

## ASSESSMENT OF ORGANIZATIONAL CULTURE IN THE SELECTED TRAVEL AGENCIES IN THE SULTANATE OF OMAN



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### ABSTRACT

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The researchers conducted this study to investigate and assess how well the current organization culture in selected travel agencies in the Sultanate of Oman generates employee works. More specifically it aimed to find out which aspects of the organization culture functions well, and which aspects could be further developed and improved towards a strong organization culture. The empirical part of the thesis was conducted by using a quantitative research method. The data was gathered with the help of questionnaires and interviews. The research results revealed how selected travel agencies in the Sultanate of Oman can develop their organization culture by including the employees in the decision making process. The research supports the assumption that a well-developed and functional organization culture can increase employee motivation and satisfaction. For improving the organization culture, the researchers suggested that the employees should be included in the decision making processes and development. And also suggestion of objectives should be based on common goals of organization culture and motivation of employees with rewards systems that will help the organization encourage the employees to enhance their performance.

**Contribution/ Originality:** This study contributes in the existing literature in the field of business. It supports the idea that strong culture increase employee motivation thus, increasing productivity. The scientific documentation which leads to the output of this study serves as guide not only among the travel agencies but also to different organizations.

## 1. INTRODUCTION

Organizational culture clearly revolves around organizational issues and challenges that focus on organizational events and values central to and shared by members of organization. It affects the organizational performance and productivity, service product, service quality and safety. It also provides guidelines on customer care and concern for the environment, safety, attendance and punctuality while there are many common elements in the organizations, organizational culture is one of the hardest things to change and it is unique for every organization. Culture has played an important role in transforming organizations into successful entities. Recent studies show that the culture of an organization has a lasting impact on the performance and it is an important factor in determining the success or failure of organization.

Organizational culture plays a vital role in the operations of the travel agencies in the Sultanate of Oman. Currently, there are 15 major operators of travel agencies in Oman and some other small agencies which also help the vacationing residents of Oman and people coming in to travel in the country. While the country right now is trying to diversify and make use of its resources, tourism is one of the option and can be seen as one of the major income generator to the country. Tourism is a diversified and decentralized industry. The commercial imperatives drive tourism change according to the location, as do the environmental, social and cultural impacts of tourism on particular communities. Oman is a country on the Arabian Peninsula where recently tourism business has grown considerably, and is expected to be one of the largest industries in the nation. [Times of Oman, Feb 2015]

Oman has one of the most diverse environments in the Middle East with various tourist attractions and is particularly well known for cultural tourism. Muscat, the capital city of Oman was named the Second Best City to be visited in the world in 2012 by a travel guide publisher and was also chosen as the Capital of Arab Tourism of 2012. Thus, travel agencies aim to provide customers with the highest levels of services in the area of travel management using the latest technologies.

This study aimed in assessing the organizational culture of the selected travel agencies in the Sultanate of Oman. Specifically this study sought to answer the following research problems:

1. What is the status and level of effectiveness of the selected travel agencies in the Sultanate of Oman in terms of:
  - 1.1. Physical Processes and Structures
  - 1.2. Infrastructure
  - 1.3. Individual and Group Behavior, and;
  - 1.4. Values and Norms?
2. Based on the results of the study, what possible recommendations can be proposed to enhance the organizational culture of the selected travel agencies of the Sultanate of Oman?

## 2. LITERATURE REVIEW

Schein (2010) defines culture as a “pattern of basic assumptions-invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration – that have worked well enough to be considered valid and therefore, to be taught to the new members as the correct way to perceive, think, and feel in relation to those problems.” Organizational culture is comprised of the set of values, beliefs, assumptions, principles, myths, legends, and norms that define how people actually think, decide, and perform. Organizations, then are comprised of four major components: physical (the visible aspects of the organization), infrastructure (the systems and processes for directing and managing work), behavioral (the daily actions and reactions of employees), and cultural (the underlying assumptions, values, beliefs and norms that shape daily behavior). Management attention must build a strong organizational culture and be interested in the behavior of individuals, encourage and motivate individuals to perform their roles and functions efficiently. Stewart (2010) mentioned that profitability is any organizational goal. One of the best places to start improvements is with an examination of the organization’s work culture. He states that the strongest component of the work culture is the beliefs and attitudes of the employees. It is the people who make up the culture,

Yilmaz and Ergun as cited by Zehir *et al.* (2011) in their study “The Effects of Leadership Styles and Organizational Culture over Firm Performance: Multi-National Companies in Istanbul” demonstrated that culture is theorized to be the prime factor of shaping organizational procedures, unifying organizational capabilities into a cohesive whole, providing solutions to the problems faced by the organization and thereby, hindering or facilitating the organization’s achievement of its goal.

