective data.

Date can be collected using a combination various methods at the same time, such as: interviews, questionnaires, observations, and reading of selected organizational documents (Loftin and Moosbruker, 1982). When the appropriate technique is chosen, data collection must be implemented. Data should be collected from different levels and departments across the organisation (Brown& Harvey, 2006). Origination, development and promotion of change initiatives from the organisation lower levels can be an effective process of change. In particular, allowing people to participate in the early diagnosis of problems helps to motivate constructive behaviour (O'Brien, 2002).

Analysis of collected data is the other important component of the diagnosis process. The analysis may include comparisons among various organisational divisions and managerial levels. Analysis techniques can vary from simple to highly sophisticate statistical and computerised ones (Brown& Harvey, 2006).

As the sample has to be large enough to enable generalisation of the results and accuracy of data are important factors in the data collection programmes, there should be criteria to gauge if the data have met the objectives. Brown and Harvey (2006) suggested some criteria for evaluating the effectiveness of data collection: The validity of data, the tome to collect data, the cost of data collection, the organisational culture and norms and the Hawthorne effect.

During the diagnosis process, OD practitioners should be aware of the following warning signals:

- Confidentiality of the information,
- Over-diagnosis (lengthy process impossible to adopt corrective measures),
- Crisis diagnosis (immediate short-term crisis instead of important long-term crisis),
- Threatening and overwhelming diagnosis that might be rejected by the organisation,
- Practitioner's imposed favourite diagnosis regardless of the nature of the problem, and
- Diagnosis of the symptoms rather than underlying problems (Brown and Harvey, 2006).

Therefore, focus should be on the problem causes rather than symptoms.

Conclusion

The way to solve any organisation problems and change should be through effective diagnosis. Diagnosis of existing organisational problems is the first step to solving them. Diagnosis of problem areas has various models and methods which are used according to the context. It is essential that the

diagnosis process covers the organisation's internal and external environments. The OD practitioner's choice of a certain diagnosis method or model or a combination of methods depends on the context, type of problem and organisation. Both data collection and analysis can be done using traditional manual or technological methods.

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Ethics Code Awareness, Usefulness and Professionalism of Malaysian Journalists

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Abstract

The purpose of this research is to explore: a) how Malaysian journalists with idealistic and relativistic orientations perceive their ethical codes, the code's usefulness and their professionalism? and b) is there any significant difference amongst Malaysian journalists from different language dailies and medium of education in terms of their idealism and relativism? Data was collected from 145 journalists from different dailies in Ipoh and Penang, within Peninsular Malaysia using "convenience" sampling. A total of 128 responses (88.3% return rate) were received. Malaysian journalists, who scored higher in idealism and lower in relativism, were more inclined to adhere to their codes of ethics compared to their counterparts, who were higher in relativism and lower in idealism. In addition, it was found that respondents' profile such as type of language daily and journalists' medium of education had no impact on journalists' ethical judgments.

Keywords

Journalistic code of ethics, code awareness, code usefulness, professionalism, idealism, relativism

Introduction

Codes of ethics are being increasingly adopted by many companies as well as professionals and associations to guide the ethical behaviour of their employees and members in their daily activities. According to Kaptein (2004) fifty eight percent of the 100 largest companies in the world use ethical codes. Codes articulate ethical parameters of the organization - what is acceptable and what is not? (Stevens, 2008, p.1). Wotruba et al. (2001) reported that the usefulness of codes of ethics as a guide to managers in their behaviour and decision making is strengthened as managers become more aware of the specific contents of the code. This notion is consistent with earlier assertions that employees must be familiar with code contents before the code can affect ethical behaviour (Sims, 1991; Dean, 1992).

Whilst the usefulness of code of ethics cannot be over-emphasized (Ford & Richardson, 1994; Wotruba, 1995; Casel et al., 1997; Trevino et al., 1999; Chonko et al., 2003), codes of ethics are not the sole factor influencing ethical decisions. Ethical decisions are also dependent on the personal values of the decision maker. Two personal values that have received attention in the literature are relativism and idealism (Schlenker & Forsyth, 1977; Forsyth, 1980). Tansey et al. (1994) contended that ethical models should include the traits of idealism and relativism. Idealism refers to the tendency to avoid harming others when making moral judgment, whilst relativism refers to the tendency to disregard universal moral rules when making moral judgment (Chonko et al., 2003).

