

BUILDING FUNCTIONAL ORGANIZATIONAL CULTURE FOR SUSTAINABLE COMPETITIVE ADVANTAGE

Dr. K. John

Associate Professor, Department of Human Resource Management, Andhra University,
Visakhapatnam, India
E mail: dr.johnkoti@gmail.com

ABSTRACT

Organizational change never happens in vacuum or sterile environment. There must be shared organizational vision through functional and working organizational culture. Building working strong organizational culture is continues process demand leaders commitment to internalize it to employees and customers through conscious and unconscious culture promoting tools. This help workers to have tremendous amount of shared history lead to commitment and common goal.

Keywords: Organization Culture, Functional Organization Culture, Strong and Weak Culture, the Culture Audit

Debate about Organizational Culture and Climate

For (Burton, 1999), an organization's culture or climate, self-image, morale, esprit, atmosphere, or whatever you choose to call it is difficult to discuss, and even tougher to change. In part, the reason for this lies in the fact that culture is multidimensional (Cyaton and others, 2006). Barnard (1988) even challenged the rational existence of organizational culture, regarding it to be a social fiction created by individuals to give meaning to their work and to their lives.

Any group of individuals tends to perceive a multidimensional phenomenon differently from one another, and their resulting discussion often seems chaotic, subjective, pointless, and frustrating. Often, academics attempting to analyze or change their institution's culture find this discussion so fragmented and frustrating that they agree, tacitly or overtly, to avoid the subject entirely the extent to which the organization is actively and deliberately engaged in shaping the organization's culture.

However, some authorities believe in the existence of such fact but they care how to modify or to change it. In the field they questioned the extent to which it is possible to change the culture of an organization through careful planning (e.g., Quinn, 1980).

Yet others (e.g., Allen, 1985) have allowed that although organizational climate and culture may be important to some organizational improvement processes, they are not particularly relevant to others.

Finally, others (Sathe, 1985; Wilkins & Patterson, 1985) have questioned the extent to which attempting to make a major cultural change is worth the time, costs, and risks associated with that process. Overall, though, most modern theorists and reflective practitioners of organizational improvement recognize the important roles played by organizational culture and climate in the change process.

Organizational improvement implies large-scale change, which introduces disequilibrium and uncertainty. This disequilibrium, in turn, can cause organizational members to question the meaning of their work, as well as their commitment to the organization. As such, it is not feasible to consider large-scale organizational improvement without either working within the confines of the existing organizational climate and culture or attempting to modify them. In order to assess the alignment of the existing organizational culture with the contemplated improvements or to attempt planned cultural interventions, it is first necessary to understand well the constructs of organizational climate and culture. The sections that follow provide a brief introduction to these complexes and much-debated constructs. The goal of the article is to conceptualize organizational culture for competitive advantage of companies. The frame work centre on: describing organizational culture, strengths and phenotype of culture and auditing organizational culture

Organizational Culture (The Way We Do Things)

At culture's most global level, Merriam-Webster's On-Line Dictionary (2005) provides the following definition; a: the integrated pattern of human knowledge, belief, and behavior that depends upon man's capacity for learning and transmitting knowledge to succeeding generations; b: the customary beliefs, social forms, and material traits of a racial, religious, or social group; c: the set of shared attitudes, values, goals, and practices that characterizes a company or corporation. As the focus narrows to organizational culture, there are seemingly as many definitions as there are authors attempting to define this construct.

Probably the greatest overarching issue concerning the definition of an organizational culture centers around whether culture is a root metaphor or merely one aspect of the organization; in simpler terms, is culture what the organization is or is it something the organization has (Rousseau, 1990; Sathe, 1985; Thompson & Luthans, 1990)? The preponderance of opinion seems to fall on the side of culture being something that most organizations have. Kilman, Saxton, and Serpa (1985b) provided an apt analogy that helps to illuminate the nature of organizational culture. "Culture is to the organization what personality is to the individual – a hidden, yet unifying theme that provides meaning, direction, and mobilization".

