ORGANIZATIONAL CULTURE

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Abstract

The concept of culture came into being in the education system during the 1990s and into the twenty-first century as its significance became crucial. Culture mainly relates to the outward aspects of organizations than their official elements with the main focus on values, beliefs and ideology of individuals in an organization. They are the key components and the heart of every organization. Every individual holds some ideas and value-preferences which influence their behavior and how they evaluate others behavior, as culture is evolved as a part one's character (Bush 2003, p.156).

"Organizational culture is mainly the way people behave, more or less ethically in an organization. Its role came into being mainly to improve organizational performance. In an organization, when things go wrong, managers look to the cultural aspects for the source of the problem and the solution" (Sinclair 1993, p. 63).

1. Nature of Organizational Culture

The concept of culture has basically grown from the study of ethnic and national differences in the disciplines of sociology, anthropology and social psychology. Culture describes patterns of behaviour by which ideas and images can be transferred from generations to another or from one group to another. There are three approaches to this definition. Firstly, behaviour is not fully genetically transferred but rather develops through the social interaction of the individuals during his/her lifetime. Secondly, as per cultural pattern theory the different elements of a culture tend to form a comparatively stable harmonious system

and therefore is stable and slow to change. Thirdly, the ideas and the picture of a culture provide a guideline for the conduct of better behaviour and has a greater influence on one's personality.

Many aspects of culture are embodied in various rules and beliefs. E.g. Law (against steeling) which are backed up by judicial punishments for violation; social norms (what clothes to wear) which are backed up by social disapproval and cultural customs. At the deeper and less visible level, culture refers to principles and values shared by people in a group and that tend to persist with time even when group membership changes. At the surface level, culture represents the basic behaviour patterns or style of an organisation which lays a motivation for the new members to follow. Every level of culture has an influence on the other. Organisational culture is a shared concept and is evolved from a significant history along with learning from experience and improving the concepts. A single company can have multiple cultures and subcultures.

"The visible aspects include behavioural patterns, physical and social environment, written and spoken language. The less visible culture relates to the groups value and assumptions" (Wilson 2001, p.361). But the overall organisational culture changes over times. The evolution of culture happens as a result of many factors such as, turnover of group members, changes in the company's market environment and general changes in society. To deeply understand the depth of the organisational culture, it is important to study the various perspective of culture. There are three main perspectives in organisational culture (Wilson 2001, p. 361).

1.1 PERSPECTIVES

1) The integration perspective- This is a strong or desirable culture where there is organisation-wide consensus and consistency. This can be perceived as a weak or strong culture.

2) The differentiation perspective- It occurs with the boundaries of a subculture. At the organisational level, differentiated subcultures may coexist in harmony, conflict or indifference to each other. These subcultures are linked to different jobs, different levels of organisational status, gender and class.

3) The fragmentation perspective- In this perspective, there is clear unity of integration perspective, or the clear conflicts of the differentiation viewpoint, fragmentation focuses on that which is unclear. (Wilson 2001, p. 358)

1.2 FACTORS

The contributing factors of organisational culture are:

Artifacts- visible structure and practises such as policies and procedures, which can be observed and modified if necessary. These include architecture and physical surroundings, products, technologies, style (clothing-art-publications), published values, mission statements, myths, stories, rituals etc.

Espoused values- what people say they believe, these are not generally a point of concern, for example, most people believe that appointments and promotion should be fair, unbiased and based on merit. These factors are championed by a company's leadership.

Underlying assumptions- unconscious and taken for granted beliefs, thoughts and feelings. Ultimate source of values and actions-these are not likely susceptible to change, though their effects can be migrated. They in turn decide the organisation's attitudes, thought processes and actions. (www.athenaswan.org.uk)

1.3 CLASSIFICATION OF ORGANISATIONAL BEHAVIOUR

The organisational cultures are divided into four quadrants, they are Control (hierarchy), Compete (market), Collaborate (clan) and Create (adhocracy). The main key to use culture to add performances lies in integrating the appropriate culture or attribute to the organisational goals.

