

The Decisive Factors of the Organization Culture

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Abstract: The organization culture is a mixture of elements, conscious and unconscious behaviours, of relations and interhuman attitudes formed along the years, which directly influence the running and the performances of the organization. We have to take into consideration that each culture reacts in a different way to the same issue, and, equally important, we have to consider that individuals can fit in a certain culture or not.

The organization culture is influenced by a series of internal and external factors; these make their important contribution to the setting and shaping of the organization's culture.

The organization culture represents one of the management fields of present interest, with a relatively recent history. The concern for this type of culture is mostly due to the performances of the Nippon organization, performances that can be explained through their specific culture.

According to many experts in management, there can be determined four categories of cultures: national, economic, on activity branches and the organization culture. The most important and the most studied of these are: the national culture (the defining element for a nation, the element that individualizes it, marking at the same time its evolution) and the organization culture (the component and the major determinant of normality and of the organization's evolution).

A great number of management experts have defined the organization culture in different ways.

Thus, B. Schneider argued that the organization culture is rendered by "the ensemble of strategies, techniques and ways the management of a company sends, the rules, norms and the system of values it wishes to implement"¹.

The organization culture is reflected in "the ideas and the organizations and its members' own way of action, a commercial society, an association or a public institution.

¹ Schneider, B. 1998. *Notes on Climate and Culture Managing Service*, p. 352. New Jersey: Prentice Hall.

The culture of an organization is a code of behaviours developed throughout its existence”².

Schwartz suggests the following definition of the culture of an organization: “the totality of convictions and expectations of an organization’s members that lead to the establishing of some behaviour norms”³.

It is known the fact that there is a relationship between the organization culture and the obtaining of the competitive advantage on the market and, at the same time, the knowledge of this culture’s elements is necessary in practising the modern management. Due to Nippon firms’ performances, recorded after the second World War (Japan reached the highest rate of economic growth and the lowest level of unemployment after major losses during the war, without two many natural resources and with a numerous population) the American and West-European specialists interpreted the Japanese success from the cultural point of view, presenting culture as a main factor of the organization’s economic development and durability.

It is difficult to define the organization culture and for this reason there is not a unanimously accepted definition in the specialty literature; yet, all attempts to define the organization culture have as a starting point the human resource. People join within the organization, they come from different environments, with ideas, convictions and feelings that are imparted to others, enriched or replaced by means of customs and rules that exit within the organization. The organization culture is the result of the combination of ideas, feelings, convictions, beliefs, norms and rules.

Organizations must know and understand their own culture because it can help them render their activity efficient; owing to this fact, it has been discussed lately about the culture analysis (culture audit). In our country, the first study on culture research at the organization level was done in 1997⁴. The findings were influenced by the mentalities, values and attitudes characteristic to the transition situation.

The culture of an organization can be compared with an iceberg that cannot be seen entirely, but that must be considered as a whole, due to its visible and invisible components. Most of the times, knowing the invisible part becomes more important in order to become successful in the economic environment.

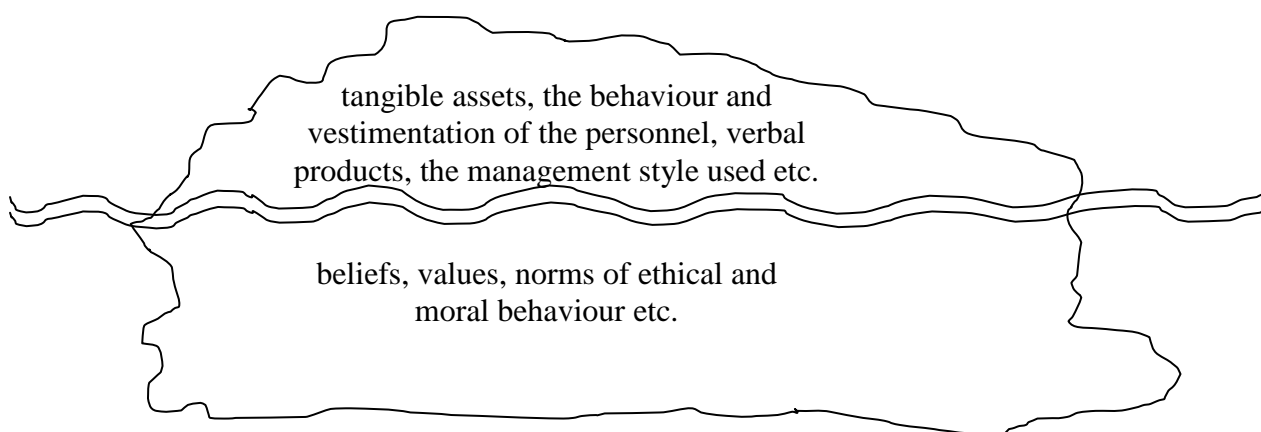


Fig. no.1 The iceberg concept of the organization culture

² Intercultural Management Review. 2000. year I., no. 3. pp. 42-43.

