

THE IMPACT OF ORGANISATIONAL CULTURE ON GOLD MINING ACTIVITIES IN THE FREE STATE

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ABSTRACT

The political and social transformation process in South Africa is forcing organisations to avoid the sensitive, unpleasant and potentially volatile behaviour at workplace that can arise when groups or individuals who differ work together or come into close contact with each other. Therefore, management developed a corporate culture which creates an environment that is conducive to performance improvement, shapes the way people act and interact, as a result, this culture influences how things get done. The corporate culture encompasses the organisation's goals, business ethics and dominant ideologies. Based on the results of this study, these cultural changes ought to be driven by the fact that employees respond to the way in which the organisation treats them. The research aims to investigate the impact of organisational culture on the gold mining activities.

The impact of organisational culture is demonstrated through a sense of identity and unity of purpose by the members of the organisation, commitment of employees to their work and existence of strategies and programmes which provide guidance on what is expected. The premise is that organisational culture determines socialisation, power relationship, policies and procedures, reward systems, communication systems and ideology, all of which have a significant impact on the day to day experiences of all employees.

Keywords: Organisational culture

1. INTRODUCTION

From the Stone Age, each nation or group of people has had a distrust of those different from themselves. This is evidenced in various ways, for example, social welfare given by government to local residents only, scornful names given to foreigners and other ethnic groups and rituals designed to keep these groups separate from others. These incidents of diversity resulted into an unplanned and emergent set of norms, values and beliefs that exert enormous influence on the way in which an organisation operates, how organisational structure is developed, the integration and adaptation of internal and external relationships, as well as the orientation of the underlying values of the organisation.

Given the different kinds of mining activities and the strategic nature of the decisions to be made in the long-run and mutual relationships between all stakeholders, mine managers must understand the factors that will have an impact on the performance of mining activities. The next sections examine the roles of the organisational culture as a determinant of the behaviour of the employees and consequent impact on the performance of the mining activities.

2. THE PURPOSE

Continuing from the work of previous researchers, this research study purpose is, firstly, to examine how organisational culture affect inter-organisational relationships within the specific setting of employer-employee relations as well as the impact of organisational culture on mining activities. In order to achieve this aim, the research study tends to investigate cultural intangible factors (employee commitment and satisfaction) that bind the employer and employees, and understand the way in which these factors influence the efficiency of the gold mining activities in the Free State.

Secondly, through the empirical method, to assess the extent to which an organisational culture is considered as the major determining factor influencing organisational effectiveness, efficiency, sustainability and manageability to produce a competitive asset. The mining industry thus endeavours to align its operations with the World Bank Draft Environment, and Health and Safety Guidelines for Precious Metals and continual impact assessment, as required by the certification process (Burger, 1999: 97-103).

Thirdly, to present evidence of the existence of dominant culture and subcultures in the mining organisations, and that an attempt to manage culture has occurred, particularly by reinforcing and controlling employees` behaviours. Subsequently, the study attempts to indicate that cultural strategies of some units of an organisation tends to focus on content issues such as achievement of efficiencies, while ignoring the process of how best to achieve these efficiencies and coping strategies to counter the negative influence of culture on the organisational performance and commitment (Mclvor & McHugh, 2002: 41-62).

Lastly, to reveal how a strong culture puts considerable pressure on employees to conform. As a result, this culture creates a dilemma of limiting the range of abilities and capabilities of employees with regard to creativity. Overemphasis on "bottom line" performance or results' orientation poses some risk in that it may be at the expense of employee's health and well-being. Although mine health and safety conditions have improved dramatically, dust generated by drilling and blasting in mines places people at risk of developing either pneumoconiosis or silicosis.

3. UNDERSTANDING ORGANISATIONAL CULTURE

The recent introduction of various labour legislations and regulations, such as Labour Relations Act, No. 66 of 1995 and Employment Equity Act, No. 55 of 1998, have placed an enormous pressure on the South African organisations, to conform and move towards fully representative organisational structure. In an attempt to accelerate this process, for example, various organisations are embarking on affirmative action and black empowerment programmes in order to develop historically disadvantaged groups and to assimilate them into the existing organisational culture (Nieman & Bennett, 2006: 246).

According to Wilson and Rosenfeld, (1997: 229) organisational culture is defined from two different perspectives. Firstly, organisation culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration. These values are evident in more tangible factors such as stories, rituals, language and jargon, office decoration and layout, and prevailing modes of dress among the staff.

