

# Organizational Culture in Organizations

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**Abstract** - This paper presents a scrutiny of how culture should be defined and analyzed. It defines and determines organizational culture and its effect on the organizational output. The study exhibits the significance of the responsibility of organizational leaders is and scrutinizes diverse concepts of an organization's culture. It establishes that organizational culture has a profound impact on the diversity of an organization's procedures, staff, and output through an extensive review of relevant literature. The paper, in addition, describes the diverse proportions and dimensions of culture, and subsequently, draws the assertion that the personality of the Chief Executive Officer shapes the organizational culture. Research shows that if employees are dedicated and embrace healthy and productive customs and values, they can enhance productivity and attain the enterprise's goals, objectives, and aspirations with relative ease. Equilibrium Scorecard is a recommended instrument to quantify the success of the performance management system. Moreover, a sound organizational culture emphasizes organizational values, common beliefs, and a tenable vision. Consequently, organizational managers and leaders are encouraged to develop a strong culture in the organization to improve the productivity of employees and the overall performance of the enterprise.

**Index Terms** - Organization Culture, Organization Performance, Employee's Commitment, Impact, and Organizational Goals

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Organizational culture exists at organizational and group level and comprises assumptions, beliefs and shared values that influence the behavior of employees (Hartnell, Ou & Kinicki, 2011, p.677). Organizational culture is a construct that is an attribute of a team, work unit or the whole company. In order to be competitive, leaders play a critical role in ensuring that strategic objectives align with the culture in the organization. The strategy of the company and its organizational culture complement one another and keep the company competitive in the marketplace.

In information systems efforts (IS), for example, Livari and Livari (2011) posit the view that organizational culture must be harmonious with the IS endeavor if there will be any success (p.511). However, in research studies on cultural fit, findings are markedly differ. In some studies, the focus has been to match various cultures and IS endeavors and positing that other cultures would be a bad fit. In other studies, culture is perceived to be an independent variable and as such propose various means of implementation to find a match between culture and the IS effort. In yet other studies,

the proposal is to adjust culture to fit the IS effort. In a study on Windows XP, for example, it was found to be compatible with various organizational cultures. In this instance, an agile method was found to be culturally flexible (Robinson & Sharp, 2005; cited in Livari & Livari, 2011, p.512).

Naranjo-Valencia et al. (2011) posit the view that hierarchical cultures foster an imitative approach in processes (p.63). In this type of culture, procedures, policies, and structures are formal. In contrast, cultures which are autocratic in nature, or flexible and adaptable, tend to be more innovative. For a company to be innovative, structural constraints must be minimized because they stifle exploration and thinking out of the box (Naranjo-Valencia et al., 2011, p.64). If the organizational culture is a commitment to change and innovation, then it is more likely that the organization will be more innovative than they imitative. However, if the company is more concerned with low costs

and prompt delivery, then the organizational culture will lean toward imitation. In essence, the organizational culture determines the direction a company will take.

According to O'Reilly, Caldwell, Chatman and Doerr (2012), organizational leaders are largely responsible for the development of organizational culture (p.4). In their study among one thousand employees in thirty two organizations of technology, O'Reilly et al. found that the personality of CEOs shapes the organizational culture (p.2). The latter, for its part, impacts net income and growth in revenue. In addition, organizational culture affects the attitudes of employees as well as the company's reputation. These findings support the view by O'Reilly et al. that leaders chart the course of organizational culture through the signals they give, how they encourage commitment, appropriate reward and punishment, and encourage the

desired behaviors and attitudes among members of staff.

According to Cameron and Quinn (1999), numerous examples abound of companies which have done well in the marketplace compared to others which have experienced financial losses. The author lists companies in five industries; publishing firms, consumer electronics, discount retailing and airlines as some sectors which have outperformed others without any unique advantages (Cameron & Quinn, 1999, p.4). Wal-Mart, for example, has taken market share from K-Mart and Sears. Another is Southwest Airlines which did well as its competitors went under. Others include Plenum publishing, Tyson Foods and Circuit. In all three cases, they outperformed the competition in their industry. As Cameron and Quinn point out, one distinguishing factor in the companies which thrive is a sound organizational culture that emphasizes organizational

values, personal beliefs, and vision. In all successful companies, therefore, a distinct organizational culture is present (Cameron & Quinn, 1999, p.4).

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