In addition, Prajogo and McDermott (2011) suggested that having flexible-oriented culture is important in improving the internal aspect of quality and innovation. Such attitudes as teamwork and empowerment have been

recognized as playing important role in ensuring the success of process improvement as well as implementation of new process technologies. The findings showed the unique fit between cultural dimensions and performance measures.

Furthermore, Tidor *et al.* (2012) stressed in her study, Diagnosing Organizational Culture for SME Performance, organizational culture is the most important component of the organization. It is imperative to know the elements of organizational culture so that we can use the strengths for competitive advantage. It is not simple to diagnose organizational culture but it was considered that diagnosing and changing organizational culture the organization cannot achieve performance.

This research adopted the idea of Russell Consulting of 2005 which states that Organizations are comprised of four major components: physical (the visible aspects of the organization), infrastructure (the systems and processes for directing and managing work), behavioral (the daily actions and reactions of employees), and cultural (the underlying assumptions, values, beliefs and norms that shape daily behavior). While implementing change at the “higher” levels is possible, as the following graphic suggests, the durability of the change is short-lived without change at the underlying cultural level. This study will also stress out the importance of the study of educational organizations seeking efficiency and quality, and keeping pace with the times there is a need to have human elements behaviors which are consistent with the ambitions and aspirations.

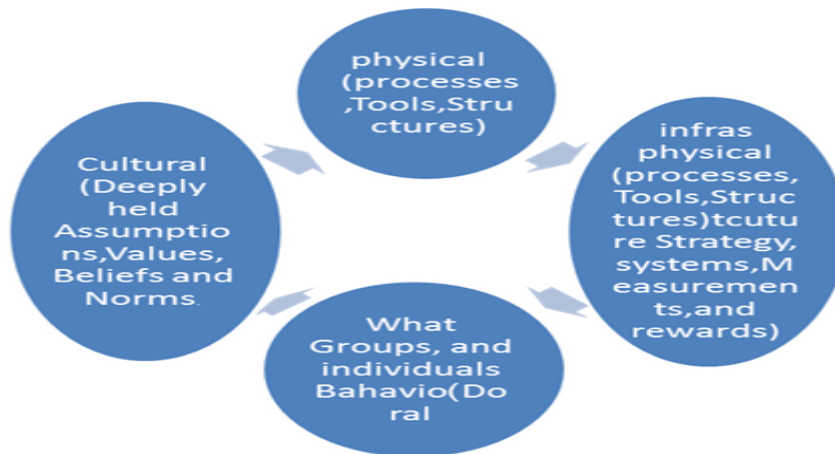


Figure-1. Theoretical Framework. Organization Culture

Source: 2005 Russell Consulting

### 3. METHODOLOGY OF RESEARCH

The research adopts a descriptive research and has used to obtain information concerning the implementation of the organization culture practices. It describes data and characteristics about the organization culture. In this study, it described the extent of organizational culture practices in selected agencies in terms of organization culture. Questionnaire was used as a tool to know the responses from the respondents

There were two categories of respondents where the first group was managers and the second group was employees from the selected travel agencies. Study of populations was almost always governed by laws of probability, and the conclusions of the studies may thus not always be applicable to some individuals. This odd factor may be reduced by statistical means, but such a generalization may be too vague to imply anything.

