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The alignment of organisational subcultures in a post-merger Business School in Hungarian Higher Education

Doctoral (PhD) Dissertation - Repertory of the Theses

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1 Statement of the problem

As of September 2012, Hungarian higher education institutions (HEIs) were to be deeply affected by the government’s plans to reduce funding for students, primarily those studying business-related degrees. Student applications for 2012 dropped by a third compared to 2011 (Temesi, 2012). Budget cuts in Hungary led to the 2012 government funding for higher education being only half of the 2008 figure.

With an uncertain future, a cultural perspective is the means by which institutional responses can be anticipated, understood and even managed (Dill, 1982; Tierney, 1988). As HEIs try to adapt to new circumstances, the composition of culture requires consideration as, for example, a homogenous culture may require a very different approach from one which is fragmented or composed of subcultures, especially when taking into account the potential resistance to change. Furthermore, discovering the bases for the formation of subcultures may shape recruitment strategies for the future as the organisation seeks staff that is not only capable of fitting into the culture, but the subculture as well. Moreover, the degree of homogeneity, bases for formation and types of subcultures all serve as crucial data for developing a change management process by which an organisation may seek to align subcultures to the desired culture type or orientation.

Kuh and Whitt (1988; 121) pointed out that little empirical research has been undertaken with a focus on faculty and subcultures within HEIs, even though studies into the organisational HEIs indicate they are complex and rarely homogenous (Martin 2002; Trice 1993; Becher 1987). Moreover, central to our understanding of organisational behaviour is the issue of drawing up cultural boundaries not only at an organisational level but also on a group level as “it is only by understanding the parts …we can understand the whole” (Becher 1987; 298). Recent studies have recognised the complexity of organisational culture in higher education (Parker 2011; Bailey 2011; Fralinger et al., 2010).

In light of recent changes, the market orientation of HEIs may be seen as a critical success factor affecting the survival of the organisation in a competitive local and international market as a failure to adjust may result in an inability to meet market demands on both the international stage and at a local level. This study identifies the perceived market-orientation of subcultures as a means of considering how these perceptions may affect a desired market orientation in the organisation. There have been studies concerned with market-orientation in Higher Education (Hemsley-Brown and Oplatka, 2010; Cervera et al. 2001; Gibbs, 2001; Caruana et al., 1998) and studies in Higher Education indicate there is indeed a tendency towards a market-orientation (Hemsley-Brown and Oplatka, 2010; Mitra 2009; Häyrinen-Alestalo and Peltola, 2006) and that external pressures are increasing this tendency (Rivera-Camino and Molero Ayala, 2010; Kalpazidou Schmidt and Langberg 2007).

Previous organisational culture research has paid limited attention to the values and beliefs of lower level employees with the assumption that management represent all
employees, belaying further assumptions of the understanding, willingness and ability of all staff to conform to the management’s espoused values (Detert et al., 2000; 858).

My research into the composition of organisational culture and the nature of subcultures has used the Organisational Culture Assessment Instrument developed by Cameron and Quinn (1999) and utilized the concept of cultural congruence, which refers to cultural distance between organisational cultures. This study considers cultural congruence from a number of aspects: within subcultures; across subcultures and in relation to the greater organisation. This study also investigates whether there is an apparent need to align subcultures or not in this organisation. Hopkins, Hopkins and Mallette (2005) highlight this need in organisations as a means of creating competitive advantage, through reducing subculture constraints on corporate core values and vision (Hopkins et al. (2005: 136).

The methodology employed in this study should not only be of interest to organisations in the education sector but also to other large complex organisations as a means of identifying subcultures and their orientation which in turn could be considered in terms of compatibility with the overall direction of the organisation or highlight the need to align subcultures which are at odds with the management’s desired strategy. An examination of the potential impact of the market-orientation of subcultures in a post-merger case may raise important questions concerning acculturation, post-merger culture fit or clash and the effect of the subcultural context on organizational orientation and effectiveness. Finally, one major practical contribution is to provide insight for the management of the organisation and other institutions into issues warranting consideration when embarking on a change in course towards a market-orientation.

2 Empirical study

2.1 Purpose and scope of the study
The study investigated employees’ orientations, values and perceptions in the case of a HEI in Hungary, with the following aims:

- To explore the composition of the organisational culture in terms of the degree of homogeneity, heterogeneity or fragmentation within and across subcultures and in relation to the organisation;
- To uncover the culture types, perceptions and characteristics of the organisation’s overarching culture and subcultures;
- To examine hidden complexities between culture type and perceived market orientation for the subcultures.

