

## **Culture of an Organization and Its Purpose**

Author

**Dr. Sunanda Choudhary,**  
Professor

**HR Dept., Central University of Gujarat**

### **Abstract**

As one of the key 'stable factors', culture within an organization is playing a critical role in the organization's everyday operations. Although the culture literature has at times focused on the culture of an organization as shared basic assumptions (Schein, 1985), or as metaphors within organizations (Morgan, 1986, 1997), it is not sufficient to attempt to understand and measure them. This paper explores organizational culture in general, some definitions and implications of organizational culture are reviewed from different perspectives, and Cliffe's cultural themes are addressed with the use of Scholes' cultural web and Hofstede's onion diagram model of organizational culture.

**Keywords:** Culture, Organizational culture, Cultural themes

### **1. Organizational culture**

Historically, there are numberless definitions about organizational culture, which is defined in many different ways in the literature. Perhaps the most commonly known definition is "the way we do things around here" (Lundy & Cowling, 1996). Organizational culture is manifested in the typical characteristics of the organization, in other words, organizational culture should be regarded as the right way in which things are done or problems should be understood in the organization. It is widely accepted that organizational culture is defined as the deeply rooted values and beliefs that are shared by personnel in an organization.

Ogbonna (1992) declaring that organizational cultures are the outcomes of '... the interweaving of an individual into a community and the collective programming of the mind that distinguishes members ... it is the values, norms, beliefs and customs that an individual holds in common with other members of a social unit or group ...'.

Another opinion from Bro Uttal (1983) who regarded organization culture as a system of shared values (what is important) and beliefs (how things work) that interact with a company's people, organization structures, and control systems to produce behavioral norms (the way we do things around here).

In another perspective, culture may be considered as 'software' within an organization, since it is 'software', so, managers are supposed to study carefully and try to find how does each element of 'software' works on the basis of 'hardware' (simply regarding an organization as an operating hardware).

Generally speaking, organization culture is the "set theory" of important values, beliefs, and understandings that members share in common, culture provides better (or the best) ways of thinking, feeling and reacting that could help managers to make decision and arrange activities of organization. A successful organization should have strong cultures that can attract, hold, and reward people for performing roles and achieving goals, whereas strong cultures are usually characterized by dedication and co-operation in the service of common values. So, how much does an employee involve for an organization at their best should be recognized clearly.

Andrew Brown (1995, 1998) stated the definition of organizational culture in his book *Organizational Culture* is as follows:

*“Organizational culture refers to the pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organization’s history, and which tend to be manifested in its material arrangements and in the behaviours of its members.”*

In contrast, other authors such as Schein (1985a) have suggested that culture is best thought of as a set of psychological predispositions (which he calls ‘basic assumptions’) that members of an organization possess, and which leads them to think and act in certain ways.

So, Schein (1985, Ch.1) offers another approach to understanding the concept of organizational culture. For him, it is:

*“A pattern of shared basic assumptions that a group learns as it solves its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.”*

Whereas Hofstede (1984) wrote of *“the collective programming of the mind which distinguishes the members of one human group from another”* as the meaning of the term organizational culture, which seems an interesting way of understanding the notion, and despite he ‘discovered’ four areas of work related value differences at that time (power distance; uncertainty avoidance; individualism/collectivism; masculinity/femininity), however, in 1992, Hofstede used the term ‘practices’ to refer to social and cultural phenomena, and in Hofstede’s perspective, it is quite important to locate the deeply held values of organization members at the very center of the organization’s culture. In reality, for some organization members, these values will be so deeply held that they will not be possible to change at all.

However, how we choose to define culture has considerable implications for how we attempt to examine and study it, different authorities in the literature has introduced different interpretations. In practice, no matter what size or nature it is, an organization might have its own culture interpretation and comprehension within a given environment.

## **2. The themes of organizational culture**

From literature perspective, organizational culture have been identified four main themes by British authors Maull, Brown and Cliffe in 2001, which are addressed as follows:

First, culture is a learned entity.

At a basic level, culture may be defined as “the way we do things around here” or “the way we think about things around here” (Williams et al, 1994). In general, by studying the definitions of culture, managers should predict or grasp the general trend of employees’ behaviors and thinking, because the definitions of culture deal primarily with the way they act or the way they think. A widely accepted definition of culture provided by Schein (1984) is:

*“The pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.”*

The key feature of this theme is that culture is used as the correct way for new employees to

behave, thereby, culture can perpetuate organizational survival and growth.

Second, culture is viewed as a belief system.