Below is the Likert scale which will be used to assess the status of the organization culture in selected travel agencies in the Sultanate of Oman

Table-1. The Respondents

Respondents	Frequency	Percentage
Managers	20	14%
Staff	120	86%
TOTAL	140	100%

All the respondents were requested to indicate their perceptions on each question in each variable using 5 – point Likert scale as follows:

Scale	Limits	Verbal Interpretation	Description
5	4.49 – 5.00	Strongly Agree	The respondents strongly agree on the organization culture
4	3.50 – 4.49	Agree	The respondents agree on the organization culture
3	2.50 – 3.49	Undecided	The respondents moderately agree on the organization culture
2	1.50 – 2.49	Disagree	The respondents disagree on the organization culture
1	1.01 – 1.49	Strongly Disagree	The respondents strongly disagree on the organization culture

Scale	Limits	Verbal Interpretation	Description
5	4.49 – 5.00	Highly Effective	The respondents strongly agree on the organization culture
4	3.50 – 4.49	Very Effective	The respondents agree on the organization culture
3	2.50 – 3.49	Effective	The respondents moderately agree on the organization culture
2	1.50 – 2.49	Least Effective	The respondents disagree on the organization culture
1	1.01 – 1.49	Not effective	The respondents strongly disagree on the organization culture

Methods and instruments were not specific to any one question but provided data that when combined will be addressed to the research questions. In this research, a variety of data collection methods were used such as gathering data by telephone surveys, web-based surveys, paper and pencil surveys.

Questionnaires were utilized by the researchers since they needed understanding of the function of the application as well as the business rationale for building a function to implement the best possible solution. In this case, a set of questionnaires has to be planned and written related to the project and when answered properly by the required number of selected respondents will supply the necessary information.

Observation was also used and helped the researchers in identifying certain flaws and limitations in the functionality or contents, which might not have surfaced through questionnaires or through some other techniques.

After the validation of research instrument, data gathering procedure is conducted. Statistical techniques have assumed an integral role in both the interpretation and quality assessment of analytical results. The data were collected from the questionnaire and analyzed by using statistical formula. To determine the variables among the respondents, the weighted mean was computed.

#### 4. FINDINGS AND CONCLUSIONS

Table-4.1. Status of the selected travel agencies in the Sultanate of Oman in terms Physical Processes and Structures

A. Physical Processes and Structures	Weighted Mean	Verbal interpretation
1.The physical surrounding are good and clean	3.86	Agree
2. The building is safe to work at.	3.26	Undecided
3.The Machines equipment are functioning well	3.10	Undecided
4. Company provides stability and provide job security for workers.	2.02	Disagree
<b>Average weighted mean</b>	<b>3.06</b>	<b>Undecided</b>

This table provides the distribution of the perception of respondents regarding the status of the Organization culture in terms of physical processes and structures with a total average weighted mean of 3.06, i.e. they agree. This table shows that the respondents are happy with the physical surrounding being good and clean. However, the respondents disagreed that the company provides stability and provide job security for workers with a lowest weighted mean of 2.02.

**Table-4.2.** Status of the selected travel agencies in the Sultanate of Oman in terms of Infrastructure

<b>B. Infrastructure</b>	<b>Weighted Mean</b>	<b>Verbal interpretation</b>
1-The management allows employees in decision making	2.86	Undecided
2-There is clear administration policy in the company	4.47	Agree
3-Selection and promotion of employees are not presented	3.34	Undecided
4-There is a good manager employee relationship	1.92	Disagree
<b>Average weighted mean</b>	<b>3.22</b>	<b>Undecided</b>

The table above provides the distribution of the perception of respondents regarding the status of the Organization culture in terms of infrastructure with average weighted mean of 3.22 which means moderately agree. The highest average weighted mean of 4.47 pertains to the existing clear administration policy in the company.

According to Harding and Rouse 2007, developing a detailed understanding of how the leaders and employees in the firms develop strategies and goals, engage with the market place, use a cultural assessment tool to gather information, and recommend that all organizations take proactive steps to evaluate the culture of organization.

**Table-4.3.** Status of the Selected Travel Agencies in the Sultanate of Oman in terms of Individual and Groups Behavior

<b>C. Individual Groups and Behavioral</b>	<b>Weighted Mean</b>	<b>Verbal interpretation</b>
1. There is spirit of teamwork in company	3.10	Undecided
2. Employees are treated fairly	3.26	Undecided
3. There is clear understanding of job roles	3.86	Agree
4. There is high turnover of employees	2.02	Disagree
<b>Average weighted mean</b>	<b>3.06</b>	<b>Undecided</b>

The above table provides the distribution of the perception of respondents regarding the status of the Organization culture in terms of Individual Groups and Behavioral agree with weighted mean of 3.06. Employees are treated fairly got the highest average weighted mean 3.86 while having a high turnover of employees got the lowest average weighted means of 2.02 which means disagree when interpreted verbally.