³ Mihalcea, R., Androniceanu, A. 2000. *Management*, p. 75. Bucureşti: Editura Economică.

⁴ State, O. 2004. *The organization culture and management*, p. 206. Bucureşti: Editura ASE.

The organization culture is influenced by both internal and external factors, as shown in figure no. 2.

A. Internal factors:

➤ **The organization's founders** – they attract persons who share their vision. With the passing of time, the organization develops, the employees' number increases and thus the "educational learning" process takes place where there come up and there are implemented cultural elements supported by the founder. This last mentioned is the creator of the organization culture and, at the same time, he/ she is influenced by the organization's characteristics;

➤ **The organization's history and tradition** – it is a powerful factor of shaping the organization culture. If the organization has a longer and more complex existence, the influence is even more visible. The organization's members remember and tell past events, sending at the same time symbolic messages for the new employees; these messages are sent orally, from one generation to the next. History offers perenniality, image and power of influencing of the organization culture elements, giving a sense of stability to the organization;

➤ **The dominant leader** – he is a model for his employees. The source of his power consists of his own cultural basis, beliefs, values, norms, attitudes and behaviours he believes in and takes into account in all his actions. Due to his personal qualities (skills, competences, intuition, motivation etc.), social relationships, the knowledge of the business and people he collaborates with, the leader is a credible person, he/she inspires sympathy, tries to solve problems without blaming anyone, and, possibly, the most important aspect, "he/she draws people after him/herself";

➤ **The organization owners** – can be represented by a person or by a smaller or bigger group of persons and/or organizations. When a property is owned by a person or a smaller group of persons, the influence is very powerful. If the property shared among a great number of shareholders, their influence is reduced, increasing thus the managers' influence;

➤ **The organization's managers** – influence the culture through their personality, their level of education and training, professional experience, the practiced management style, the social environment they come from. Each manager adopts all along his career diversity of behaviours and attitudes specific for business management; these are influenced by the characteristics of his personality and are perceived as such by each collaborator and employee. These behaviour and attitude particularities of managers lead to different style that have as effect, in the same environmental conditions, different performances of the competitive organizations' functioning;

➤ **The organization's human resources** – influence the culture by number, training, age, sex, social status, temperament, intellectual and physical capacities, different needs and expectations, personal objectives, etc. Organizations entail people and depend on people's effort. The essence of each organization is the human effort, and its efficiency is greatly influenced by the behaviour of the people inside the organization. Therefore, the organizations' success, their progress depend more and more on the quality of human resources, by their creativity level, people being the most precious asset of an organization. Thus, in the last few years many organizations have shown a high concern on the total quality of activities, as not only the quality of products and services matters, but also the quality of people in the organization. The managers' role is to harmonize values, beliefs, individual symbols with those promoted in the organization;

