

# International Journal of Advance Research in Computer Science and Management Studies

Research Article / Survey Paper / Case Study

Available online at: [www.ijarcsms.com](http://www.ijarcsms.com)

## Organizational Culture: A Conceptual Framework

**Apoorva Singh**

Research Scholar: University School of Management  
Kurukshetra University  
Kurukshetra – India

*Abstract: The concept of organizational culture has been in discussion in academic, research and policy since ages. There has been wide range of perspectives on meaning of culture and ways to measure it. Organizational culture is that system which can promote or hinder the growth of the organization. It is the glue that holds the organization together and provides directions to the members. These are those belief systems which money cannot buy and if identified and managed precisely, can lead to great success of the organization. This paper focuses on the conceptual framework of organizational culture, its role in the organization by discussing the cases of two different organizations. This paper also sheds the light on the measurement of organizational culture and it explores organizational culture embedding mechanisms.*

*Keywords: Organizational culture, Framework, Role, Embedding Mechanism, Measurement.*

### I. INTRODUCTION

The idea that organizations have culture has been acknowledged since Lewin, Lippitt and White's (1939) research on creating social climate. Culture and climate are integral parts of an organization. Organizational culture is a critical element of organizational life. It holds the organization together. It is the fabric of 'the way we do things around here'. Organization culture refers to a system of shared meanings held by members that distinguish one organization from other organizations (Schien, 1985). Organizational culture provides employees with a clear understanding of the way things are done in that organization. It is the perceived, subjective influence of formal system, the informal style of managers and other significant environmental factors on the attitudes, beliefs, values and motivation of the people in a particular organization (Litwin and Stringer, 1968) The present paper has been divided into different segments. The first segment discusses the concept of organizational culture and its meaning and definitions from different viewpoints of authors. Second segment discusses the ways to incorporate culture in the organization. The third segment discusses the dimensions to measure the organizational culture. The last segment discusses the role that organizational culture plays in the businesses.

### II. CONCEPT OF ORGANIZATIONAL CULTURE

According to Webster's dictionary, culture is the ideas, customs, skill, arts etc of a given people in a given period. The strongest component of the work culture is the beliefs and attitudes of employees. It is the people who make up the culture. The organization's performance will reflect those beliefs. Stewart (2007) stated that an organization's cultural norms strongly affect all who are involved in the organization. Those norms are almost invisible, but if we would like to improve performance and profitability, norms are one of the first places to look. Organizational culture is not just an important factor but it is the central driver of superior business performance. A company's culture influences everything a company does. It is the core of what the company is really like, how it operates, what it focuses on and how it treats its customers, employees and shareholders (Gallagher and Brown, 2007).

The five dimensions discussed by Hofstede (1980), viz. power distance, uncertainty avoidance, individualism/collectivism and masculinity/femininity, helps to understand the potential problems of managing employees from different cultures. One interesting finding of his research was the impact of culture on a country's economic health. He found that countries with

individualistic cultures i.e. where people are supposed to look after themselves were wealthier nations. Collectivistic cultures in which people are loyal to certain groups with high power distance were all poor nations.. Cultures seem to affect a country's economy through their promotion of individual work ethics and incentives for individuals to increase their human capital.

Peters and Waterman (1982) argued that companies with strong culture where all the members of organization have same set of values and beliefs are highly successful. They argued that superior firm performance is achieved if a company moves away from a purely technical, rationalistic approach towards a more adaptive and humanistic approach.

The dimensions of culture such that trust, openness and environment of creativity and innovation, adaptability and consistency affects the organizational performance of employees. The creative culture also affects the long term commitment of employees. If the organization fosters an environment of creativity and openness, employees will express themselves freely. They will feel that their ideas are of value to the organization and they have a role in the success of organization thus leading to higher performance and more commitment. Organizational culture is the beliefs, values, norms of the organization. These set of value systems and beliefs define how things are done in the organization, what is the way of behaving in the organization. Organizational culture does not develop in a day, a week or a year. It takes effort on the part of the management to develop the culture or some call it corporate culture. The performance of the organization and employees reflects the culture of the organization. The concept of culture is seen as a kind of bridge between the individual and the organization. Culture performs a number of functions within an organization. It conveys a sense of identity for the role incumbents, it facilitates the generation of commitment and it enhances social system stability. Finally, culture sells as a sense making and control mechanism that guides and shapes the attitudes and behaviour of employees.