1.3.1 Control (Hierarchy) - Hierarchical organisations share similarities and has well defined stability and control. They value standardisation, control and well defined format for authority and decision making. E.g. Companies with hierarchical cultures are Mc Donald's, the Ford Motor company.

1.3.2 Compete (Market) - While most American companies believed that hierarchical organisation was most effective until the new approach was introduced, Compete (market) organisations. These are similar to Control (hierarchy) in value stability and control except for deeper focus on external orientation and differentiation. The main focus was on performance and not process.

1.3.3 Collaborate (Clan) – In value matrix Collaborate (clan) are similar to Control (hierarchy) but with more focus on inward integration. They give more importance to human working environment by maintaining a good relationship between co-workers, customers, owners, agents, suppliers etc.

1.3.4 Create (Adhocracy) – In value principles they are similar to Collaborate (clan) in that they emphasize flexibility and discretion. But they do not have same inward focus. High-tech companies like Google are an example of this method. They have the ability to quickly develop new services and capture market share.

1.4 COMPANY CULTURE AND SUBCULTURE

"One need to realise that the substantial research that contribute to the development and validation of the organisational culture has a great impact on the company as a whole. Every company culture is not homogeneous and there are other subcultures present which adds to the overall complexity of organisational culture. In order to get an accurate picture of a company, it is necessary to understand the company's organisational type and the culture of various departments. The same classification types- Control (hierarchy), compete (market), collaborate (clan), and create (adhocracy) can apply at both levels. So a Control (hierarchy) company may contain a research group that is Create (adhocracy), an engineering department that is a Compete (market) and a human resource department that is a Collaborate (clan). In fact, pure Control (hierarchy), Compete (market), Collaborate (clan), or Create (adhocracy) are extremely rare. But these categories are helpful and they provide a base upon which companies can plan and space their solutions and hence account the important role that culture plays" (Tharp 2009, p. 3ff).

1.5 KEY ISSUES IN ORGANISATIONAL CULTURE

The important issues that need to be addressed in order to add and create developmental and performance oriented culture in an organisation are as follows:

1.5.1 Creating a climate for change

Many organisations use internal and external drivers to make the culture change they want to achieve. For example, the UK civil service made a change in their program by creating an environment where civil service changed to more managerial culture to fulfil the requirements.

1.5.2 Leaders as champions

Leadership is very necessary in determining the effectiveness of culture change. The leaders of organisations has a key role in understanding and managing culture and of rewarding or punishing subcultures depending on whether they align or detach from the culture followed by the leaders (Donnell and Boyle 2008, p. 10ff).

1.5.3 Employee engagement and empowerment

Employee engagement and empowerment is very important to know if the culture is efficiently managed and aligned with the cultural principles of the organisation on the whole. Demonstration projects in the UK civil service, which promoted the desired managerial thinking and in the meanwhile involved the staff in the change process, were an important element in cultural change.

1.5.4 Team Orientation

We all have heard and known the importance of Team working. It is a common tool in almost all organisations studied, in terms of crossing present barriers and as a useful means of establishing new cultural traits. In terms of individual and organisational development, teams are seen as a means of investing in capable development. HSBC, for example, put particular pressure on team projects rooted in the promotion of the desired core values of the organisations (Donnell and Boyle 2008, p. 10ff).

1.5.5 Tracking Cultural Change

Tracking cultural change is important in terms of evaluating if the culture has become unmatched in terms of sub group cultures principles, or if there are issues or challenges to be addressed which make an efficient functioning of the company.

1.5.6 Training, rewards and recognitions

Training in terms of culture awareness is looked upon differently in various organisations. Culture is an aspect of general management training in some organisations. In other o organisations, it is deemed right to learn from leaders and managers about the existing norms and assumptions.

These keys seek to improve understanding in relation to effectively managing culture in public sector organisations and also provides lesson from initiatives implemented in both public and private sectors. The importance of managing and manipulating culture in public sector organisations is very prominent on modernisation agenda. But the challenge is to translate these understandings to practical means that can be implemented (Donnell and Boyle 2008, p. 10ff).