Secondly, organisational culture is also the way things are done in the organisation, such as the overall unique practices of the organisation, the beliefs and values shared by people in the organisation that govern the way people approach their work and interact with each other; and a set of basic assumptions that worked so well before that they are regarded as valid assumptions within the organisation (Robbins & Barnwell, 2002:377).

When both perspectives are taken into consideration, culture includes groups of people collectively, not individuals alone, who through their experiences together, day after day in the work environment, build a picture of what the organization is all about.

Also, according to Robbins and Coulter (2002:58), the abovementioned definitions of culture imply several things, which are, that:

- individuals perceive the organisational culture on the basis of what they see, hear or experience within the organisation;
- even though individuals may come from different backgrounds, they tend to describe the organisational culture in similar terms (shared aspects of culture); and
- individuals tend to describe organisational culture, rather than evaluate it, which is that they are not likely to declare whether they like it or not.

Developing a clear understanding of an organisational culture can be problematic. Over time, the organisational culture evolves as the external and internal environmental pressures change. Cultures emerge when employees think, believe and act according to the pressures and priorities of their environment and permeate the entire organisation. Unfortunately, employees do not set aside their cultural values and lifestyle preferences when they come to work. Most of the internal characteristics of organisational activities evolve as a reflection of its organisational culture. It is the responsibility of the mine manager to mould these informal emergent cultures to form more formal and manageable cultures, in order to “fit” in the emerging environmental conditions. A study of current literature concludes that successful organisation place a great deal of emphasis on organisational culture (Goodman, Zammuto, & Gifford, 2001: 58-68).

4. ANALYSING ORGANISATIONAL CULTURE

Activities such as systems, structures, skills and others were used as the framework to assess the impact of organisational culture on the gold mining activities.

4.1 Systems

Systems in any organisation are codified knowledge or patterns, organized in a logical sequence. They are the processes, methods, procedures, rules, techniques, technology, and manuals that ensure that work is undertaken efficiently and accurately. According to Arroba and James (1992: 40), there are five common cultural patterns of behaviours that are evident at the any production-driven organisation. Firstly, what is done must be done really well. Secondly, the speed at which an employee accomplishes the task is what counts. Thirdly, employees have to put an extra amount of effort in doing their tasks. Fourthly, employees must be able to work in a team. Fifthly, there is close supervision and accountability, which means employees act to please other people.

In the case of a mine, the production of one bar of gold at any mine is a process that demands mammoth investment of all factors of production, that is, labour, entrepreneurship, buildings and machinery, as well as land. These factors are important to the development of culture and structure of an organisation, such as office decoration and layout.

4.2 Structures

Organisational structure may be described as the way in which an organisation breaks down its activities into distinct elements and how these elements are coordinated. In reality, an organisation needs structure as a degree of predictability in the way its activities are organized and in the kind of relationships that employees have with each other. For certain people, changes that threaten structure and stability are events such as takeover or restructuring of the organisation, for others it may be the appointment of the Chief Executive Officer for the purpose of making dramatic improvements.

4.3 Staff

The term staffing refers to the way in which people are matched to jobs or “fitted” to the organisational culture; whether they are recruited from outside or whether they are developed, transferred or promoted from within. In addition to this, management issues of motivation, reward systems, the structured of jobs and team work are critical issues for the maintenance of the appropriate organisational culture.

Different individuals prefer working under different organisational cultures. The cultural differences develop under the influence of organizational structure or physical separation, for example, professional training, distinct functions, and types of work employees are called upon to perform as well as working conditions workers face. It may be counter-productive for an organisation to attempt cultural change if key staff members does not have skills to match the changes and would therefore feel uncomfortable or alienated in the prescribed culture.

4.4 Skills

Skills are defined as the competences the organisation needs in its people in order to perform difficult tasks of high standard (Hendry, 1995: 214). The importance of this issue is that the creation and maintenance of standards relies largely on well-trained staff, development of subordinates to higher positions in the organisations and updating employees' knowledge in the changing environment. It also includes the employee involvement in decision making and how employees are empowered to make quick decisions based on meaningful information from the field, which relates to the different strategies of the organisation.

