

ORGANIZATIONAL CULTURE INFLUENCES ON THE ORGANIZATIONS' FUNCTIONALITY

Marius RIZESCU

"Nicolae Bălcescu" Land Forces Academy, Sibiu

ABSTRACT

Organizational culture constitutes an intrinsic part of modern approaches regarding the management of organizations. The ascending theoretical approaches and pragmatic ones about the organizational culture reflect new vision of modern organization and performance, in the new type of management involved. In the same time, organizational culture, through implications and scope and its scope exceeds the strict field of the organization's management. Basically, all these processes in organizations, whatever their nature, - managerial, economic, technical, juridical etc. are significantly influenced by the organizational culture.

The social dynamics, taking place in contemporary society is a concept that organizational culture has influenced the organizations managers, in a decisive way of thinking and action. As a factor determining the competitiveness of the organization, culture is an essential element, essential for the development organizations. In fact, the theoretical concerns and the pragmatic approaches to organizational culture reflect the new vision of modern organization and performance, in terms of the new type of management involved. Simultaneously, however, organizational culture, through its scope and its implications, develops beyond the organization management sphere.

Keywords: Organizational culture, organization's management, performance, modern organizations, organizational processes, organizational culture components, organization's functionality

In the process of transformation taking place in our contemporary society, organizational culture is an intrinsic part of modern approaches regarding the management of organizations. As a factor determining the success of the organization, culture is highly an essential element, essential for the social progress.

1. Organizational Culture – Definition and Content

When thinking about “culture” we join a dim world of thought and feeling,

actions and meanings that shape life within the organization, which is difficult to define. This explains the variety of existing definitions, the situation revealed by the Americans and Alfred L. Kroeber and Clyde Kluckhohn, who “have undertaken an analysis, considered as the classic definition of 163 of the 300 existing, in the investigation period; the diversity of the interpretations test the difficulty of the synthetic circumscription by means of congruent features, that are necessary and sufficient the culture, they stated, consists

of default models and efficiency of behavior and attitude, acquired and transmitted by symbols, including their achievements. The essential core of culture consists of traditional ideas, historically selected and developed, especially, within the values that are assigned: culture systems can be considered, on the one hand, as action products and, on the other hand, evidence that conditions future actions [1].

According to the Dutch professor, Geert Hofstede [2] organizational culture can be characterized as follows:

- it is holistic, namely it represents more than sum of their parts;
- it is historically established, it reflects the time evolution of the organization;
- it is connected to the anthropological nature elements; (Symbols, rituals, etc.);
- it is socially fundamented, as it is created and maintained by a group of people that make up the organization;
- it is hard to change, due to human complexes involved.

Despite the difficulties, E.H. Schein has proposed the following clarification on

what culture means. The author considers that what we call culture *somehow involves those rituals, climate, values and behaviors that form a coherent whole. This pattern or integration is the very essence of culture* [3].

Later, he defines this as “basic pattern of assumptions that a group invents, discovers or develops, as they learn to solve their own problems to external adaptation and internal integration, which works well enough to be considered valid. Therefore, these are transmitted to younger members as the correct way to perceive, think and feel about those issues [4]”.

E. Schein [5] suggested, within the definition of organizational culture, the modalities to create this: to assess means of solving problematic situations, within the organization that objectifies, but also the relationship with the environment it works. In other words, culture is developed by stepping up the capacity of organizations, as to continue to face problems, in a way that sets its own identity.

Schein shapes up the culture on three levels (figure no. 1).

