Organizational Culture and its Impact on Organizations and Management

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ABSTRACT
Nowadays all managers try to find the factors which affect on organizational or personal outputs like performance and productivity. One of these factors is organizational culture. The topic of organizational culture is increasingly understood as a company asset that can be used to increase business performance. While important, organizational culture is a slippery concept to concretely define. This paper deals with the historical development and foundational understandings of both the term culture, from anthropology, and its appropriation by industrial organization researchers to organizational culture. In the research, the role of organizational culture in the organizations was surveyed. Organizational culture refers to the beliefs and values that have existed in an organization for a long time, and to the beliefs of the staff and the foreseen value of their work that will influence their attitudes and behavior. Administrators usually adjust their leadership behavior to accomplish the mission of the organization, and this could influence the employees' job satisfaction. It is therefore essential to understand the relationship between organizational culture, leadership behavior and job satisfaction of employees. It can be learned by stories, rituals, material symbols and language. And finally it can affect on job satisfaction, commitment, empowerment, performance, productivity and even customer satisfaction.

Introduction

Organizational development has certain factors that improve sustainability on basis of effectiveness. The improvement in productivity leads to employee commitment as norms, values and objectives helps in improving culture of an organization. The system of organization was based upon effective establishment of culture that keep learning environment strong. The performance of employees improves by establishment of strong culture of an organization. The employee performance would be considered as backbone organization as it leads to its development effectively. The loyalty of employee relies upon knowledge and awareness of culture that improves behavior of organization (Brooks, 2006) Organization culture have first time been identified by Administrative Science quarterly (Pettigrew, 1979). The value and norms of employee's basis upon management identification that help in improving employee performance. The awareness of quality helps in improving organizational and employee development.

Today business organizations are struggling to survive in today's competitive business world (Fekete and Borcskei, 2011). They are looking for the ways to be more creative, innovative and competitive. There are different factors that affect the performance of the firms. One of the factors that has been suggested to influence firm performance is the organizational culture (Cameron & Quinn, 2006; Duke II & Edet, 2012; Fekete & Bocskei, 2011; Peters & Waterman, 1982; Saffold, 1988; Zheng et al., 2010).

Because of its importance and implications for individual and organizations, a great deal of attention has been given to the organizational culture and related studies (Barney, 1986; Ojo, 2010; Oparanma, 2010). Theoretical arguments support the idea that organizational culture is related organizational performance (Ahmed, 1998; Cameron & Quinn, 2006; Peters & Waterman, 1982; Saffold, 1988; Zheng et al., 2010). There are also empirical evidence regarding culture-performance relationship (Duke II & Edet, 2012; Marcoulides & Heck, 1993; Ogbonna & Haris, 2000).

One of the most important organizational factors which affects on lots of outputs like empowerment, organizational commitment, human resource productivity and etc is organizational culture.

Culture is combination of beliefs, norms and values which develop in the organization and lead employees behavior which finally results to leading and integrative behavior (both for employees and organization). In the other definition, it contains common perception of individuals.

Organizational culture

There have been researches in literature to explore the effect of organizational culture on various human resource development programmes of an organization. For example, scholars including Hofstede, 1980; Ouchi, 1981; Hofstede et al, 1990, Kotter and Heskett, 1992; Magee, 2002, claim that organizational culture help to provide opportunity and broad structure for the development of human resources' technical and behavioural skills in an organization. This makes sense because good behavior is driven by ethical values. An organization can guide the conduct of its employees by embedding ethical values in its culture. However, organizational excellences could be varied since cultural traits could be source of competitive advantage through casual ambiguity, (Barney, 1991; and Peters and Waterman, 1982). The world is changing rapidly and the level of organizations is also changing due to technological advancements which have affected their human resource developments programmes. Moreover, organizations differ in their cultural content in terms of the relative ordering of beliefs, values and assumptions (Athewale and Anthonia, 2013).

According to Abu-Jarad et al., (2010, p. 34), organizational culture affects various employees and organization related

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outcomes. Organizational culture affects employee behavior, learning and development (Bollinger & Smith, 2001; Saeed & Hassan, 2000), creativity and innovation (Ahmed, 1998; Martins & Terblache, 2003; Vincent et al., 2004), and knowledge management (McDermott & O'dell, 2001; Tseng, 2010). The studies related to the effect of organizational culture on performance outcomes are quite extensive (Han et al., 1998; Kim et al., 2004; Oparanma, 2010; Saeed & Hassan, 2000; Tseng, 2010; Zain et al., 2009). yet, the results seem to inconclusive (Scott et al., 2002) due to definitonal, structural and design related differences and problems.

Difference between culture and climate

French believes that organizational culture is like ice mountain which part of it is under water. Some people think that organizational; climate is another definition of organizational culture. But there are some differences between these two concepts. Climate is organizational internal quality which is understood by employees. It contains people perception about the organization and related to some dimensions like independency, structure, reward, consideration, intimacy, supporting and honesty. It can be claimed that organizational climate is external layer of culture which is more observable and tangible.

Figure 2
Adapted from Schermerhorn, J., Hunt, J., & Osborn, R., (2008). *Organizational behavior* (10th ed.). Hoboken, NJ: John Wiley & Sons.

Organizational culture dimension

Different researchers divided organizational culture into various dimensions. In one of the most accurate classification, Robbins enumerated ten main dimensions for organizational culture.

1- **Risk taking**: it shows how much employees accept risks and hazards in their activities and tasks to achieve their goals or objectives.

2- **Identity**: it explains the rate that people know the organization as their reagent. It has very close concept with affective commitment.