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The ethical conduct of journalists has come under public scrutiny in recent years as journalists and public are more concerned with the flow of information due to freedom of press. Svensson & Wood (2008 p. 310) mentioned that "the emphasis that media put on items that they consider news worthy can change opinion and move support behind hitherto unknown and unheralded courses". Hence, code of ethics can help journalists make sound decisions about the many ethical problems they may encounter in their work.

Journalists are restricted from reporting certain sensitive issues that may harm governments and political parties. This kind of political control has left the public with less opportunity to obtain truthful information and made it difficult for journalists to report the truth. Often, journalists have to serve other party interest to report the news the way their political masters deem fit, instead of the actual facts. This view is shared by Swenson and Wood (2008, p. 310) who stated that the media creates expectations of business for us as a society by choosing, which issues to highlight for our consumption and which issues to downplay or even ignore. However, Musa & Domatob (2007) argued that to be relevant, development journalists must be concerned with credibility which will win the respect of political leaders and citizens alike. They added that journalists must become truth tellers for the common good and differentiate between partnering with political leaders to promote national development and becoming instruments of political manipulation.

Although there has been an explosion of scholarly interest in journalistic ethics in recent decades (Christians, 1995), much of the resulting literature review describes the ethics, values, responsibility or roles of particular types of journalists (Harcup, 2002; Musa & Domatob, 2007). There is a need for ethics research that focuses on the relationship of journalists' moral values (idealism and relativism) and their code of ethics. Adapting the work of Chonko et al. (2003) in the context of journalism in Peninsular Malaysia this research primarily attempts to investigate empirically whether the decision making of journalists vary across the following dimensions: awareness of their code of ethics, usefulness of the code, idealism, relativism and journalists' professionalism.

Hence, this research addresses the following broad questions:

- How do Malaysian journalists with idealistic and relativistic orientations perceive their ethical codes, the code's usefulness and their professionalism?"; and
- Is there any significant difference among Malaysian journalists from different language dailies and medium of education in terms of their idealism and relativism?

Journalists' Ethical Dilemmas: The Malaysian Perspective

Malaysia's journalists' code of ethics was formulated by National Union of Journalists Malaysia (NUJM) in 1962. The NUJM is the only organization of working journalists in the country representing the industrial, social and welfare interest of some 1,400 journalists. It was formed on August 30, 1962. NUJM is the sole authority to negotiate and determine the proper rates of remuneration and other terms and conditions of employment for journalists in the various publishing houses which produce Malay, English and Chinese newspapers and periodicals (www.NUJM.org). There is a plethora of publications, about a dozen or so newspapers in four different languages, but no free press. Until the advent of internet, the government had a complete monopoly on the distribution of information. Whilst this technology has enabled Malaysians finally to break through government barriers, they are still no nearer to breaking its monopoly on power (Steven Gan, 2002).

There is no, and there never has been absolute freedom of the press in Malaysia and Singapore. There is not even relative freedom of the press in Vietnam, China or North Korea, since in communist or socialist states, all media outlets are owned and operated by either the socialist state or the ruling Communist Party (Abaya, 2006). Musa & Domatob (2007, p. 322) stated that "from Malaysia to Mexico and from the Carribean to Iran, the media became an organ of the post-colonial state and the new regime in power". Wong (2004) found that development journalists in Malaysia and Singapore tend to support the ruling party during elections.

The state of control of media in Malaysia can be also be traced back to the restructuring of the economy of the country through the New Economic Policy (NEP), which produced a group of

politically well connected Bumiputera and non-Bumiputera business people (Wang, 2001). Mainstream media is controlled by main component parties in Barisan Nasional (MCA, UMNO, and MIC). Besides, ownership of media is also controlled by license and laws such as Printing Presses and Publication Act 1984 (PPPA), Internal Security Act 1960 (ISA), Official Secret Act 1972 (OSA), Broadcasting Act 1998 and Sedition Act 1948. Hence, through this kind of restriction, media is controlled indirectly. This causes journalists' lack of freedom to report the truth.

The acquisition of the publishing companies was intended to control the editorial content of the newspapers. The ownership of New Straits Time Press and Utusan Melayu Press gives the United Malays National Organization (UMNO), Malaysia's ruling party, control of the major newspapers in Malaysia. Apart from UMNO having substantial interests in the publishing industry, the other two main component parties, the Malaysian Chinese Association (MCA) and the Malaysian Indian Congress (MIC) also control a substantial part of the mainstream media (Wang, 2001). The press in a situation of control becomes inept in playing the adversarial role of watchdog. Consequently, this situation makes its difficult for citizens to exercise their right to information and their right to making informed choices (Wang, 2001).