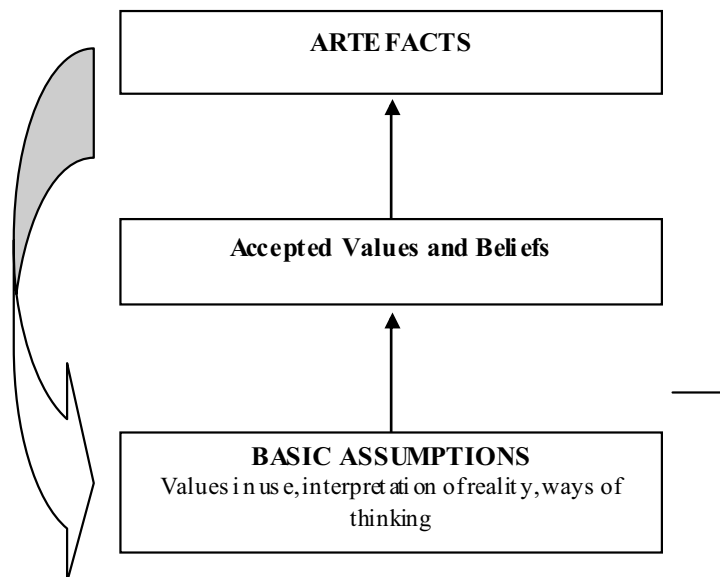


Fig. 1 Organizational Culture Components (adapted after EH Schein)

The first level of the artifacts is definitely the noticeable level of organizational culture that includes updated observable characteristics, of organizational life, such as things, activities, rituals, jargon, standard working documents, relationships, addressing modes, etc.

But when trying to find why artifacts may be perceived, we get into an area, which is often, partially, accomplished, even by the organization members.

In this context, we refer to the next level of organizational culture, values and beliefs, including the ability to discern between good and evil, as interpreted by organization; this organization, this capability offers the possibility to evaluate the beneficial and ineffective actions by adopting such prominent values promoting honesty "and striving for excellence".

The third level of basic assumptions, comprehensive interpretation is circumscribed, comprehensive reality. This level is complex, containing explanations about reality based on which solutions are built on problematic situations, within the organization. Their valuable role at this level is to guide action strategies, adopted in order to accomplish organizational goals.

Feedback type connection suggests that when artifacts are manifested, as a consequence of basic assumptions and values and beliefs, as they are cementing and imprinting the culture basic essential assumptions.

The organizational culture levels issue is closely linked to that of subculture [6] that forms this. Most experts delimit the organizational subcultures, based on two criteria: the structure of the organizers as members of the organization and profession.

Institutional subcultures are outlined in the main organizational divisions of the organization. Beliefs, aspirations and organizational behavior show some specific elements that reflect the defining characteristics and conditions of the carried out activities.

Professional subcultures reflect the main categories' specifics of the organization members, according to their occupation. They are well defined and important, in case of a large number of subordinates with the same profession or related professions. Professional subculture reflects the interests of professional subculture, profession-specific expectations involved in a particular organizational context.

There are plenty of factors that can influence organizational culture. Out of these the most significant are:

- national culture: it tells the organizational culture, distinguishing organizations, depending on the specific characteristics and on the national culture, to which they belong;

- organization's history: aims at the means of establishing and evolution of the organization; the more history is long and complex, much more powerful is the influence of culture and organizational scope, the consistency and impact of symbols, rituals, myths, etc. on the organization's members;

- organization's employees: represent, along the managers, one of the determinants of organizational culture; the number, training, age, sex, temperament, etc. are human parameters that mark, in multiple and different ways, the staff's value system, the norms and the organizational behavior.

- the size of organization: the more amplified the organization is, the more diversified the organizational culture is, thus becoming increasingly difficult to perceive and model;

- managers of the organization: represent a variable that always marks the organizational culture; their personality, skills and expertise, leadership style, which may be very different from one manager to another; it has direct reflection on the real influence and on the pattern and extent organizational culture.

Organizational subcultures, both institutional and professional ones hold

identical characteristics to those of the organizational culture of the organization, but also specific parameters.

2. Managerial Subcultures

By means of the social status, the managers have, in the hierarchy: they significantly shape the attitudes, decisions and behavior of subordinates. This is shaped as a managerial culture, as an integral part of organizational culture, which can exert a positive or negative influence on the organization. Often, managerial values, especially top managers, have a remarkable impact on the evolution of the organization and its institutional dimension, within different commands or statements that are communicated and displayed to give a new impetus, a new focus for the efforts of all wage workers. Organizations that have a well defined, strong managerial culture, which individualizes the actions and developments, in the social environment, are considered to be companies with a certain style (Example: Coca-Cola, Johnson & Johnson, Philips, etc.).