2.2 The structure of the research
This study deals with two key aspects of a HEI: the complexity of the organisational culture and the market-orientation, more specifically, the market-orientation of an HEI in Hungary.
To identify the subcultures and their corresponding culture types in this organisation, an empirical study was undertaken using quantitative research. A questionnaire was sent out to employees from all areas and levels of the organisation about their values (preferred culture), the perceived state of the organisation and the perceived market-orientation of the organisation, as well as certain demographic data. Data collection took place in 2011 and 2012. Although a qualitative study was undertaken in 2013 based on the quantitative findings, the results were omitted due to limitations on the length of the dissertation.

The methodology employed to identify subcultures was first introduced by Hofstede (1998) in a study of the organisational culture of a large Danish insurance company of 3,400 employees. A hierarchical cluster analysis using Ward’s method was undertaken. This produced a dendrogram through which significant clusters can be detected. This method has also been used by Tan and Vathanophas (2003) to identify the subcultures of 230 knowledge workers in Singapore.

The organisational culture assessment instrument (OCAI) (Cameron and Quinn, 1999), used in this study is based upon the Competing Values Framework (Quinn and Rohrbaugh, 1983). The OCAI has also been used in Hungary as a means of assessing culture types in Bulgarian, Hungarian and Serbian enterprises (Gaál et al., 2010), and has been used in higher education (Berrio, 2003; Ebeid and Gadelrab, 2009). The framework allows a culture or subculture to have competing values simultaneously rather than a single culture type in a combination of four culture types (adhocracy, market, hierarchy and clan) with one type being the most dominant in each culture or subculture.

The second instrument used is the market orientation (MO) questionnaire (Hemsley-Brown and Oplatka, 2010). This questionnaire was designed specifically for use in higher education. Based upon the work of Narver and Slater (1990), Hemsley-Brown and Oplatka (2010) developed this instrument with the following three dimensions: customer orientation; competition orientation; and cooperation (interfunctional) orientation.

To ensure reliability of the translation of the questionnaire from the English to Hungarian version, the questionnaire was translated from English to Hungarian and then back-translated to ensure comprehension and reliability. This is referred to as semantic equivalence and ensures that the meaning is the same after translation into the target language (Flaherty et al., 1988).

A pilot study was conducted in the Spring Semester of 2011 prior to the main stage of questionnaire distribution and data gathering, which occurred in the following two semesters. The sample chosen for the pilot study was a purposive sample aimed at representatives from all areas of the organisation and three main occupation types: administrative, teaching and management. The surveys were administered and the estimated sample size was expected to be about 400-500 from a total of 959 employees. 369 completed questionnaires were received (38.5%), from which 3.5% were either incomplete or invalid due to miscalculations in the OCAI, giving a final sample of 35%
(334 employees). Data was input case by case, with the data coded and later standardized for analysis using SPSS 17.0.

**2.3 Research Questions**

The research questions have been formulated with the premise that subcultures exist in large complex organisations, such as higher education institutions:

- **RQ1.** What type of subcultures form in this organisation?
- **RQ2.** Are subcultures entirely homogenous or have elements of heterogeneity?
- **RQ3.** Does the existence of subcultures enhance the organisation’s market orientation?

**2.4 Research model**

To answer the research questions, a research model was developed and is presented on a subcultural level in the following figure:
2.5 Hypotheses

Based on the research questions put forward and this research model, hypotheses have been put forward and are stated below in relation to each of the three research questions:

Research question: What type of subcultures form in this organisation?

H1: Subculture chief characteristics are on the basis of pre-merger divisions rather than demographics such as age, gender, tenure

H2: Subcultures perceive themselves as having core values in line with the organisation as a whole. That is to say, they perceive themselves as enhancing subcultures with the same dominant culture type as the subculture type

H3: Members of clan-type subcultures have longer tenures than those of market-type subcultures

Research question: Are subcultures entirely homogenous or have elements of heterogeneity?

H4: The larger the subculture, the greater homogeneity within the subculture

H5: All subcultures prefer the clan culture type to be the dominant characteristic of the organisation

H6: Organisational leadership is perceived as more based on a market-culture than members of subcultures would prefer

Research question: Does the existence of subcultures enhance the organisation’s market orientation? (i.e. what impact do the subcultures have upon market orientation?)

