Volume 16 Issue 13
Originally issued as A4



Global Journal of Management and Business Research: a Administration and Management
Volume 16 Issue 4 Version 1.0 Year 2016
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals Inc. (USA)
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

Redefined and Importance of Organizational Culture

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GJMBR - A Classification : *JEL Code : D23*



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Redefined and Importance of Organizational Culture

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I. Introduction

The word culture has been derived from idea of cultivation which means the patterns of development. This pattern differs from country to country and society to society. The field of organizational behaviour and the related discipline of management science began investigating organizations in terms of culture as early as the 1930s. Hawthorne studies at the Western Electric Company marked the first systematic attempt to use a concept of culture to understand the work environment. Organizational Culture is a Human Resource Management concept which is used to improve the general culture within a company and organization. The culture creates good working relationships and promotes ethical communication between employees. It also help employees in making decisions in the situations where there are no formal rules or policies, situations that haven't been experienced yet. Brice (2009) also stated that an organization's cultural norms strongly affect all who are involved in the organization. Organizational culture includes an organization's expectations, experiences, philosophy, values that hold it together and is expressed in its self-image, inner workings, interactions with the outside world as well as future expectations. It is moral and ethical norms that have been developed in an organization and are considered valid. For example how power and information flow in organization and how committed employees are towards collective objective. It affects the organization's productivity, performance and provides guidelines on customer care and service, product quality and safety, attendance and punctuality, concern for the environment. Each organization has it's own unique organizational culture. However, the Organizational culture is not a separate, self sufficient entity in itself, but rather one part of a whole.

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II. Review of Literature

Definitions of organizational culture are almost as numerous as those of "culture"- a 1998 study identified 54 different definitions within the academic literature between 1960 and 1993. One helpful, though general, definition offered by Edgar Schein of MIT's Sloan School of Management is that organizational culture is: In general sense organizational culture may be termed as a way of life in an organization in existing in the long run. 'Way of life' includes everything which has been happening in the organization since long... punctually in attending office or performing given assignment, abservance of dress codes, bearing of company logo on dress, behavior of boss with the subordinate and vice-versa, behavior of staff towards customers, clarity in rules, regulations and procedures and strictness in its observance, attitude of management towards worker welfare, openness in communication system in the organization or any other thing which one can think of in the working of organization.

A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.

Delivering deeper, three common attributes seem to arise across the varying perspectives within sociology, psychology, anthropology, and management science. One is that the concept of shared meaning is critical. Second is the notion that organizational culture is constructed socially and is affected by environment and history. The third common feature among the many definitions is that organizational culture has many symbolic and cognitive layers-culture is thick and resides at all levels.

To help understand these symbolic and cognitive layers, Schein has categorized the places where culture is found into three fundamental categories: observable artifacts, espoused values and basic underlying assumptions.

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Observable artifacts represent an organization's attitudes, behaviours and beliefs- how it sees things, what is important and meaningful. These include the architecture and physical surroundings; its products; its technologies; its style (shown through clothing, art, publications, etc.); its published values and mission statement; its language, gossip, jargon and humor; its myths and stories; and its practices, rituals, ceremonies, and taboos.

Espoused values are those championed by a company's leadership and management. They are distinguished from enacted values which are those that employees' actual behavior reflects (just because the CEO claim that company values, its customers does not mean that the employees necessarily act accordingly). While the role that values play in organizational culture is undeniable, many scholars claim that it is erroneous to ascribe values, which are inherently human and located only in individuals, to a corporate entity or to a group of individuals. Such a position maintains that the values of a few influential leaders are what rally other employees and subsequently influences company behaviour. Basic assumptions are underlying, often unconscious, determinants of an organization's attitudes, thought processes and actions. These assumptions are central to its culture. Values that gain long term acceptance often become so ingrained and taken for granted that individuals are usually unaware of their influence. They usually provide a tacit sense of security and an unquestioned impetus for perceptions and behavior.

Scholarly understanding the social and symbolic processes of the workplace continues to expand in breadth and refine in depth as organizational behavior and organizational management scholars build upon social scientific theories and methodologies. A function of industry type, national culture, environmental factors as well as the vision, goals, strategy an organization's culture affects its structure, practices, policies, and routines. Evaluating and understanding organizational culture holds perhaps the best promise for corporate leadership being able to influence individual and group performance facilities performance, organizational performance and ultimately the ever-important financial components of business performance.

Organizational culture can be viewed as an important concept in organizational psychology and social psychology. There are many possible definitions of organizational culture. One organizational culture definition: ***Organizational culture reflects the values, beliefs, and norms that characterize an organization an organization as a whole.*** This definition suggests that organizational culture reflects what is common, typical and general for the organization. Values, beliefs and behaviors that are uncommon in the organization or specific to a particular subgroup within an organization, would not be considered to be part of the culture of the organization.

Thus, organizational culture refers to the values, philosophy, ethics, trust and believes as well as common behavior and actions in the organization.