The determinant factors of the organization culture

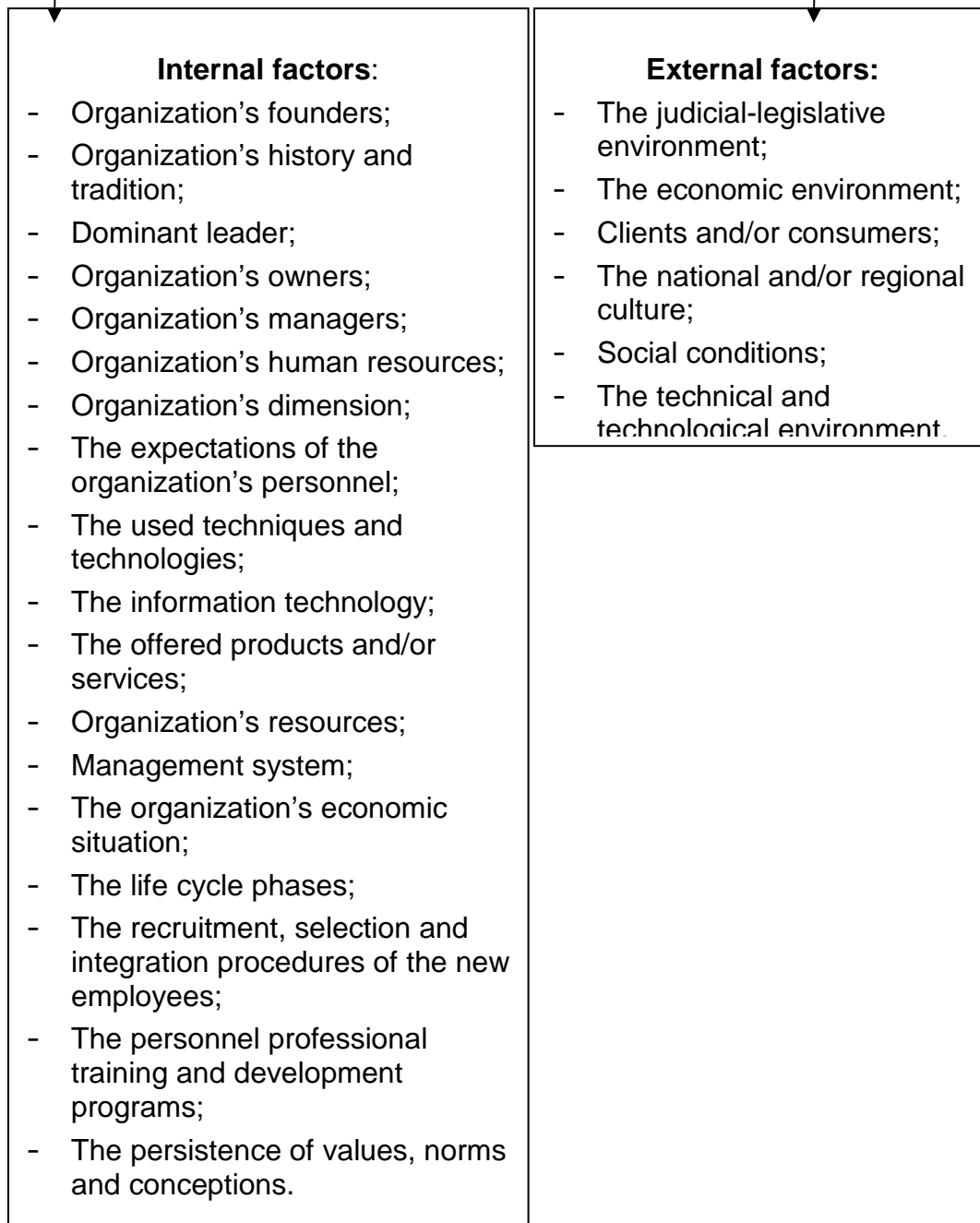


Fig. no. 2 Factors influencing the organization culture

➤ **The organization's dimension** – expressed by the turnover, the capital value, the number of employees, the number of branches and or/subsidiaries. Within an organization of great dimension there are many types of cultures, while within a small dimension organization there is a more stable, homogeneous culture;

➤ **The expectations of the organization's staff** – the employers', colleagues, subordinates behaviour and language as well as the ideas transmitted formally represent essential reference points that an employee compares with his own expectations. If there

are major differences between these two, the employee's perception will most possibly be conflictual one, with unfavourable results for the organization. Thus, the staff's fluctuation is high because most of those who will not identify themselves with the organization's expectations will leave;

➤ **The used technique and technology** – is manifested by replacing more and more the human labour with the flexible robotization and automatization of technological processes that have as an effect the growth of labour productivity, and the reduction of human density in the production rooms. Most of the time, these factors favour the organizational stress, increase competitiveness among employees, and, sometimes, they give rise to conflicts among employees;

➤ **Information technology** - informatization, through its software, strongly influences the content and ways of employees' labour, reflecting itself in the system of values, aspirations and expectations, in symbols, ceremonies, roles, status, myths, etc. The computer has become easier and easier to use, with the spreading of voice commands. Communication is achieved by mail, voice mail, video-conferences, thus the time for these processes being visibly diminished. Within organizations, there have been implemented Internet and Intranet networks that have changed the characteristics of the organization's human relationships. With the help of information technologies and telecommunications, the organizations can monitor and coordinate the activities more easily, managers can get the information they want in a shorter time, and the employees have access to a rich data base;

➤ **The offered products and/ or services** – the changes in the clients' attitudes or consumers' attitudes towards some products and/ or services influence the employees' attitude and behaviour both inside and outside the organization;