For example, Davis (1984) defines culture as:

*“The pattern of shared beliefs and values that give members of an institution meaning, and provide them with the rules for behaviour in their organization.”*

In order to understand the far-researching sense of this culture theme, the three English authors divide organizational culture into fundamental guiding beliefs and daily beliefs. And they advocate that guiding beliefs provide the context for the practical beliefs of everyday life, that is to say, guiding beliefs give direction to daily beliefs. As fundamental precepts, guiding beliefs rarely change since they are in the realm of universal truth.

On the other hand, daily beliefs are also part of the company culture and can be described as the rules and feelings about everyday behaviour. However these are dynamic and situational; they have to change to match context.

Third, culture is seen as strategy.

Having finished a wide ranging analysis, Bate (1995) disagrees with the distinction between strategy and culture, and supports that “...culture is a strategic phenomenon: strategy is a culture phenomenon.” That is to say, there are twofold implications of such beliefs: first, any kind of strategy formulation is a cultural activity, for example, the development of strategy is just a cultural development; second, all cultural changes should be viewed as strategic changes.

In reality, any culture programme in an organization is not separate, because any change of cultural programme is always taking place within formal and informal strategic planning processes,

The fourth perspective is to view culture as mental programming.

One of the key supporters of this perspective is Hofstede (1980), according to Hofstede, culture is the “collective programming of the mind, which distinguishes the members of one category of people from another.”

Hofstede also divided culture into four layers (or four main elements): symbols, heroes, rituals and values. Far researching at the four layers is critical for organizational managers, because it can affect business or operation at different degree and in different ways. An onion diagram model of organizational culture developed by Hofstede *et al.* (1997) is presented here (Figure 1).



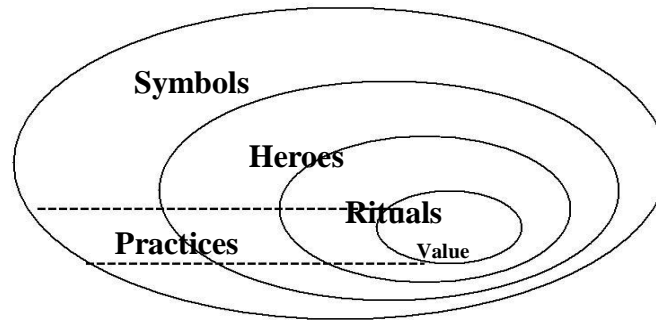


Figure 1. Onion Diagram

Source: Hofstede (1997), P9.

As we can see, *values* form the core of culture, which are the deepest level of culture, values are intimately connected with moral and ethical codes (Brown, 1988), and determine what people think ought to be done, and identify ‘likes’ and ‘dislikes’ for both employers and employees. *Rituals* are collective activities which are considered socially essential, and *heroes* are persons who possess characteristics which are highly prized and are often the “winners” or those who get on in an organization. According to Deal and Kennedy (1982): ‘the hero is a great motivator. The magician, the person everyone will count on when things get tough ...’ *Symbols* are the most overt element of culture and are the gestures, objects, words or acts that signify something different or wider from the others, and which have meaning for individual or group.

Similarly, Johnson and Scholes (1999) presented a cultural web (Figure 2) so as to enable people completely understand the culture of an organization. The cultural web is actually a useful ideal tool to make links to with the political, symbolic, and structural aspects of the organization, and it can be guided the development of strategy. Generally speaking, the cultural web is useful to identify a culture within an organization.

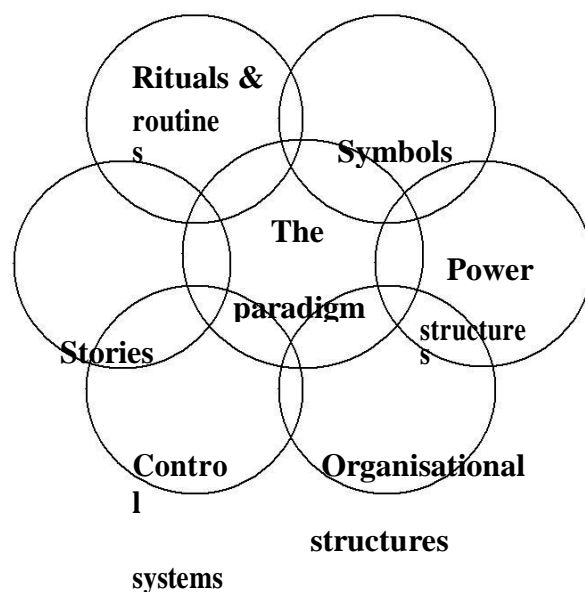


Figure 2. Culture Web

Source: Johnson and Scholes (1999), P. 74

In the cultural web, there are seven key elements that are inter-linked. At the center, are the

paradigm or commonly held beliefs and values of the organization, and the seven elements (routine, rituals, stories, symbols, control systems, power structures, and organizational structure) could be formed in the different developing period of an organization. In practice, these assumptions, beliefs, and values are most established by leaders of the organization and present a powerful set of forces, such as the seven key elements, which are deep, broad, and stable. They result in behaviors that serve as a guide to employees about what is considered appropriate or inappropriate behavior in the organization.

