Organizational Culture

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People are influenced by the cultural environment in which they live. For example, a person, who grew up in the family belonging to the middle class, acquires its beliefs, behaviors and values. The same is true for members of the organization. People working in Wal-Mart, PepsiCo or any other company with a long-established culture will necessarily acquire the beliefs, behaviors, and values that are typical for a particular organization. The society has the social culture. A place where people work has organizational culture. The development of organizational culture suggests its formation, maintenance and alteration. The formation of culture occurs by solutions of two important issues: the external adaptation and internal integration. The formation of organizational culture affects the culture of society/nation, within which the organization operates.

Modern management considers organizational culture as a mighty strategic instrument to direct all employees and departments on mutual aims. There are some definitions of organizational culture:

1. Learned and applied values and norms that define the behaviors of the organization.

2. The atmosphere or the social climate in the organization.

3. Dominant system of values and styles of behavior in the organization.

On the basis of these definitions, under organizational culture the basic norms and values shared by most members of the organization are understood likewise their exterior manifestations. Frequently, the organizational (or corporate, that narrows down the concept) culture is defined as a combination of customs, norms, values, assumptions, traditions and beliefs incarnated in different sides of the organization that make this or that organization unique. Organizational culture is a complex phenomenon that does not necessarily lie on the
If it is possible to say that the organization has a soul, then this soul is organizational culture (Goldston, 2007).

E. Schein believed that the forms of organizational culture answer two major challenges faced by the organization: aggressiveness of the external environment and internal disintegration. Accordingly, in order for the organization to function as a unit, it is necessary to perform two main functions - adaptation and survival in the environment and internal integration. Integration is seen as the creation of effective business relationships among departments, groups, and members of the organization, as well as the increase in measures of participation of all employees in solving problems of the organization and finding effective ways to work. According to E. Schein, organizational culture is a set of basic assumptions and inventions discovered or developed by a group, in order to learn deal with problems of external adaptation and internal integration. This complex should function long enough and confirm its worth, so it should be transferred to new members of the organization as the right way of thinking about these problems (Schein, 2006).

Organizational culture consists of the following components: beliefs, values that dominate in the organization, standards, norms, psychological climate and organizational climate. Areas, in which values may be expressed, include care for people, enterprise and fairness in the treatment with employees. T. Peters and R. Waterman when exploring the relationship between culture and success of the organization, made a number of values and beliefs of organizational culture, which ensured the success of the companies. It includes a commitment to the business, focus on the action and consumer, autonomy and entrepreneurship, relationship with the life and value management, human performance, freedom of actions and rigidity at the same time, a simple form and the modest management staff. Norms are never expressed in writing and are submitted either orally or in relation to the behavior of others. Norms of conduct reflect such moments in the organization as the
relations between the employer and the employee, honesty and respect for the law, the behavior in conflicts of interests, receipt and use information about other organizations, political activities within the organization and use the organization’s resources. The climate in the organization is how people perceive the culture that exists in the organization or unit, what they think and feel in relation to it.

Each of these characteristics to some extent is contradictory and in varying degrees validated by the results. For example, in the academic literature there are discrepancies regarding the similarities and differences between the concepts of organizational culture and organizational climate. However, some specifications have empirical evidence, for example, the important role of the physical organization of space. Below is an example from the actual practice (Goldston, 2007).

Thus, organizational culture is a set of values, beliefs, and attitudes that are common to all employees of the organization that underpin the norms of their behavior. They cannot be clearly expressed. However, in the absence of direct instructions, they define the manner of actions and the interaction of people and significantly affect the progress of the work and the nature of the life of the organization.

The importance of organizational culture of the successful operation of the firm is recognized throughout the civilized world. It is a key prerequisite in business. Organizational culture is the cement of the internal forces of the organization. The organizational culture shapes a certain image of the company distinguishing it from any other and affecting its reputation. It is the attribute of the firm. Organizational culture is an important source of stability and continuity of the company creating a sense of security among employees. The key stakeholders of organizational culture are the leaders of the company. The whole atmosphere of the firm depends on the leaders of the company.
Organizational culture is a relatively new area for both practitioners and theorists. Companies that try to change their culture inevitably make some mistakes along the way. Some organization starts to form organizational culture not having prepared strategy. This is unacceptable because a long-term perspective defines a set of values that are necessary for this purpose. Not always the developed mission, goals of the organization and ways of their achieving are shared by groups and members of the team. The best way to achieve common positions and views is to develop the long-term strategy for the whole team. Realizing the need to revise the values, the organization’s leaders cannot or do not want to change themselves. Prior the formation of an effective culture, leaders of the organization should once again turn to the analysis of the strengths and weaknesses of the organization and to the study of the opportunities and threats from the external environment.

Effective organizational culture is organizational culture, which is largely consistent with the generally accepted cultural, ethical and moral precepts, features of business of the organization, the stage of development of the organization, current or desired model of organizational behavior, mission, vision, strategic goals, dominant style of management, the nature of power and influence, interests of individual and, groups and organizations in general. Effective organizational culture has a direct influence on the performance and long-term perspective of the firm. Such culture is one of the most important key to success factors of the organization. In order for the effectiveness of organizational culture, it is necessary to control it.

Corporate culture is a key component in achieving organizational goals, improving the efficiency of the organization and managing innovations. The main objective of the corporate culture is the provision of external adaptation and internal integration of the organization by improving personnel management. Corporate culture can help the organization in creating an environment that promotes the increase of productivity and the
introduction of something new. At the same time, it can work against the organization founding barriers to the implementation and development of corporate strategy. These barriers insert ineffective communication and resistance to changes.

Successful organizations have their own culture, which leads them to positive results. Organizational culture distinguishes one organization from another, creates an atmosphere of identification for members of the organization, generates a commitment to the organization and strengthens social stability. It is the controlling mechanism that guides and shapes the attitudes and behavior of employees.
References

