

The Managerial Culture. A Literature Review

Ramona – Diana Leon

National University of Political Studies and Administration
ramona.leon@facultateademangement.ro

Raluca Anne-Marie Tone

National University of Political Studies and Administration
raluca.tone@suportjuridic.ro

Abstract

This article aims to analyze the evolution of the managerial culture concept in order to assess the importance of manager and of his / her personality during the processes of decision making and implementing in an organization. In order to achieve this goal, an ethic approach is employed and a qualitative research is developed. Thus, the articles published on Proquest that included in the tile, abstract or key words one of the next phrases: “culture”, “organizational culture” or “managerial culture”, are analyzed. The results prove that the managerial culture represents a subject of interest for both academics and practitioners since it comprises a set of elements which are absolutely indispensable in the process of establishing the corporate strategies. These findings have both theoretical and practical implications; on the one hand, it synthesis how the concept evolved and, on the other hand, it brings forward its importance in organizational environment.

Key words: culture, organizational culture, managerial culture, values.

J.E.L. classification: D21, L29, M12, M14.

1. Introduction

The notion of “culture” represents, as per its definition in the Romanian Explanatory Dictionary, all the material and spiritual values that the mankind has created and also all the institutions needed to communicate such values. Tylor (1871) uses the term “culture” to describe a complex human characteristic that includes knowledge, belief, art, moral, law, custom and any other capabilities and habits acquired by a member of society. In short, it reflects how the things around here are done. Linton (1955) goes further and describes culture as a learned behavior which is shared and promoted by the members of a certain community. Kroeber and Kluckhohn (1952) also supports the behaviour approach but it transcends from an individual to a group level by presenting culture as a shared behavior within a group of people who have common purpose and values of life. Therefore, culture is an ensemble of knowledge that has been accumulated in various fields, allowing intellectual development. Following the same reasoning, the concept of “organizational culture” represents the sum of activities and behavioral patterns that are specific to an organization.

The studies regarding organizational culture have their roots in anthropology and date back to the early of the 20th century. The first record of the “organizational culture” concept is credited to Theodore Szelnic (1957) who argued that this is needed in order to identify the practices that would lead to organizational development. Further on, the concept goes through a continuous enriching process, as the experts in the field became aware of the fact that any organization has an organizational culture, with a decisive role in firm’s activity.

In the late 1970’s, the concept of “corporate culture” started to be used in USA in order to emphasize the need for the enterprises to mobilize their ensemble of personnel and make them adhere to the unique identity of the organization (Vachette, 1984). This approach was also adopted by Peters and Waterman (1982) and Deal and Kennedy (1982). The formers define the organizational culture as a set of values that are shared by the members of the organization, which

is induced by symbolic means.

Furthermore, terms like “national culture”, “organizational culture”, and “managerial culture” are frequently used. If the distinction between the first two concepts is somehow easy to do, not the same can be claimed about the last two. Despite the fact that there is plenty of research about “organizational culture” and “managerial culture”, the distinction between these two is not clear and several times they are used as interchangeable (Gupta, 2012; Prabhu, 2005). Therefore, this article aims to analyze the specialized literature and to highlight the main differences between organizational and managerial culture.

The remainder of this article is structured as follows. Section 2 emphasizes the research methodology that facilitated the achievement of the research goal while Section 3 brings forward the main results. The article closes by drawing several conclusions, and highlighting the research limits and several further research directions.

2. Methodology

The purpose of this article is to analyze the literature published during 1950-2016 on the managerial and organizational culture, in order to show the main defining elements of the managerial culture concept, as it appeared and further evolved and its impact in the process of decision making and implementing in an organization.

Therefore, an etic approach is employed which has its roots in the behaviourist psychology and the anthropological approaches and it supports the analysis of a phenomenon from the outside. Unlike the emic approach, this provides several “descriptions and analyses expressed in terms of the conceptual schemes and categories regarded as meaningful and appropriate by the community of scientific observers” (Lett, 1990, p.130). Furthermore, Mott-Stenerson (2008, p.432) claims that “the etic approach is exemplified through a review of literature for thematic frameworks” while Fram (2013, p.7) states “the theoretical framework is a process at the abstract level using relative theories and definitive concepts as comparisons to gain understandings in order to describe, explain, or predict social phenomena, which occurs when the etic perspective is maintained”. Nevertheless, the use of an etic approach is suitable for the analyzed problem since pre-existing theories, hypotheses and approaches are used as constructs in order to determine if they apply to specific settings (Lett, 1990; Morris, Leung, Ames & Lickel, 1999). Therefore, we develop a multiple-stage research strategy.

A documentary study is developed. This focused on the articles published on Proquest that included in the title, abstract or key words one of the next phrases: “culture”, “organizational culture” or “managerial culture”, are analyzed. The research is qualitative and it is dominated by an inductive approach. The inductive character is reflected by the fact that the focus is on analyzing previously researched phenomena from a different perspective.

