Organizational Culture

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ABSTRACT
Culture of the workplace is very powerful force, which is consciously and deliberately cultivated and is passed on to the new generation of the employees. Organizations build up their culture for the survival in the market, and for achieving growth under competitive conditions. There are different patterns of culture. This paper is focusing on types, and characteristic of these types. The culture of the organization influences the work that is done in the organization. Organizational culture influences the organization in different aspects.

Keyword: Organization, Culture, Types etc.

INTRODUCTION
Culture of the workplace is very powerful force, which is consciously and deliberately cultivated and is passed on to the new generation of the employees. It is the thread that holds the organization together. Organizations build up their culture for the survival in the market, and for achieving growth under competitive conditions. Every organization has its own culture, like, the personality of an individual which varies from individual to individual.

According to **Peters and Waterman (1982)[1]**, "Without exception, the dominance and coherence of culture has proved to be an essential quality of the excellent companies. Moreover, stronger the culture, the more it is directed to the market place, and the less need there is for policy manuals, organization charts, detailed procedures or rules. In these companies, people way down the line knows what they are supposed to do in most situations because the handfuls of guiding values are crystal clear". Hence organizational culture can considerably influence organizations, especially in aspects such as performance and commitment.
The culture of the organization influences the work that is done in the organization. Organizational culture influences the organization in different aspects. In the present era

of competition, organizations need culture such that it increases the employee commitment that shows the level of attachment with the organization and these levels of commitment affect the organization.

Definitions
Although the term organizational culture has been defined by different authors in different ways, **Schein's definition (1990)[2]** is frequently quoted. According to Schein, organization culture is "A pattern of basic assumptions invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration, that has worked well enough to be considered valid, and therefore, is to be taught to new members as the correct way to perceive, think and feel in reaction to those problems."

Ouchi (1981)[3] developed theory Z for comparing Japanese Companies with American Companies and concluded that "a company's culture reflects its values and hence it is the culture and not the technology which is the primary cause of difference in functionality of Japanese and American companies".

Peters and Waterman (1982)[4], in an attempt to "Search for Excellence", emphasized research in organizational culture for linking it with the organization's performance.

Denision (1984)[5] was the first to propose the measurement of corporate culture based on survey data, followed by the other scholars. In 1997 Denision developed a model of culture and its effectiveness, based on four hypotheses related to the dimensions or traits of organizational culture, which he synthesized into a framework. The first hypothesis, "Involvement", suggests that when members are encouraged to participate, a sense of ownership and responsibility develops, leading to commitment to the organization. The second hypothesis, "Consistency", states that when the organization's culture, comprised of shared beliefs, values and symbols, becomes internalized, consensus and coordination can be achieved more effectively. The third hypothesis, "adaptability", is based on the need for the organization to recognize changes in the external and internal environment and then make an appropriate response to accommodate those changes. The fourth hypothesis, "mission", states that in the presence of a clearly communicated, broadly shared mission, the organization finds purpose, meaning and also direction. These in turn help in defining the appropriate course of action for the organization and its members. All these hypotheses or cultural traits are positively related to effectiveness.

Denision integrated these hypotheses into a framework comprising of two continuums. One contrasts change and flexibility with stability and direction in one axis, and the other contrasts external orientation with internal integration. Thus Denision developed an organizational culture survey instrument (OCSI) to measure four culture traits within the organization.
Each trait is further broken down into three indices as shown below.

OCSI Traits and indices

Involvement	Consistency	Adaptability	Mission
Empowerment Team Orientation Capability Development	Coordination and integration Agreement Core values	Organizational bearing Customer Focus Creating change	Strategic direction and intent Goals and objectives vision

Source: **Fey Fand Denision Dr (2003)[6]** pg No.686-706

Potter (2003)[7] defines organizational culture as "the values, beliefs, and norms expressed in actual practice and behavior of the organization's members." Culture is the driving force for organizational success and it dictates or embodies the values of the organization.

Organizational culture appears in various forms on different levels, **Hofstede (1990)[8]** introduced four levels of organizational culture which are shared assumptions, cultural values, behavior and cultural symbols. These support the organization in building organizational culture.

According to **Schein (2010)[9]**, each organizational culture has three levels as follows:
a) Surface level: It includes symbols, language, Physical Environment, tangible products.
b) Espoused values: Includes leadership, values.
c) Basic assumption: Includes perceptions, thoughts, and beliefs.