Every organization has its own culture. We cannot deny the fact that there are a lot of assumptions, beliefs, values, norms within the company itself as its distinct personality of the individual influences a person. An organization culture is similar to an individual's personality. Because of the very unique identity of such industry that particularly culture will lead to a higher production output and even industry competitive advantage.

**Table-4.4.** Status of the Selected Travel Agencies in the Sultanate of Oman in Terms of Cultural Values and Norms

<b>D. Cultural Values and Norms</b>	<b>Weighted Mean</b>	<b>Verbal interpretation</b>
1 The employee is open to new ideas and knowledge	2.90	Undecided
2. Employee accepts criticism by others	2.04	Disagree
3. There is no acceptance of new ideas	2.82	Undecided
4. Mistakes are recognized and detected and corrected	1.78	Disagree
<b>Average weighted mean</b>	<b>2.39</b>	<b>Disagree</b>

The table provides the distribution of the perception of respondents regarding the status of the organization culture in terms of cultural values and norms with weighted mean of 2.39 which means disagree, Employees are open to new ideas and knowledge is moderately agreed with highest weighted mean of 2.90. While no acceptance of new ideas got the lowest weighted mean 1.78 which means "disagree"

According D. Adel Abdel Moneim, recommendations and proposals including the need to promote a culture of clear organization declared for all employees, and through the distribution of evidence of the organization has a thought of the organization and its culture, and work to adopt a style of democratic leadership, which carries with it the respect and admiration of subordinates with interest the stages of work with the support of subordinates .The researchers recommended the need to make room for subordinates with innovative capabilities to develop their creative skills and put them into practical application, while providing a psychological base which subordinate can launch ideas and suggestions without fear of domination leaders.

**Table-4.5.** Level of Effectiveness of Selected Travel Agencies in the Sultanate of Oman in terms of Physical processes and Structure

Physical Processes and structures	Weighted Mean	Verbal interpretation
1. The physical surrounding are good and clean	2.86	Effective
2. The building is safe to work at.	4.47	Very Effective
3.The Machines equipment are functioning well	3.34	Undecided
4. There is company stability and provide job security for workers.	1.92	Least Effective
<b>Average weighted mean</b>	<b>3.22</b>	<b>Effective</b>

The table above provides the distribution of the level of effectiveness perception of respondents regarding the status of the organizational culture in terms of Physical Processes and structures. The respondents perceived these items to be moderately effective with the weighted mean of 3.22. The building is safe to work got the highest weighted mean of 4.47 which means "highly effective". The lowest weighted mean of 1.92 or least effective was Item No. 4 which pertains to company's stability and provides job security for workers.

Ravasi and Schultz (2006) stated that organization culture had no significant effect in physical education offices. Study of organizational culture acts as a tool to collect information, and managers first enable to compare parts of works, second, prioritize issues, third, identify perceptions and expectations of the staff to gaps between current situations and thereby can improve their quality

**Table-4.6.** Level of Effectiveness of Selected travel agencies in the Sultanate of Oman in terms of Infrastructure

B. Infrastructure	Weighted Mean	Verbal interpretation
1. The management is allowing employee in making decision	1.80	Least effective
2. There is a clear administration policy in the company	2.09	Least effective
3. Selection during and promotion of employees are not presented	2.00	Least effective
4. There is a good manager employee relationship	1.82	Least Effective
<b>Average weighted mean</b>	<b>2.13</b>	<b>Least effective</b>

This table provides the distribution of level of effectiveness of Organization culture in terms of Infrastructure with a weighted mean of 2.13. In terms of clear administration policy in the company, it was interpreted moderately effective with highest weighted mean of 2.90. Item No. 1 which pertains to management's allowing of employees in making decision got the lowest weighted mean of 1.80 which means least effective when interpreted verbally.

According to VoharnYasarawan, the policy of administration and operation for the effective managerial roles should view the following: Defining the goals and objectives so that the operation would have been constructive; and procuring and using resources, coordinating process among various systems within an organization which is consistent to the policy and the control system following its achievement.

