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STUDY ON CULTURE AND ITS BLOW ON ORGANIZATION FORMATION AND BUSINESS PERFORMANCE: AN INDIA OUTLOOK

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ABSTRACT

This paper explores the relationship between the structure and culture of an organization. The starting assumption is that organizational structure and organizational culture impact each other, and that there is a causal relationship due to which the agreement of the two components of organization leads to better performance. First, the mechanism through which organizational culture impacts the design of organizational structures and the manner in which organizational structure affects the maintenance, strengthening or changing of organizational culture is explained at the conceptual level. Then, based on the known classifications of organizational structure and culture, they are put into a relationship of direct mutual interdependence. This is done by generating hypotheses about the agreement of particular types of organizational culture and particular types of organizational structure.

What is Culture?

Culture has been called "the way of life for an entire society." As such, it includes codes of manners, dress, language, religion, rituals, norms of behavior such as law and morality, and systems of belief.

Organizational culture can be difficult to define and even harder to change. It is essentially the sum total of the attitudes, behaviors, beliefs, and traditions of an organization. It encompasses the collective goals of a company and the standards of expected behavior in achieving those goals. And it describes the environment and manner in which employees interact with each other and the market

The Concept of Culture

Culture is the complex whole that includes knowledge, belief, art, law, morals, customs, and any other capabilities and habits acquired by humans as members of society.

A good culture will encourage higher performance, creativity, problem-solving, commitment and other positive features that help the workers to achieve more. In fact, organizational culture has been defined as the "normative glue" that holds the organization together (Tichy, 1982; Gofee &Jones, 1996)

ASPECTS OF CULTURE

Culture is a comprehensive concept: It includes almost everything that influences individuals thought processes and behaviors. It influences not only our preferences but how we make our decisions and even how we perceive the world around us.

Culture is acquired: It does not include inherited responses and predispositions.

Culture is Complex: Thirdly the complexity of modern societies is such that the culture seldom provides detailed prescriptions for appropriate behavior. Instead it gives boundaries within which most individuals think and act. **e.g.** in India you visualize pickled ginger on the pizza if you are an American you envisioned pepperoni o your pizza. Thus our preferences are strongly influenced by our nature. Thus we can say that our buying behavior is strongly affected by the culture.

Cultures are not static: They typically evolve and change over time. Hence marketing managers must understand both the existing culture as well as the emerging culture. P&G s commercials for Camay, in which men directly complimented women on their appearance were successful in many countries but not in japan where men and women don't interact in this manner.

Culture as a liability: We are treating culture in a nonjudgmental manner. Culture enhances organizational commitment and increases the consistency of employee behavior. These are clearly benefits to an organization. From an employee's standpoint, culture is valuable because it reduces ambiguity. It tells employees how things are done and what's important. But we shouldn't ignore the potentially dysfunctional aspects of culture, especially a strong one, on an organization's effectiveness.

Barrier to Change:- When an environment is undergoing rapid change, an organization's entrenched culture may no longer be appropriate. So consistency of behavior is an asset to an organization when it faces a stable environment. It may, however, burden the organization and make it difficult to respond to changes in the environment. This helps to explain the challenges that executives at companies such as Mitsubishi, General Motors, Eastman Kodak, Kellogg, and Boeing have had in recent years in adapting to upheavals in their environment. These companies have strong cultures that worked well for them in the past. But these strong cultures become barriers to change when "business as usually" is no longer effective.

Barrier to diversity:- Organizations seek out and hire diverse individuals because of the alternative strengths these people bring to the workplace. Yet these diverse behaviours and strengths are likely to diminish in strong cultures as people attempt to fit in. Strong cultures, therefore, can be liabilities when they effectively eliminate those unique strengths that people of different backgrounds bring to the organization. Moreover, strong cultures can also be liabilities when they support institutional bias or become insensitive to people who are different.

Barrier to Acquisition and Mergers:- A number of acquisitions consummated in the 1990s already have failed and the primary cause is conflicting organizational cultures. For instance, AT&T's 1991 acquisiton of NCR was a disaster. AT&T's unionized employees objected to working in the same building as NCR's nonunion staff. Meanwhile, NCR's conservative, centralized culture didn't take kindly to AT&T's insistence on calling supervisors "coaches" and removing executives office doors. By the time AT&T finally sold NCR, the failure of the deal had cost AT&T more than $3 billion.

Impact of cultural changes on business performance

The business performance depends upon the marketing strategies as well as the knowledge of consumer behavior. And the factors which affect consumer behavior are as follows:

Thus culture decides the marketing strategy and the type of

advertising required to be done. Marketing across cultural boundaries is a difficult and challenging task. As the figure indicates that culture may differ in demographics, languages, nonverbal communications and values. The best example is the culture clashes in marketing of the products. Many countries are concerned with the westernization or Americanization of their cultures. This has led to ban or limit the importation of various American products.

Environment oriented values:
1) Cleanliness: to what extent is cleanliness pursued beyond the minimum needs of health?
2) Performance/status: is the culture reward system based on performance or on limited factors such as family or class?
3) Tradition/change: are existing patterns of behaviors considered to be inherently superior to new patterns of behavior?
4) Risk taking/security: are those who risk their established positions to overcome abstacles or achieve high goals admired more than those who do not?

Self-oriented values:
1) Active/ passive: is a physically active approach to life valued more than less active orientation?
2) Sensual gratification/abstinence: to what extent is it acceptable to enjoy the sensual pleasures such as food, drink and sex?
3) Material/ nonmaterial: how much importance is attached to the acquisition of material wealth?

Global Demographics:
Demographics describe a population in terms of its size, structure and distribution. Size refers to the number of individuals in the society, while the structure describes the society in terms of age, income, education, and occupation. And distribution refers to the physical location of the individuals in terms of Geographic's region and rural, suburban and urban location. A critical aspect of demographics for marketers is income, particularly the distribution of the income.

Cross cultural marketing strategy
There is continual controversy over the extent to which cross-cultural marketing strategies, particularly advertising, should be standardized. Standardized strategies can result in substantial cost savings. e.g. McDonalds menu differs in India as here 80% are Hindus.

Impact of organizational culture
Organizational culture mainly comes into picture when we talk about the merger and acquisition scenario. Where the meeting of two different companies brings two different work cultures together and if these cultures are not supportive to each other can bring the business down.

Hence not only the organization as a whole but also the different departments in the organization should be considered as having different type of cultures. How this difference affects the business and how these differences can be minimized?

If the difference in decision making style, work pattern, diversity of position, reporting pattern exists in departments then it is not possible for the company to act as a whole. The solution lies into proper handling such differences and instead of making them an obstacle in the way, we should try to make them supportive to the company's progress.

Group attitude, individual attitude, the conflicts and group dynamics, such there are many things which help as well as become hurdles. Hence the company management should understand and give proper treatment to the differences which are existing in the organization.

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