



Organizational Culture in Corporate Houses: A Perspective

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ABSTRACT

Studies have revealed that corporate culture is an important driver of organizational effectiveness, yet little empirical research has been done to apply this relationship to the field of corporate environmental sustainability. Organizational culture emerges from some common assumptions about the organization, which the members share as a result of their experiences in that organization". In determining correlation of organizational culture and organization performance, it was found that malleability showed some significant relationship. In the new millennium, modern corporate houses are called upon to facilitate adoption of best practices and develop a new culture of management and delivery system which facilitate better reputation management in a highly competitive business environment.

KEYWORDS

Preamble

An organization's culture is reflected in what is done, how it is done, and who is involved in doing it. It concerns decisions, actions, and communication both on an instrumental and a symbolic level. The culture of an organization can be distinguished by values that are reinforced within organizations. Organizational culture is described as a mechanism of common assumptions that a group with the common objectives learns and then it externally adapts to and internally integrates with. Knowledge reflects the degree of how much an employee understands the organizational culture. Acceptance of culture refers to the degree of how much an employee has internalized the norms of organization. If the culture is valuable, then it holds the potential for generating sustained competitive advantages. In modern times, corporate houses are required to build and sustain sound work culture which benefits the various stakeholders of organizational development including the customers and people. In this article, the organizational culture in modern corporate houses is primarily delineated.

Organizational Culture

Organizational culture affects the way individuals make decisions, feel and act in response to the opportunities and threats affecting the organization. Organizational culture is the specific collection of values and norms that are shared by people and groups in an organization. Organizational culture encompasses values and behaviors that contribute to the unique social and psychological environment of an organization. The quality of corporate governance affects the culture of corporate houses. Modern organizations are led by cultural ethos. The structure, system and functions of an organization are based on the culture of the organization. The norms, guidelines and operations of modern organizations are also primarily dependent upon the culture of the organization cherished by the founders and builders over a period of time. Schein's (1980:22) model of organizational culture has become an in-

fluential theory of organizational culture, beliefs and assumptions form the core of an organization's culture. Organizational culture is understood as a multidimensional subject with the scope of organizational values.

Kotter and Heskett (1992:11) comment: "Organizations with adaptive cultures perform much better than organizations with non-adaptive cultures. An adaptive culture translates into organizational success; it is characterized by managers paying close attention to all of their constituencies, especially customers, initiating change when needed, and taking risks. A non-adaptive culture can significantly reduce a firm's effectiveness, disabling the firm from pursuing all its competitive / operational options".

Ogbonna (1993:15) opines: "Organizational culture is the interweaving of the individual into a community and the collective programming of the mind that distinguishes members of one known group from another. It is the values, norms, beliefs and customs that an individual holds in common with members of the social unit or groups". Robbins (1998:19) defines organizational culture as a relatively uniform perception held of the organization. Every organization has its own cultural foundations which integrate individuals, groups and organization systems variables. The leaders, managers and workers are required to internalize the organizational norms and develop a new self-identity in conformity with the new culture.

Prosser (1999:16) observes: "There is a well established association between organizational culture and performance of the employees. He also added a new dimension to the culture of educational institutions. The polarities construct a quadrant with four types of culture. Organizational culture is manifested in tangible ways, such as behaviors, throughout the organization, according to Detert, Schroeder and Mauriel (2000:07).

Lund (2003:12) writes: "Organizational culture is defined as a set of philosophies, ideologies, values, assumptions, beliefs, attitudes and expectations, holding the organization together. In other words, culture in an organization refers to what identity means for individuals. Rashid, Sambasivan and Johari (2003:17) defined organizational culture as a system of common meanings, beliefs and values which shape the employees' behaviors in an organization.

Schein (2004:21) defines: "Organizational culture is a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way they perceive, think, and feel in relation to those problems.

Denison, Haaland, and Goelzer (2004:06) write: "The organizational culture contributes to the success of the organization, but not all dimensions contribute the same. It was found that the impacts of these dimensions differ by global regions, which suggests that organizational culture is impacted by national culture. Adkins and Caldwell (2004:03) 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.

Cameron et. al. (2004:04) conducted research on organizational effectiveness and success. Based on the Competing Values Framework, they developed the Organizational Culture Assessment Instrument that distinguishes four culture types. Competing values produce polarities like flexibility vs. stability and internal vs. external focus - these two polarities were found to be most important in defining organizational success.

Nelson (2004:14) found that organizational culture represented the collective values, beliefs and principles of organizational members and is a product of such factors as history, product, market, technology, and strategy, type of employees, management style, and national culture. Hofstede and Hofstede (2005:10) reported that a safety climate is related to an organization's safety record. Organizational culture is reflected in the way people perform tasks, set objectives, and administer the necessary resources to achieve objectives.

Ravasi and Schultz (2006:18) pointed out that organizational culture is a set of shared assumptions that guide what happens in organizations by defining appropriate behavior for various situations. It is also the pattern of such collective behaviors and assumptions that are taught to new organizational members as a way of perceiving and, even, thinking and feeling. Thus, organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders. In addition, organizational culture may affect how much employees identify with an organization.

Robbins and Sanghi (2007:19) notice: "Organizational culture refers to a system of shared meaning held by members that distinguishes the organization from other organizations. This system of shared meaning is actually a set of key characteristics that the organization values. Organizational culture is a descriptive term which is concerned with how employees perceive the characteristics of an organization's culture, not with whether or not they like them".