There is a general lack of freedom for journalists in Malaysia to report the truth as most of the presses are controlled by one or other political parties. Most of the news has to be sieved first before being reported to the public. Hence, journalists are faced with an ethical dilemma whether to report the truth or to follow the interest of their political masters. Journalists play an important role to inform and report the news to the public for greater understanding on latest issues. Their responsibility is to gather information and report it to the public. They have to act ethically and be professional in reporting news exactly and correctly. Although journalists may not consciously be distorting their reporting, they may, nonetheless, be reporting the events in a manner conducive to the interests and values of a particular section or society.

Irrespective of the political, social and economic changes that are taking place, Malaysian journalists should meet the expectations of the society by being committed to their roles as truth tellers, civil advocates, investigative watchdogs, and economic boosters and liberators as cited by Musa & Domatob (2007). Malaysia being a democratic society and in the light of the National Integrity Plan which stresses on trustworthiness, transparency and accountability, the watchdog role of journalists is becoming more critical.

Code of Ethics

Loe et al. (2000), in their review of the ethics literature, report a wide variety of conclusions concerning the impact of codes of ethics. Both Dean (1992) and Sims (1991) reported that employees must be familiar with code contents before the code can impact awareness and behaviour. Marshall et al. (1998) presented mixed results regarding the impact of codes on ethical behaviour, whilst Morris et al. (1996) discovered that codes were ineffective and they further noted that belief in code effectiveness declines as standards decline. Ekin & Tezolmez (1999) reported that personal codes were more effective in influencing behaviour than company codes. Weeks & Nantel (1992) also found codes to be ineffective except when the codes are being well communicated.

Maes et al. (1998) stated that codes represent an attempt to initiate thinking about unethical behaviour. McDonald (2000) called for codes to be written in simple terms and he further clamoured that codes must specify the commitment of the organization to employees, not just the employees' responsibilities concerning ethical performance. Strutton et al. (1997) examined the impact of codes of ethics vis-à-vis customer expectations and also contended that codes, by themselves are not effective in influencing behaviour. Schwartz (2000) contended that codes are ineffective systems of control but in a later study (2001) concluded that they are effective in some situations and failed in others.

In spite of the varied findings on code impacts, Loe et al. (2000) asserted that codes do influence ethical behaviour and the level of awareness of ethical issues. As mentioned earlier, Wotruba et al. (2001) discovered that the usefulness of codes of ethics by managers as a tool for guiding behaviour and decisions is strengthened as managers become familiar with the specific contents and intentions of codes. However, other studies (Fisher, 2001; Somers, 2001; Trevino & Weaver, 2003; Chonko et al.,

2003; Schwartz, 2001; Adam & Rachman-Moore, 2004; O'Dwyer & Madden, 2006; Vitell & Encarnacion, 2006) provided evidence of code effectiveness in terms of playing a role in impacting employee behaviour and perceiving right ethical actions. A more recent study by Stevens (2008) indicated that corporate ethical codes can be effective instruments for moulding employee behaviour and guiding ethical decision-making when they are embedded in the organizational culture and communicated effectively.

Details of the Journalistic Code of Ethics in Malaysia are as follows:

(a) Respect for truth and for the right of the public to truth is the first duty of journalists. To defend the freedom of the press, to deal with the conduct of its members and to maintain high ethical standards in journalism

(b) In pursuance of this duty he will defend the twin principles: freedom in honest collection and publications of news and the right of fair comment and criticism

(c) The journalist reports only in accordance with the facts of which he knows the origin. He will not suppress essential information or falsify documents

(d) He will use only fair methods to obtain news, photographs and documents

(e) Any published information which is found to be harmfully inaccurate he will do his utmost to rectify

(f) He will observe professional secret regarding the source of information obtained in confidence

(g) He will regard as grave professional offences the following: plagiarism, calumny, slander, libel and unfounded accusations, and the acceptance of a bribe in any form in consideration in either publication or suppression, and

(h) He recognizes in professional matters, the jurisdiction of his colleagues' only, he excludes every kind of interference by governments or others (www.NUJM.org).

