

Organizational culture: Conceptual discussion

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ABSTRACT

This paper is concerned with the critical discussion of organizational culture as well as the conceptual paradigm that underpins it. This paper does not attempt to cover the entire body of literature; rather, it focuses on the papers that were studied during the summer school (2021) in Estonia. Following a review of a limited number of scholarly works, this article comes to the conclusion that organizational culture is a complicated concept whose definition is dependent on who is using the term and from whose viewpoints it is being defined. The discussion of this paper is significant in that it incorporates new viewpoints and brings them together to provide assistance to individuals who are interested in conceiving organizational culture as a whole.

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1. DEFINING ORGANIZATIONAL CULTURE

One of the most critical components in a company's management performance is its culture, which is considered to play a significant role in connecting employees' individual interests with the firm's larger objective (Schein, 2004). According to Schein (2004) organizational culture depends on representation and culture is understood as a product of practice and can be modified if the complexities of the practice are identified. Organizational culture often refers to a collection of values, beliefs, behaviors common to all employees of an organization that predetermine the norms of their behavior (O'Reilly, Chatman, & Caldwell, 1991). Organizational culture can also be seen as a collection of assumptions that are embraced (or denied) by the members of the organization and expressed as specified guiding principles that offer direction for people's attitudes and actions (Trice & Beyer, 1993). In the same way, scholars (Muijen & Koopman, 1994) say that organizational culture is a process of building a collective identity and establishing a sense of commitment to an organization, as well as a common purpose, presence and prestige. In this sense, culture of the organization has a definitive impact on the day-to-day engagement of all members or stakeholders and all organizations can be distinguished by culture that can be categorized and defined according to different criteria, for example, management style, treatment of employees, commitment to the client, social responsibility etc.

Today's businesses are structurally unique. As with groups of individuals or peoples, they share certain characteristics that can be referred to as an organizational culture. This culture influences how employees behave and form relationships with one another. Choosing a specific culture is a highly personal decision. There is no such thing as a perfect organizational culture. Each organization selects for itself which culture is the most successful and efficient in achieving its objectives. However, questions will always emerge, such as whether it is important to have a particular culture or whether it is preferable to maintain a balance of diverse

cultures by incorporating the most desirable qualities from each. If the organization's culture is wrongly defined, it will gradually lose control of the situation and will eventually fail in a competitive surrounding environment. For instance, a corporation with a poor market and a strong human culture that needs to grow its business in a highly competitive environment in an extremely aggressive industry may encounter great obstacles in the quest for survival. Thus, organizational cultures need only to be adaptable and compatible with requirements. As noted previously (e.g., Boundless, 2015), firms with a human culture have exhibited superior performance in areas such as morality, happiness, communication, and welfare, i.e., characteristics that define personal values. Market-cultured organizations provide appropriate success metrics in fields that evaluate an organization's ability to acquire required resources, i.e. they exhibit market culture characteristics such as the capacity to earn high annual salaries, retain strong personnel, and enhance an organization's public identity (Gothamculture, 2020).

In the recent past, it has possibly become easier to research organizations in relative isolation from cultural issues, when the workforce has historically been less culturally diverse than it is today. Over the last decade, a variety of literatures have emerged that have studied the culture of contemporary expats and the challenges of adaptation using the Hofstede approach. Centered on evidence from a large-scale analysis of organizational culture, it was identified six main indicators of cultural differences (Hofstede, 2011). These are power distance, uncertainty avoidance, individualism/collectivism, masculinity/femininity, long/short term orientation, and indulgence/restraint. Hofstede (2011) argues that although organizations have common, universal characteristics, they are not cultural-free. According him the reason for the existing differences between countries not in culture but initially in the institutions of these countries. At the heart of any institutional change is culture, but at the same time, cultural and value changes is a consequence of institutional changes. Culture's value increases throughout time as a result of its deep roots in social brain. By fostering an environment conducive to productivity and innovation, an organization's culture can benefit the business. While it might benefit a business, it can also work against it by impeding the formulation of business strategy. Culture is a broad term that encompasses many different ideas. At its most basic and most literal level, culture can be defined as a person's set of values that they have developed through their upbringing over time. Researcher (Schein, 2004) often believes that culture is a reflection of management's views on how employees should act and the overall operation of the firm. The manner in which a company's activities are carried out is sometimes referred to as corporate culture. This encompasses all aspects of a company's operations, from the interpersonal relationships between management and employees to the business's relationships with clients and partners.

Thus, on the basis of the aforementioned definitions, it can be noted that organizational culture is a collection of certain values, principles, customs and traditions shared by all the members of the organization when communicating within framework of the organization. Organizational culture may be invisible and materialistic, but a well-founded component of the organization. Organizational culture is more than the behavioral practices that workers experience in their regular work. It refers to strongly ingrained ideals that are considered important not only to individual employees, but to the whole organization as a whole. It is culture that defines the connection between the interests and expectations of individuals, instilling in them a sense of attachment and rewarding them for it, and it also stresses the uniqueness of each organization. Table two represents different forms of organizational culture and their features.