H7: The lower the heterogeneity within subcultures, the greater the market orientation (student, competition and cooperation combined)

H8: Clan culture types have the same level of market-orientation (student, competition and cooperation combined) as market-culture types

H9: For all subcultures the strongest relationship exists between the student and cooperation orientations

2.6 A profile of the organisation

The organisation was formed as part of a merger between three colleges that took place in 2000. Two of these colleges were formed in 1857 with the other commencing in 1957. Each college has a particular focus, be it commerce and management, finance and accounting or tourism and catering and offer courses ranging from foundation courses and vocational courses through to Masters’ and PhDs. The three colleges are situated in
locations around Budapest, one of the colleges having two satellite institutions based in the North and South-West of Hungary. In 2011, one of the satellites achieved independent status for itself and became the fourth faculty of the organisation. This handover took place at the time of the research, but as significant organisational culture change occurs over the long term rather than short term, the fourth Faculty has been treated as remaining a part of the Faculty, as existed prior to the change.

The merger was forced upon the three HEIs and as a result, it became the fifth largest Hungarian HEI with approximately 22,000 students. From an organisational culture point of view the fact that the colleges remained on their own campuses rather than on one shared location seems a significant barrier to integration. A matrix form of organisational structure was introduced and each department of each college became accountable to both the Dean as well as the Head of Institutes. The Head of Institutes are thus responsible for departments within all three of the colleges. This encourages and maintains integration and homogeneity between colleges.

The harmonisation process of the three colleges following the merger appears to be a slow one with some colleagues only experiencing conflicts due to demands for harmonisation of departments only in recent years. The varying degrees of complication and need for acculturation between organisational cultures associated with mergers are likely to impact upon the subcultures therein.

The decrease in funding of students and smaller budgets has put the organisation at a competitive disadvantage in the local market as the majority of the courses are in tourism, finance and management. However, thanks to its good reputation as a school and especially regarding the prospects of students upon receiving their diploma of finding work, the organisation has not been as hard hit as many others in Hungary. Nevertheless, there is a distinct increase in pressure to survive in the face of competition and attract students to the organisation.

2.7 Methods used to test the hypotheses

According to Boisnier and Chatman (2002) there is no single definition of an organizational subculture. Research has been undertaken concerning sub-groups (Van de Ven & Ferry, 1980), but there is a caveat: not all sub-groups can be considered subcultures. Boisnier and Chatman (2002; 6) refer to subcultures as “groups whose common characteristic is a set of shared norms and beliefs”. Whereas subgroups form around existing subdivisions, such as departmental or functional groups, subcultures may not necessarily do so. Trice and Beyer (1993) highlight that subcultures may not in fact be unconsciously or intentionally formed.

To identify the composition of culture in the organisation, a dendogram was created through a hierarchical cluster analysis using Ward’s method (Hofstede, 1998). It was clear from the dendogram that significant jumps occurred from the point beyond which 5 clusters were found. Within the matrix structure of this organisation, more than 70% of the staff had indicated significant interaction across faculties and locations with teaching staff working at more than one location in the organisation. With interaction,
shared tasks and common values, these clusters could be considered as five subcultures, although it could not be determined if these were formed unconsciously or intentionally.

In order to discover the most common characteristics for each subculture (H1: subculture chief characteristics are on the basis of pre-merger divisions rather than demographics such as age, gender, tenure), the characteristics found in the literature as possible chief characteristics of subcultures were: age, gender, tenure, position, location(s) for work, and faculty. The first page of the questionnaire contained this demographic data. Initially department was also included in the questionnaire but this was later omitted due to respondents in the pilot sample feeling uneasy about the ease with which they could be identified if department was included in addition to age and position. Once subcultures had been identified according to common values, the demographic data for each subculture was used to find a common basis for formation.

For the second hypothesis (H2: Subcultures perceive themselves as having core values in line with the organisation as a whole. That is to say, they perceive themselves as enhancing subcultures with the same dominant culture type as the subculture type), subcultural perceptions and values were examined according to the four types of the Organisational Culture Assessment Instrument (OCAI) by using a t-test of the differences between perceived values of the organisation and actual values for subculture.

The third hypothesis (H3: Members of clan-type subcultures have longer tenures than those of market-type subcultures) concerned subculture type in relation to tenure. This hypothesis was initiated after the review indicated there wasn’t a determinable dominant culture type in higher education, but the clan type was found in a number of studies in Hungary and of higher education institutions. It seemed to me that the clan type was associated with the times before the change of regime in Hungary and those with this nostalgia might be forming subcultures on this basis. Therefore, the decision was made to base the hypothesis upon tenure. Using tenure as a continuous variable and culture type as the categorical variable, a two-step cluster analysis was undertaken using SPSS.

The fourth hypothesis was concerned with the level of homogeneity of values within the subcultures (H4: The larger the subculture, the greater the homogeneity within the subculture). Standard deviation assesses how far the values are spread above and below the mean and in this way, based on the mean for each subculture, the standard deviation gives an indication of the extent of homogeneity / heterogeneity of values expressed by respondents in that the higher the standard deviation, the greater the difference in values of members from the average for the subculture. The linearity of the relationship between subculture size and standard deviation was further demonstrated in a graph and then a bivariate analysis was undertaken using SPSS to ensure that this relationship was significant.

