

ORGANIZATIONAL CULTURE: A CONCEPTUAL STUDY

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ABSTRACT

Organizational culture depicts the unique controls and systems installed in the organization. It includes both formal and informal rules and regulations followed in an organization. An attempt is made to study the concept of Organizational culture in detail. The culture of an organisation makes it easier for the organisation to accomplish its strategic goals, it draws in the right employees, and it encourages employees who might not be a good fit to stand out within the organisation. It is also influenced to suit all the customers and key stakeholders of the organization. Organizational culture reflects the organization's core values and also depicts the organization's leadership.

KEYWORDS: Organizational Culture, Dimensions, Psychological Environment, Psychological Feeling.

Introduction

The developed assumptions, values, beliefs and ways of responding that contribute to the unique social as well as psychological environment of an organization are what are referred to as the organization's culture. An employee's psychological feeling, his comfort level working with the colleagues and superiors, employees' commitment and employees' satisfaction, employees' expectations, the reward system, the feedback system, etc., are all expressions of an organization's culture. The shared attitudes, beliefs, and customs, as well as the unwritten and written rules that have been practiced over the course of business and are considered to be practiced in the organization, are these that constitute culture (The Business Dictionary).

In addition, the organization's culture encompasses its vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits throughout its history (Needle, 2004). To put it another way, the culture of an organization can be defined as "the way things are done around here" (Deal & Kennedy, 2000).

According to this collection of definitions, organisational culture is a collection of commonly held beliefs that serve to direct the activities that take place within organisations by defining the appropriate behaviour for a variety of circumstances (Ravasi & Schultz, 2006). The manner in which individuals and groups interact with one another, with customers, and with stakeholders is greatly influenced by the culture of an organisation. Additionally, the degree to which employees identify with their organisation may be impacted by the culture of the organisation (Schrodt, 2002). In the context of business, the terms "corporate culture," "workplace culture," and "business culture" are frequently used interchangeably with one another.

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The culture can be seen in the organizational structural setup, their hierarchy, how decisions are made – horizontal and vertical - and whether employees are given an environment to express their feelings freely without any fear. The culture manifests itself through recruitment, selection, training, reward and recognition programmes and developmental programmes related to the employees.

Components of Organizational Culture

Johnson and Scholes described the cultural aspects, which further elaborates the components or ingredients of organizational culture that actually influences the organization.



The six key components are:

- **Actual Stories:** Past actions, experiences and the ways of dealing with the people. How the company takes decisions and how it reacted in the past and present depicts the organization's true culture and what the organization values the most.
- **Customs and Regular Practice:** People's daily behaviours and actions that indicate acceptable behaviour. This determines what is expected in specific situations and what management values.
- **Symbolic Representations:** Visual representations of the company, such as logos, the dress codes, the comfort level in the organization, etc.
- **Organizational Structure:** This represents the organizational chart, formal as well as informal lines of the hierarchy that depicts whose and which contributions and decisions are valued most.
- **Management Systems and Control Mechanism:** The systems and controls used to manage an organisation. These include budgetary controls, financial systems, quality controls, and incentives (including the way of these controls measurement and distribution).
- **Power Hierarchy and Status System:** The real powerful key personnel of an organization. This could include two or more key senior executives, an entire group of key executives, or even a higher-level management department. The key point is that, these key persons are the major influencers of the big decisions, strategic goal setting and the overall environment of an organization.

Dimensions of Organizational Culture

The four dimensions of organizational cultures identified by Cameron and Quinn are:

- **Adhocracy Culture:** Action-oriented. Entrepreneurial and dynamic culture.
- **Clan Culture:** People-oriented. Doing things together- collaborative and friendly culture.
- **Hierarchy Culture:** Structured and well designed. Process oriented, controlled and well-designed culture.
- **Market Culture:** Results oriented. Performance based and Competitive Culture.

Adhocracy Culture

Adhocracy is a combination of the terms 'ad hoc' and 'bureaucracy'. In this culture, there is no rigid and formal organizational structure, instead there exists the structure that can be easily adaptable to the changing situation. This kind of culture emphasize on the creativeness, innovation and thinking outside the box. Even though the culture is fast paced, it is often challenged or questioned.

Many of the start-up companies like Apple, Facebook, Swiggy, etc., follow this type of culture since it encourages innovation. Innovation and creativity is the key in this competitive world.

However, when the start-ups grow into the giant and well-established organizations, these types of cultures might not work since the fast-changing pace is not good for the organization in terms of compliance and statutory decisions. Therefore, the adhocracy culture can be relegated to specific units, process and structures.