Table 1: Forms of organizational culture

| Forms of organizational culture | Features |
|--|---|
| Person culture vs Market culture | Each employee is treated as resource in person culture but problem occurs when competition occurs between employees. |
| Power culture, Role culture, and Hierarchy culture | Power culture is leader-oriented where all decisions are taken by the leader. In 'Role culture,' individual responsibility shall be fixed and delegated to each employee. 'Hierarchy culture' is heavily dependent on the centralized manner and responsibility of workers. |

Source: based on Boundless (2015) in Gothamculture (2020)

2. CHARACTERISTICS OF ORGANIZATION'S CULTURE

Employees of a business build a set of material, spiritual, and social values via their work that reflect the company's distinctiveness and personality. Assumptions made during the active search for one's culture, beliefs, attitudes, and value orientations developed after the culture has largely established itself; and behavioral standards, communication regulations, and work standards developed after the culture has largely established itself are all examples of values that can take on a variety of shapes. It is critical for a company's culture to be defined clearly in terms of its basic values, future vision, and long-term goals. Cultural values are carried down through generations and contribute to the development of a company's corporate spirit in accordance with its lofty ambitions. Thus, dynamism is a characteristic of organizational culture. Culture advances through the processes of generating, creating, maintaining, developing, improving, and ending (replacement). As is natural in dynamic systems, each stage presents its own set of developmental challenges; it is up to each company's culture to determine the optimal method of problem resolution.

Apart from unity, an organization's culture is defined by its ability to separate. The common beliefs, behaviors, and values of a company's employees generate and sustain its culture. The cultural impact of a business on its personnel is largely decided by the degree to which the business and its culture are separable. Individuals' behavior within an organization is more strongly influenced by the structure of the organization's culture if they are able to disassociate from it. Adaptability may be a consideration in this case. The adaptability of a property is defined by its ability to sustain stability and withstand negative effects while also organically integrating with positive advancements without losing efficacy. This characteristic is inextricably linked to the organization's cultural strength. The culture of an organization is more robust if it is built on a solid basis and is capable of quickly adapting to any type of change. The company takes pride in an open, vivacious, unmistakable, and easily identifiable culture. This type of atmosphere can be a useful tool for inspiring employees, addressing their objectives for professional and personal growth, promoting long-term progress, and adhering to a high standard of ethics in all parts of the company's operations. Individuals who work in a culture that promotes self-actualization, advancement, and development must be prepared to not just speak but also live up to the ideals and standards they support.

Additionally, heterogeneity is an organizational trait. It is not uncommon for an organization to have a variety of distinct local cultures, illustrating the numerous ways in which a culture can be classified into different levels (such as departments), divisions (such as age groups), and nationalities (such as countries). Organizational counter-cultures are not rare. They reject the culture in its entirety or in its constituent parts. Depending on the context, a subculture may coexist with or generate a new dimension inside the dominant corporate culture. To begin, the central management office, the president's immediate surroundings, and senior managers all interact on a first-level basis. Individuals who identify with a dominant cultural group embrace its essential ideals while also clinging to a set of largely non-contradictory own beliefs. This is visible on the boundaries of the organization or in the regulatory authority. Organizational divides frequently generate their own subcultures. Countercultures can oppose the dominant culture in a variety of ways, including explicitly challenging the power and control structure or focusing on certain components of the broader culture.

3. LEVELS OF ORGANIZATIONAL CULTURE

The level at which an organization's culture is studied determines whether it is subjective or objective. The values, norms, and roles of a corporation are reflected in the culture of the workplace, which is influenced by common assumptions, expectations, and collective impressions. Intricate symbolism, stories about the organization and its founders, and myths and fables abound in this densely textured piece. Developing a company's management culture depends on the subjective organizational culture of the firm, which includes aspects such as leadership and decision-making styles, delegating authority and involvement in management, customer and supplier ties, and staff incentive schemes. Most companies' theme settings include natural habitats, architectural and design components of the firm's facility (e.g., equipment and furniture), communication infrastructures, roadways, parking lots, and cafeterias, among other examples. They can be used as a reflection of a company's culture, or they can be rewritten to better reflect the organization's values.

When it comes to examining organizational culture on a subjective level, everything a person feels and perceives with his or her five senses is examined. This includes the tools and structures used, as well as how time and space are utilized, how personnel behave, and the senses they employ (see, hear, taste and smell, touch). The objective level of asserted values might be addressed in an attempt to acquire a better understanding of an organization's culture. This strategy analyzes facts and data to determine whether the

organization's declared aims align with its members' qualities. Action is intrinsically linked to value and belief. The majority of the time, researchers are limited to evaluating the objective level, while delving further is difficult or impossible.

