



Impact of Organizational Culture on the Success of Organization: Conceptual Framework

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ABSTRACT

Basically, organizational culture is the personality of the organization. Culture is comprised of the assumptions, values, norms and tangible signs (artifacts) of organization members and their behaviors. Members of an organization soon come to sense the particular culture of an organization. Culture is one of those terms that are difficult to express distinctly, but everyone knows it when they sense it. For example, the culture of a large, for-profit corporation is quite different than that of a hospital which is quite different than that of a university. You can tell the culture of an organization by looking at the arrangement of furniture, what they brag about, what members wear, etc. -- similar to what you can use to get a feeling about someone's personality.

KEYWORDS : Culture, Members, Values, Norms

Organizational culture is an idea in the field of Organizational studies and management which describes the psychology, attitudes, experiences, beliefs and values (personal and cultural values) of an organization. It has been defined as "the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization.

Culture and Organizational Success

Strategies can be thought of as the diverse approaches that organizations choose to follow in order to achieve success or a competitive advantage. Meanwhile, culture can be described as the characteristic way in which work is done in different organizations. The perceived relationship between culture and competitive advantage has changed throughout the years. The authors who popularized corporate culture in the 1980s (Ouchi, 1981; Peters & Waterman, 1981) felt that there were particular cultural configurations that led to success. Other authors emphasized the importance of a strong culture as the key to success (Deal & Kennedy, 1982). They defined a strong culture as one in which there is consensus throughout the organization as to what the dominant cultural norms are and where the organizational members identify personally with the dominant cultural norms. Both of these positions regarding organizational culture have lost momentum over time. With respect to the first position, it is now believed that the insistence on "one best way" of doing things is wrong: Doing things a certain way or having a specific culture may be very positive for one...

People in every workplace talk about organizational culture, that mysterious word that characterizes a work environment. One of the key questions and assessments, when employers interview a prospective employee, explores whether the candidate is a good "cultural fit." Culture is difficult to define, but you generally know when you have found an employee who appears to fit your culture. He just "feels" right.

In many ways, culture is like personality. In a person, the personality is made up of the values, beliefs, underlying assumptions, interests, experiences, upbringing, and habits that create a person's behavior. Culture is made up of the values, beliefs, underlying assumptions, attitudes, and behaviors shared by a group of people. Culture is the behavior that results when a group arrives at a set of - generally unspoken and unwritten - rules for working together. An organization's culture is made up of all of the life experiences each employee brings to the organization. Culture is especially influenced by the organization's founder, executives, and other managerial staff because of their role in decision making and strategic direction.

Culture is represented in a group's:

- language,

- decision making,
- symbols,
- stories and legends, and
- Daily work practices.

Something as simple as the objects chosen to grace a desk tell you a lot about how employees view and participate in your organization's culture. Your bulletin board content, the company newsletter, the interaction of employees in meetings, and the way in which people collaborate, speak volumes about your organizational culture.

Characteristics of culture:

Professors Ken Thompson (DePaul University) and Fred Luthans (University of Nebraska) highlight the following seven characteristics of culture through my interpretive lens.

- **Culture represents Behavior.** Culture is a word used to describe the behaviors that represent the general operating norms in your environment. Culture is not usually defined as good or bad, although aspects of the organizational culture likely support the employee's progress and success and other aspects impede his progress. A norm of accountability will help make the organization successful. A norm of spectacular customer service will sell your products and engage your employees. Tolerating poor performance or exhibiting a lack of discipline to maintain established processes and systems will impede your success.
- **Culture is learned.** People learn to perform certain behaviors through either the rewards or negative consequences that follow their behavior. When a behavior is rewarded, it is repeated and the association eventually becomes part of the culture. A simple thank you from an executive for work performed in a particular manner molds the culture. Culture is learned through Interaction. Employees learn culture by interacting with other employees. Most behaviors and rewards in organizations involve other employees. An applicant experiences a sense of your culture, and his or her fit within your culture, during the interview process. An initial opinion of your culture can be formed as early as the first phone call from the Human Resources department.
- **Sub-cultures Form Through Rewards:** Employees have many different wants and needs. Sometimes employees value rewards that are not associated with the behaviors desired by managers for the overall company. This is often how subcultures are formed, as people get social rewards from coworkers or have their most important needs met in their departments or project teams.