When considering subcultural preferences (values), the fifth hypothesis (H5: All subcultures prefer the clan culture type to be the dominant characteristic of the organisation) was concerned with the first dimension of the OCAI called the ‘dominant characteristics’ and refers to the dominant characteristics of the organisation, both those
perceived by each respondent and those preferred. For each subculture the preferred values were averaged for each culture type as a means of considering the dominant preferred culture type by subculture.

Another dimension of the OCAI was entitled ‘organisational leadership’ \( (\text{H6: Organisational leadership is perceived as more based on a market-culture than members of subcultures would prefer}) \) and the sixth hypothesis was concerned with the difference between perceptions and values for organisational leadership. A paired difference t-test was undertaken to consider significant differences between perceptions and values of the market culture type dominating leadership.

The final three hypotheses were concerned with market-orientation and subcultures. The seventh hypothesis \( (\text{H7: The lower the heterogeneity within subcultures, the greater the market orientation [student, competition and cooperation combined]}) \) was concerned with homogeneity and was initially tested using the deviation of values given by respondents in each subculture and comparing these results across subcultures. Although there was no evident correlation, Pearson’s correlation coefficient was employed as a means of determining any correlation and the associated significance.

An ANOVA analysis was undertaken to consider the eighth hypothesis \( (\text{H8: Clan culture types have as high a market-orientation (student, competition and cooperation combined) as market-culture types}) \) to determine significant relationships between values and market-orientation for the subcultures.

For the ninth hypothesis \( (\text{H9: For all subcultures the strongest relationship exists between the student and cooperation orientations}) \), Pearson’s correlation coefficient was used as a means of ascertaining the relationship between the three elements of market orientation (student, cooperation and competition) and the associated significance.

2.8 Theses

\( \text{T1:} \) A matrix structure does not guarantee conformity of values or a single monolithic culture and pre-existing divisions found in previous studies cannot be assumed to exist in subcultures, regardless of the similarities between studies.

\( \text{T2:} \) Whilst countercultures may be deviant subcultures, countercultures may not emerge in the organisation out of a conscious decision to oppose existing organisational values as members of countercultures may not see themselves as counter to the values of the organisation; and conversely, members of enhancing cultures may believe their subculture is setting a new path, when in fact it is doing nothing of the sort.

\( \text{T3:} \) In a large complex organisation, employees with similar values are not guaranteed to belong to the same subculture, as similar subculture types may be divided by other differences such as strength of values and length of tenure. Subcultures may share values with one another but not with the organisation.
Thus, a subculture may be an enhancing subculture not for the organisation culture, but for another subculture.

**T4:** Subcultures are formed through interaction and interaction causes the sharing of values, and the larger the subcultures, the larger the potential for interaction and the sharing of values through a higher number of members, resulting in greater homogeneity of values within the subculture.

**T5:** The dominant culture type of a subculture cannot be assumed to be the desired organisational leadership type as subcultures may prefer the organisational leadership to exhibit values and traits that are lacking in the subculture and may be seen as more desirable in leadership.

**T6:** Subcultures within an organisation cannot be simply categorized as heterogeneous or homogenous and the degree of homogeneity or heterogeneity may be dependent upon the theme investigated such as leadership or desired dominant characteristic of the organisation. Furthermore, amongst other possible variables, size has an impact upon the degree of homogeneity experienced within the subculture.

**T7:** There can be no single change process for alignment of all subcultures in a particular organisation as subcultures have a range of common and differing values, with each culture varying in the extent of commonality relative to the desired direction of the organisation and each subculture containing a varying combination of desirable and undesirable values and perceptions i.e. the alignment process must be subculture specific and subculture-centred.

**T8:** There is a direct strong relationship between the student orientation and cooperation orientation for subcultures in the organisation, leading to the outcome that as the student orientation increases, the cooperation (cooperation) orientation will also increase in subcultures and vice versa.

**T9:** Market-orientation in the higher education institution refers to a combined external focus on competition and an internal focus on cooperation and the student, resulting in clan and hierarchy culture types - not usually associated with market orientation - being seen as market-oriented.

**T10:** Organisational culture may be composed of a combination of subcultures with the same culture type, a dominant subculture and outliers, exhibiting signs of integration, differentiation and fragmentation simultaneously within one organisation (as shown in the figure) and that subcultures have a dual nature of pivotal values in relation to the organisation and other subcultures e.g. they may be counter to the organisation and enhancing in relation to another subculture.