➤ **The organization's resources** – when the resources are limited, there comes the competitiveness within the organization as each department wishes to reach performances so as to attract a greater number of resources. If there are sufficient resources for accomplishing the tasks, the employees are more relaxed and confident in meeting the set objectives. Yet there is the risk to waste a part of the resources as the employees are no longer well motivated;

➤ **The management system** – influences the organization culture by the methodological-managerial, decisional, information and structural-organization characteristics. It is possible to form a strong culture only when a coagulated management system, with a high functionality, exists, and when it is built on a strong motivation of the employees;

➤ **The organization's economic situation** – the influence is more visible when the economic situation is not too good; thus, restrictions appear that generate the organizational stress or conflicts;

➤ **The life cycle phases** – in each of the life cycle phase (the setting up, the youth or the rapid growth, the maturity or the valorization of investments, the old age or the economic decline) the organization culture presents several characteristics. The managers' role is that of prolonging the maturity phase;

➤ **The recruitment, selection and integration procedures of the new employees** – the new employees feel the shock of changing the organization culture and try to adapt themselves to the beliefs, norms and conceptions practiced in the organization. They come from different environments, with a different education, culture, training and experience. For this reason, only those who can adapt to the existent culture should be selected. The integration of the newly employed personnel is achieved in order to facilitate the passing through the initial stage, when everything seems unknown and hostile to the newly employed; the creation of favourable attitude towards the organization, so that the newcomer would want to remain there; getting some effective results in the activity in the shortest possible time;

➤ **The personnel's professional training and development** – it is a method used by organizations to increase the employees' ability to successfully accomplish greater duties and responsibilities; it is also a way of attracting and keeping the human capital, as well as a way of getting better results. Thus, there is professional satisfaction for the employee and performance for the organization. The cost of this process is quite high but the losses would be even higher if the organization's actions were wrongly oriented;

➤ **The persistence of values, norms and conceptions** – it helps to maintain and consolidate the organization culture.

B. External factors:

➤ **The judicial-legislative environment** – laws are reflected in the organization's way and in the nature of the activities developed by the organization, due to the decrees, decisions, methodologies elaborated by the state's institution. Moreover, the legislation is present even in the relationships between the labour union and management; in the values it promotes; in the regulations concerning the protection of the environment, of the natural conditions defense and renewal; in the regulations concerning the protection of health and labour security. Both the above mentioned regulations and those related to the salary rights, leave, or the working hours differ from one country to another, depending on the valid legislation;

➤ **The economic environment** – when the economy is in a growth period, the economic agents' activities are developed in superior fiscal, banking, and commercial conditions. If the national economy is in a crisis, the economic environment exerts an intense economic stress on organizations and thus changes of behaviours, beliefs and values appear;

➤ **Clients and/ or consumers** – influence the culture in the market sector to which the organization's products or services address. A dissatisfied customer can create a negative state of mind to the employees; if this happens frequently it influences the organization climate. Most organizations consider as very important to grant a special attention to clients and consumers. There are many statements related to this, such as: "our client – our master", "the clients has priority", "rule no.1 – the client is always right; rule no.2 – if the client is wrong, see rule no.1". Products and services should always be improved and adapted to the new demands of the clients and/ or consumers";

➤ **The national and/or regional culture** - it is well known and demonstrated the fact that there are certain cultural models that characterize different nations and regions (studies done by well-known specialists, such as Hofstede and Trompenaars). The national and regional culture influences the organization culture by the different education, ways of thinking and decision, religion, or different traditions and conceptions of the population;

➤ **Social conditions** – as we know, we witness a global population growth, a fact that leads to new conditions related to the way of organizing activities, or the way of occupying the labour force. The labour force is better and better trained, so its recognition and reward are absolutely necessary. The involvement of women in the labour and management processes leads to major organization and family changes;

➤ **The technical and technological environment** – the influence of this factor depends on the organization's object of activity;

➤ **Globalization** – is a present phenomenon and it forces organizations to take into consideration an amalgam of factors in an international view. Their activities are influenced by the commercial agreements set between countries, by the appearance of some competitive products imported from abroad, etc.

The presented factors leave their mark on the creation and modeling of the organization's culture.

The number of factors influencing the organization's culture is permanently increasing, a normal phenomenon if we think about the changes that appear after the implementation of the new information technologies, the development of telecommunications, the appearance of better professionally trained and motivated human resources, of organizations that continuously expand (the organizations get bigger, extend their fields of activity, become transfrontalier, more complex and more dynamic), the free circulation of people outside their own country, the implementation of participative management, the setting of new quality standards both to products and to services, etc. Therefore, the list of factors that influence the organization's culture remains open.

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