It has been realized now that organizational culture communicates to all the levels of management because organization achieves its goal when organizational values are shared among all workers of the organization. The work force aligned with the culture of organization gives lot of benefits to the organization.

In 1980, researchers concentrated on organizational culture which was considered as one of the vital aspects determining the organization's success. Organizational culture comes into picture with the interaction of employees with each other. The formation of culture in the organization involves various factors, such as, the work force, leadership, owner of the organization, size of organization. The culture of the organization motivates employees, which affects the organization's performance. Researchers have classified culture into strong and weak cultures. The organization having clear and comprehensive shared values and beliefs leads to a strong organizational culture. Strong culture increases the performance of employees by energizing them with better working environment and coordination among employees behavior.

The culture of an organization can be built with the assistance of four major factors, namely, personal and professional characteristics of people within the organization, Organizational ethics, property rights that the organization provides to its employees, and structure of organization.

Each organization develops its own culture with the interaction of these four factors and also may change with time. The development of organizational culture is based on the people that establish organization. The shared values of the people within the organization become unified with the organizational values, which leads to optimum performance. Basically, the cultural values depend on top level management, which also establish ethics for employee interactions. The moral values and ethic values are part of the culture. The establishment of ethic values influences the organizational culture.

Characteristics of Culture

Collins and Porras (2000)[10] state that organizational culture is a system of shared meaning held by members that distinguish one organization from other organizations. These shared meanings are the key characteristics. Organizational values and the essence of an organizational culture can be captured in seven primary characteristics, as follows:
1) Innovation and Risk Taking: It is the degree to which employees are encouraged to be innovative and take risks.
2) Attention to detail: It deals with the degree to which employees are expected to exhibit precise analysis and attention to details.
3) Outcome orientation: The degree to which the management focuses on results or outcomes rather than on the techniques and processes used to achieve those outcomes.
4) People orientation: The degree to which management takes into consideration the effect of outcomes on people within the organization.
5) Team Orientation: The degree to which work activities are organized around teams rather than individuals.
6) Aggressiveness: The degree to which people are aggressive and competitive rather than easy going.
7) Stability: The degree to which organizational activities emphasize On maintaining the status quo in contrast to growth.
Each of these characteristics exists in a continuum from low to high. When an organization is appraised on these seven characteristics, we get a complete picture of its organizational culture.

Cultural Web

Mullins (1999)[11] has presented a cultural web which brings together different aspects of organizational culture. These are:
1) Routines: The ways in which members of the organization behave with each other and also with those outside the organization, which decide how things are done and how they should happen.
2) Rituals: They are the special events through which the organization emphasizes on what is important and can include formal organizational processes and informal processes.

3) Stories: They are told by members of the organization which include important present events and personalities, dealing with successes, failures, heroes, villains.

4) Symbols: Such as logos, offices, cars, titles, type of languages or terminology commonly used which represent the nature of the organization.

5) Power structures: It includes the most powerful people or groups in the organization based on their management position and security.

6) Control System: The measurement and reward systems that emphasize on what is important to monitor, and to focus attention and act upon, for eg. quality of service, allocation of funds, etc.

7) Organizational structure: It includes power structures and identifies important relationships and activities within the organization and includes both formal structure and control.

All these aspects of cultural web help define and develop the culture of the organization.

Levels of Organizational Culture

Organizational culture consists of several levels, which differ in terms of visibility and resistance towards change. When it becomes necessary to change the culture of the organization, it becomes difficult to determine the elements which are more or less important, that help in shaping the organization's culture. **Hofstede (1990)[12]** developed a four layered hierarchical model of culture which helps to identify and categorize the elements of culture.

1) Shared assumptions: These are least visible and are located at the deepest level. They represent beliefs about reliability and human nature that are taken for granted.

2) At the next level there are cultural values which represent collective beliefs, assumptions and feelings about, what things are good, normal, rational and valuable. These values vary from organization to organization. In some organizations employees give value to money while in other organizations they care more about technological innovation or employee well being.

3) The next level includes shared behavior including norms which are more visible and easier to change than values, because people may be unaware of the values that bind them together.

4) The most superficial level of organizational culture consists of symbols. Cultural symbols are words, gesture, pictures and other physical objects that carry a particular meaning within a culture.