Evolving an Adhocracy Culture

Depending upon the type of the business industry, evolving and inculcating the adhocracy culture may be difficult especially when dealing with the risky projects. But, the emphasis should be given to the employees to think outside the box, come up with the innovative ideas and creative systems through brainstorming sessions and also rewarding the talented employees.

Clan Culture

A clan is a group of closely related people. This type of culture emphasize on working in groups or teams. This type of culture is common in case of family businesses. All the employees irrespective of their position in the hierarchy are equally valued in the organization.

Examples of companies that value their employees are Redmond, Chobani, Tom's of Maine, etc.

Working in teams and team accomplishments are valued more than individual works. All the employees are made feel equally important and are considered for decision making. Mentorship and Apprenticeship are given importance since the skills are passed on from generations to generations. This type of culture leads to high employee engagement and commitment.

But, as the organization grows into a giant one, implementing of this culture become quite difficult as the organizational operations might become inefficient and unorganized.

Evolving a Clan Culture

To inculcate the clan culture in the organization, first a clear communication should be made to the employees regarding this. Employees should feel that their decisions and feedback will be valued. What the employee is expecting from the organization should be kept in mind for inculcating the clan culture. Considering the employees ideologies, the appropriate and valid ideas should be put into actions.

Hierarchy Culture

In the United States, hierarchical corporate culture is common. Hierarchy culture follows clear and well-defined organizational structure, policies, rules and clear lines of communication. Clarity in the minds of the employees with respect to their position in the hierarchy, whom to report the work, who are their subordinates, etc is very important. Doing the things properly and on time is very crucial in this type of culture.

Duties and responsibilities of each individual is clearly defined. Every person in the organization should know what they are expected to do in the organization. This culture ensures discipline and timely completion of the work allotted to the individuals.

But, creativity and innovation will be hindered in this type of culture, which is most needed in this competitive and ever changing business environment.

Evolving a Hierarchy Culture

The primary step in inculcating a hierarchy culture is clearly defining the business process and designing the organizational structure accordingly. The line of command, feedback and communication should be clearly defined. Each and every department as well as individual should have clear short term and long term goals to be achieved.

Market Culture

Market culture focus on results. It is performance oriented and profit centered. The culture is designed to suit the competitive business environment. The ultimate goal under this culture is to attain the customer satisfaction. The examples of the companies following this type of culture are Amazon, General Electric, Tesla, etc.

High quality products are important to be developed to attain the customer satisfaction. Innovation, creativity, research and developmental activities are given utmost importance. The employees are always under pressure to improve the productivity and product quality to match the competition in the market. Employee satisfaction and welfare will be ignored in this culture.

Evolving a Market Culture

Market culture is associated with achieving the company's ultimate goal of earning profit through customer satisfaction and customer loyalty. Hence, ROI of every project should be carefully analyzed and benchmark standards should be set to the production. Maintaining quality is very important and the employees should be properly rewarded for their productive work.

Other Types of Organizational Culture

Organization cultures can be analyzed and assessed in more detail. The reason for this is that each organization is unique in terms of its goals, vision and mission. Groysberg, Lee, Price, and Cheng identified the following additional organisational cultures in their study published in Harvard Business Review (2018).

- **Culture with a Reason (Purpose Culture):** Company key personnels of the organization will be with some thoughtful purpose like uplifting the backward sections of the country, equal and fair distribution of resources to the needy people, etc.
- **Developmental Organisational Culture (Learning):** This culture emphasize continuous learning, creativity, innovation and research.
- **Comfort Organisational Culture (Enjoyment):** This culture creates a comfortable and happy environment to the employees. It inculcates fun and a good sense of humor.
- **Outcome based Organizational Culture (Results-Oriented):** This culture is characterized and designed to achieve performance targets, production targets and overall organizational goals and objectives.
- **Authority Organizational Culture:** This culture is distinguished by the strong and efficient leadership in the organization which encourage the employees to work and perform at their bests in the given environment.
- **Risk Aversion Organizational Culture (Safety):** Leaders of the organization who has risk aversion attitude might take up the projects having minimum or no risks. They usually plan the things based on what is realistic to their organization.
- **Ordinance Organizational Culture (Order):** This culture clearly defines the roles and responsibilities of each individual of the organization, which is expected to be followed by them.
- **Responsible Organization Culture (Care):** This culture values and cares the employees and creates regulations required for their welfare. This culture also focuses on the public and environmental interests too.

Conclusion

The best organisational culture for each organisation is determined by its core values and objectives. The cultural concepts that can be developed within the organisation should be carefully analysed and framed, as this is critical to achieving organisational goals.

Cultural change is a gradual process, but with consistent effort, any organisation can transform its culture into a major asset that attracts top talent and drives business success.

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