There are many terms and definitions used by many researchers to denote and explain organizational culture. Organizational culture has been characterized by many authors as something to do with people and the unique quality and style of organization (Kilman et al, 1985) and the way things are done in the organizations (Deal and Kennedy, 1982). Organizational culture is also denoted by corporate culture. Corporate culture is used to denote more commercialized meaning of organizational culture.

According to Hofstede (1980), organizational culture refers to the collective programming of the mind that distinguishes the members of one organization from another. This includes shared beliefs, values and practice that distinguish one organization from another.

The anthropologist Tylor (1871) gave the oldest definition of culture stating that it is the complex whole reinforced by knowledge, belief, art, law, morals, custom and other capabilities and habits of man as a member of society. After him another definition was given by Kroeber and Kluckhohn (1952) as the transmitted patterns of values, ideas and other symbolic systems that shape behaviour of an organization.

**I. TABLE : DEFINITIONS of ORGANIZATIONAL CULTURE**

<b>Author/s</b>	<b>Definition</b>
Kroeber and Kluckhohn (1952)	Transmitted patterns of values, ideas and other symbolic systems that shape behaviour of an organization
Hall (1976)	Common unstated experiences. It is an aggregation of ideals, values and assumptions that guide specific behaviours
Hofstede (1980)	The collective programming of the mind that distinguishes the members of one organization from another. This included shared beliefs, values and practices that distinguished one organization to another
Swartz and Jordon (1980)	Patterns of beliefs and expectations shared by members that produce norms shaping behaviour
Ouchi (1981)	Set of symbols, ceremonies and myths that

	communicate the underlying values and beliefs of the organization to its employees
Martin and Siehl (1983)	Glue that holds together an organization through shared patterns of meaning. Three component systems: context or core values, forms(process of communication, e.g. jargon), strategies to reinforce content(e.g. rewards, training programs)
Uttal (1983)	Shared values (what is important) and beliefs (how things work) that interact with an organization's structures and control systems to produce behavioural norms (the way we do things around here)
Adler (1986)	Refers to something that is shared by all or almost all members of some social groups. -something that the older members of the group try to pass on to the younger members and -something that shapes behaviour or structures of the organization
Ruben (1989)	Culture is the extent that members of a social system share particular symbols, meanings, images, rules, structures, habits, values and information processing and transformational patterns they can be said to share a common culture.
Denison (1990)	Refers to the underlying values, beliefs and principles that serve as a foundation for an organization's management system as well as the set of management practices and behaviours that both exemplify and reinforce those basic principles
Gudy Kunst and Kim (1992)	Culture interprets the world and helps us to know how to behave
Trompenaars (1993)	It is the way in which people solved problems. It is a shared system of meanings. It dictates what we pay attention to, how we act and what we value
Goffee (1996)	Is an outcome of how people relate to one another
K.Prasad (1996)	Culture is defined to encompass the whole gamut of the existing ways of interaction, activities, values, attitudes, norms, beliefs, sentiments and feelings, the task, the technology including the products, machines and the structure etc.
Hartman (1996)	Culture includes laws, rules and systems as well as language, history, formal and informal practices, beliefs and rituals
Schneider (1997)	Shared patterns of behaviour and the meaning of that behaviour
Cameron and Quinn (1999)	What is valued, the dominant leadership styles, the language success that make an organization unique
Deal (1999)	Culture as values, beliefs and behaviours that differentiate one organization from another
Sullivan (2001)	Refers to the total lifestyle of people, including all the values, ideas, knowledge, behaviours and material objects that they share
Wood (2001)	The systems of shared beliefs and values that develops within an organization or within its sub-units and that guides the

	behaviour of its members
Thomas and Tung (2003)	Refers to evolving set of shared beliefs, values, attitudes and logical processes which provides cognitive maps for people within a given societal group to perceive, think, reason, act, react and interact
Anthon (2004)	Is the set of values, beliefs and understanding shared by an organization's employees and it ranks among an organization's most powerful component
Taylor (2004)	Refers to what is created from the messages that are received about how people are expected to behave in the organization
Schein (2004)	As a dynamic phenomenon that surrounds us at all times, being constantly enacted and created by our interactions with others and shaped by leadership behaviour and a set of structures, routines, rules and norms that guide and constrain behaviour.
Wagner (2005)	An informal, shared way of perceiving life and membership in the organization that binds members together and influences what they think about themselves and their work

From the given definitions and views by different authors it can be summarised that organizational culture is the set of symbols, beliefs, core values, forms i.e. process of communication, strategies, shared values which serve as the foundation for the organization and act as a collective programming action through which people feel related to each other. These set of beliefs and value systems gets transmitted from generation to generation and makes it unique from another organizations.