**T11:** Multiculturalism is the preferred perceptive of organisational culture in the organisation as each subculture type has a particular ‘specialisation’ on one
particular element of market orientation, through which a combination of these subcultures leads to ‘all bases being covered’.

The research has revealed that five distinct subcultures indicate values are not shared across the organisation (thesis 1). Furthermore, it was apparent from the findings that subcultures perceived the organisation’s culture type differently. The matrix structure has not resulted in unity and sharing. This is especially seen larger subcultures, subculture one (140 members) and subculture two (84 members). Bartlett and Ghosal (1990) reported a potential downside to a matrix structure in that it may lead to conflict and confusion with informational ‘bottle-necks’ and overlapping responsibilities. The concept of dual reporting has resulted in a loss of accountability as subcultures appear content with their subculture types (and therefore values) being at odds with those of the organisation, and the misinterpretations and range of differences in values may be indicative of this downside of the matrix structure.

The second part of the first thesis is also concerned with the studies that have a pre-defined basis for subcultures and was related to the first hypothesis that subculture chief characteristics are on the basis of pre-merger divisions rather than demographics such as age, gender, tenure, which was rejected. In studies in higher education, the formation of subcultures was based upon department, faculty, specialisation (e.g. Becher, 1987), as well as on other factors such as gender, age, experience (tenure) and function. Studies made in higher education assume the basis for the formation of subcultures based on previous similar studies and then conduct an analysis using the assumed basis for formation (e.g. Rodriguez, 1995; Lin & Ha, 2009; Billups, 2011). This thesis asserts that this assumption is a false one as it cannot be generally applied to all studies, and may lead to false findings. It was found that subcultures are not split by age, faculty, gender, location, occupation or tenure. This is not to say that there is no basis for formation. From the findings each subculture could be profiled according to its specific characteristics, but there is not one single variable that could be seen as a distinguishing factor across all subcultures. Similar studies from beyond the higher education sector such as Hofstede (1998) that start with a process for identifying subcultures make little or no mention of the problems of pre-assuming the basis for formation, despite an displaying an unwillingness to use any pre-existing basis claimed in other studies. The fact that values were shared across faculties, department and locations may be an indication that the matrix structure has resulted in subcultural boundaries extending beyond those found in the literature such as location and department.

The research has also highlighted an area for further research based upon the existing findings to indicate that beyond the existing three categories of subcultures (enhancing, orthogonal and counter), consideration must be given for whether the subculture perceives itself as an enhancing (sharing the same pivotal and peripheral values as the organisation), orthogonal (sharing the pivotal but not the peripheral values with the organisation) or counter culture (both peripheral and pivotal values are at odds with the organisation’s values), regardless of whether or not this is the reality. The findings of the study also indicate that when aligning subcultures to an organisation’s values (Hopkins et al., 2005) from a strategic point of view, members may not be aware of their misalignment with the organisation. Further research would be needed to examine
the merging of subcultures (e.g. departments) over a period of time and determine whether management should intervene or that values in a merged subculture naturally evolve towards an enhancing subculture.

One finding from this study was that subcultures exist with the same values and dominant types but to differing extents. For the dominant clan and hierarchy types, it was found that there were two subcultures with the same type but with wildly differing strength of values. In each case one of the clan and hierarchy subcultures had almost double the values of the corresponding culture type. Although one case is insufficient for generalising this unusual nature of subcultural boundaries, there is potential for further research into whether subcultures exist with the same type, but divided by the strength of values. This corresponds to the concept of strong and weak cultures but differentiating between strong and weak subcultural values amongst the subcultures rather than in relation to the entire organisation. Furthermore, the research has shown that subcultures are not entirely heterogeneous and that, building upon the findings of Schein’s (1985) pivotal and peripheral values, the strength of those pivotal and peripheral values are also a determining factor in the boundaries between subcultures in the organisation.

The existing premise for the preferred culture in many higher education institutions and in Hungary seemed to be a clan culture type (e.g. Shirbagi, 2007) in the past and the current pressures were pointing towards a market-culture type. The research revealed that tenure was a potential divisive factor through the contrast in tenure lengths for market and clan types as members of the market subculture tend to have a lower tenure than those of the two clan subcultures.