- **People Shape the Culture.** Personalities and experiences of employees create the culture of an organization. For example, if most of the people in an organization are very outgoing, the culture is likely to be open and sociable. If many artifacts depicting the company's history and values are in evidence throughout the company, people value their history and culture. If doors are open, and few closed door meetings are held, the culture is unguarded. If negativity about supervision and the company is widespread and complained about by employees, a culture of negativity, that is difficult to overcome, will take hold.

Factors and Elements Influencing Organizational Culture

G. Johnson described a cultural web, identifying a number of elements that can be used to describe or influence Organizational Culture:

- The Paradigm: What the organization is about; what it does; its mission; its values.
- Control Systems: The processes in place to monitor what is going on. Role cultures would have vast rulebooks. There would be more reliance on individualism in a power culture.
- Organizational Structures: Reporting lines, hierarchies, and the way that work flows through the business.
- Power Structures: Who makes the decisions, how widely spread is power, and on what is power based?
- Symbols: These include organizational logos and designs, but also extend to symbols of power such as parking spaces and executive washrooms.
- Rituals and Routines: Management meetings, board reports and so on may become more habitual than necessary.
- Stories and Myths: build up about people and events, and convey a message about what is valued within the organization.

These elements may overlap. Power structures may depend on control systems, which may exploit the very rituals that generate stories which may not be true.

According to Schein (1992), the two main reasons why cultures develop in organizations are due to external adaptation and internal integration. External adaptation reflects an evolutionary approach to organizational culture and suggests that cultures develop and persist because they help an organization to survive and flourish. If the culture is valuable, then it holds the potential for generating sustained competitive advantages. Additionally, internal integration is an important function since social structures are required for organizations to exist. Organizational practices are learned through socialization at the workplace. Work environments reinforce culture on a daily basis by encouraging employees to exercise cultural values. Organizational culture is shaped by multiple factors, including the following:

- External environment
- Industry
- Size and nature of the organization's workforce
- Technologies the organization uses
- The organization's history and ownership

Organizational values, role models, symbols and rituals shape organizational culture. Organizations often outline their values in their mission statements, although this does not guarantee that organizational culture will reflect them. The individuals that organizations recognize as role models set, by example, the behavior valued by the organization. In addition, tangible factors such as work environment act as symbols, creating a sense of corporate identity.

The founding of an organization is a critical period in the life of the organization and the development of its culture. An organization's founder or chief executive has an influential impact on the development of the organization's culture since that person is likely to have control in hiring people with the same values and influence

the choice of strategy. By screening candidates for a cultural fit, organizations select those employees that will be able to uphold the organizational culture. Additionally, leaders embed culture in organizations by what they pay attention to, measure, and control; how they react to critical incidents and crises; the behaviors they model for others; and how they allocate rewards and other scarce resources.

Additionally, the legacy of an organizational founder may be reflected in the culture long after that person leaves through the processes of cultural transmission (e.g. rites, stories) where the culture perpetuates itself. The values of founders and key leaders shape organizational cultures, but the way these cultures affect individuals is through shared practices.

Impact of Organizational Culture

Research suggests that numerous outcomes have been associated either directly or indirectly with organizational culture. A healthy and robust organizational culture may provide various benefits, including the following:

- Competitive edge derived from innovation and customer service
- Consistent, efficient employee performance
- Team cohesiveness
- High employee morale
- Strong company alignment towards goal achievement

Although little empirical research exists to support the link between organizational culture and organizational performance, there is little doubt among experts that this relationship exists. Organizational culture can be a factor in the survival or failure of an organization - although this is difficult to prove considering the necessary longitudinal analyses are hardly feasible. The sustained superior performance of firms like IBM, Hewlett-Packard, Procter and Gamble, and McDonald's may be, at least partly, a reflection of their organizational cultures.

It has been proposed that organizational culture may impact the level of employee creativity, the strength of employee motivation, and the reporting of unethical behavior, but more research is needed to support these conclusions.

The organizational culture and climate has a great effect on the employees as shown below it is very important that there is a proper match of both the culture and climate in an organization that is an employee can work better only if he feels that the culture in a particular organization is of his choice and is there is a favorable working climate and environment in that organization in which he is working. Thus, the cultural match and the climate match motivate him to work efficiently and in addition to this KSA's and his behavior leads to his way of performing the task.



Figure: 1 Effect of Culture and Climate on the Job

Conclusion

Organizational culture also has an impact on recruitment and retention. Individuals tend to be attracted to and remain engaged in organizations that they perceive to be compatible. Additionally, high turnover may be a mediating factor in the relationship between culture and organizational performance. Deteriorating

company performance and an unhealthy work environment are signs of an overdue cultural assessment.

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