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ORGANIZATIONAL CULTURE

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Abstract:

This article examines the existing literature on relationships between an organization and its culture, processes and approaches, individual efforts of those involved from leaders to employee. The paper further argues that certain organizational cultural attributes contribute to the shaping of future courses of action, failure or not in achieving change, and considerate the goals and strategies of the business. Next, this article focuses on vision, values, and mission as core descriptive of an organization and the climate required for successful achievement of the mission statement and vision statement. Basically, organizational culture is the personality of the organization, and will drive the employee’s efficiency and company performance levels. Culture is comprised of the assumptions, values, norms and tangible signs (artifacts) of organization members and their behaviors, and leadership.

Keywords: Organizational, vision, mission, culture, performance, culture of forgiveness, and leadership

1. Introduction

Organizational culture can be described as “*the personality of an organization*”, or simply as “*how things are done around here*”. It shows how employees think, act, and feel. Organization culture is a key aspect to the organization's success or failure. Organizational culture “*shapes the way people act and interact and strongly influences how things get done*”. Culture can also be expressed through the organization's myths, heroes, legends, stories, jargon, rites, and rituals. Corporate culture is a key component in the achievement of an organization's mission and strategies, the improvement of organizational effectiveness, and the management of change [1].

There are countless different definitions of organizational culture. The majority of them suggest in essence the same principle, that the organization’s culture is the shared values, beliefs and assumptions of how the members should behave. The rationale of the culture is to understand how organizations function and gives sense and importance to the organizations’ way of doing business. Culture helps to promote inner integration, bring labor force from all layers of the organization much nearer together, increases moral, and enhances their performance. Organizational culture shapes its members in the same way as personality shapes an individual, and defines what the organization is willing to do. An organization should not only emphasize cost-effectiveness without makes certain that its people are working in a ‘healthy’ organizational culture.

Organizational culture can be defined as “*a system of shared assumptions, beliefs and values that develops within an organization and guides its members to certain models of*

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behavior. It comprises usual habits, behaviors, rules, dominant ethics, and a mood or climate conveyed". Nevertheless, it appears a false impression that throughout an organization only one homogeneous culture may be present. The definition above fails to be aware of that in many organizations there are quite habitually groups that subsist along with the dominant culture having their own culture. They may have morals that are not consistent, or outwardly decline the culture as a whole; but at the same time they are still able to preserve their position.

However, a strong organizational culture can be harmfully and actually affecting the performance of their workforce. Sometimes the organization's culture can act as an impediment to the member of staff that are fighting to achieve a certain status within the organization. The rationale and purpose of this culture is to help encourage internal integration, by convey staff members from all the organization's layers much nearer together, and by enhancing their and overall organization's performance.

2. Sustaining an Effective Organizational Culture [2]

As mention above an organizational culture that consists of a complex set of beliefs, ideology, symbols, and core values that is shared throughout the organization and influences the way it conducts business. Shaping the organization's culture is a central task of effective strategic leadership. Resistance to change sometimes appears irrational and self defeating, but can be understood by studying the culture of the organization. Schein describes culture as "*a pattern of shared basic assumption*" held by the people of a group which defines how they perceive their role and how they think and feel. [4],[10]

Cultural identity gives the group internal stability and cohesion as well as differentiating it from other groups. Large organizations may have additional, discrete cultures based around the sub groups which exert a stronger influence than that of the organization as whole). Challenge the culture and the group will defend it. Understanding and accepting of culture is important if cultural change is required to match the changing environment. An appropriate organizational culture encourages the development of an entrepreneurial orientation among employees and an ability to change the culture as necessary.

3. Mission Statements and Vision Statements - Dimensions of Culture

Nevertheless various successful organizations, corporations or companies merge both their present undertakings, which would typically be found in a *Mission statement*, together with their future ambitions in just one statement; a depiction of both a *mission* and *vision statement*, a hybrid. These statements are the organization's formal philosophy. There are no rules, the choice is down to the organization to decide what they are trying to achieve and who will be reading the statement. The answer to good vision and mission statements is briefness and clearness. Organization's members need to "fit" into the organization culture; how sound the member of staff 'fits' the culture makes the difference between *job-search* success and failure. Sometimes the organization statements (mission and vision) orient the applicant from the very beginning. However to avoid confusion a line must be drawn to distinguish two statements that define the organization culture at official level:

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Mission Statement portray why the organization do exists, without mentioning the used methods. It names evidently the “business” the organization is in; is adequate short for each one to bear in mind and simply communicate; is broad as much as necessary to facilitate expansion and development; is as narrow as to provide course and direction facilitate decision-making. Here are some examples of company mission statements describing the corporate culture [3]:

- McDonald's Mission Statement *“to be the world's best quick service restaurant experience. Being the best means providing outstanding quality, service, cleanliness, and value, so that we make every customer in every restaurant smile”*
- Google's Mission Statement: *“to organize the world's information and make it universally accessible and useful”*.
- Amherst, *“a computer sales and technology solutions company”*.
- Microsoft, *“a technology and software development company”*.
- Synaptic, *“a worldwide developer of custom-designed user interface solutions”*.
- Time, Inc., *“a division of Time Warner, Inc., and a leading magazine publisher, book publisher and leader in new media ventures”*.
- W.L. Gore & Associates, *“a fluor-polymer technology company”*.
- Toyota, *“To sustain profitable growth by providing the best customer experience and dealer support.”*

Vision Statement expresses the future desired state foreseen for the organization (up to fifteen years or more). It names the outcome you plan to reach – the effect you will make; echo foundation values and motivates and bring together staff, board, other volunteers, and contributors in a common effort; provide as both a inspiration and measure of progress. For employees, it gives direction about how they are expected to behave and inspires them to give their best. Shared with customers, it shapes customers' understanding of why they should work with the organization. The vision statement at all times has addressed the impact that the organization it will make; the future of the costumers that the organization envisions as a result of carrying out its mission. vision statements always have to be crafted with the envisioning of the societal future as the main point. Beside the mission and vision of course come the organization's values. Vision, values, and mission ought to be the core descriptive of an organization. Here are some examples of company vision statements describing the corporate culture:

- Toyota Vision Statement *“To become the most successful and respected lift truck company in the U.S”*.
- Hewlett Packard *“We recognize and seize opportunities for growth that builds upon our strengths and competencies”*.
- General Motor *“GM's vision is to be the world leader in transportation products and related services. We will earn our customers' enthusiasm through continuous improvement driven by the integrity, teamwork, and innovation of GM people.”*

4. The Building Block of the Organization's Culture

Concurrently according to Schein [10]: *“culture is a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and*

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internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way you perceive, think, and feel in relation to those problems". Culture expands as a consequence of personality and collective experiences over times, which are passed on to other members of the group. Besides the factors that enlighten an organization's culture are rituals and routines, stories, symbols, organizational structures, and relationship of the power. These physical manifestations stand for building block of the organization's culture and may be easily recognized but the underlying, taken-for-granted assumptions which have a deeper influence on attitudes and behaviors may be harder unravel. When the prevailing culture has become destructive or a hindrance to the directions an organization must take if it is to adapt and survive, then it is the functions of the leader to recognize this and to change the culture. At the same time they do have an utmost important role when it comes about organization cultural memory.

5. Changing Organization's Culture. Organizational Change Fails?

Real change is a transformation of attitudes, norms, institutions and behaviors that structure daily lives. It embraces new cultural patterns and institutional arrangements and new psychological dispositions. It affects the attitudes and behaviors of the organization's membership and provides leaders with the leverage to achieve their vision. The test of success is whether the change substantially influences the day to day behavior and attitudes of everyone in terms, for example of adherence to policies on safety and equal opportunities. Schein¹ suggests that the most important thing that leaders do is create and change culture and this distinguishes them from mere managers.[10] Schein's model of organizational culture originated in the 1980s. Schein based his theory on three distinct levels in organizational cultures: artifacts and behaviors, espoused values and assumptions.

- Artifacts – touchable or verbally identifiable elements in an organization. Buildings, offices design, dress code, and history all portrays organizational artifacts.
- Values - organization's stated or desired cultural elements. This is a written or stated tone.
- Assumptions - actual values that the culture represents. Assumptions are hard to recognize. These are not necessarily interrelated to the values but are classically well integrated in the office dynamic.

Further more, Bass added: "*The transactional leader works within the organizational culture as it exists; the transformational leader changes the organizational culture*".[6]

It is frequently observed that the predominance of most important changes programmes in public sector are to some extent successful or just fails completely. The drive for failure vary from poor project management, to poor communication; vague objectives, lack of suitable ability; bad timing; technological problems; or the bad luck of the unforeseen. For a few, change stands for an occasion and a welcome challenge; for others it is a hazard, a risk or a threat. For these the threat to the familiar old order of things, to the organization and thereby

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to their personal interests, is one to be resisted. If resistance gains a hold, winning the commitment of people to work with change will falter, performance will fall off and the programme will ultimately stall. This may increase the likelihood of oppositions to the next round of change.