Professionalism

Professional ethics are measured using the scenario technique (Hunt & Chonko, 1985; Singhapakdi & Vitell, 1992). The use of scenario to determine professional ethics allow for the inclusion of background information and detail in an ethical situation (Tsalikis & Fritzsche, 1989).

Tsalikis & Fritzsche (1989) stated that there are two ethical standards: personal and professional, with the personal level of ethics being stricter than the professional level (since the professional level may be compromised because of the need to succeed and to meet corporate goals).

The professionalism dimension considers norms and values of the journalistic profession at large, a dimension that goes beyond a specific newsroom. This dimension is shaped by professional journalists' organization, education and cross organizational culture that is built and shared during the journalists' careers.

Like other employees, journalists are caught in dialectic between their professional ideals and the profit-motivated concerns that keep news organizations in business and financially viable (Berkowitz, 1994). Although journalists are often depicted as independent, morally virtuous, and acting in the name of the public good (McManus, 1997), Borten (2000) argued that journalists are trapped in a dialectic between professional codes and norms less feasible. Although some writers have viewed journalism as either a profession or a professionalizing occupation (Abbot, 1988), it has often been seen as lacking several pre-requisites of professionalism (Porter, 1968). In this study, we posit that journalists should act professionally, taking guidance from their codes.

Idealism and Relativism

According to Forsyth (1980), idealism and relativism are individual differences that influence judgments of moral issues. Idealism and relativism have exhibited their explanatory power of ethical decisions (Singhapakdi, et al., 1999; Marta et al., 2001). Forsyth & Berger (1992) mentioned that

idealism and relativism are not opposite concepts; rather they are independent concepts of beliefs. In other words, idealism focuses on "unselfish" concern for others, whilst relativism emphasizes on the best of alternatives. Relativistic individuals base their evaluation on skepticism and consider situations in terms other than ethical principles (Forsyth & Berger, 1992). For relativistic individuals, standards of what is right and wrong can be changed according to situation.

Even though idealism and relativism were not conceptualized as contrasting, many researchers have found contrasting relationships of idealism and relativism with ethics constructs (Singhapakdi et al., 1996; Etheredge, 1999; Marta et al., (2001), Forsyth's (1981). These findings imply that idealist viewed the world differently from relativists. In the sales profession, Barnett et al., (1994) discovered that idealists and relativists differed in their judgments about many ethical issues. Generally, idealists tend to judge ethically ambiguous actions more harshly than relativists (Bass, et al., 1998). Relativists' judgments of the morality of actions depended on the specifics of a situation and the individual involved (Chonko et al., 2003).

Since one purpose of codes of ethics is to impact employee behaviour (Dean, 1992), it would seem that relativist would find codes less useful than idealists. Trevino (1990) suggested that codes must be distributed to and understood by employees and firmly enforced. Under such circumstances, code content becomes institutionalized in behaviour and may be viewed as too restrictive by employees with a relativist orientation.

Chonko et al. (2003) explored whether the impact of code awareness on code usefulness differed between direct selling executives in U.S. with relativist versus idealists personal values. Chonko et al.'s (2003) findings indicated ethics code awareness is negatively related to relativism and not related to idealism. This suggests that more relativistic respondents are less familiar with codes of ethics compared to more idealistic counterparts. Furthermore, the findings showed that ethics code usefulness is negatively related to relativism and positively related to idealism. Thus, higher idealistic executives view codes of ethics as more useful, whereas higher relativistic executives view codes as less useful. Hence, the following hypotheses were tested in the context of journalists' profession in Malaysia:

H_{1a} : Journalists' awareness of their ethics code is positively related to idealism.

H_{1b} : Journalists' awareness of their ethics code is negatively related to relativism.

H_{2a} : Journalists' perception of usefulness of their ethics code is positively related to idealism.

H_{2b} : Journalists' perception of usefulness of their ethics code is negatively related to relativism.

H_{3a} : Journalists' professionalism is positively related to idealism.

H_{3b} : Journalists' professionalism is negatively related to relativism.

H_{4a} : There is no significant difference among journalists from different language dailies in terms of idealism and relativism.

H_{4b} : There is significant difference among journalists from different language dailies in terms of idealism and relativism.

H_{5a} : There is no significant difference among journalists with different education background in terms of idealism and relativism.