One of the companies with a long international history and tradition is IBM. It had a reputation to get highly motivated and loyal employees, ever since 30's. Its philosophy emphasized some general principles highly espoused in the company:

- respect for dignity and employees' equal rights;
- providing the best customer service, at a level superior to any other companies in the world;
- Completion of all tasks, but always aiming at achieving them at a higher level.

The philosophy, which the IBM founders and managers have built has been submitted and accepted by new generations. Thus, in 1962, Tom Watson Jr. said, in a speech, at Columbia University: *"The philosophy, spirit and emotions, of an organization have much more influence on its achievements than economic or*

technological resources, organizational structure, innovation, or their timing. All these have a large impact on the success of a company. But they are outweighed by the degree, to which employees believe in the precepts, the basic values and how sincere and are involved in their application".

Nicolescu and Verboncu [7] define the managerial culture as a system of values, beliefs, aspirations, expectations and behaviors of managers, in an organization, which is reflected in the types and styles of management practices, within the organization, marking the sensitive content of culture and organizational performance.

Taking into account the issues listed above, is justified by the identification of values, attitudes and behaviors of managers has always been one of the points of major interest for both theoreticians and practitioners in management. Literature focused on these issues present a variety of conclusions, some contradictory, reflecting the different research foundation.

Top managers are those who fail to model the culture and organizational culture, based on vision, personal values that were originally submitted and subsequently implemented within the organization. Managers' personal values influence perceptions, decisions and people's behaviors and have a major impact on the organization's activities, as interaction processes within the organization which are supported by many individuals and groups and, ultimately, generate some social consequences.

Nevertheless, this is manifested, in a pure form, but they are influenced by the system of beliefs, values and behaviors, existing in the social context, in which the manager operates. Between the latter and its system, there may be greater or less consistency, effective mode of perception and action.

Some of the important values of top managers on the organization aims at

elements such as: organizational effectiveness and efficiency, labor productivity, relaxed and stimulating environment, etc. attractive organizational image. This conclusion is supported by the result of research conducted by George E. [8], who showed that the operational values that influence behavior are: specific organizational effectiveness and efficiency, maximizing profits, high productivity, the market leader/in industry; the stability of the organization. Many respondents revealed their inclination towards a active pragmatism, highly evaluating the skills, ambition, personal qualities, that promote achievement, success and creativity, as personal goals. It shows that a pragmatic orientation is easily influenced and changed, because it is directed towards clear goals; and their attainment provides a procedures' diversion, new means of achieving these objectives.

Quite interesting is the fact that a research conducted, in 1979 by Clare and Sanford [9] confirmed these views. Still, in a study developed in 1990, James Webber [10] reveals that 72% of respondents emphasize their preference for individual values, centered on their own person at the expense of social spending.

In another study, developed by Posner and Schmidt [11], the target group was asked to indicate the values (personal traits and characteristics), that they appreciate for their bosses, colleagues and subordinates. From a final list of 15 categories (attributes), there have been highlighted:

a) the managers' level

- integrity (degree of confidence, character);
- competence (capable, productive, efficient);
- leadership (vision, determination, direction);

b) the subordinates' level

- determination (involvement, motivation);

c) colleagues' level

- cooperation (friendship, team member, available, attentive).

It is worth mentioning the substance change on managers', view on the special characteristics and constraints of what is important for the organization. Table [12] presents the following major differences between classical and modern managerial approach on the important elements for an organization:

Henry Mintzberg, in explaining the fact that organizations need managers, made the following references to values and business managers:

- main purpose of a manager is to ensure that his organization serves its basic interest – the production of specific goods and services and earning money by their sale;
- manager should construct and maintain stability organization's operations;
- manager must assume responsibility for strategy and thereby enable the organization to continuously adapt the changing environment;
- manager should act as a focal organization's values, to inform their subordinates on the organization's priorities and guide them through adopted and implemented decisions;
- manager should act as a key information link between the organization and its environment.