Importance of Organizational Culture

Culture helps to account for variations among organizations and managers, both nationally and internationally. Culture helps in reducing complexity and uncertainty; It provides consistency in outlook and values and helps in decision making, co-ordination and control.

Saiyadin (2003)[13] has explained the functions of a culture as follows.

1) Culture supports rational management. As creation of work is a time consuming process, it cannot suddenly change the behavior of employees of the organization. Culture communicates to people through symbols, values, physical setting, language and supports rational management tools like technology and structure.

2) Culture facilitates induction of new employees and their socialization through cultural norms and conduct. Thus the culture of the organization inculcates values in the new comer employees which may involve changing his attitude and beliefs to achieve internalized commitment to the organization.

3) Culture promotes a code of conduct by communicating modes of behavior so that employees are conscious of certain behaviors that are expected. It results in the sharing of members' beliefs, values, assumptions, etc. which influence their behavior in a visible way.

4) Subcultures contribute to organizational diversity. Subcultures and subsystems of values, assumptions based on departmentalization, activity centers or geographical locations, provide meaning to local interests of specific groups.

Schein (1999)[14] has suggested that, organizational culture is even more important today than before. Increased competition, globalization, mergers, acquisition, alliances and workforce development have created a greater need for:

1)   Co-ordination and integration across organizational units to improve efficiency, quality and various activities of the organization.

2)   To promote production and strategy innovation.

3)   Processing innovation and the ability to successfully introduce new technologies and programmes.

4)   Effective management of dispersed work units and increase work force diversity.

5)   Cross cultural management of global enterprises and multinational partnerships.

6)   Management of workforce diversity.

7)   Facilitation and support of teamwork

Organizational culture helps in maximizing the value of employees as intellectual assets and promotes their intellectual participation and facilitates both, individual and organizational learning, creation and application of new knowledge and willingness to share knowledge with others. Organizational culture, thus is very important in the context of the progress of the organization. The beliefs, stories and symbols of an organization help in shaping the culture of the organization and hence it is necessary for the management to realize that culture is an integral part of their business, and so every effort must be made not only to preserve it but also to improve it.

Robbins (2005)[15] has explained that culture is transmitted to employees in a number of forms, the most potent being stories, rituals, symbols and language.

Factors influencing creation of culture
According to **Jones (2001)**[16] organizational culture develops through the interaction of four factors. Which are:

1) The personal and professional characteristics of people within the organization.
2) Organizational ethics
3) The property rights given to employees by the organization.
4) The structure of the organization

The interaction of these factors produces different cultures in different organizations and also causes changes in culture over time. However the ultimate source of organizational culture is the people who constitute the organization.

Formation of Organizational Culture

According to **Robbins (2001)[17]**, the original culture of an organization is derived from the founders' philosophy. This culture in turn strongly influences the criteria used for hiring employees. The actions of the current top management set the general climate of what is acceptable behavior and what is not. The socialization of employees depends on the degree of success achieved in matching values of new employees to those of the organization's, in the selection process and on the methods of socialization preferred by the top management. It has further emphasized that once the culture is created, there are various practices within the organization that help in keeping it alive. Three such factors are the selection process, actions of top management and the methods of socialization.

Cultural Assessment

Cultural Assessment helps the organization to analyze the gap between the current and desired culture. As competitive environment changes fast, The organizational culture also needs to chang. However, in practice, some of its practices and secondary values are changed, and precious and non negotiable core values are kept intact which leads to the continuity of organizational culture.

Types of Culture

A) Hellriegel, Slocum and Woodman (1995)[18] describe four types of cultures as follows:

1) Bureaucratic culture: An organization that values formality, rules, standard operating procedures and hierarchical coordination has a bureaucratic culture. Long term concerns of bureaucracy are predictability, efficiency and stability.

2) Clan Culture: Tradition, loyalty, personal commitment extensive socialization, teamwork, self management and social influences are the attributes of clan culture. It's members recognize an obligation beyond simple exchange of labor for a salary. The individual long term commitment to the organization is exchanged for the organization's long term commitment to the individual. Individuals hold themselves accountable to the organization for their actions.

3) Entrepreneurial Culture: High level of risk taking dynamism and creativity are the main characteristics of this type of culture. There is commitment to experimentation, innovation and being on the leading edge. Instead of reacting to change, it creates change.