H_{5b} : There is significant difference among journalists with different education background in terms of idealism and relativism.

Research Methodology

Sample

Journalists were asked to respond to a survey questionnaire distributed to them via "convenience" sampling. The respondents, who worked for different dailies in Ipoh and Penang, in Peninsular Malaysia were selected based on convenience. A survey questionnaire was distributed to each of the

145 journalists or respondents who participated in the study. The number of useable responses received was 128, constituting a response rate of 88.3 percent. A description of the sample is shown in Table 1.

Table 1 – The Sample: Descriptive Statistics

Respondents:	Journalists from different dailies
Sample Size:	145
Response:	128 (88.3%)
Age:	80% below 36 years of age
Gender:	52% female
Education:	45% Chinese medium
Ethnicity:	59% Chinese
Religion:	34% Christians
Length of Service/ Experience:	60% with length of service/experience 5 years and below
Type of Daily:	48% English

Measure

Idealism and *Relativism* - These variables were measured using Forsyth's 1980 Ethical Position Questionnaire (EPQ) designed to measure individual differences in idealism and relativism. *Idealism* is defined as the degree to which an individual believes that ethically correct actions will consistently produce desirable outcomes, whereas, *relativism* is defined as the degree to which an individual cognitively accepts/rejects universal moral perceptions as the basis for ethical decisions (Chonko et al., 2003). The idealism and relativism scales each contained 10 and 8 items respectively. These scales have proven to be reliable in several studies (Vitell, et al., 1991) based on Cronbach's Alpha reliability coefficient.

Code awareness and usefulness - This study adapted two scales taken from Wotruba et al. (2001). *Ethics code awareness* (3 items) is defined as the extent to which an individual has knowledge of ethical code content, whilst, *ethics code usefulness* (2 items) is defined as the extent to which an individual considers ethical code contents to be useful in daily activities (Chonko et al., 2003).

Professionalism - The professionalism dimension focuses on the norms and values of the journalists' profession at large, a dimension that goes beyond a specific newsroom. It comprises 6 items adapted to suit the purpose of this research.

Reliability - The closer the Cronbach's alpha reliability coefficient is to 1.0, the more reliable it is. Generally, reliabilities less than 0.6 are considered to be poor, those in the range of 0.7 are acceptable, and those over 0.8 are good (Sekaran, 2000).

Table II – Pearson Matrix, Reliability Analysis and Descriptive Statistics

Variable	Code Awareness	Code Usefulness	Professionalism	Idealism	Relativism	Mean	S.D
Code Awareness	#0.782					3.23	0.68
Code Usefulness	0.240**	#0.644				3.37	0.44
Professionalism	0.699**	0.182*	#0.713			3.64	0.49
Idealism	0.521**	0.031	0.510**	#0.800		3.70	0.52
Relativism	- 0.239**	- 0.011	- 0.158	- 0.105	#0.642	2.25	0.37

Cronbach alpha values in diagonal *$p \leq 0.05$ **$p \leq 0.01$

Table II shows all the alpha coefficients are above 0.6; hence all the measures employed in this study are reliable. Idealism recorded the highest reliability of 0.800 and relativism registered the lowest reliability (0.642). However, one item each from code awareness and code usefulness were deleted to increase the reliability of scale.

For code awareness, item that was deleted was *I consider myself knowledgeable* of *content of the journalistic code of ethics*. For code usefulness, item that was deleted was *The NJU's code of ethics has not helped journalists to be more ethical.*

Similarly, two items from professionalism and relativism were deleted to enhance the reliability of scale. For professionalism, items that were deleted include *I would not act according to my logic and feelings* as well as *my decisions are based on the journalistic code of ethics.* For relativism, items that were deleted include *No rule concerning lying can be formulated; whether a lie is permissible or not* permissible *totally depends upon the situation* as well as *whether a lie is judged to be immoral depends upon the circumstances and the actions.* Overall, all the variables that were analysed were reliable.

Instrument Development

The survey questionnaire comprises three sections. Section One focuses on journalists' perceptions towards ethics code awareness, ethics code usefulness, and journalists' professionalism. The response scale, based on a five-point Likert scale where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree was used to gauge perceptions. Section Two which measured journalists' idealistic and relativistic orientations also used a five-point Likert scale similar to that of Section One to measure idealism and relativism. Finally, Section Three captured the demographics or respondents' profile which consisted of gender, age, ethnicity, religion, length of service/experience, type of daily, and education medium.