Organizational culture affects the way individuals make decisions, feel and act in response to the opportunities and threats affecting the organization. Organizational culture is the specific collection of values and norms that are shared by people and groups in an organization. The members of an organization should pursue and ideas about the appropriate kinds or standards of behavior organizational members should use to achieve these goals. Organizational culture encompasses values and behaviors that contribute to the unique social and

psychological environment of an organization.

Salient Features of Organizational Culture

Culture includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits. The prominent features of organizational culture include - knowledge about the organizational policy, work environment, values and beliefs, attitude towards work, work involvement and inter personal relationship. Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the behavior of the members of the organization.

The characteristics of organizational culture include innovation (motivating the employees to adopt innovative means and methods), precision orientation (performing the works accurately), achievement orientation (placing emphasis on achieving maximum success), fairness orientation (placing value on protecting the interest of the organization), collaboration orientation (sharing the responsibility with the co-workers), competitive orientation (outperforming the competition at all costs), rule orientation (adhering to the norms and guidelines of the organization) and social responsibility orientation (serving the best interest of society).

Organizational culture reflects the underlying belief and value structure of an organization. Members of an organization in a given cultural environment share a common set of assumptions, beliefs and values which originate from the local environment. These cultural values from the environment have a very strong impact on the behavior of the persons within the organization. The core of culture is formed by values which are not visible but shared by people even when membership in group changes. Organizations should strive for what is considered a healthy organizational culture in order to increase productivity, growth, efficiency and reduce counterproductive behavior and turnover of employees.

Organizational Culture in Corporate Houses

Organizational culture refers to a set of some commonly experienced stable characteristics of modern corporate houses which constitute the uniqueness of those organizations and differentiate them from others. One of the most comprehensive studies into corporate culture was conducted by Gompers et. al (2003:08). The scholars observe: "The power-sharing relationship between investors and managers is defined by the rules of corporate governance. We find that corporate governance is strongly correlated with stock returns during the 1990s. There is some evidence, both in our sample and from other authors, that weak shareholder rights caused poor performance in the 1990s. We find that firms with stronger shareholder rights had higher firm value, higher profits, higher sales growth, lower capital expenditures, and made fewer corporate acquisitions".

Corporate Leadership Council (2003:05) advocated that corporate culture as the set of beliefs, values, and behavior patterns that characterize an organization. Culture is most commonly seen as the expression of the organization's values, manifested by how people relate to one another, how information is disseminated, how people are led to feel about their work, how it values them, and how the organization relates to the world. Organizational culture depends upon several parameters which are not necessarily constant all of the time. Organizational culture is something which can be perceived but not felt, sensed but not seen.

Abe and Iwasaki (2010:02) remark: "Although the corporate governance literature provides much empirical evidence of the significant association between corporate performance and CEO turnover in developed countries, the majority of research on Russian firms shows a rather weak or absent relation. The empirical finding of a relationship between dividend payment and managerial turnover indicates the growing respect for shareholder wealth in Russia among domestic investors".

Abbett et. al (2010:01) emphasize: "Many companies have learned that sustainability represents a distinct competitive opportunity, but not all companies are successfully addressing these opportunities and challenges. A review of existing literature points to organizational culture as an important driver behind the success of sustainability initiatives, yet little empirical research has been done to describe the relationship between company culture and sustainability". The study finds that culture does indeed matter in corporate sustainability success and points towards additional dimensions for companies to consider when planning and implementing such initiatives. Corporate culture is an important driver of organizational effectiveness, yet little empirical research has been done to apply this relationship to the field of corporate environmental sustainability.

Lunenburg (2011:13) write: "Organizational culture is the set of shared beliefs, values, and norms that influence the way members think, feel, and behave. Culture is created by means of terminal and instrumental values, heroes, rites and rituals, and communication networks. The primary methods of maintaining organizational culture is through the socialization process by which individuals learn the values, expected behaviors, and social knowledge necessary to assume their roles in the organization. Sometimes an organization determines that its culture needs to be changed. The change cycle includes the following components: external enabling conditions, internal permitting conditions, precipitating pressures, triggering events, cultural visioning, culture change strategy, culture change action plans, implementation of interventions, and reformulation of culture".

Guiso et. al (2013:09) evaluated the value of corporate culture in the age of globalization and pointed out that corporate culture influenced the integrity and performance of modern corporate houses. Corporate culture plays a crucial role in the management of modern corporate houses on the basis of a high level of integrity. The first necessary step is to understand the potential sources of this link and show that they appear to be present in the operations management of corporate houses.

Yusuff et. al. (2014:23) studied the influence of organizational culture on company performance and state: "Differences in organizational cultures may inhibit the transfer of know-how from one organization to another. Varying cultures require different managerial styles and even though it works in one society or organization often does not work well in others. The relationship between national culture and organizational culture and also the relationship between organizational culture and company or organization performance matters. Organizational culture emerges from some common assumptions about the organization, which the members share as a result of their experiences in that organization". In determining correlation of organizational culture and organization performance, it was found that malleability showed some significant relationship.

Conclusion

Organizational culture is the set of shared beliefs, values, and norms that influence the way members think, feel, and behave. Culture is created by means of terminal and instrumental values, heroes, rites and rituals, and communication networks. The primary methods of sustaining organizational culture is through the socialization process by which individuals learn the values, expected behaviors, and social knowledge necessary to assume their roles in the organization. The corporate culture is evolved over a period of time on the basis of certain factors such as external enabling conditions, internal permitting conditions, precipitating pressures, triggering events, cultural visioning, culture change strategy, culture change action plans, implementation of interventions, and reformulation of culture. In the new millennium, modern corporate houses are called upon to facilitate adoption of best practices and develop a new culture of management and delivery system which facilitate better reputation management in

a highly competitive business environment.

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