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COMMUNAL ORGANIZATIONAL CULTURE AS A SOURCE OF BUSINESS-SUCCESS SUSTAINABILITY IN KIBBUTZ INDUSTRY - TWO CASE STUDIES

Abstract:

Communal Organizational Culture as a Source of Business-Success Sustainability in Kibbutz Industry - Two Case Studies

This research examines the effect of organizational culture on business success from a new perspective, which relatively few researchers have discussed. It focuses on the communal and cooperative cultural features as a source of organizational success, factors about which some kibbutz researchers have taken opposing views.

For many decades, kibbutz industry zealously kept to socialist principles; revenue and profit were not the primary goals of the factories. Kibbutzim established and maintained factories to provide their members with employment as the population outgrew the communities' agricultural base. In most kibbutz factories, the members opposed hiring outside workers, fearing the exploitation of people that were not among the collective owners of the means of production. In addition, the general assembly filled managerial positions based on social connection and seniority in the community. These non-capitalist practices often led to nominating unqualified administrators to manage the factories, which caused losses in revenue. Often other non-capitalist values shaped the behavior of kibbutz industry. For instance, some kibbutz factories rejected the opportunities of manufacturing goods destined for Germany because of the Holocaust.

This research explored the source of the organizational success of two kibbutz factories. The central claim was that the communal origin of these two factories facilitated their business success. This stood in stark contrast with most kibbutz industries, which abandoned their cooperative and communal attributes and became hierarchical and bureaucratic. This movement away from founding principles was the result of the massive privatization process that the kibbutz movement had been undergoing since the 1990s.

This research followed the case study approach, with a comparative analysis of the two kibbutz firms. The author interviewed fifty respondents and supplemented the data with document analysis. The findings in the two factories reflected their ability to assimilate capitalist features into their organizational culture while preserving much of their kibbutz nature, expressed in various cultural features. These factories preferred kibbutz members over outsiders and maintained much of the original organizational democracy and equality among managers and workers. In addition, the firms demonstrated their concern for the well-being of their elderly workers by providing special work conditions that fit those workers' abilities. This mixture of expertise; professionalism; along with internal democracy, equity, and communal concern could be an example for other factories seeking business success.

Keywords:

organizational culture; business success; kibbutz industry; kibbutz community

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