The research has revealed that larger subcultures have greater homogeneity in this organisation. In a matrix organisation, the interaction may yet be at a greater level when compared with other more hierarchical structured organisations in higher education, although further research would be required to confirm this. Increased subculture size appears to result in the ‘smoothing out’ of differences in values between members in the subculture. Thus, if the strength or weakness of a (sub)culture is claimed by Nahavandi and Malekzadeh (1993: 19) to include ‘thickness’ of the subculture (the number of shared beliefs, values and assumptions, the proportion of organizational members who share in the basic assumptions and the clarity of the order of values and assumptions in terms of which are major and which are minor), then the findings indicate that two of these elements are found in larger subcultures, thus indicating the potential for larger subcultures to also have stronger cultures. Further research would have to be undertaken to confirm the possibility, but it seems from these preliminary findings not only that there is strength in numbers, but that there is a stronger culture in larger numbers. This would be important to practitioners as a strong culture not only provides a strong sense of identity and clear behaviours and expectations, it is also more prone to resisting change.

In the organisation, the study has revealed that organisational leadership is perceived as more based on a market-culture than members of subcultures would prefer. According to the Competing Values Framework, leadership roles vary according to the four
quadrants as follows: for the clan culture, the roles are of a facilitator and mentor; for the adhocracy culture, the roles are those of innovator and broker; for the market culture, the leadership roles are as director and producer; and for the hierarchy culture, the roles are monitor and coordinator (Belason and Frank, 2008). Therefore, leadership is perceived as having the role of director and producer, which may tie in with the current approach of top-down communication and oligarchic governance.

The research question concerning whether subcultures are entirely homogenous or have elements of heterogeneity was based upon conflicting studies finding one or the other. However, the research has revealed that subcultures in the organisation cannot be considered entirely heterogeneous or heterogeneous as they have values that are considered in line with the organisation and/or in line with the other subculture or subcultures as well as those distinct to them. Some levels of homogeneity were found within subcultures, such as that found in the confirmed relationship between student and cooperation orientation across all subcultures. There were also found to be areas of ambiguity where misperceptions occur. Thus, the multi-perspective approach seems to apply well in this study, although as the thesis indicates, organisational subcultures have a more complex nature than simply being categorised as purely heterogeneous (Martin, 2002).

The research has indicated that subcultures have a dual nature: in terms of having pivotal and peripheral values in relation to the organisation and in terms of whether it has the same pivotal values as another subculture. In this way, two subcultures may be seen in terms of the extent to which their pivotal and peripheral values enhance one another as well as the organisation. Thus, the subcultures are not differentiated entirely and may in fact reinforce one another. Boisnier and Chatman (2002) refer to the value-reinforcing of subcultures only from the point of view that counter cultures strengthen dominant cultures through questioning values and thereby, strengthening a commitment to values through resistance and provoking a value reinforcing response. Hopkins et al. (2005) refers to subcultures reinforcing behaviours within each one, but not the reinforcement of values across subcultures. Such reinforcement of values by subcultures may be seen in the larger society as in the Harley-Davidson consumption culture. Schouten and McAlexander (1993) found a number of diverse subcultures with distinct boundaries and regular interaction, differing peripheral values and yet the pivotal value of being a Harley-Davidson owner was held by all subcultures and enhanced a common consumption behaviour of buying Harley-Davidsons and their associated accessories as well as an extraordinary brand identification.

The third research question concerned the impact of subcultures upon market orientation. The research revealed that all subcultures have the strongest relationship between cooperation orientation and student orientation, regardless of culture type, with a strong positive relationship (ranging between 0.686 and 0.821) and with 100% significance. An explanation of this finding may be considered in a practical example. If a student comes to an employee seeking help or expressing dissatisfaction, cooperation is required not only with colleagues within the same department but with administration, management, and other departments who also teach courses to the same student. Another possible explanation is that through the top-down communication
characteristic of higher education institutions, the hierarchy, which is the means by which the desired orientation filters down to lower tiers of employees, has communicated the importance of combining dimensions of market orientation in such a way that when focus is increased on one dimension, focus is also increased upon another. For example, in order to decrease student dissatisfaction with courses covering the same material, teachers from different departments are required to meet and discuss course plans and feedback. Although there have been no studies into this aspect of the strength of relationship between elements of market-orientation for subcultures in this higher education, this combined effect may be useful in management decisions on which element of market orientation should be a focus for development in the future: a focus on one of these two elements will in turn impact the other positively. Alternatively, a focus on the competitive orientation may be seen as a means of improving the element which has the weakest link of the three in the subcultures. Further research in this area may be required to investigate this interplay between the three orientations of market orientation in higher education.