1.6 COMPANY CULTURE EXAMPLES

A company's culture reflects the beliefs, values and behaviour of everyone in the workforce. Hence plays a major role in the success of a business. It's important to cultivate a positive from the start as it is difficult to change behaviours and attitudes that have become the norm. It will be inspirational to study and review the company culture of established companies to improve on the basic existing cultural pattern. Here are some of the world's leading companies and their culture:

Google

Examining the culture of other companies can help one in creating a list of attitudes and behaviour that could be looked upon in people while hiring them. When we avoid hiring wrong people, we can improve employee satisfaction and reduce turnover. Google is one company that has a very good work culture especially in the technical field. The company has

informal product development process and gives its staff members access to the co-founders and chief executive.

Salesforce.com

Salesforce.com has a work culture wherein staff members collaborate by sharing ideas via a social networking application. This application allows employees to analyze data, compare drafts of documents, and share ideas in real time. Real-time data sharing eliminates the lag associated with the use of email and other methods of communication.

Apple

Apple is known for its innovative products and sleek designs. The company is also known for offering tech products at higher price points compared to its competitors, but consumers still line up to buy new products or purchase upgraded versions of existing products. Apple corporate culture is built on innovation, but critic's reports that the executives push their employees hard and expect nothing less than the best from them. The company's focus on creating seamless consumer technology has made it to prosper even with very high competition in the market.

One of the pitfalls of basing a culture on successful company culture examples is that culture is not a one-size-fits-all concept. One can gather information by researching

other company culture, but it's necessary to suit it to the best needs of one's company. It is always better to practice good organisational culture from the starting rather than improving or changing in between.

Nokia Corp.

The corporative culture of Nokia Corp. best describes responsive and collegial nature. They do not let employees take person credits for their own success unlike the "me first" cultures found in other high technology firms.

Amazon.com

Frugality is the main corporate value of Amazon.com. They also follow an excellent cost cutting system by using desks from doors, telephone books instead of monitor stands and focuses on watching overhead cost so that they can spend more on business expansion (www.staples.com).

1.7 ORGANISATIONAL CULTURE AND PERFORMANCE

Will organisational culture affect corporate performance? Basically, culture serves three important functions. First, corporate culture is said to be a form of social control that affects employee decision and behaviour. Culture is pervasive and operates unconsciously. Second, corporate culture is the "social glue" that bonds people together and makes them experience the oneness with the organisational experience. Employees are freed to internalize the organisation's dominant culture because it fulfils their need for social identity. This is very necessary for organisations with global and virtual workforces because culture is one of the few means that holds the people together. For example, Nova Care, Inc., has 17,000 people dispersed in 2000 client locations across the United States. It's the corporate culture that keeps these diverse employees together. Thirdly, corporate culture helps the sense- making process. Its makes employees understand organisational events. Employees can also communicate more effectively and efficiently reach higher levels of cooperation with each other because of the unity in mental models of reality.

1.8 MERGING OF ORGANISATIONAL CULTURE

The two companies SmithKline and British based Beecham Group merged a few years ago. Both organisations were interviewed to determine the extent to which they had compatible values and to make the merge work. But generally companies focuses at financial or marketing factors when deciding to merge with or acquire another firm. But attempting to merge two organisations with distinct values and beliefs could result in a cultural collision that threats the success. A survey reported that over two-thirds of executives in major U.S. companies identified integrating organisational cultures as the top challenges in a merger. The corporate worlds have lot of cases of companies that failed because of clashing organisational cultures. A recent merge of NationsBank and BankAmerica is also showing signs that their cultures are different. "However, even with substantially varied cultures, two companies may form a workable union if they apply the appropriate merger strategy" (McShane 2000, p. 505f).

2. Conclusions

Organisational culture is the basic pattern of shared assumptions, values and beliefs that monitor the overall behaviour within an organisation. Organisations should have adaptive cultures so that workforce focuses on the need for change and help initiatives and leadership that keeps pace with these changes. Organisational culture is very difficult to change and

should be always corrected at the beginning stage. The overall performance of a company is based on how good is their organisational culture.

3. **Reference**

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