3- **Conflict**: it refers the level of criticism from individuals' sides.

4- **Integration**: it illustrates that how much employees want and tend to do the same.

5- **Innovation**: it considered is there any permission for innovation or innovative works in the organization or not?

6- **Orientation**: it points that how much organization determine employees' behavior.

7- **Control**: it means that how much ordinates control subordinates' behavior.

8- **Reward**: contains that how much organization measure employees' performance and allocate rewards them is term of their performance.

9- **Supporting:** it is the answer of the question "how much managers' protect and support their people".

10- **Relational pattern**: the final dimension is related to communication in the organization. Existing a hierarchy in the

organization between employees and managers or among themselves explains relational pattern in the organizations.

Dominant culture and subculture

It is necessary to define dominant culture and subculture. Dominant culture contains core values, norms and beliefs which has been shared by majority of employees. In the other hand it expresses the core values that are accepted by a lots of the organization's members.

Subculture is mini cultures within an organization, typically defined by department designations and geographical separation. When an organization is active and works for a long time, change and transformation is absolutely difficult. Because its culture is so strong. In the organizations with theses strong, positive and direct culture, employees are more committed to organizational values and goals.

Complex societies such as the United States are made up of a large number of groups with which people identify and from which are derived distinctive values and norms and rules for behavior. These groups have been labeled subcultures. A subculture resembles a culture in that it usually encompasses a relatively large number of people and represents the accumulation of generations of human striving. However, subcultures have some important differences. They exist within dominant cultures and are often based on economic or social class, ethnicity, or geographic region (Choo, 2013).

Culture functions

1. Defines the boundary between one organization and others.
2. Conveys a sense of identity for its members.
3. Facilitates the generation of commitment to something larger than self-interest.
4. Enhances the stability of the social system.

Culture specified organizations' boundaries from the others. It also creates sense of identity to the employees and makes them more committed to the organization. It also serves as a sense-making and control mechanism for fitting employees in the organization.

How Culture Begins

The most important ones who create and affect organizational culture are founders. They played very vital role in preliminary organizational culture formation. Customs, traditions and mores greatly have been derived from the works which were done in before and the success which managers and founders have achieved it. Organizational culture is output of interaction between founders' prejudice and assumptions.

There are three main methods to keep organizational culture alive:

1. **Selection:** Every employee has specified levels of skills, ability, knowledge, expertise and information. Therefore managers have to employ some ones who are fit to organizations' needs. The people with close knowledge, expertise and related experience can create value for the organization.

2. **Top management:** they represent some creativity by behaviors, norms and speech which hand off all around the organization.

3. **Socialization:** it contains accepting and observing organizational culture. When employees start their work in the organization, they have to adopt themselves with organizational culture and perhaps pass a justification period. Managers and other colleagues play important role as a coach for the newcomers.

**Socialization process can be divided into three main parts**

3.1. Pre arrival stage: everyone who comes to the organization has combination of values, attitudes and expectations. N the

stage, new comer employees know prevalent, current and needed behaviors.

3.2. Encounter stage: in the stage employees face to some realities and facts. When their expectations are different from the facts, they have to accustom themselves to the new culture.

3.3. Metamorphosis stage: in the stage, employees should solve the problems which they have. If the current stage accomplish successfully, employees' return and commitment will increase and turnover will decrease.

Socialization stage is shown in figure 2
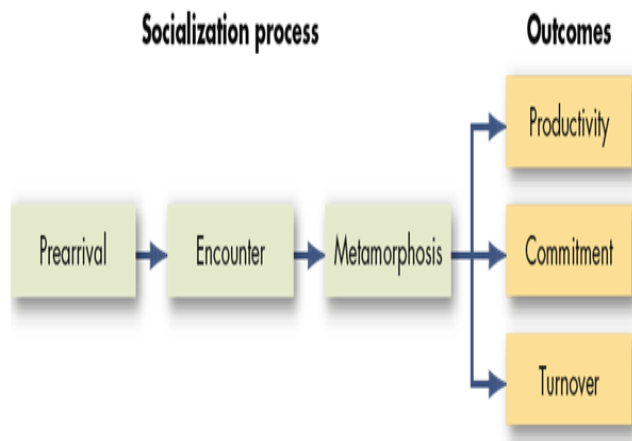
Figure 2. Socialization stage

Learning culture

Robbins enumerated four ways to learn culture include stories, rituals, material symbols and language.

Stories: like information about founders, top managers, chief executive officers, key decisions, human resources adjustment and . . .

Rituals (customs and traditions): ritual is one of the methods for culture transmission like identifying and awarding about formality, annual grouping trips and . . .

Material symbols: like buildings, rigs, furniture, how to put clothes, uniforms and . . .

Language: lots of organizations or their internal departments utilize language as a tool to differentiate and distinguish among subcultures. Learning language enables people to accept culture and try to maintain it during their membership in ht organization.

Managerial actions to make organizational culture more customer-oriented

1. Choosing some employees who have attitudes or personality consistent to the customers

2. Training and educating employees to concentrate and emphasize on customers more than before.

3. Changing structure to have more control on service agents (the employees who are directly interacted to customers).

4. Empowering employees and delegation to make decisions about their works.

Conclusion and suggestions

Culture within an organization is very important, playing a large role in whether or not the organization is a happy and healthy place to work. Through communicating and promoting the organizational vision to sub-ordinates, and in getting their acknowledgement of the vision, it is possible to influence their work behavior and attitudes. When there is good interaction between the leader and subordinates, there will be contributions to team communication and collaboration, and encouragement of subordinates to accomplish the mission and objectives assigned by the organization, which in turn enhances job satisfaction.

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