4) Market Culture: The achievements of measurable and demanding goals especially those that are financial and market based, characterize a market culture. High level of competitiveness and profit orientation prevail in the organization. The relationship between individual and organization is contractual. The absence of a long term commitment by both parties results in a weak socializing process.

B) Harrison and Stokes (1993)[19] describe four types of culture as follows:

1) The Power Culture: A power oriented culture is based on an inequality to access resources. The people in a Power use resources either to satisfy or frustrate the needs of others, so as to control behavior of others power oriented leader is firm, fair and generous and has loyal subordinates. In the worst case, power oriented leader leads by fear, and with abuse of power for personal gains.

2) The Role Culture: A role culture oriented organization's structures and systems give protection to subordinates and stability to the organization. The duties, roles and rewards are clearly defined. There is order, rationality, dependability and consistency. So this type of organization provides stability, justice, and efficient performance. People are protected in their jobs and hence, they devote more energy to their work.

3) The Achievement Culture: An achievement culture oriented organization is called as an "aligned" organization, because it alines people before a common vision or purpose. Such organizations use the mission to attract and release the personal energy of the employees in achieving common goals. There is an inner commitment within these achievement oriented individuals. Many individuals like their work and want to make a contribution to society, thus enjoying an intrinsic reward.

4) The Support Culture: This type of culture is observed in an organization having an organizational climate based on mutual trust between individuals and the organization. In such organizations, people are valued as human brings and this makes people want to come to work and not only because they like their work but also because they care for their colleagues. People contribute towards the organization out of a sense of commitment. Employees feel a sense of belonging and they have a personal stake in the organization.

C) Strong Culture and Weak Culture:

A Strong culture means a high performance culture, representing the core values that are shared by a majority of the organizational members. Strong culture is the system of shared meaning held by organizational members that distinguishes the organization from others. Strong culture exists where members respond to stimulus because of their alignment to organization values. There is a weak culture when there is little alignment with organizational values and hence the control has to be exercised through detailed procedures and bureaucracy.

A strong culture is reflected in the form of healthy behavior, keenness to work hard and a strong desire and willingness to do their best. Behavior towards work efficiency is largely controlled by internal ability and willingness to work hard. It is based on sincerity of participation, involvement, devotion to duty, earnest desire to work and discharge of

responsibilities with confidence and competence. Thus culture acts as a blue print, influencing all aspects of life.

D) Healthy and Unhealthy Cultures:

Shepard (1965)[20] used primary mentality assumptions and secondary mentality assumptions. In unhealthy organizational cultures, primary mentality assumptions (coercion, cut-throat competition, compromise of principles) are the norms. In healthy organizational cultures, secondary mentality assumptions (cooperation, collaboration, consensus-seeking behavior) are the norms.

Ruth Benedict (1970)[21] used concepts of high and low synergy groups and societies. A low synergy group or society is one in which the interests of individuals and the interests of the group as a whole are at odds. A high synergy group or society is one in which the interests of individuals and the interests of the group as a whole are in harmony. Unhealthy organizational cultures are those characterized by low synergy and healthy organizational are those characterized by high synergy.

Gordon (1975)[22] has given the characteristics of healthy organizational culture as follows:

1) In carrying out the mission of the organization, those in leadership, managerial and facilitative roles in healthy organizational cultures use non-threatening non-coercive and educational approaches that reflect ethical purpose and values.

2) The action of those in healthy organizational cultures is not driven by negative motivators such as shame, fear, guilt, anxiety, distrust or hatred. Leaders and managers in healthy organizational cultures are not inclined to act in controlling, manipulative and stress inducing ways that foster such responses.

3) Lessons are continuously being learnt from experience, including difficult experiences involving communication breakdowns and other problems, challenges, crises and failures.

4) A supportive climate fosters risk taking and learning from difficult or seemingly in-surmountable challenges, crises, problems and failures.

5) Messengers who convey bad news or who uncover and report on wrong doing or problems are not killed.

6) When things go wrong, individuals are not the scapegoat.

7) When errors, accidents or failures occur, there is support, forgiveness and understanding for those involved. Determining what went wrong and why or understanding what seems to have gone wrong requires openness, trust and the ability to communicate effectively.

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