6. People and the Change in Organizational Culture

Change signifies volatility and unpredictability and is a source of stress. The observed effect is a sequence of emotional response. It starts with an initial shock, go through anger, depression appear to be stabilized during the understanding and acceptance stages and come up to an end by adoption.

The process is commonly referred to as the “*transition curve*”. Individuals will move through this emotional sequence at different speeds and for many of stages may never be manifested. Others may be locked into negative reactions. They believe their rights have been violated. They may misunderstand the reason and take a view that there are most costs than benefits for the organization and for themselves. They may fear they do not have skills or attitude to meet the new requirements. Criticism is voiced, distrust and cynicism builds; some will work actively to undermine the process.

Overcoming resistance in a positive way will largely depend on changing attitudes and behaviors. Those who remain in denial or hostile to change have no place in the transformed organization.

7. Organizational Culture’s Change Agents

Leaders have a clear role as agents for change. What set them apart as successful leaders is their ability to thrive on turbulence and instability. They possess clarity of purpose but are sensitive to the effects of change the people within the organization. The successful leadership is able to match the degree of turbulence to the team’s tolerance to it. They judge the tempo of change and understand the stress begins to have an adverse impact on individuals and the organization as a whole.

Good leaders stage the change programme by creating periods of temporary calm, absorbing the uncertainty themselves, during which time, the team can recover and prepare for the next phase of turbulence. Flexibility, team building and negotiating skills; a tolerance of ambiguity; an ability to communicate and impart personal enthusiasm and energy are also important qualities that the effective change leader needs.

8. Forgiveness and Learning in Culture [7]

An in-depth study done by the *Enterprise Social Learning Architecture (ESLA) Task* interested in education processes in two different setting within the Australian Defence Organisation reports the methodologies and conclusion regarding a *culture of forgiveness*. The ESLA team noticed of that settings illustrating a *culture of forgiveness* and an environment where exploration, errors and assuming some risk were acceptable were those where collaborative age group of new ideas was more common. Davenport and Prusak [8] (1998)

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emphasize that being short of forgiveness for errors making it slows or stops or even corrodes some of the knowledge or information sharing within the organization .

Organizations are accountable to craft a culture in which learning happens, and that culture will establish the value of learning that takes place. Such cultures that diminish the panic of making mistakes and exercises admiration and rewards, not only for those who accomplished something but also for those who worked hard and might not have attained the desired outcome, is significant in the learning organization. In the same way, Ellinger [9] (1999) give emphasis to that speaking freely, communicating and the support of questions asking are valuable vectors for encouraging the organizational learning. The culture of forgiveness and learning from errors was extensively common in the military low level environment where errors and inaccuracy were freely tolerated and conversed. This put into practice turn out to be a vehicle from which the entire group takes advantage.[7]

9. Instead of Conclusion

Culture gives to human activity meaning and substance. The organizational culture may be shaped and molded through years of observation, examination and analysis.

Culture defines leadership. Due to their position in the organization strategic leaders have the best view on dynamics of the organization culture; what should continue, and what needs transformation. Strategic success is based on the leaders' broad perspective. The culture is very easier said than done to change.

Culture within an organization is created from inside as long as the group gain knowledge of and adapts to its internal and external environment. The group adopts standard operating procedures, values, beliefs, and assumptions including culture of forgiveness and learning from mistakes. Individuals may skip over stages or steps but hardly an organization. Organizations need great leaders having great vision. Every factor within the organization shapes the culture one way or another. Every organization has its own unique culture and resists any change. It is commonly agreed that accountability and burden lies with the executive to lead in such a way that encourage and uphold a positive working culture. Schein has very effective five *don't's* for the leaders:

- *“don't oversimplify culture by trying to change values or climate;*
- *don't label culture;*
- *don't assume that the leader can manipulate culture. Culture may end up controlling the leader rather than being controlled by him or her;*
- *don't assume that there is a “correct’ culture, or that a strong culture is better than a weak one;*
- *don't assume that all the aspects of an organization's culture are important.”*

Effective organizations empower and engage their people, build their organization around teams, and develop human capability at all levels.

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