As such, it is emotional and intangible (Connor & Lake, 1988), individually and socially constructed (Hall & Hord, 2001; Rousseau, 1990), and evolves over a period of years (Wilkins & Patterson, 1985), especially as organizations find acceptable and unacceptable solutions to internal and external problems or threats and attempt to integrate more effectively internally (Schein, 1985a, 1992). This culture can also be developed and learned by organizational members through the connection of behaviors and consequences and through multiple reinforcement mechanisms and agents (Thompson & Luthans, 1990). It can be learned through the reduction of anxiety and pain or through positive rewards and reinforcements (Schein, 1985a).

A fairly common, simplistic definition of organizational culture is “The way we do things around here.” Although this statement appears in many books and articles, the earliest of such entries found by this author was by Deal (1993). Deeper discussions expand this definition to cover such issues as the basic assumptions and beliefs shared by members of the organization regarding the nature of reality, truth, time, space, human nature, human activity, and human relationships (Schein, 1985a; 1985b). It also consists of the philosophies, ideologies, concepts, ceremonies, rituals, values, and norms shared by members of the organization that help shape their behaviors (Connor & Lake, 1988; Kilman, Saxton, & Serpa, 1985b; Owens, 2004; Rousseau, 1990).

Among the norms it includes are task support norms, task innovation norms, social relationship norms, and personal freedom norms. Among the rituals are such issues as passage, degradation, enhancement, renewal, conflict resolution, and integration (Connor & Lake, 1988). Organizational culture embraces such organizational needs as common language, shared concepts, defined organizational boundaries, methods for selecting members for the organization, methods of allocating authority, power, status, and resources, norms for handling intimacy and interpersonal relationships, criteria for rewards and punishments, and ways of coping with unpredictable and stressful events (Schein, 1985a). This shared culture helps to create solidarity, meaning and inspire commitment and productivity (Deal, 1985).

Culture may operate both consciously and sub-consciously in the organization (Rousseau, 1990; Schein, 1984, 1985a, 1985b; Wilkins & Patterson, 1985). At the surface level, culture can be observed through examination of behaviors and artifacts, including such things as the physical setting, rituals, languages, and stories. At a slightly deeper, less conscious level, organizational culture is defined by the unwritten rules and norms of behavior, often conveyed by stories, rituals, language, and symbols. At the deepest levels, often totally sub-conscious, lie such things as the fundamental assumptions and core values of individuals, groups, and the organization (Connor & Lake, 1988). It is at this deepest level that the organizational culture can be most tenacious and most powerful (Wilkins & Patterson, 1985). Culture is experienced differently by members of the organization (Rousseau, 1990). Sub-cultures may arise within an organization as small groups share values, perceptions, norms, or even ceremonies that differ from those of the wider organization (Thompson & Luthans, 1990).

Organizations have distinct personalities, highly unique ceremonies, and varying discipline norms. Organizational culture can be a highly powerful force in the Organizational improvement process; given these definitions of culture, it stands to reason that, as Owens (2004) noted, it may often be the most powerful determinant of the course of change in an organization. Changing the culture of an organization takes the full commitment of every leader within the organization. You cannot just tell people, "From now on it's going to be done this way." Culture would be one of the instruments in organizations to increase belongingness and commitment with in institutions to assure any performance whether education or not (Kelner, 1998).

In organizations there are deep-set beliefs about the way should be organized, the way authority should be exercised, how people should be rewarded, and how they should be controlled. The culture of an organization can sometimes be visible in its building and its

offices. It can be manifest in the kinds of people it employs, the kind of career aspirations they hold, their status in society, their level of education and their degree of mobility.

Members of an organization soon come to sense the particular culture of an organization. Culture is one of those terms that are difficult to express distinctly, but everyone knows it when they sense it. For example, the culture of a large, for-profit corporation is quite different than that of a hospital which is quite different than that of a university. You can tell the culture of an organization by looking at the arrangement of furniture, what they brag about, what members wear, etc. similar to what you can use to get a feeling about someone's personality (Ptricia and Others, 2004). Meaningful Organizational improvement begins with cultural change—and cultural change begins with the Organizational leader (Christensen, 2006). In support of this point Adeyoyin (2006), kazer and Eckel (2002), Hesilin (2005), Clyton and others (2006), Jones and others (2000) describe corporate culture as a key component in the achievement of an organization's mission and strategies, the improvement of organizational effectiveness, and the management of change.