4.5 Strategy

Strategy is defined as the process of developing a mission and long-term objectives of an organisation, the way forward as well as the span of an organisation over the long term (Nieman & Bennett, 2006: 89). Ideally, strategy matches its resources to its changing environment and in particular its markets, customer or clients so as to meet stakeholder expectations. It involves a high degree of uncertainty or major changes like mergers, downsizing or retrenchments. The implementation of the strategy depends upon the current management style.

4.6 Style

Style is the philosophy, values and shared beliefs adopted by managers in their use of power. Power relationships determine how people view one another in terms of the potential impact one person is likely to have on the other's working life and destiny. People, who are perceived to have more power, regardless of the source, are likely to be treated with respect and earn dignity. A question that is usually asked in this regard is the following. Can managers change from supervisors to coaches and can executives change from scorekeepers to leaders? Managers are in excellent position to analyse newcomers' skills and abilities and provide career path for the department, through the process of socialisation.

4.7 Socialisation

Socialisation, as a key in transmitting and maintaining organisational culture, is defined as a learning activity when a new employee come to understand and accept key values, goals and practices of an organisation. Employees are then socialised to the attitudes and behaviours that the organization requires. The compatibility of employer and employee expectations in the high-performance organisation offers no assurance that the expectations of either will be met. Newcomer socialisation is an effective tool for meeting expectations and perpetuating organisational culture (Ashkanasy, Wilderom & Peterson, 2000: 355).

5. IMPACT OF ORGANISATIONAL CULTURE

According to Robbins, Odendaal and Roodt, (2003:16) an organisational culture has an integral role in shaping the behaviours and attitude of its employees. The first three factors (productivity, absenteeism and turnover) are categorised as behaviours and last two (job satisfaction and employee commitment) as an attitude, and they are:

- productivity – An organisation is productive if it achieves its goals and does so by transferring inputs to outputs at the lowest cost (effectiveness and efficiency). Performance suffers when employees are never sure whether the supervisor is going to criticize them for making a decision or humiliate them in front of others;
- absenteeism – Failure of employees to report to work on schedule regardless of the reason, is considered to be the most serious discipline problem by the management. The reason being that the workflow is interrupted, and often important decisions must be delayed;
- turnover – Also as above, employee turnover disrupts the efficient running of an organisation when knowledgeable and experienced personnel leave and a replacement must be found and prepared to assume duties. Therefore a high turnover rate results in increased recruiting, selection and training costs. In an organisation with a high turnover, a weak and less integrated culture may emerge. Ideally, if management could develop reward systems that result in retaining the best performers and induce poor performers to quit this could improve the overall effectiveness of an organisation;
- job satisfaction – Not only is satisfaction conversely related to absenteeism and turnover, but organisations also have the responsibility to provide employees with jobs that are challenging and intrinsically rewarding; and
- employee commitment – Ivancevich and Matteson (1999: 204) state that commitment to an organisation involves three attitudes; that is, a sense of identification in an organisation's goals, a feeling of involvement in organisation duties, and lastly, a feeling of loyalty for the organisation. People who are committed are less likely to quit and accept other jobs.

6. RESEARCH PRESENTATION

When the above argument is considered, it is imperative that a certain method be used to gain information about the above issues.

6.1 Research design

Due to the nature and complexity of the issues to be examined, the researcher decided to conduct a study incorporating both quantitative and qualitative methods.

6.2 Rationale for choosing the qualitative and quantitative methods

The need for reliability and to analyse data through analytical, descriptive narration, as well as comparative and statistical analysis, necessitated the researcher to apply both the qualitative and quantitative methods of research, which are explained in the sections below. Subsequently, it can be argued that the validity of the findings of this study improved through the development of consistent conclusions drawn from both the qualitative and quantitative methods.

Silverman (2002: 35-37) stated that quantitative and qualitative methods worked well together for the research. For example in this study, quantitative method showed what impact has occurred and how generally and frequently it occurred, through the use of questionnaires. The quantitative method is used to gather relatively straightforward information from a relatively large group of people. On the other hand, qualitative method revealed in fine detail just how the impact occurred in day-to-day activities of the mine. It also seeks to interpret the meanings people make of their lives in natural settings, from a relatively small group of people.

6.3 Data collection instruments

Interviews and questionnaires were the two instruments used to obtain information from the population of mine workers. The identity of the organisation in which the research was conducted is not revealed in the study for business and ethical reasons. The phenomena that were investigated are also not restricted to any particular organisational context, especially mining, thus rendering the need to identify the organisation in question as an unimportant issue. The sample of 500 respondents represent five percent of the total number of about 10 000 people employed in the specific business unit that was selected for research. The researcher is aware that the small sample size limits the validity of the findings, but it was necessary in order to get the opinion of employees with regard to the impact of organisational culture.