Schein (1984) and Hofstede (1980) are the pioneers in the field of organizational culture. Researchers (Harrison and Carroll, 1991; Boeker, 1989; Schein, 1985) stated that the process such as individual and organizational selection, characteristics of powerful members such as the founders, the technology used and rate of growth differentiates one organization from another.

### III. WAYS TO INCORPORATE ORGANIZATIONAL CULTURE

Organizational culture differentiates one organization from other. It gives a unique identity to the organization. Culture is a way of inducing behaviour in the organization and helps in imparting and maintaining moral principles and values that govern the organization. There are different ways of creating culture and modifying the existing one.

Schein (2004) gave five primary embedding mechanisms which the leaders and the managers can use to teach their organizations how to perceive, think, feel and behave. These five mechanisms are as below:-

1. *What leaders pay attention to, measure and control on a regular basis:* Organizational members focus on those things on which the leaders pay their attention. This is one of the most powerful way of incorporating the values and beliefs in members. When the members find out the actions and results on which the leaders have a focus on, they will tend to pay attention on them and are likely to perform those actions only and bring the desired results. When the leaders and managers are consistent in their behaviour and clear about what they want in form of results, the members of organization will also move in the same direction. This consistency and alignment in actions of both the leaders and members will create a unique culture for the organization.
2. *How leaders react to critical incidents and organizational crisis:* Crisis in the organization brings out the core values and norms of the organization. When an organization faces any crisis, the manner in which the management deals with it brings out the core assumptions of its management. The deepest values of the people involved in the crisis are exposed at such

times. Sometimes, such crisis even changes the existing culture of the organization or altogether creates a new one. In situations like this, the management can influence the culture of the organization and can bring out the necessary changes as deemed fit.

3. *How leaders allocate resources, rewards and status:* The manner in which the resources are allocated and rewards are distributed and status is provided to the high performers and low performers tells a great deal about the culture of the organization. When the organization allocates more resources to high performing units and their status in the hierarchy is higher than low performers, the people feel more connected to the organization. If performance is equally rewarded, it shows transparency and trust in the organization which leads to high performance on the part of employees. They will tend to contribute more to the organization. These traits of high performance, trust, commitment, transparency show the culture of organization. Thus the management can create the culture based on such traits by allocating resources and rewards.
4. *Deliberate role modelling, teaching and coaching:* Members of the organization look up to their leaders, seniors and managers. They are treated as role models. Their actions, behaviours and traits are actively watched by the members. If the management wants to have a culture of mutual trust and promote an ethical behaviour, it should also act in the same manner. Whatever traits and combination of traits of culture are to be incorporate in the organizations, it comes only from the management. Thus by acting as a coach or a model, they can behave and act in a same way they want their employees to behave and act and bring the results.
5. *How leaders recruit, select, promote and communicate:* The recruitment strategy has a great impact on the culture of the organization. If the management want to embed certain cultural traits, it will hire only those people who possess those traits in terms of their values and beliefs and it eliminate those whose values and beliefs do not match with the organization. In a similar way, if the management does not want any change in the culture and processes of the organization, it will select those members whose values are the same s the organization.

#### IV. DIMENSIONS OF ORGANIZATIONAL CULTURE

Most widely accepted dimensions of organizational culture are provided by Hofstede (1980) and Schein (1985). Many researchers have adopted the dimensions provided by Hofstede (Leone, 1996; Gore, 1999; Sin and Tze, 2000). GLOBE study (Global Leadership and Organizational Behaviour Effectiveness) from 1992-2000 also utilized Hofstede's dimensions. Besides the dimensions given by Hofstede four more dimensions were added to conduct the study. The researchers who used these dimensions argue that Hofstede's dimensions have a greater level of objectivity and construct validity is also appropriate. His dimensions are based on the logic that national values affect the organizations and their outcomes and in a way affect the culture of the organizations. He stated that the comparison between the cultures of the organization can be made by identifying the national values and norms. The dimensions of organizational culture propounded by different authors are thus as follows:

- *The power distance dimension:* This dimension considers the way the power is distributed between the organization's members. The nations such as Australia, Israel, Norway have low power distance dimension indicating that these countries believes more in flatter organization pyramids, smaller wage differentials, less centralisation and where the white and blue collar jobs are valued equally. The countries such as India, Brazil and Mexico exhibit high power dimension with features just opposite to the low power distance countries. (Hofstede, 1991)
- *The masculinity/ femininity dimension:* The nations with low gender differentiation are Sweden, Thailand and Finland. They value the private lives of the individuals and organizations thus do not interfere in lives of the members, there is less job stress in the employees as opposed to Japan, Australia, Italy and Mexico where there is high gender differentiation and fewer women are in qualified jobs. (Hofstede, 1991)

- *The individualism/ collectivism dimension:* This dimension focuses on the individuality of the employees and their interests in the organization. The countries on the lower end of this dimension focus more on the well-being of the individuals, the management wants the employees to get attached to the organization thus the policies and practices of the organization also focus on the relations and loyalty. The organizations that are at the higher end of this dimension only have a calculated interest in the employees and employees are expected to take care of their interests on their own. (Hofstede, 1991)
- *The uncertainty avoidance dimension:* This dimension focuses on the way in which organization deals with the risks and uncertain situations. Countries such as Britain, U.S. and India are low on this dimension which indicates that these countries are eager to take risks and thus have policies and practices flexible enough to alter at such situations. Because of such risk taking management and flexible style of management, there is high turnover, lower satisfaction scores, fewer written rules as compared to nations such as Greece, Japan and France who are high on this dimension. (Hofstede, 1991)
- *The future orientation dimension:* The nations who are at the high end of this dimension have organizations with a longer strategic orientation, flexible and adaptive managers and intrinsically motivated staff as compared to those at the lower end. (House et. al., 2004)
- *The performance orientation dimension:* This dimension focuses on the degree to which rewards are encouraged for performance improvement and excellence. The nations who score higher on the performance orientation tend to value training and development, emphasize more on result than people, value assertiveness, aggression, competitiveness, value taking initiative and value bonuses and financial rewards as compared to those who scores lower on this dimension, who associate competition with defeat and punishment and regard being motivated by money as inappropriate. (House et. al., 2004)
- *The humane orientation dimension:* This dimension includes the degree to which individuals are encouraged to be fair, altruistic, generous, friendly and caring towards others. The organizations with higher humane orientation have informal relationships, shared values and norms, patronage support, more trust, less influence of trade unions and the focus is on shareholder's profits as compared to those who are lower on such orientation with more supervisory support, formal relationships and greater influence of trade unions on the policies of management. (House et. al., 2004)
- *The assertiveness orientation dimension:* Assertiveness dimension wants the members to be more encouraged, tougher, confrontational, competitive, and assertive. Those who score higher on assertiveness have sympathy for stronger people, value expressiveness and taking initiative, expect demanding and challenging targets, try to have control over the environment as opposed to those with low degree of assertion, who values cooperation, sympathize with the weak and expect warm relationships. (House et. al., 2004)

## V. ROLE OF ORGANIZATIONAL CULTURE

The study of culture plays an important role when the need arises to study the organizations and their working. Culture includes the values and beliefs of the people of the organization. After identifying the type of culture, it becomes easy to manage the diverse workforce of the organization. This leads to avoidance of conflicts in the organization. When there is alignment of the values of the employees and that of the organization, it leads to achievement of the strategic goals of the organization.

Culture binds the people together by giving them a set of norms and rules which are same for everyone and this increases the group cohesiveness. This leads to increased motivation of the people and shared meanings and goals for all. By doing this, the objectives of the organization are achieved timely and the career goals of the employees are also met.

The study of culture also helps the organizations in providing the customized services and products to the customers and entering the market with right product. For example when fast food joints such as KFC and McDonalds entered India, they

provided customized food items to the customers so as not to hurt the religious sentiments of the customers. Many research findings show that certain kinds of culture leads to economic performance of the organization as well as employee performance (Denison, 1990; Kotter and Heskett, 1992; Gunaraja, 2014). There is also suggested link between culture and organizational change. If the culture is less formalised and flexible, it becomes easy to adapt to change and these cultures also become very innovative with time as compared to others who are rigid and bureaucratic.

