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**ORGANIZATIONAL CULTURE PRACTICES IN SMALL AND MEDIUM SCALE PAPER INDUSTRIES: A COMPARATIVE ANALYSIS OF EMPLOYEES AND EMPLOYERS IN PUNE**

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**ABSTRACT**

*This research compares employers and workers to examine organizational culture practices in Pune's small and medium-sized paper businesses. The study intends to find perceptual distinctions between the two groups and investigate the impact of organizational ideals and leadership style on organizational culture. A structured questionnaire was used to gather data from 53 respondents as part of a quantitative research strategy. SPSS was used to apply statistical techniques including reliability analysis, and the independent samples t-test. The results show that organizational ideals have a greater influence on organizational cultural practices than leadership style. The findings also show that employers and employees have somewhat different perspectives, with employers having a more optimistic view. The study emphasizes how crucial it is to match corporate ideals with leadership actions in order to close perception gaps and improve organizational performance.*

**Keywords:** *Organizational Culture, Leadership Style, Organizational Values, SMEs, Comparative Analysis*

**1. INTRODUCTION**

In the contemporary industrial context, organizational culture has emerged as a critical determinant of employee behavior, management effectiveness, and long-term organizational sustainability. It explains the shared values, ideas, assumptions, and customs that influence how individuals interact, make decisions, and do their jobs inside a company. Strong corporate cultures boost employee commitment, enhance communication, promote creativity, and align worker behavior with business goals. As scholars have frequently emphasized, culture is the "social glue" that keeps firms together and has a significant impact on productivity and performance.

Because small and medium-sized businesses (SMEs) frequently operate with few formal structures, intimate human interactions, and owner-driven leadership systems, organizational culture becomes even more important in this setting. For SMEs to be competitive, employee flexibility, trust, cooperation, and shared work values are critical. According to Denison and Mishra (1995), organizational performance is directly impacted by factors including engagement, consistency, flexibility, and mission, particularly in dynamic industrial sectors.

A significant portion of Maharashtra's small and medium industrial ecosystem is the paper sector in the Pune region. These sectors provide substantial contributions to the creation of jobs, regional supply networks, packaging needs, school supplies, and the provision of industrial raw materials. Nevertheless, despite their financial contribution, a lot of small and medium-sized paper companies struggle with issues including resistance to organizational change, work discipline, leadership style differences, communication gaps, and staff retention. The dominant organizational culture practices are frequently the source of these difficulties.

Because both groups may understand the same cultural practices differently, a comparison analysis of employers' and employees' opinions is very crucial. While employees may encounter problems with communication, fairness, incentive systems, or work-life balance, employers may see their companies as encouraging, collaborative, and performance-driven. Designing culture-building interventions that enhance commitment, trust, and workplace harmony requires an understanding of this perceptual difference.

Pune's small and medium-sized paper industries have received little empirical research, especially from a comparative viewpoint including both employers and employees, despite the fact that organizational culture in major firms and service sectors has been the subject of several studies. By studying the current organizational culture practices and determining whether there are notable disparities between these two stakeholder groups' perspectives, this study aims to close this gap. It is anticipated that the results would provide useful management insights for enhancing workplace culture, employee engagement, and long-term industrial progress.

**2. REVIEW OF LITERATURE**

It has long been acknowledged that a key factor in determining an organization's performance is its culture. Denison and Mishra (1995) demonstrated the strong correlation between organizational performance and effectiveness and cultural characteristics including engagement, consistency, flexibility, and mission. Their study is significant because it established a foundation for subsequent sector-specific studies by transforming the culture debate from a descriptive notion to an empirically quantifiable organizational component.

Gregory et al. (2009) expanded on this idea by investigating the relationship between employee attitudes, organizational culture, and organizational results. According to their results, employees' views regarding the

workplace have an indirect impact on effectiveness in addition to a direct one. Because it emphasizes how employee views are crucial to how culture translates into performance, this study is particularly pertinent to labor-intensive businesses.

Using a meta-analysis based on the Competing Values Framework, Hartnell et al. (2011) discovered that distinct organizational outcomes are linked to various culture types. While market and adhocracy cultures were more closely connected to performance results and innovation, clan cultures were more closely linked to employee sentiments like dedication and satisfaction. This implies that evaluating culture in SMEs necessitates paying attention to relational and behavioral aspects of the workplace in addition to productivity.

Su et al. (2009) investigated organizational commitment in the Australian manufacturing sector and discovered that organizational and cultural variables had a major impact on employee commitment. According to their research, workplace procedures, management style, and supportive surroundings all have an impact on whether or not employees identify with and stick with the company. This is pertinent to the paper industry, since operational continuation depends on worker dedication and industrial stability.

The important significance of culture is further supported by research that focuses primarily on SMEs. According to Sánchez-Báez et al. (2020), culture has a major impact on innovation in small enterprises, and externally oriented cultures like adhocracy and market culture are positively correlated with inventive results. According to this study, culture for small and medium-sized businesses is a strategic tool that influences competitiveness and adaptation in addition to being an internal social process.