3. From organizational culture to managerial culture: A valuable journey

In the last centuries, the concept of “culture” was analyzed either from a sociological perspective or from an anthropological one (Cameron, 2008; Kroeber and Kluckhohn, 1952). The first one describes culture as a characteristic of an organization, an attribute that may be owned, developed and changed (Leon et al., 2015). The second one emphasizes that culture is the organization and not just a part of it; therefore, it cannot be separated or owned and its development occurs once the organization develops (Leon et al., 2015). Both perspectives are correct although terms like “national culture”, “organizational culture”, and “managerial culture” are frequently used and are getting us closer to the sociological approach. If the distinction between the first two concepts is somehow easy to do, not the same can be claimed about the last two. Despite the fact that there is plenty of research about “organizational culture” and “managerial culture”, the distinction between these two is not clear and several times they are used as interchangeable (Gupta, 2012; Prabhu, 2005).

Organizational culture usually defines a set of traditions, values, procedures, concepts and attitudes that create the organizational framework (McLean and Marshal, 1993), and it has a

powerful impact on the organizational effectiveness (Cameron and Freeman, 1991), the success of mergers and acquisitions (Cameron and Mora, 2003) and the quality of life in organizations (Quinn and Spreitzer, 1991). To a large extent, organizational culture may determine whether the organization succeeds or fails (Dyer, 1984) due to the fact that it affects employee productivity, job satisfaction and commitment (Ouchi, 1981) and it constrains organizational strategy and policy (Schwarz and Davis, 1981). It is therefore the key variable in organizational analysis when it comes to managing change effectively.

Several studies use the concepts of organizational culture and managerial culture as interchangeable although there are various differences between them. First of all, it is usually assumed that the organizational culture aims to integrate the employees within the companies, while the managerial culture focuses on providing vision and the sense of belonging to a certain social category (Nicolescu and Verboncu, 2001). So, the organizational culture defines the environment, the context while its “heart” and functioning are ensured by the managerial culture; the identity of an organization is maintained as long as the beliefs and its fundamental values are declared, shared and put into practice by its managers.

Secondly, the organizational culture concentrates keeping and transmitting the values, beliefs and traditions while the managerial culture tries to conserve them, to ensure their long-term existence, to foster the learning process and the harmonization of organizational values. As suggested by Nicolescu and Verboncu (2001), the managerial culture accumulates a set of values, beliefs, attitudes highlighted through a synergy effect and it succeeds in amplifying their potential within the organization.

Nevertheless, the organizational culture ensures a balance among the organizational values and employees’ values while the managerial culture acts as a filter, trying to retain only those elements (values, beliefs, rules, procedures) that may add value to the firm (Nicolescu and Verboncu, 2001). Besides, the latter performs the cultural control when it comes to company’s evolution and development.

Furthermore, as part of the organizational culture, the managerial culture, has benefited from a lot of interest from the experts in the field. However, there are two different lines of research encountered: the first one concentrates on the personal knowledge of managers while the second one adopts a general approach and treats the managerial culture as a collective behaviour. The scholars from the first line of research (Kahn and Katz, 1966) state that the managerial culture comprises aspects referring to both: (i) the general knowledge that a manager acquires and possesses, and (ii) the specific knowledge regarding the field in which the manager activates (psychology, sociology, intellectual capabilities, skills, abilities), as well as operational aspects regarding the implementation of such knowledge in a certain field. Thus, Kahn and Katz (1978) stated that a good manager must have very good capabilities in terms of communication. They need them in order to communicate the information in a correct manner, persuade, to involve the employees in their activities as much as possible, and to motivate them.

The researchers from the second line of research (Al-Kindi and Bailie, 2015; Jucan and Jucan, 2010; Nicolescu and Verboncu, 2001) argue that manager’s personal values, beliefs, and personal capability of adapting to the socio-economic conditions define the managerial culture and have a strong impact on the management style he/she adopts, influencing company’s activity. More exactly, Nicolescu and Verboncu (2001, p.59) defines the managerial culture as “the system of values, the beliefs, aspirations, expectations and behaviors of managers, reflected into the management styles practiced within the organization, sensitively influencing the content of every company’s organizational culture and performances”. Thus, the managerial culture synthesizes to the amount of values, skills, behaviors possessed by firm’s managers and affects not only the management style but also the process of decision making and company’s success.

Last but not least, when the concept of managerial culture is taken into consideration, the approach varies from an individual to a group level but it almost always describes the knowledge (values, beliefs, ideas, experiences, know-how etc.) possessed by managers and it emphasizes its impact on the organizational processes and firm’s competitiveness.

4. Conclusions

The specificity of the managerial culture resides in the fact that it is based on certain values and comprises a set of elements which are absolutely indispensable in the process of establishing the corporate strategies. The mission, the vision, the behavioral model adopted by the manager and also the traditions, the symbols and the operational processes that the manager has in each organization represent determining factors when defining, taking and implementing the corporate strategies.

Starting our study with the early 1950's, when the need for a closer investigation on the concept of managerial culture was for the first time realized, and arriving nowadays, we realize that the notion of manager is more and more replaced by the one of leader, the latter being a concept trying to cumulate all the values, beliefs, knowledge – general and technical, the behaviors possessed by a person who is in charge with the destiny of an organization, along with all its assets, with the hope for its development and achieving the highest standards of professionalism, efficiency and business ethics.