Analysis

All the statistics in this study were computed using Statistical Package for Social Sciences (SPSS) version 14.0. Pearson's Correlation, the Cronbach alpha reliability coefficients and descriptive statistics for ethics code awareness, ethics code usefulness, professionalism, idealism and relativism are presented in Table II. Test of difference statistics using one-way ANOVA technique are shown in Tables III and IV.

Table III – One-Way ANOVA Statistics for Idealism & Relativism Based on Type of Language Daily

Variable	TYPE OF LANGUAGE DAILY						F Value	Significance
	English Daily (n = 61)		Chinese Daily (n = 46)		Malay Daily (n = 21)*			
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.		
Idealism	3.76	.607	3.60	.461	3.80	.306	1.726	0.182
Relativism	2.21	.410	2.31	.348	2.24	.368	0.939	0.394

*****The sample for this group is <30, hence the results may be unreliable

Table IV – One-Way ANOVA Statistics for Idealism & Relativism Based on Type of Education Medium

Variable	TYPE OF EDUCATION MEDIUM						F Value	Significance
	English (n = 36)		Chinese (n = 58)		Malay (n = 34)			
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.		
Idealism	3.61	.481	3.69	.485	3.85	.599	1.951	0.146
Relativism	2.24	.362	2.30	.353	2.17	.396	1.247	0.291

Results

Our first hypothesis of the study addressed the question, "Does ethics code awareness differ between idealist and relativist journalists?" The results in Table II revealed that awareness is positively related to idealism (r = 0.521) and negatively related to relativism (r = - 0.239). Thus, both H_{1a} and H_{1b} were supported.

With regard to our second hypothesis which addressed the question "Does the perceived usefulness of ethics code differ between idealist and relativist journalists?", the results indicated that usefulness is not related to idealism (r = 0.031) and relativism (r = -0.011). Thus, both H_{2a} and H_{2b} were not supported.

As for our third hypothesis which addressed the question, "Does idealist and relativist journalists' differ in their professionalism? the results showed that professionalism was positively related to idealism (r = 0.510) and not related to relativism (r = - 0.158). Thus, H_{3a} was supported but H_{3b} was not.

Our fourth hypothesis addressed the question "Is there any significant difference among journalists from different language dailies in terms of idealism and relativism?" The result in Table III indicate that there was no significant difference as shown by the F value = 1.726, p = 0.182 for idealism and the F value = 0.939, p = 0.394 for relativism (significance level is $\leq$ 0.05). Hence, null hypothesis H_{4a} was accepted and alternate hypothesis H_{4b} was rejected.

Finally, our fifth hypothesis addressed the question, "Is there any significant difference among journalists with different education medium in terms of idealism and relativism?" The results in Table IV showed that there was no significant difference as evidenced by the F value = 1.951, p = 0.146 for idealism and relativism (F value = 1.247, p = 0.291). Thus, null hypothesis H_{5a} was accepted and alternate hypothesis H_{5b} was rejected.

Discussion

Overall, our findings corroborated with those of Forsyth et al.'s (1988) and Chonko, et al.'s (2003) in that idealists and relativists have divergent perceptions towards codes of ethics. Specifically, our results in Table II indicate that there is significant positive relationship between code awareness and idealism and significant negative relationship between code awareness and relativism. This implies that the idealist journalist is more likely to be aware of the code contents, whereas the relativist journalist is less likely to be aware of the code contents. However, this finding only partially supported Chonko et al.'s (2003) findings that there is significant negative relationship between ethics code awareness and relativism and no significant positive relationship between awareness and idealism.

Besides, our results also indicated that there was no significant positive relationship between code usefulness and idealism as well as no significant negative relationship between code usefulness and relativism. However, this finding is contrary to that of Chonko et al.'s (2003) findings, who reported significant positive relationship between code usefulness and idealism as well as significant negative relationship between code usefulness and relativism. As mentioned by Chandra Muzaffar (1986) and Wang (2001), the government has various ways of controlling the press at its disposal. This control could have led to a culture of fear among journalists, leading to self-censorship and rendering the code of ethics a toothless tiger (Peterson & Krings, 2009). Another plausible cause could be because Chonko et al.'s (2003) study was conducted in the context of direct sellers whereas this study focused on journalists.