Corporate culture can work for an organization by creating an environment that is conducive to performance improvement and the management of change. It can work against an organization by erecting barriers that prevent the attainment of goals. According to Adeyoyin (2006), kazer and Eckel (2002) the impact of culture can include conveying a sense of identity and unity of purpose to members of the organization, facilitating the generation of commitment and shaping behavior by providing guidance on what is expected. Organization managers live within the corporate culture. They must understand it as a basis for diagnosing and solving problems and for developing new policies or procedures. They may be involved in managing the culture in times of change or during crises. To see organization culture in measurable and clear ways Burton (1999), point out the following treats of culture.

Disposition towards change: The degree to which employees are encouraged to be creative and innovative and to constantly search for better ways of getting the job done.

Employee participation: The extent to which employees perceive themselves as participating in the decision-making process of the organization.

Goal clarity: The degree to which the organization creates clear objectives and performance expectations.

Human resources orientation: the extent to which the organization is perceived as having a high regard for its human resources. Does the organization view its employees as a valued resource and an important contributor to its success?

Identification with the organization: The degree to which employees are encouraged to identify with the organization (socialization and friendships).

Locus of authority: The degree of responsibility, freedom and independence individual employees have.

Management style: The degree to which managers provide clear communication, assistance, and support to their subordinates.

Organization integration: The degree to which various subunits within the organization are actively encouraged to operate in a coordinated way by co-operating effectively towards the achievement of overall organizational objectives.

Reward orientation: The degree to which reward allocations are based on employee performance in contrast to seniority or favoritism (linkage between reward and performance, or is reward dependant on service, seniority, qualifications, or other non-performance related factors).

Task structure: The degree to which rules, regulations, and direct supervision are applied to manage employee behavior. (Existence rules, regulations, policies, procedures that promote employees to be creative and innovative in pursuing the achievement of organizational objectives Burton (1999).

Strengths and Phenotypes of Culture

Strengths of culture:

According to Schnake (1990), Ivancevich and Matteson (2002), McShanane and Glinow (2003) the strength of a culture is determined by four factors: Strong culture is said to exist where staff respond to stimulus because of their alignment to organizational values. Conversely, there is weak culture where there is little alignment with organizational values and control must be exercised through extensive procedures and bureaucracy.

Homogeneity of group membership - Groups and organizations made up of individuals with similar beliefs and values come into existence with the basis for culture already in place. These individuals are already predisposed to value, the same things and behave in a similar manner to ascertained quality of any performance.

Length of group membership - Groups and organizations that remain together for long periods of time have a tremendous amount of “shared history”. Further, long periods of interaction tend to reduce difference individuals to conform their behavior to remain a member of the group and to work hand in hand for quality.

Stability of group membership - High level of turnover of group members prevents individuals from establishing close relationships with one another. This lack of contact, in turn, reduces the likelihood of a strong culture developing. Since frequent interactions among group members may not take place further new members who may not share the same beliefs join the group frequently and values as current members are frequently joining the group. Thus, stable membership is vital to the development of a strong culture and achievement of stated objective.

Intensity of group experience - Groups which share intense experiences, such as overcoming seemingly insurmountable obstacles or solving extremely difficult problems tend to develop relatively strong culture

Therefore it is believed that homogeneity of group sharing similar beliefs, history stability and commitment of individuals as well as sharing experience vision would be the base for quality education or quality of any performance.

Phenotypes of culture

Functional Versus Dysfunctional Culture

Schnake (1990) also describe the following several types of dominant cultures, good and bad, have been identified as Functional Versus Dysfunctional Culture.

Dysfunctional Culture- Five dysfunctional types of culture which have fundamental impact on organization performance or quality of education and on which the research under concern is to be set its direction are:

Paranoid culture- this culture is characterized by distract, suspicion, and a focus on identifying enemies. There is a lack of trust between managers, and employees, which often results in close supervision (Plunkett, 1992 and Schnake, 1990) and elaborate rules and procedures. Employees are quickly and sometimes harshly punished for mistakes. The result is decline in employee's motivation and initiative. Top performers are likely to leave the organization. While those who remain become defensive and possibly even aggressive to ward their manager and the organization.