The following cases of two different organizations will help in better understanding of the role of culture in organization:

- *Delhi Metro Rail Corporation (DMRC)*

DMRC, a government owned organization, was established in 1995 and it began its operations in 2002. The number of employees has grown from 2400 employees in 2004 to 8000 in 2013 with average age of workers being 30. Over the years the company has proved itself as the fastest growing brand in the market and it attracts the best talent from the market. A professional work culture has helped the company leapfrog into the top 25 of the best companies to work for in India. The company is very keen in recruiting only those individuals who are the best fit for the job and possess the requisite qualifications to perform the job. For this the company recruits employees from institutes of good reputation such as IITs and NIITs. The company also provides heavy training to its employees and gives adequate perks to retain the talented ones. The corporation is highly committed to its employees and their needs. This makes the employees loyal to the organization. The employees feel that the decision making is fast in the organization and there is less bureaucracy in the organization which attracts more dynamic employees from the market who are looking for more flexible ways of performing their duties. (Adopted from *Business Today*, 2013)

- *Flipkart*

Flipkart is an e-commerce company established in 2007 by two IIT alumni with an initial investment of just four lakhs rupees. The company is a private owned company with an employee base of 33,000 as on 2015. The company is ranked amongst the top five websites in India and is known for innovation that has revolutionised online shopping. The company's policy of customer satisfaction has led it to such great heights of success. It is one of the preferred brands in e-commerce industry. The work culture at Flipkart is dynamic where every employee has a say in the decision making of organization. The problems are solved by taking opinions from all involved and brain storming sessions are held to find out the most creative solutions. The culture is very open and friendly and there are lesser hierarchies in the structure. The company is very transparent in its policies regarding its employees and it makes sure that it hires employees who will be culturally fit for the organization. These are the attributes that have contributed to the billion dollar company that Flipkart is today. Because of such culture and the level of commitment from employees the company had such success on the Big Billion Day Sale in 2014 and sold one lakh books in a single day in 2013. (Adopted from *Flipkart.com*)

## VI. CONCLUSION

This paper discussed the very core concept of organization i.e. organizational culture in a varying degree of meanings. The summarized definition of culture that came out of the extensive research studies is that culture gives meaning to the organization and guides the members involved. Organizational culture helps the organizations in identifying their core strength areas and holds the members of the organization together. Organizations with cultural attributes such as openness, trust, innovation and creativity, future orientation are successful organizations. These organizations can serve the customers in a better manner than their counterparts. Organizations with strong cultures and a sense of direction are high performing organizations.

**References**

1. Abu-Jarad, I. Y., Yusof, N. A., & Nikbin, D. (2010). A Review Paper on Organizational Culture and Organizational Performance. *International Journal of Business and Social Science* , 26-46.
2. Bhattacharyya, D. K. (2010). *Cross-Cultural Management*. New Delhi: PHI Learning Private Limited.
3. C.Hofstede. (1980). *Culture's Consequences: International Differences In Work-Related Values*. California: Sage.
4. Chatman, J. A., & Jehn, K. A. (1994). Assessing the Relationship Between Industry Characteristics and Organizational Culture: How Different Can You Be? *Academy of Management Journal* , 522-553.
5. Deal, T. E., & Kennedy, A. (1982). *Corporate Culture, The Rites and Rituals of Corporate Life*.
6. Denison, D. R. (1990). *Corporate Culture and Organizational Effectiveness*. New York: John Wiley and Sons.
7. G.Gordon, G. (1991). Industry Determinants of Organizational Culture. *Academy of Management* , 396-415.
8. Gunaraja, T. M. (2014). Organizational Corporate Culture on Employee Performance. *IOSR Journal of Business and Management* , 38-42.
9. Kilmann, R., Saxton, M. J., & Serpa, R. (1985). *Gaining Control of the Corporate Culture*. San Francisco: Jossey- Bass.
10. Madu, B. C. (n.d.). Organization Culture as Driver of Competitive Advantage. *Journal of Academic and Business Ethics* .
11. Mozaffari, F. A. (2008). A Study of Relationship Between Organizational Culture and Leadership. *International Conference on Applied Economics*, (pp. 679-688).
12. O'Donnell, O., & Boyle, R. (2008). *Understanding and Managing Organizational Culture*. CPMR Discussion Paper . Dublin, Ireland: Institute of Public Administration.
13. Peters, T. J., & Waterman, R. H. (1982). *In Search of Excellence: Lessons from America's Best- Run Companies*. New York: Harper and Row.
14. Prasad, K. (2005). *Strategic Human Resource Management*. New Delhi: Macmillan India Ltd.
15. Schein, E. H. (1984). *Organizational Culture and Leadership: A Dynamic View*. San Francisco: Jossey-Bass.
16. Sharma, S. (2013). Conceptual Framework of Organizational Culture: Role of Manager in Developing Workplace Cooperation. *International Journal of Engineering and Management Sciences* , 401-404.
17. Stewart, D. (2010). *Growing the Corporate Culture*.