This study has implication on both theoretical and practical level. From a theoretical perspective, (i) it brings forward the time evolution of the managerial culture concept; (ii) it makes a clear demarcation between organizational culture and managerial culture, and (iii) it reflects the main points of view from which the concept of managerial concept was approached. Regarding the practical implications of this study, it must be mentioned that this helps managers understand the impact that their values and beliefs may have in the process of decision making.

However, the research is limited by the fact that it is only presenting a theoretical perspective on the issue and the gap between theory and practice is well known. Besides, the research findings are limited by the number of keywords searched in international databases. What it was found in the literature is just a fraction from what is written but still is capable of reflecting the ambiguity of the concept of managerial culture.

Starting from these findings, a future research should be developed in order to provide an answer to the following questions:

1. What are the main characteristics of the managerial culture from the Romanian companies?
2. How does the managerial culture influence the strategies development and implementation?

5. References

1. Al-Kindi, I.A. and Bailie, H.T., 2015. Values and managerial practices in a traditional society. *International Journal of Commerce and Management*, 25(2), pp.138-156
2. Cameron, K., 2008. A process for changing organizational culture. In T.G. Cummings, ed. 2008. *Handbook of Organizational Development*. Thousand Oaks: Sage Publishing, pp.429-445.
3. Cameron, K.S. and Freeman, S.J., 1991. Cultural congruence, strength, and type: Relationships to effectiveness. *Research in Organizational Change and Development*, 5, pp.23-58.
4. Cameron, K.S. and Mora, C.M., 2003. Corporate culture and financial success of mergers and acquisitions, Working paper, University of Michigan Business School.
5. Deal, T.E. and Kennedy, A.A., 1982. *Corporate Cultures*. Reading MA: Addison-Wesley.
6. Dyer, W.G., 1984. *Strategies for Managing Changes*. Boston: Addison-Wesley.
7. Fram, S.M., 2013. The Constant Comparative Analysis Method Outside of Grounded Theory. *The Qualitative Report*, 18(1), pp.1-25.
8. Gupta, S.F., 2012. A Framework Development Process to Integrate Cultural Value Dimensions in a Managerial Decision Making Context. *Journal of Business & Economic Studies*, 18(1), pp.1-53.
9. Jucan, C.N. and Jucan, M.S., 2010. The impact of the electronic culture on ethics and Managerial culture. *Annales Universitatis Apulensis Series Oeconomica*, 12(1), pp.248-252.
10. Kahn, R.L. and Katz, D., 1966. *The social psychology of organization*. New York: Wiley.
11. Kroeber, A.L. and Kluckhohn, C., 1952. *Culture: a critical review of concepts and definitions*. New York: Vintage Books.
12. Leon, R.D., Neșțian, A.Ș. and Nica, P., 2015. The impact of information sources on the quality values promoted in the Romanian universities. *Procedia Economics and Finance*, 20, pp.342–349
13. Lett, J., 1990. Emics and etics: Notes on the epistemology of anthropology. In T.N. Headland, K.L. Pike, and M. Harris, eds. 1990. *Emics and etics: The insider/outsider debate*. *Frontiers of anthropology*. Newbury Park, California: Sage Publications, pp.127-142.

14. Linton, R., 1955. *The Tree Culture*. New York: Vintage
15. McLean, A. and Marshal, J., 1993. Intervening in cultures. Working paper, University of Bath.
16. Morris, M.W., Leung, K., Ames, D. and Lickel, B., 1999. Views from inside and outside: Integrating emic and etic insights about culture and justice judgment. *Academy of Management Review*, 24(4), pp.781-796.
17. Mott-Stenerson, B., 2008. Integrating qualitative and quantitative theoretical perspectives in applied advertising research. *Journal of Business Research*, 61(5), pp.431-433
18. Nicolescu, O. and Verboncu, I., 2001. *Fundamentele managementului organizatiei*. Bucharest: Economica.
19. Ouchi, W. 1981. *Theory Z: How American Business can meet the Japanese Challenge*. Reading, MA: Addison-Wesley.
20. Peters, T.R. and Waterman, R., 1982. *In Search of Excellence: Lessons from America's Bestrun Companies*. New York: Harper and Row.
21. Prabhu, N.R.V., 2005. Cultural Influence on Managerial Thinking. Implications for Executive Effectiveness. *Journal of Management Research*, 5(3), 113-128.
22. Quinn, R.E. and Spreitzer, G.M., 1991. The psychometrics of the competing values culture instrument and an analysis of the impact of organizational culture on quality of life. *Research in Organizational Change and Development*, 5, pp.115-142.
23. Schwarz, H. and Davis, S.M. 1981. Matching Corporate Culture and Business Strategy. *Organizational Dynamics*, Summer, pp.30-48
24. Tylor, E.B., 1871. *The Primitive Culture*. London: John Murray.
25. Vachette, J.L., 1984. Peut-on mettre en évidence la culture de l'entreprise. *Revue Française de Gestion*, Septembre-Octobre, pp.74-81.