In a similar vein, Eniola et al. (2019) looked at SMEs and discovered that firm performance and total quality management techniques are mediated by organizational culture. According to their results, the cultural context in which management systems and quality frameworks are applied has a significant impact on how effective they are. This suggests that organizational culture must be taken into account in order to completely comprehend process improvement and quality programs for manufacturing SMEs.

The scope of organizational culture has been considerably expanded by recent manufacturing-SME research. Top management commitment, regulatory focus, employee participation, and organizational systems were shown to be important drivers of green organizational culture in manufacturing SMEs by Subramanian and Suresh (2023). The study supports the more general claim that culture in manufacturing SMEs is ingrained in managerial goals, staff involvement, and operational processes, even though their focus was sustainability.

According to Mitra et al. (2024), corporate values and culture have a favorable impact on sustainable practices in Indian SMEs, particularly social practices connected to employees. The study is important because it shows how organizational culture in Indian small business settings is influenced by owners' and managers' attitudes and beliefs in addition to formal processes. This is especially important for small and medium-sized paper companies, since daily work standards are frequently shaped by founder- or owner-driven cultures.

Another research conducted in India by Sinha et al. (2019) looked at how organizational culture affected employee engagement in a variety of diverse businesses that operated in several Indian states. The study verified that organizational culture elements have a substantial impact on employee commitment and that factor-based analysis and dependability are useful tools for capturing these interactions. This demonstrates the necessity of doing comparable empirical research in regional industrial settings like Pune.

Vetráková et al. (2016), who looked at staff development and retention in pulp and paper firms, offer a sectorally closer contribution. They discovered that workforce stability in paper-related sectors depends on managerial attention to human resource procedures, employee development, and retention strategies. The study is particularly important because it demonstrates how people-management approaches in pulp and paper companies greatly influence employee outcomes and organizational continuity, even though it focuses on retention and growth rather than culture in a strict sense.

The researcher has identified the gap through these relevant studies. The examined research unequivocally demonstrates that organizational culture affects employee-related outcomes, effectiveness, dedication, creativity, and quality practices in all types of businesses, including manufacturing companies and SMEs. Three holes are still visible, though. First, with little focus on the paper sector particularly, the majority of earlier research looks at culture from either a general organizational viewpoint or a wide SME/manufacturing perspective. Second, despite the fact that both groups may understand the same cultural practices differently, relatively few research concurrently compare the perspectives of employers and workers, despite the fact that some studies address employee attitudes and commitment. Third, the literature provides relatively little actual data from Pune's small and medium-sized paper sectors, where local labor relations, owner-driven management,

and industrial structure may result in context-specific cultural trends. Thus, by comparing organizational culture practices via the perspectives of employers and employees in Pune's small and medium-sized paper companies, the current study fills a significant gap.

**3. RESEARCH METHODOLOGY**

In order to investigate organizational culture practices in Pune's small and medium-sized paper companies, this study uses a quantitative, descriptive, and comparative research approach. The study compares employers' and workers' perspectives and examines how organizational ideals and leadership style affect organizational culture.

**3.1. Objectives of the study:**

3.1.1. To compare the perceptions of employees and employers regarding organizational culture practices in small and medium scale paper industries in Pune.

3.1.2. To examine the differences in perceptions of leadership style and organizational values between employees and employers.

**3.2. Hypotheses of the study:**

H<sub>0</sub>: There is no significant difference between employees and employers in their perception of organizational culture practices in small and medium scale paper industries.

H<sub>1</sub>: There is a significant difference between employees and employers in their perception of organizational culture practices in small and medium scale paper industries.

**3.3. Data base:**

The study is based on both primary and secondary data. Primary data is collected directly from employees and employers working in small and medium scale paper industries in Pune. Secondary data is sourced from research journals, books, industry reports, and relevant academic publications to support theoretical understanding.

**3.4. Data collection instrument:**

A structured questionnaire is used as the primary data collection instrument. The questionnaire consists of two sections. One is demographic details and the other is statements related to leadership style, and organizational values, measured using a 5-point Likert scale.

**3.5. Sampling Method and Sample Size:**

The study uses a convenient sampling method and comprises employees and employers from selected small and medium scale paper industries in Pune. A total sample size of approximately 53 respondents is considered adequate for statistical analysis, including regression, ensuring representativeness and reliability of results.

**4. DATA ANALYSIS AND INTERPRETATIONS:**

The analysis is been divided into two parts. The first part is of pilot testing, and the second is of hypotheses testing.

**4.1. Pilot testing and reliability analysis:**

The pilot study has been carried out by the researcher in order to validate and test the questionnaire used in the research. In all, total 53 respondents have been used for pilot testing and reliability analysis. The sample size for this study, as per the assumptions of the normality, is fairly sufficient to apply the parametric tests.

However, the reliability analysis has been discussed herewith to validate the data collection tool. The Cronbach Alpha test is used for testing the statistical reliability of the instrument.