The research has also shed some light upon the meaning of market orientation in higher education. The findings indicate the one aspect of market orientation which sets HEIs apart from many other organisations: the external and internal focus. Lings (1999) suggested a model for both an internal and external focus of market orientation in the private sector. However, this model referred to a balanced orientation of an external market orientation with employee orientations and internal marketing. In the model used in this study, market orientation has an internal focus with the cooperation orientation and an external focus with competition orientation. Conversely, the student orientation seemed to be a grey area prior to this research – it was not clear whether the student as a customer is an external factor or the student, who resides in the organisation on a daily basis and affects many areas of operations, should be considered an internal factor. After all, the student culture is directly affected by the teaching staff and vice versa, with lecturers spending tending to interact more with students than with colleagues. The finding that the clan subculture type has a greater internal focus, and yet also a high perception of student orientation may indicate that students are perceived as part of an internal focus. Furthermore, the model indicates that cooperation is an internally focussed orientation. The implications of this finding are that a market-orientation becomes more about an internal focus than external focus for the organisation as two out of three market orientation elements have an internal focus. However, if a balance is to be achieved between internal and external focus as recommended by Lings (1999), then it may be that too high an internal focus may in turn weaken the external focus as market orientation is too heavily oriented towards internal issues. This interpretation may account for the low competition orientation despite a concern for the institution rankings, the publishing race, evaluations and accreditations.

The research has also highlighted another aspect of market orientation in higher education in the organisation. The findings indicated that different subculture types have a focus on one particular element from the three dimensions of market orientation (student, competition and cooperation orientations). The clan subcultures have a dominant perception of the cooperation orientation and the hierarchical subcultures a dominant perception of the student orientation. Although perception does not
necessarily indicate a value on the part of the subcultures, these distinct differences in perception reinforce the culture type of each subculture and this can be seen in the following figure:

Figure 2: The contributions of subcultures to market-orientation

Although the market subculture in this case was not the highest in competition orientation, the external focus is the determining aspect of this subculture and there appears to be an argument in favour of multiculturalism i.e. an acceptance of the existence of subcultures, as each subculture has a different dominant perception of market orientation and when they are all combined, cover all elements of a market orientation in higher education.

Thus, despite arguments in favour of the alignment of subcultures to the organisation, from a market-orientation perspective, multiculturalism seems to allow the potential for heterogeneous subcultures to exhibit their strengths in one particular element of market-orientation. It may even occur that enforcing a single culture type in the organisation may well lead to a lower overall market orientation, as one single subculture type may have dominance in only one particular element of market orientation at the expense of the others. Further research would need to be undertaken on a larger scale to confirm that by getting rid of one or more subculture types actually reduces the strength of market orientation overall, as the subculture is required to switch from its preferred market orientation to the one of the organisation.

3 The significance of the research results

The title of this study was ‘The alignment of organisational subcultures in a post-merger Higher Education Institution in Hungary’ and it seems that the nature of subcultural alignment of perceptions and values both within the subcultures, across subcultures and in relation to perceptions of the organisation have been successfully identified, although the findings relating to the organisation here cannot be generalized or confirmed for other institutions.

From a theoretical standpoint, gives a new perspective of the work of Martin (2002) and Schein (1985) concerning the nature of organisational culture in a higher education institution and the features of subcultures. Martin (2002) saw organisational culture as integrated, differentiated or fragmented. In this organisation, there was found to be
elements of all of these with 5 subcultures exhibiting signs of differentiation from one another but commonalities as well. Likewise Schein (1985) indicated that subcultures comprise a combination of pivotal and peripheral values in relation to the organisation. This study has given another dimension to this concept as subcultures have pivotal and peripheral values in relation to each other as well. Although further research would need to be undertaken to confirm that the data can be generalised.

The subcultures were found to have no concrete basis for formation based on those given in the literature and the organisation’s subcultures seem to transcend traditional boundaries such as location, department and specialisation. This may be due to the matrix structure which was implemented after the merger of three colleges. Although no empirical evidence was found in the literature, the results point to the matrix structure may not only allow the flow of information and resources between functional areas but also may result in the unconscious sharing of values.

The subcultures displayed some aspects of homogeneity across the majority of them in terms of preferred market-orientation of the leadership, preferred culture type of the organisation and perceived culture type. However, the subcultures rarely had uniform values and perceptions across all of them. The heterogeneity of subcultures is just one aspect causing conflict which when combined with cultural incongruence on the part of the organisation and subcultures as well as misperceptions within subcultures, can result in one wondering how members cope with the confusion, conflicts and misunderstandings that arise during the course of daily routines. The findings highlight the uncertainty and potential impact upon decision making through conflicting values found in the higher education institution. The evident ensuing conflict and discomfort of members in such a situation may in itself stimulate change and be the impetus for an alignment of subcultures – especially as it was found in the literature review that higher education cultures are characterised as values driven.