**Table-4.7.** Level of Effectiveness of Selected Travel Agencies in the Sultanate of Oman in terms of Individual and Groups Behaviors

C. Individual Groups and Behavioral	Weighted Mean	Verbal interpretation
1. There is sprit of teamwork in company	2.60	Effective
2. Employees are treated fairly	3.00	Effective
3. There is clear understanding of job roles	3.52	Very Effective
4. There is high turnover of employees	2.36	Least Effective
<b>Average weighed mean</b>	<b>2.87</b>	<b>Effective</b>



The table provides the distribution of the level of effectiveness perception of respondents regarding the status of the Organization culture in terms of Individual Groups and Behaviors. The respondents rated these items to be Effective with a weighted mean of 2.87. In terms of high turnover of employees, the respondents rated it least effective with lowest weighted mean of 2.36. On the other hand, the respondents rated Effective with highest weighted mean of 3.52 Item No.3 which pertains to clear understanding of job roles.

According to [Kandula \(2006\)](#) the organizational culture has an active and direct role in performance management which is a key to good performance. A positive and strong culture can make an average individual perform and achieve brilliantly whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no achievement.

**Table-4.8. Problems encountered by Selected Travel Agencies in the Sultanate of Oman as perceived by the Respondents**

Problems Encountered	Frequency	Rank
1. Lacks of motivation among the employees	12	2.5
2. Objectives are not based on common goals of organization culture	12	2.5
3. Information hoarding	9	4.5
4. Treating problem as failure	9	4.5
5. Employees are not included in the decision making processes and development	19	1

As reflected in table 4.8, Item No. 5 which is “Employees are not included in the decision making processes and development” gets the highest frequency from the respondents and was ranked Number one and this indicates that involvement of employees in the decision making and letting them participate plays a very important role in any organization since they are aware of what is happening in the organization. Items Numbers 1 and 2 get similar frequency number and they ranked second. Items pertain to Lack of motivation among the employees and Objectives are not based on common goals of organization culture. Tourism industries prefer to be more generous in terms of rewards and recognition mechanisms towards their employees and for some cases praise is better than raise.

## 5. CONCLUSIONS AND RECOMMENDATIONS

This study has drawn conclusions and recommendations based on the findings of this study;

**5.1.** The travel agencies disagreed about providing stability and provide job security for workers. According to [Hearst Newspaper of 2017](#), job security have a major impact on employees and more likely if employers would assure employees on their job this would able to achieve long-term career goals, better position themselves financially, and gain marketable skills that appeal to future employers. All these factors provide sufficient reminders about the importance striving for job security.

**5.2.** Employees are treated fairly got the highest average which means disagree when interpreted verbally. As stressed out by [Prajogo of 2011](#), when an employee is treated unfairly, it results in decreased employee morale. Low morale results in decreased employee productivity. It can also result in high employee turnover. Depending upon the severity of the unfair treatment, an employee may also file a lawsuit against the company.

**5.3.** The researchers recommended the need to make room for subordinates with innovative capabilities to develop their creative skills and put them into practical application, while providing a psychological base which subordinate can launch ideas and suggestions without fear of domination leaders. [Ravasi and Schultz \(2006\)](#) stated that organization culture had no significant effect in physical education offices. Study of organizational culture acts as a tool to collect information, and managers first enable to compare parts of works, second, prioritize issues, third, identify perceptions and expectations of the staff to gaps between current situations and thereby can improve their quality

**5.4.** A positive and strong culture can make an average individual perform and achieve brilliantly whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no

achievement. Rob Benn of Positive Culture was able to characterize the importance of strong culture. A positive culture tends to be nurturing, democratic and progressive. According to his research, it was denounced that when a culture is in positive mode it nurtures and values the contributions of its members; as a result ideas grow and flourish. A positive culture should be flexible in the travel agencies in the Sultanate of Oman to change and adapt to meet the needs of its members in a dynamic and constantly changing world. With the combined energy of all its members, a positive culture can actively pursue the challenges of the future.

Performance and productivity of a firm is deemed be found out as a directly proportional to the organizational culture in this study. Organizational culture is an asset that money cannot buy and it is the factor that can make or break a business. Every business, irrespective of its size, has two dimensions of performance improvement - Process and Culture. This as well limits the organization from reaping the total benefit from process improvements. In conclusion, this research states that in order that tourism industry be successful it should create a strong organizational culture through professionalism in its management. Tourism agencies need to create an environment that can support creativity and competitiveness.

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