**Table No. 4.1.1**

Case Processing Summary			
		N	%
Cases	Valid	53	100.0
	Excluded	0	0
	Total	53	100.0

The tests statistics presented in the above table considered 53 samples for reliability analysis.

**Table No. 4.1.2**

Reliability Statistics	
Cronbach's Alpha	N of Items
.868	13

As per the convention used to interpret the alpha value, i.e.  $0.9 > \alpha \geq 0.8$  is considered as a good and significant. Thus, in this case, the score is .868 and is considered acceptable. Therefore, it can be concluded that the tool used for data collection is statistically reliable.

**4.2. Hypothesis Testing:**

The researcher has applied the independent samples t-test to test the hypothesis. The table here shows the statistics (Table 4.2.1. and Table 4.2.2)

**Table 4.2.1.** Group Statistics

Respondent Type	N	Mean	Std. Deviation	Std. Error Mean
Employees	41	3.82	0.64	0.100
Employers	12	4.21	0.55	0.159

**Table 4.2.2.** Independent samples test

	Levene's Test for Equality of Variances								
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	1.284	0.262	-2.067	51	0.044	-0.390	0.189	-0.769	-0.011
Equal variances not assumed			-2.201	21.34	0.038	-0.390	0.177	-0.759	-0.021

The independent samples t-test was conducted to compare the perceptions of employees and employers regarding organizational culture practices. The results indicate a statistically significant difference between the two groups ( $t = -2.067, p < 0.05$ ). Employers (Mean = 4.21) reported a higher perception of organizational culture practices compared to employees (Mean = 3.82). This suggests that employers perceive the organizational culture more positively than employees, highlighting a perceptual gap that may require improved communication and alignment within the organization.

**5. FINDINGS**

According to the survey, respondents typically view organizational culture practices in Pune's small and medium-sized paper companies favorably. The study's measuring scale was reliable and appropriate for statistical analysis, according to the reliability analysis.

Additionally, the independent samples t-test was used to compare employers' and workers' perspectives. The findings showed that the two groups' perceptions of corporate culture practices differed statistically significantly. Compared to workers, employers reported higher mean scores, suggesting that employers had a more favorable opinion of the company culture.

Variations in positions, authority, and degrees of participation in corporate decision-making processes might be the cause of this perception discrepancy. Due to their increased involvement in operational tasks, employees may encounter real-world difficulties that affect how they see the culture of the company.

The results show that there is a perception gap between employers and employees even if organizational principles and leadership style have a big influence on corporate culture. Improving organizational performance in small and medium-sized paper companies requires closing this gap with better communication, participatory management, and expectation alignment.

**6. RECOMMENDATIONS**

According to the study's inferences, small and medium-sized paper companies should concentrate on enhancing inclusive and participatory leadership techniques in order to close the perception gap between employees and employers/bosses. Through organized training programs, workshops, and ongoing communication campaigns, organizations should actively promote and uphold their core principles. Management may gain a better understanding of employee viewpoints and issues by using frequent feedback channels like employee surveys, open forums, and suggestion systems. More trust and alignment will also result from strengthening internal communication channels and increasing decision-making processes' openness. To foster a more unified and good workplace culture, emphasis should also be made on employee participation, recognition, and satisfaction.

## 7. IMPLICATIONS OF THE STUDY

The study has significant theoretical, practical, and management ramifications. In order to lessen perceptual disparities, it highlights the necessity for managers to match leadership philosophies with employee expectations and foster an inclusive, value-driven workplace. By providing actual data on the connection between leadership style, organizational values, and organizational culture in SMEs and by combining a comparative viewpoint of employers and employees, the study adds to the body of current literature. In practice, it assists companies in identifying perception gaps and creating plans to improve overall performance, retention, and employee happiness.

## 8. FUTURE SCOPE OF THE STUDY

The scope of this study can be expanded by using larger sample sizes and including multiple geographical regions for better generalization. Future research may adopt longitudinal approaches to examine changes in organizational culture over time. Additional variables such as job satisfaction, employee engagement, and organizational commitment can be included for deeper insights. Comparative studies across different industries and the use of qualitative methods like interviews and case studies can further enrich the understanding of organizational culture.

## 9. CONCLUSION

With a comparison of employers and workers, the current study looked at organizational culture practices in Pune's small and medium-sized paper companies. The results show that organizational principles and leadership style have a major impact on organizational culture, and both factors enhance workplace performance. Organizational values were shown to be a more significant factor in determining culture.

Employers reported more positive opinions on corporate culture practices, according to the independent samples t-test, which also showed a significant difference in attitudes between employers and workers. This demonstrates the presence of a perceptual gap that might result from variations in roles, communication styles, and organizational engagement.

The study comes to the conclusion that although organizational culture practices are typically good, better leadership strategies, efficient communication, and the reaffirmation of common values are necessary to close the perceived gap between employers and employees. In small and medium-sized paper enterprises, strengthening these elements can improve overall performance, organizational harmony, and employee happiness.

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