III. Elements of Organizational Culture

There are many possible elements of organizational culture. The above definition include following the elements of organizational culture.

a) Organizational Values

Values reflect what we feel is important. Organizations may have core values that reflect what is important in the organization. These values may be guiding principles of behaviour for all members in the organization. The core values may be stated on the organization's website. For example, an organization could state that their core values are creativity, humor, integrity, dedication, mutual respect, kindness and contribution to society. However, the true values can only be tested within the organization, through the employees, based on their collective opinion about the experience of the values.

b) Ethics

It is the code of moral principles and values that distinguishes the right behavior from wrong. Ethical values are different from rule of law which is dictated by the legal system of the country and have to be followed anyway. However, the laws themselves are based on some moral principles and thus there is some natural overlap between ethics and the laws. The geographic location of the organization and the culture of the place also influence the ethics, this is particularly important for multi-national organization as well as domestic organization. Irrespective how an organization depicts its ethical values, they can be tested by the two criteria.

Commitment: Whether the organization views its employees as resources required for business activities or it intends to invest in long term relationship with its employees; reflects the organization's commitment to its employees. Commitment can be in various forms, maternity leave, life-work balance, unpaid leaves, it's strategies for downsizing or globalization; are some example.

Career: The ethical values are also echoed in organization's interest and investment in the career development of its employees. Whether it values specialization and narrow career paths that runs the risk of being outdated along with technology or it values broad skill development and offers training in new technologies at its own cost.

c) Organizational Beliefs

Beliefs that are part of an organization's culture may include beliefs about the best ways to achieve

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certain goals such as increasing productivity and job motivation. For example, an organization may convey the belief that the expression of humor in the workplace is an effective way to increase productivity and job motivation.

d) Empowerment

The social culture and the structure of the organization influences the underlying values related to the amount of employee empowerment.

e) Control/Decision

Management by nature is about control, the difference is how it enforces it. Well defined guidance, job description and authority of taking decisions are formal methods of control, while team or collective decision making is a social or cultural method of control. The functional or divisional structure encourages formal control while process or network structures promote a culture of employee empowerment.

f) Responsibility

The authority of decision making is closely related to issue of responsibilities. The culture of responsibility is measured by observing whether the individuals are expected to take responsibility of their decisions or there is a collective responsibility in case of team decisions.

g) Organizational Norms

Norms reflect the typical and accepted behaviours in an organization. They may reflect the values and beliefs of the organization. They may reflect how certain tasks are generally expected to be accomplished, the attributes of the work environment, the typical ways that people communicate in the organization and the typical leadership styles in the organization. For example, the work environment of a company may be described as relaxed, cheerful, and pleasant. Moreover, the organization may have a participative decision making processes in which many people in the organization are able to express their views concerning important decisions. Also, an organization may have many meetings to discuss ideas.

IV. Importance of the Organizational Culture Concept

Organizational culture occupies an important concept for a few reasons. First, understanding the culture of an organization may be helpful for applicants. They may have a better idea about whether they would like to work for a company. Second, understanding the culture of an organization may help in training new employees. Third, understanding organizational culture may help leaders to identify possible sources of problems in the organization. Further organizational cultural signification be elaborated as under.

1. Organizational culture motivates to employees for new innovation, good product quality and creative thinking.
2. Responsiveness to customer needs and extraordinary devotion to customer services, so organizational culture is important for organization.
3. Organizational culture helps to face global competition, changing patterns of technology and environment.
4. Organizational culture teaches every members of organization how behave to stakeholder of organization through organizational behaviour.
5. A strong organizational culture provides many fruitful point of any organization. For example high moral in the employees, create a competitive environment in the organization.
6. Employees have company loyalty and give unmatched services to customers.

Further, the importance of organizational culture may be dealt with leadership and change too.

Organizational Culture and Leadership: There may be at least three ways in which leadership is important with respect to organizational culture. First, a leader of an organization may play an important role in identifying the elements of the organization's culture. The leader could make a list of the organization's current values, beliefs and norms. Second, after identifying the current elements of the organization's culture, the leader can make evaluations of the elements of organizational culture that may be negative. The leader could make a list of the specific values, beliefs, and norms that may contribute to major problems in the organization (e.g., a lack of job motivation). Third, after identifying the possible negative elements, the leader could develop strategies to foster a positive organizational culture change. The leader could make a list of the elements of a more ideal culture, develop specific ways to communicate the changes and develop techniques to motivate people to adopt the new culture.

Organizational Culture Change: There may be many reasons that is why the culture of an organization needs to be changed. These reasons may include lack of morale, lack of job motivation, lack of job meaning and changes in the business (e.g., the development of a new product) that would require a change in the way things are done in the organization. For example, there may be too much micro-management in a company. It may be better if employees had more autonomy. This may increase morale. Sherman (1989) found that unit morale was positively correlated with automony. Because this finding is correlation, we cannot make causal conclusions. This process of culture change should involve all members of the organization. This process of culture change could involve surveys in

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which members describe specific elements of the organizational culture that members view as negative.

V. Conclusion

Organizational culture directly affects organization and its employees and its helpful in to determine and devolve employee turnover and job-performance. Organizational culture is the workplace environment formulated from the interaction of the employees in the workplace. The culture gives a sense of collective identity to all the employees in the organization, it creates values and beliefs that go beyond the personal aspirations of the employees. When employee behaviour and decisions are guided by the culture, their actions are better understood by the management. Organizational Culture factor are important to establish a strong working environment, a better human relation which motivates employees to perform duties and put their maximum output towards achievement of organizational goal along with their personal objective. A strong work culture and organizational culture play a major role in devolvement of any organization and provide strength to faces global challenges, changing environment and cut-throat competition. A healthy culture is the sign of healthy organization.

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