Avoidance culture- Employees in avoidance cultures share the belief that "what they do really doesn't make any difference". They have learned (correctly or incorrectly that they can't make much of a difference. This culture is characterized by: high absenteeism unmotivated employees, delay, buck passing apathy and "doing only enough to get by" (Ivancevich and Matteson 2002 and Schnake, 1990).

Charismatic culture- charismatic cultures develop around particularly strong, charismatic leaders. Employees become extremely dependent on this leader and follow directions unquestioningly and enthusiastically (Adeyoyin, 2006; kazer and Eckel, 2002 and Schnake, 1990). The inherent danger is those employees continue to blindly follow this leader regardless of the outcomes of effect upon the quality of education.

Bureaucratic culture- Bureaucratic culture characterized as depersonalized and inflexible to see innovation of employees and impact on quality of education. Employees are therefore likely to become uninvolved, disinterested, and unmotivated (Schnake, 1990).

Politicized cultures- For (Schnake, 1990) politicized cultures develop in organizations with weak leader. This result is an organization with problems in several areas: communication, conflict, cooperation, coordination, and responsibility. Politicized functional cultures and impact on quality of education.

Functional Culture- Schnake (1990) below represents four types of culture that may be functional or dysfunctional, depending on the degree to which they facilitate the accomplishment of organizational goals. It is expressed based on two variables- degree of risk associated with the organization's activities, and the speed with which the organization and its employees received feedback on their performance.

Tough-Guy, Macho Culture- This culture characterized by high risk and quick feedback, employees operate in a climate of fast pace, tense pressure, and internal competition. These organizations tend to value short-term success over long-term prosperity. Individual performance is valued over teamwork and cooperation. In fact, the heroes in this culture are the individuals willing to make decisions quickly, take huge risks, and live with the

consequences. Thus, the primary value of this culture is winning, and winning big (Schnake, 1990; Hemmeaglarn and Others, 2006).

Work hard/play hard culture- For (Hemmeaglarn and Others, 2006) this culture is characterized by low risk and fast feedback. The internal environment of organization is one of fast pace, continuous activity, and persistence. There is a heavy emphasis up on customer, and society needs. The way to success may be increasing number of student. The culture places more emphasis on teamwork, cooperation, and interpersonal relation, and the organization use a variety of competitions, and the conventions and parties to keep employee motivation at high level to keep quality of any service.

Bet- Your-company Culture- This type of culture is characterized by high-risk and low feedback. This type of organization must invest large sum of money and resources and wait many years to find out whether they see success. Experience and technical expertise are highly valued in this type of culture (Hemmeaglarn and Other, 2006).

Process culture- This culture type is distinguished by low risk and slow feed back. Organizational are representative of this category, where the emphasis is on doing things the “right way.” Conformity, respect for authority, caution, and thoroughness are highly valued.

To conclude, creation of innovative environment through participatory decision making, clear quality goals, human concern, socialization and friendship, freedom, coordination, equality, through fair policy and procedure are fundamentals to education quality assurance. As stated above by different authors focus on functional culture expressed interims of quick decision, fulfillment of society need, team work and cooperation valuing experience and technical expertise and thoroughness in process may take care of quality of education through shared vision and quality goal orientation.

The Culture Audit

Literature on organizational cultural competence suggests that culture audits are a valuable tool for determining how well Organizational policies, programs, and practices respond to the needs of diverse groups and prepare students to interact globally. This procedure has been peer-reviewed, accepted, and sanctioned by the National Council of the Professors of Educational Administration (NCPEA) as a scholarly contribution to the knowledge base in educational administration.

Organizations around the world must be culturally competent in order to prepare students to succeed in an increasingly diverse and globally interconnected environment. Generally defined, culturally competent organizations value diversity in both theory and practice and make teaching and learning relevant and meaningful to students of various cultures (Klotz, 2006). Leaders must be equipped with the necessary tools to assess how well policies, programs, and practices align with the needs of diverse groups and prepare people to interact globally. The “culture audit” is a valuable organizational assessment tool to guide strategic planning for diversity and global competence.