The methodology employed in this study uncovered subcultures that had the same dominant type but were distinguished from each other by the strength of values. In society this can be seen in cultures where a spin-off subculture is formed, such when a Harley-Davidson subculture, with an almost fanatical view of buying all things Harley-Davidson emerges from a bikers’ subculture, with an interest in biking (Schouten and McAlexander, 1993). There is further scope for research into this area and how two subcultures with common values but to different extents may impact upon the organisation.

This study provides further insight into understanding the nature of market-orientation in higher education - a concept that is hard to nail down. Market orientation, with a combination of student, cooperation and competition orientations, appears primarily based upon an internal rather than external focus. This was also borne out by the study as it was found that competitive orientation was not dominant in any of the subcultures, even the market-type subculture. This may indicate underlying beliefs that gaining a competitive advantage over other educational institutions is seen as somewhat unethical from an educational stance or that staff needs time to adjust to concepts such as “academic capitalism” and seeing HEIs as businesses and cost centres rather than as
service providers for the community. In relation to market orientation, it also seems that the choice of whether to adopt a multiculturalist approach to subcultures or not has the potential to affect market orientation. Each of the three subculture types had a corresponding focus in one of the three market orientations. Thus it appears that through heterogeneous subcultures the combined dimensions of market orientation, result in an overall increased market orientation. Thus, the findings indicate the need for the organisation to adopt a multicultural perspective if it wishes to have a strong market orientation and that alignment of subcultures may potentially result in a decreased market orientation.

In spite of the rejection of some hypotheses, these data reveal some interesting observations in regard to academic subcultures, leadership and market-orientation, which this researcher hopes will serve to provoke fruitful discussion and further research.

4 Directions for Future Research

When planning the research, it was considered that culture and subcultures were such a complex issue that it should be handled on a single case bases, although there is potential for more extensive research in which a number of subcultures are identified in a number for institutions of higher education and correlations are found for all the subcultures identified, especially concerning whether one subculture may impact upon another and to what extent. However, any attempt to correlate a range of subcultures across a range of HEIs, may overlook interrelationships specific to each organisation. On the other hand, a higher number of subcultures gives a larger sample size, which in turn may allow for generalizations for subcultures in higher education.

The findings that the dimensions of market orientation in this study have particular relationships with each other in the organisation could be examined on a wider scale to confirm that there is a relationship between student orientation and cooperation orientation in subcultures in higher education as opposed to other institutions in the public sector or private education institutions. Furthermore, innovation is an aspect that has been considered in some part, but there is a need for further research into innovation and what it means to staff in institutions concerned with different courses and research areas, such as comparing innovation in a language faculty, a science faculty and a business faculty.

A longitudinal study of the subcultures found in the organisation would serve as a means of uncovering the dynamic nature of these subcultures and whether the correlations and relationships found endure or transform in the face of changes in Hungarian higher education. A further study using the same questionnaire is being planned for the autumn semester 2014, and, subject to approval, may provide further insight into the dynamic nature of subcultures in the organisation. In relation to further examination of the organisation, qualitative research was undertaken in 2013 in the form of group interviews, but there is further scope to uncover through qualitative methods further characteristics of these subcultures and their interrelationships and develop the profile of these subcultures further still.
Despite arguments made earlier against aligning subcultures, there are cases where a monolithic culture is preferred and conformity and unity are central to the organisation’s operations. Tushman and O’Reilly (1996; 14) see the need for “fit between strategy, structure, skills and culture to reflect changing markets and technology”, which is in turn similar to the McKinsey 7S model concerned with the alignment of elements to improve performance. However, in an organisation with subcultures these models become more complex. The organisational culture needs to be dissected and examined subculture by subculture as to how they relate to the strategy of the organisation. Based upon the findings and methodology used, the following model is put forward:

Figure 3: An approach to aligning subcultures in the organisation

It can be seen that this is a continuous process as it is assumed that cultures and subcultures are dynamic in the organisation and that through interaction, problem solving, exposure to internal changes (such as changes in leadership) and external changes (such as government funding and market pressures) the subculture’s values may be in a state of flux and as values change and employees come and go, the boundaries may also change. This continuous process ensures an awareness of the composition of organisational culture and the ‘subcultural gap’ between the desired direction and values of leadership in relation to the actual values held by staff. This model could be applied in practice as a means of conducting a ‘subculture’ audit prior to
the commencement of any change processes or when looking to implement a change in the direction of the organisation. It is put forward that further research into finding and testing a suitable model for alignment of subcultures involving subcultural audits and measuring of subcultural congruence / distance could be considered.
5 References


6 Publications

International Journals


National Journals


Proceedings


**Scientific activities**

1. Member of the international editorial board for the *Pedagogical Journal of the Association of Educational Sciences (HU ISSN 1788-2583)*.