4. FUNCTIONS OF ORGANIZATION'S CULTURE

The role of organizational culture in encouraging employees is unclear. Being a part of a great work environment and having a desire to behave in the company's best interests is a strong motivation. A well-planned system of material and social rewards, a democratic management style, and democratic management procedures all contribute significantly to company employees' motivation. A lofty mission, lofty ambitions, and exceptional friendly relationships are all components that encourage employees, and they are ingrained in the organization's culture. Each system's presence is investigated and appraised in terms of the set of tasks it is capable of performing. Complexity and multifunctionality are two of an organization's defining characteristics. Numerous elements, such as an organization's aims, stage of development, and environmental influences, can influence the importance and relevance of particular functions to its success.

The functions of organizational culture include cognition, value development, communication, and stabilization. Individuals with adequate cognitive function are capable of pursuing personal goals such as curiosity while remaining compliant with organizational culture, a desire to learn more about oneself and one's place in it, the ability to identify one's place and status within a group of people and so on. The objective of the value-forming function is to shape people's views and attitudes toward the significance of life and the value contained in the environment around them. To survive in a competitive market, a business must engage in external activities such as innovation. The company was founded on the basis of client requests, a willingness to take risks, and a commitment to social responsibility. This technique results in a positive image and a great impact on both suppliers and customers. The design and use of effective communication flows is accomplished by the application of taught values, corporate ethics, and communication ethics. This procedure ensures that all data and actions are analyzed and evaluated consistently. It is possible to regulate employee behavior and perceptions through the employment of a normatively regulated function because the regulatory function is integrative in nature, encouraging employees to identify with the organization and providing regulatory norms for employee behavior. Stabilization entails developing a social stability structure within the organization, fostering a single understanding by unifying action on the most critical cultural aspects, and fostering team cohesion.

5. STRATEGIES FOR ESTABLISHING ORGANIZATIONAL CULTURE

Within a particular industry and social context, the creation and growth of an organization's culture are driven by market requirements and are directed toward meeting consumer expectations and interests. To develop a successful business, an organization must be able to adjust rapidly and efficiently to changes in the external environment, consumer and market demands, and product and service offerings. However, an organization cannot exist without its own internal space, interaction rules and laws, a climate within the organization, and a response to internal integration and cohesion concerns. External adaptability and internal integration are two critical areas for establishing an organization's goals and objectives for developing an organizational culture.

It is also critical for an organization's internal culture to be oriented towards addressing the requirements of its members in order to effectively implement an internal strategy. It is critical to have a structure in place for the cognitive approach that gives suggestions for how the company and its people can enhance their operations while also promoting a strategic orientation and informal leadership models at all levels of the hierarchy. To employ a symbolic approach, an organization must have its own language, symbolic gestures, and unique ceremonies in addition to a documented history, stories, and symbolic figures. The incentive technique focuses on the internal motivational systems of businesses. Employees may be compensated similarly to or more than employees at other businesses. The provision of training opportunities and the development of business and personal characteristics among employees demonstrates the company's commitment to success. Assumptions about the organization's ultimate goal have a complex effect on the economic structure of the organization. Instead of only describing how individuals in a production or economic system interact, culture should represent a collection of ideas about how the system functions as a whole, including the goals, products, and markets that define an organization's ability to work efficiently. Establishing the company's values and principles might be a high priority. A preliminary characterization of acceptable and desirable values and beliefs is always essential when developing an organizational culture. According to history, culture is not readily changed; it evolves over time and exerts a significant influence on the economic system and managerial style used in production. No strong or weak culture can be imposed on

a flat organization, according to the concept of denial of power. The efficiency of a strong or weak culture is contingent upon the environment. Complexity evaluation requires an integrated approach to determining how culture affects a business's success. Along with the more obvious direct consequences of organizational transformation and economic system growth, the influence of culture on business performance must be scrutinized.

6. CONCLUSION

Organizational culture can be thought of as a complex system composed of numerous components that work together to produce a coherent whole under the guidance of a given goal and set of social priorities. The organizational culture is governed by a hierarchical framework, with each component assigned a certain weight and order of priority. For instance, an organization's objectives and surroundings are constantly compared to those of other companies in order to ascertain their strengths and shortcomings and to update or improve specific characteristics. The ability of staff to recognize cultural values and elements is debatable. As long as employees are willing to communicate these components with their coworkers, the organization is not required to convince them that the organization's ideals align with their own. If there are no shared aims and values, the corporation must demonstrate to its employees the benefits and efficacy of the planned culture. If all employees accepted cultural norms and components without question, there would be no subcultures, countercultures, stress, or problems in the workplace. Human beings are the only creatures capable of transmitting culture from generation to generation. Due to their cultural affinities and interconnectedness, they establish a unified social and spiritual environment. When a business has a strong culture, it becomes an integral part of the organization and has an active reinforcement impact on its members. And this is where the organization's influence over its people is strongest. What scholars refer to as organizational culture encompasses both the economic and spiritual environment in which a company operates, as well as the unique philosophy, ideology, and management practices that each firm employs to accomplish its goals and objectives.

This paper summarizes several facets of organizational culture critically through a review of a limited amount of literature. The topic in this paper is significant in that it will assist individuals who are interested in determining what organizational culture is, its level, forms, and many other characteristics. In the future, extensive literature analysis can be used to decipher the conceptual divergence around organizational culture.

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Notes

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