Of course, the identification of culture's four themes is not sufficient to attempt to understand and measure the culture of the organization. However, it is also imperative to measure the impact that the culture has on the everyday operations and workings of the organization, that is, how the organization organizes itself, its relations with customers (internal and external) and how the organization treats staff, those should be key aspects when building a successful culture.

### **3. The importance of organizational culture**

Hofstede (1997) said that culture influence how people behaviour and think, so, it is important to understand culture within an organization; whereas Jim Griesemer (2000) strongly supported that organizational development can promote humanistic values, so, earlier in 1982, Deal and Kennedy advocated that organization development should be combined with organizational culture effectively, in order to make people work efficiently.

When we talk about the role of organizational culture in an organization, it is normally better to start from two perspectives which were provided by E. C. Martins and F. Terblanche (2003): the functions of organizational culture and the influence that organizational culture has on the different processes in the organization.

Normally, the functions of organizational culture manifest itself in two aims: first, creating the feeling of identity among personnel and commitment to the organization; second, creating a competitive edge to enable the members (especially new members) in the organization to well understand acceptable behaviour and social system stability (Martins, 2000).

It is the fact that organizational culture can offer a shared system of meanings, which forms the basis of communication and mutual understanding. If the organizational culture does not fulfill these functions in a satisfactory way, the culture may significantly reduce the efficiency of an organization (Furnham & Gunter, 1993).

On the other hand, organizations use different resources and processes to guide behaviour and change. Organizational culture is playing an indirect role in influencing behaviour by using reasonable managerial tools, such as strategic direction, goals, tasks, technology, structure, communication, decision making, cooperation and interpersonal relationships, and so forth, which are all designed to do things (Martins & Terblanche, 2003).

In order to become an efficient organization, the importance of culture should not be neglected (Schneider & Barsoux, 1997), because culture has an impact on how the organization is run. Earlier in the year of 1986, Gareth Morgan argued that an organization is basically a human nature operation, so he stressed the need to build organizations around people rather than techniques.

Additionally, according to Campbell and Stonehouse(1999), culture can also have influence on: employee motivation; employee morale and 'good will'; productivity and efficiency; the quality of work; innovation and creativity and the attitude of employees in the workplace.

In terms of an organization's development, organizational culture can be used as different tools to help the organization reach success. First, organizational culture is a powerful tool for improving

business performance (Brown, 1995), it can also be a competitive advantage against the organization's competitors, for example, some companies like Hewlett-Packard and IBM, the organizational culture within the two companies has become a competitive advantage over their competitors.

Secondly, organizational culture can be a tool of management control. Managers could use selected rites, stories, symbols and common values to control and direct employee behaviour. From the future perspective, this form of control could be cheaper and could build commitment to the organization and its goals.

Hence, Buchanan and Huczynski (1997) argued that management today is moving from bureaucratic control to humanistic control. In the current society, organizations are seeking to satisfy their members' needs by providing satisfying work tasks or a pleasant team working life through internal control, and all those aims could be achieved with the help of their organizational culture, and only with a complete and pleasant understanding of organizational culture, individuals would more willing to commit themselves to their organizations.

Similarly, Hellriegel *et al* (2001) also add that organizational culture has the potential to enhance organizational performance, individual satisfaction, problems solving, and so on.

However, not all scholars agree with the above opinions about culture's roles. Some researchers argue that organizational culture is partly the outcome of society factors. Johnson and Scholes (1999) have pointed out, that significant value of society change is becoming more and more complex and is out-of-date, and therefore, those right things or decisions, such as strategies, which were acceptable and successful in the past, may not be used today.

What's more, more employees have begun to feel that organizational cultures established many years ago are out of step with the contemporary values, thus, the need to determine which attributes of an organization's culture should be preserved and which should be modified is constant.

#### **4. Conclusion**

Every organization has its own unique culture or value set, and different organization may have its own comprehension of culture meaning. The culture of the organization is typically created unconsciously, based on the values of the top management or the founders of an organization.

In order to achieve a successful culture, managers shouldn't ignore organizational culture and its themes, because culture can be used as a competitive advantage during organizational development, and a strong culture (one in which beliefs and values are widely shared and strongly held) can also offer many advantages, such as cooperation, control, communication or commitment. Meanwhile, the importance of organizational culture is growing as the result of several recent developments, and the cultural themes can be used constantly to measure the culture of the organization.

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