From the perspective of journalists' professionalism, our results showed that there is significant positive relationship between professionalism and idealism but no significant negative relationship between professionalism and relativism. This implies that the more idealistic journalist tends to adhere to his/her professional code of ethics than his/her more relativistic counterpart. This finding partially corroborated Borten's (2000) findings that differences in allegiance to the profession and the news organization led journalists towards different behavioural strategies for resolving the dissonance of varying situations. For journalists strongly aligned to professional ideals, their strategies will likely be

more directly confrontational towards their organization's expectations and less responsive to its social pressures.

Hence, in general, this study manifests that journalists with higher idealism and lower relativism scores will probably be more inclined to apply the codes of ethics compared to their counterparts with higher relativism and lower idealism scores.

Based on the test of difference results in Tables III and IV, this study shows that there is no significant difference among journalists from different language dailies as well as from different education backgrounds in terms of their idealistic and relativistic viewpoints. This implies that respondents' profile variables such as type of language daily and type of education medium have no impact on journalists' moral philosophies or personal values. It is probable that journalists, regardless of their ethnicity or religious backgrounds have learnt to exercise self-restraint and to operate within the system to avoid sanctions from the government under the Printing Presses and Publication Act 1984 (PPPA), Internal Security Act 1960 (ISA), Official Secret Act 1972 (OSA), Broadcasting Act 1998 and Sedition Act 1948.

Implications and Recommendations

A critical implication of this study is that relativist journalists are lacking in awareness of their journalistic code contents and hence less likely to apply the journalistic code of conduct in their daily activities compared to idealist journalists. This will be detrimental to achieving a fact-based and responsible news reporting, thus rendering the role of news organizations as watchdog ineffective. This will have serious repercussions on the National Integrity Plan and the government's effort in fighting corruption which constitutes one of the key areas that needs to be monitored.

It is apparent that fundamental differences in ethical ideologies had created skepticism among researchers with regard to formulating a moral code that is acceptable to all in a company, an industry or globally (Davis et al., 1998). In any case, the communication and enforcement of high ethical standards can provide many benefits (Singhapakdi et al., 1999) which include reduced penalties (Ferell et al., 1998), increased job satisfaction and employee commitment and hence increased performance (Hunt et al., 1989). As Paine (1994) had aptly put it "creating a climate that encourages exemplary conduct may be the best way to discourage misconduct".

As such, to ensure that the Journalistic Code of Ethics in Malaysia does not remain a toothless tiger, it is recommended that:

- Chief Editors of dailies display effective leadership to foster a corporate culture in which journalists with different ethical orientations (e.g. idealists and relativists) can exercise their roles as adversarial watchdogs (Wang, 2001);
- Dailies conduct ethical training focusing on three main areas as suggested by Chonko et al. (2003): (i) introduction of journalists to ethical theories; (ii) the exposure of journalists to ethical problems, and (iii) the mandate to instil a critical thinking and examination mindset regarding ethics situations;
- Dailies use of Forsyth's (1980) relativism – idealism scale as a selection tool to hire journalists; and
- Dailies provide reward and recognition to those journalists who show exemplary ethical conduct to perpetuate the required ethical behaviour.

If the above recommendations are effectively adopted, it will boost the professionalism and credibility of Malaysian journalists' in line with the National Integrity Plan, which emphasizes trustworthiness, transparency and accountability.

Concluding Remarks, Limitations and Suggestions for Future Research

Regardless of their ethical or ideological stance, Malaysian journalists should practice the Journalistic Codes of Ethics at all times in their news reporting for the good of the nation and public at large. To

overcome the ethical dilemmas that they are currently facing, idealist journalists should not be subjected to political pressures to compromise their personal values and behave unprofessionally. Relativist journalists, on the other hand, should take cognizance of the contents of their ethics code, consider the code's usefulness and be more professional in their news reporting.

The main limitation of this study is that our convenience sample comprised journalists from only two states in Peninsular Malaysia viz. Ipoh and Penang. Hence, the findings are not generalizeable to all journalists in Malaysia. Besides, the respondents might be providing socially desirable answers to the survey questions due to the sensitive nature of this research.

The research should be replicated to cover a representative sample of all Malaysian journalists in both Peninsular Malaysia as well as East Malaysia (Sabah and Sarawak) and the findings should be collaborated to those found in this study.

In addition, other variables like organizational culture, industry culture, organizational communication and commitment should also be taken into account in future research.

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