Researchers agree that Organizational culture is an important, yet often overlooked, component of Organizational improvement (Freiberg, 1998; Peterson & Deal, 1998). Wagner and Madsen-Copas (2002) stress the value of culture audits in determining the

quality and health of Organizational cultures and recommends using a five step auditing process that includes: interviews, observations, surveys, checklists, and presentations to community stakeholders.

The concept of Organizational culture is further complicated by the multiplicity of racial/ethnic cultures that are typically represented in organizations. For this reason, organizational culture assessments are essential to ensuring the development of cultural competence (Wagner and Madsen-Copas, 2002). Culture audits examine how diverse cultural perspectives are reflected in the values and behaviors manifested in the overall Organizational culture (National Center for Cultural Competence, 2005).

Just as a financial audit reveals strengths and gaps in financial procedures and practices to inform strategic plans for financial improvement, a culture audit focuses on how well an organization incorporates perspectives of diverse groups to inform comprehensive Organizational improvement. Therefore, based on the above conceptualization this study is designed to investigate existence of shared organization culture which is keen and clear to enhance individual achievement strong values, beliefs and norms.

CONCLUSION

Culture is different from climate which is anthropological by its nature and came through continues practice and difficult to change once developed. There conscious development of strong and functional culture is a foundation for competitive advantage of organizations. Organizational culture must be audited to see its fitness with existing development and trends.

REFERENCES

1. Adeyoyin, S. O. (2006). Managing the Library's Corporate Culture for Organizational Efficiency, Productivity, and Enhanced Service. *Library Philosophy and Practice Journal*, Vol. 8, no. 2. , 24(3).
2. Allen, N.J., & Meyer, J.P. (1990). The measurement and antecedents of affective, continuance, and normative commitment to the organization. *Journal of Occupational Psychology*, 63, 1- 1.
3. Allen, R. F. (1985). Four phases for bringing about cultural change. In R. H. Kilman, M.J. Saxton, & R. Serpa (Eds). *Gaining control of the corporate culture and artistry in PHLEIs*. San Francisco: Jossey-Bass.
4. Barnard, C.I. (1988). *The functions of the executive*. Cambridge, MA: Harvard University Press.
5. Burton, R. M. and Others (1999). *Tension and Resistance to Change in Organizational Climate: Managerial Implications for a Fast Paced World (2nd Ed.)*. Boston: Kluwer Publishers.
6. Christensen, C. (2006, October). The tools of cooperation and change. *Harvard Business Review*, 84(10), 72–80.
7. Clayton, B. (2005). *A Draft Literature Review on Issues Concerning Organizational Culture and Structure in the Education and Training Sector*. Australian, Consortium

Research Program: Department of Education, Science and Training (DEST) and National Center for Education Research (NCVER).

8. Connor, P. E., & Lake, L. K. (1988). *Managing organizational change*. New York: Mc. Grew Hill publishing.
9. Deal, T. E. (1993). The culture of PHLEIs. In M. Shaskin & H. J. Walberg (Eds.). *Educational leadership and school culture I* (pp. 3 – 18). Berkeley, CA: McCutchan Publishing Company.
10. Freiberg, H.J. (1998). Measuring school climate: let me count the ways. *Educational Leadership Journal*, 56(1), 22-26.
11. Hemmelgarn, A. L. & Others. (2006). *Organizational Culture and Climate: Implications for Services and Interventions Research*. University of Tennessee American Psychological Association. Blackwell Publishing.
12. Heslin, P. A. (2005) *Experiencing Career Success*. *Organizational Dynamics Journal*, Vol. 34, No. 4, 376–390, Elsevier Inc.
13. Ivancevich, J. M. and Matteson, M. T. (2002). *Organizational Behavior and Management* (6th Ed). New York: McGraw-Hill publication.
14. Jones, A. P., & James, L. R. (1979). Psychological climate: Dimensions and relationships of individual and aggregated work environment perceptions. *Organizational Behavior and Human Performance*, 23, 201–250.
15. Jones, R. A.; Nerina, J. L. & Griffiths, A. (2005, March). The Impact of Organizational Culture and Reshaping Capabilities on Change Implementation Success: The Mediating Role of Readiness for Change University of Queensland, *Journal of Management Studies*, 42:2
16. Kelner, S. (1998) .*Managing the Climate of a TQM Organization Center for Quality of Management Journal* Vol.7, No. 1
17. Kezar, A. & Eckel, P. D. (2002) .*The Effect of Institutional Culture on Change Strategies in Higher Education Universal Principles or Culturally Responsive Concepts The Ohio State University American Council on Education. The Journal of Higher Education*, Vol. 73, No. 4
18. Kilmann, R. H., & Saxton, M. J. (1991), the Kilman-Saxton Culture-Gap Survey. Assessing actual versus desired cultural norms. Tuxedo, NY: XICOM Incorporated.
19. Kilmann, R. H., Saxton, M. J., & Serpa, R. (1985a) Introduction: Five key issues in understanding and changing culture. In R. H. Kilman, M.J. Saxton, & R. Serpa (Eds)., *Gaining control of the corporate culture* (pp.1-16). San Francisco: Jossey-Bass.
20. Merriam-Webster Online Dictionary (2005). Culture. Retrieved on January 18, 2005.
21. National Center for Cultural Competence (2005). Cultural and linguistic competence: Definitions, frameworks, and implications. Retrieved from www.ncccurrricula.info/culturalcompetence.html.
22. National Study of School Evaluation (2005). Survey and opinion inventories. Retrieved on March 7, 2005 from: http://209.224.198.181/surveys_opinion