Information was acquired through the use of literature review and empirical study. Useful information was obtained through a literature review from various publications such as textbooks, and Internet documents. Information was also obtained through an empirical study. A sample of five hundred literate workers was drawn from the total population of one thousand, four hundred and four (14% of 10000 employees) literate mine workers. Instruments used to gather information were focus interviews (supervisors and managers) and semi-structured questionnaires (first line supervisors and service staff).

Table 1.1: The number of questionnaire respondents

	First line supervisors	Service staff	Total
Questionnaires	163	322	485

Table 1.1 indicates that four hundred and eighty five questionnaires were completed, and together with interview participants in table 1.2 sums up to a total of five hundred respondents. The sample consisted of first line supervisors and service staff members drawn from the three shafts.

Table 1.2 Interview participants

RESPONDENTS	Supervisors	Mine Overseers	HODs	Managers	Total
Interview	4	4	4	3	15

Table 1.2 indicates that fifteen participants were interviewed and together with respondents in table 1.1 (four hundred and eighty five) totalled five hundred participants.

6.4 General findings

General findings of both literature and empirical studies were summarised as follows:

- the organisation that has been studied has clearly defined itself as an entity pursuing team and family related matters and it was distinctly asserted what is expected from individuals working inside the organisation. As a result, the organisation has made enormous strides toward developing the organisation as a 'great' place to work, and experienced that workers intended to stay with the organisation;
- any organisation consists of employees striving or fighting to gain "wins" or bonuses. For this to materialise, it was found that production should be at an optimal point, but unfortunately two negative aspects materialised, namely financial and health issues. It became evident that this happens when workers are focused on reward only, they tend to neglect the safety aspects of their jobs, resulting in mine accidents or fatalities and this could result in a financial loss to the mine. It was also indicated that workers are also prone to mine related illnesses such as pneumoconiosis or silicosis. Therefore in mines, the financial and health stakes are high and as a result; there is a focus on getting "things done" as fast as possible. Consequently, management controls the activities of the organisation through business ethics, standards, policies and rules;
- it was revealed that any organisation invests an extensive amount of funds in the development of their employees, hoping that the final product will be successful. As a result, people are empowered by the organisation with the knowledge, skills and competence they require in order to be able to do their jobs. This issue confirms that people are the most important asset in any organisation and; people prefer to be associated with such an organisation. On the other hand inadequate training will result in dissatisfaction with working conditions and directly affect an employee's confidence in the organisation;

- this study disclosed that one of the critical issues concern to a mining organisation is “grade”. The majority of managers in a mine that operates at a “low grade” scenario believe that their success depends upon the team commitment and cooperation to produce the volume or quantity of ore instead. When this culture of commitment is illustrated by employees, the mine can sustain consistent growth, safety, profits and service delivery and also bring employees into line with the organisational objectives. Doing so, management believe that they need commitment from individuals in all levels of the organisation;
- it was revealed that a key problem of moving toward a culture based on diverse mental models exists in an organisation, but unfortunately two conflicting cultures emerged. Firstly, management opt to make cultural choices based upon an economically rational model of past achievement. On the other hand, employees make their decisions based on social compatibility, which creates a paradox; and
- any organisation strives to create a positive culture that delivers results regularly every month in order to gain competitive advantage by streamlining their strategies and processes to be as efficient and cost-effective as possible. The concern of a high performing organisation is strived to maintain its culture, and also to continue to benefit from the resultant competitive advantage.

7. CONCLUSION

An overview of the literature indicated that it is imperative to manage organisational culture in order to foster and enhance the kind of organisational culture that will lead to excellence, growth, and commitment as well as to individual and communal development.

It is concluded from empirical study that an organisation’s culture has a crucial impact on its overall performance. Culture determines which human behaviours will be reinforced, the extents to which people work positively or constructively together, and the way in which decisions are made. It also affects the manner in which an organisation processes information, the way it responds to external demands and constraints, and the motivation of its employees.

When considering the above impact on activities, it follows that a key task of management is to understand, monitor and actively manage the culture of the organisation. To achieve this issue it is important that management have access to accurate, reliable and comprehensive information about the current organisational culture featured in any workplace.

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