An important aspect of the manager is the means he manages to communicate the values and other features of other components of the organization's management culture. One of specialists in management, Chester I. Barnard, said: *"Truth cannot be transmitted exclusively by means of its accurate presentation. Not only words have different meanings for different people, but there is an unintentional tendency to find or read a statement, which is not actually intended. Therefore, it is sometimes necessary, to present things in a way that is not right, in terms of presenters, truth which may be properly interpreted by the receiver"*.

3. Influences of Organizational Culture on the Organizations' Functionality

Organizational culture is increasingly perceived today as more than one factor with an influence on the performance of an organization. *"It can stimulate or weaken the effectiveness of the organization, depending on the nature of values, beliefs, and norms [13]"*.

Thus, in most cases, good and very good results are associated with the ability of owners, managers and leaders to create, maintain and develop a strong culture, which will energize the organization's members, as to achieve their goals. In a strong culture, most managers share a common set of beliefs, values, and attitudes, about the way that business should be directed. New employees get in touch with this cultural set and adopt it, both as a result of their, formal and informal occurrence.

The manner in which managerial culture influences firms' performance can be explained in several ways:

- ensure the efforts' being directed toward a goal or a set of specified objectives;
- develop a strong motivation for employees to obtain the expected results;
- provide a structure and a system of mechanisms to coordinate the employees' efforts, without having a formal set of procedures or systems.

In 1983, Denison completed a study on culture and performance of 34 companies, receiving a series of results that supported Deal and Kennedy's statement, that the organizational culture has a very close connection with the performance of organizations. Although Denison's study used financial elements, for performance measurement still these can be influenced, depending on the specific industry, business cycle and financial goals; however, it revealed significant correlations between culture and performance.

Schein builds his explanatory model seeking to relate the effectiveness of a range of values. He focuses on the role of organizational culture, as a key mechanism that allows the organization to adapt, act and survive. Schein believes that the problem of survival is the main factor shaping organization culture group. Mission, essential tasks and members' efforts revolve around this issue. Basic assumptions about *"what"* and *"how"* are critical to the means an organization acts as to survive, on a long-term development. Nevertheless, the means to develop internal relations, among group members is perceived as crucial, to his performance.

Covler [14] also conducted a study on the relationship between organizational culture and organizational performance, with results that supported the previous conclusions. Covler used, both financial and non-financial elements, to study the 72 retail stores. It is estimated that organizations often benefiting from strong corporate culture of the other competitors, get better performance. Major cause of this phenomenon is that these cultures tend to adjust to direct and energize the company members, as to achieve specific objectives. This is partly true as these objectives are important objectives of the organization, established as strategies and policies, both globally and in part, on functions or on other considerations. Performance will not be enhanced if attitudes, behaviors and methods used in business are not correlated with the actual needs of the organization. In this case, strong values may cause people to act, in ways that are destructive, rather than promoting, undermining the competitive ability of the organization.

One of the great dangers to be found within organizations, with strong managerial culture and notable results is that sense of pride within performance turns into arrogance. It is one of the factors, which, over time will not adversely affect the company, preventing senior management to anticipate

or to bring important changes in the environment. The effect will be a gradual divergence of organizations managerial culture, with the realities, which will very likely lead to its crisis.

Inadequate managerial cultures are cultures that are targeted towards the firm, as to establish procedures and very rigid rules, creating bureaucratic structures and interest expressions by means of personal interest, thus paying little attention to the market requirements trends. In such cultures, managers tend to ignore the contextual changes and respond by means of strategies and other organizational practices, improperly, showing a reactive attitude, risk aversion and little creativity. In contrast to these adaptive cultures manifest. Focusing the adaptive cultures are performed on the current situation and future environment in which the organization evolves. Based on these considerations, managers structure the organization's activities are oriented so that they made to achieve optimal well-defined objectives in business strategies and policies. Adaptive support risk-taking cultures at different hierarchical levels, favoring the emergence of trust among organization members and stimulate them to take a proactive stance. Managers collaborate well with each other to identify problems and implement viable solutions; they believe that together can overcome any difficulty that may face the organization.