23. Owens, R. G. (2004). Organizational behavior in education: Adaptive leadership University School of Business at Washington, D.C.
24. Patricia, W. S. and Others. (2006). Organizational Climate of Staff Working Conditions and Safety—an Integrative Model. Columbia University School of Nursing, Agency for Healthcare Research and Quality (MH).
25. Peterson, K. D. & Deal, T. E. (1998). How leaders influence culture of PHLEIs. *Educational Leadership Journal*, 56(1), 28-30.
26. Plunkett, S. (1991). Supervision. New York: McGraw-Hill publication.
27. Quinn, J. B. (1980). Strategies for change: Logical instrumentalism. Homewood, IL: Richard D. Irwin.
28. Rosenholtz, S. (1989). Teachers' workplace perception. New York: Longman.
29. Rousseau, D. M. (1990). Assessing organizational culture. San Francisco: Jossey-Bass.
30. Ruth, J. L. (1962). Secondary education in Africa. New York: Macmillan publishing.
31. Sathe, V. (1985). How to decipher and change corporate culture. In R. H. Kilman, M.J. Saxton, & R. Serpa (Eds.), *Gaining control of the corporate culture* (pp. 230- 261). San Francisco: Jossey-Bass.
32. Schein, E. (1985). *Organizational culture and leadership*. San Francisco: Jossey-Bass.
33. Schein, E. H. (1984). Coming to a new awareness of corporate culture. *New York: Sloan Management Review*.
34. Schein, E. H. (1985a). How culture forms, develops, and changes. In R. H. Kilman, M.J. Saxton, & R. Serpa (Eds.), *Gaining control of the corporate culture* (pp. 17-43). San Francisco: Jossey-Bass.
35. Schein, E. H. (1985b). *Organizational culture and leadership*. San Francisco: Jossey-Bass.
36. Schein, E. H. (1990). Organizational culture. *American Psycho-logiest*,
37. Schein, E. H. (1992). *Organizational culture and leadership* (2nd Ed.). San Francisco: Jossey-Bass.
38. Schein, E.H. (1999). *The corporate culture survival guide: Sense and nonsense about culture change*. San Francisco: Jossey-Bass.
39. Schnake, J. K. (1990). *Human Relation*. New York: McGraw-Hill publication.
40. Sergiovanni, T. (2001). *Leadership: What is in it for PHLEIs?* London: Rutledge Flamer.
41. Thompson, C.A. and Others (2004). *Work family Culture and Climate*. New York: School of Business, Baruch College press.
42. Wilkins, A. L., & Patterson, K. J. (1985). You can't get there from here: What will make culture-change projects fail. In R. H. Kilman, M. J. Saxton, & R. Serpa (Eds.), *Gaining control of the corporate culture* (pp. 262-291). San Francisco: Jossey-Bass.