In such a management culture that tries to predict and adapt to changes in the evolving context, managers carefully monitor both external factors and those internal to the organization, initiate change and encourage the manifestation of leadership at all levels.

In many cases, organizational changes are due to managers who show special concern in organizational processes. Among the first acts performed by them and are aware that the employees that the organization is in a crisis situation or that

certain factors require a swift change of one or more organizational features. To produce these changes, the way managers communicate a clear vision and strategy as that they base their future development. They exploit every opportunity to repeat over and over, messages about intentional change. At the same time, the language used is continually adjusted in line with the characteristics of the audience, so that messages are as clear, direct, and with maximum impact. Very important is that they act on the disclosed and transmitted, and indirectly, the decision to implement the declared official. Further, to expand and accelerate the start-up changes, they try to create a coalition at all hierarchical levels, to be deeply involved in this process and minimize resistance to change.

These behaviors seem to be determined by a value system that emphasizes the legitimacy of the organization to meet requirements. Stresses the importance of values and processes that can lead to beneficial changes people for the organization.

4. Conclusions

It is important to note the idea that leaders in an organization encourages leadership and those who perceive opportunities that change would bring to the firm and at the same time, their ability to win minds and the hearts of employees who are not aware still need to change, sometimes maintaining organizational culture. It is therefore necessary for higher level managers are not only anchored in the short term activities, as they may leave unused a large part of company resources and erode its long-term competitiveness. Culture management is basically a frame, a reference system which significantly shape the perception that managers have on the environment, perception is reflected in decisions and actions that they undertake.

REFERENCES

- [1] Dinu I., "Dimensiunea culturală a securității națiunilor", *Situația națiunilor. Surse de insecuritate*, (Bucharest: Licorna Publishing House, 1999), 125.
- [2] Moldoveanu G., *Analiza organizațiilor*, (Bucharest: Economic Publishing House, 2000), 128.
- [3] Schein E.H., *Organizational Culture and Leadership*, Second Edition, (San Francisco: Jossey-Bass, 1992), 10.
- [4] Schein E.H. apud. S. Chirică, *Psihologie organizațională*, (Cluj-Napoca: Studiul organizării Publishing House, 1996), 370.
- [5] Schein E.H., *Organizational Culture*, 1990, apud. D. Hellriegel, J.W. Slocum Jr., R.W Woodman, *Organizational Behavior*, (West Publishing Company, 1992), 505.
- [6] O'Sullivan T., Hartley J., Sanders D., Montgomery M., Fiske J., *Concepts fundamentale din științele comunicării și studiile culturale*, (Iași: Polirom Publishing House, 2001), 92-96.
- [7] Nicolescu O., Verboncu I., *Management*, (Bucharest: Economic Publishing House, 2000).
- [8] England G., *Managers and Their Value: A Fine Country Corporation Study*, (Columbia Business, Summer, 1978).
- [9] D.A. Clare, D. Sanford, *Mapping Personnel Value Space: Human Relations*, (Oxford: Oxford University Press, 1979).
- [10] Webber J., *Managerial Value Orientation*, International Journal of Values Based Management, (1990).
- [11] Posner S., Schmidt N., *Values and the American Manager*, (Beverly Hills: Sage Press, 1996).
- [12] Hall R., *The Soul of The Enterprise: Creating a Dynamic Vision for American Manufacturing*, (New York: Harper Collins, 1993).
- [13] Ivancevich, J. M., Matteson, M.T., *Organizational Behaviour and Management*, (Boston: Homewood, 1990), 657.
- [14] Coyler S., *How to Understand Organizational Behaviour*, (London: Harper Collins, 1997).



Copyright of Revista Academiei Fortelor Terestre is the property of "Nicolae Balcescu" Land Forces Academy and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.