

## The Importance of Organizational Culture in the Management of Organizations

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### Abstract

*Organizational culture is like a person's personality: it is hard to build, it changes even harder. A strong organizational culture would be one in which there is a strong alignment with the values and principles of the organization. An organization with such a culture does not need control systems and bureaucratic systems. People who make up a strong culture do not need additional encouragement, they already unconditionally accept the rules of the game and the organization manages to form a certain type of desirable employee. For this reason, there are many managers who understand the importance of organizational culture management, but this being a little tangible and difficult to measure, it becomes a touchstone that is too little influenced by various culture modeling programs. The purpose of the article is to analyze the main components of modern organization management that influence the organizational culture of the current economy.*

**Key words:** organizations, leadership, culture management, decisions

**J.E.L. classification:** M15

### 1. Introduction

Most of the time, the beliefs and principles that guide the members of an organization have behind them factors such as its history, field of activity or technologies and strategies used over time to promote its products or services. Equally, the culture of an organization depends on the type of management promoted within it, the type of employees, as well as the society in which it was founded and developed.

The organizational culture of a company is something we cannot see or measure, it is a complex system of common values agreed at the company level, a set of unwritten rules that guide employees every day. Basically, organizational culture refers to the thinking, attitudes, beliefs and norms that exist in an organization, which are sometimes known by other market players. The organizational culture of a company is born with the establishment of the company and starts from its shareholders and if it is a multinational, then from the top management of the company. The foundations of an organizational culture are laid with the formation of a differentiating environment, a specific climate or its own atmosphere, things that define a company and through which customers or candidates recognize it in the market. Along with the great organizational culture, there can also be various subcultures that, without being in contradiction, each have their own specifics, given the specifics of some roles.

Organizational culture is a subject of management, which is currently given great attention. Worldwide, interest in organizational culture began in the seventh decade of the twentieth century. The large number of definitions shows the special interest and volume of work that has been devoted by researchers to studying this concept, all convinced of the importance of knowing it, but they also show that they have different views on the phenomenon. The study of the organization's culture has

gained more and more importance with the development of transnational companies, with the transition from general management to international management and then to global management.

The way members of an organization operate, treat employees, customers and the wider community, are strong aspects of personal culture and market culture. Personal culture is a culture in which horizontal structures are most applicable. Each individual is considered more valuable than the organization itself. This can be difficult to sustain, as the organization may suffer because of people and competing priorities. Market cultures are results-oriented, focusing on competition, achievement and mission accomplishment. The extent to which freedom is allowed in decision making, the development of new ideas and personal expression are vital parts of adaptive and adhocratic cultures. Adaptation cultures change value and are action-oriented, increasing the likelihood of survival over time. The way in which power and information flow make their presence felt in the hierarchy of the organizational system are aspects of the culture of power, the role culture and the culture of hierarchy. Power cultures have a leader who makes quick decisions and controls strategy. Cultural roles exist where functional structures are created, where individuals know what they have to do, report to their superiors and value above all efficiency and accuracy. Hierarchical cultures are similar to role cultures in that they are highly structured.

Organizational culture is nothing more than the attempt of enterprises to adapt through diversification, by forming their own cultural characteristics not so much to highlight its specificity and to oppose other enterprises, but to resist competition and evolve positively.

An absolute definition would allow not only a more rigorous study of organizational culture, but also an understanding of how it influences other organizational outcomes, such as productivity, employee involvement, and commitment. One thing is undoubtedly known about culture: it is constantly created, changed and shared to ensure the success of its organization.

## **2. Literature review**

Organizational culture is defined as a mix of beliefs, assumptions, values and ways of interaction that contribute to the unique social and psychological environment of an organization. Organizational culture includes an organization's expectations, experiences, philosophy, and the values that drive its members' behavior, and are expressed in members' self-image, internal activity, interactions with the outside world, and future expectations. Culture is based on attitudes, beliefs, habits, written and unwritten rules that have been developed over time and are considered valid (Vlasceanu, 2003).

Culture is a collective phenomenon because it is at least partially accepted by people who live and work in the same social environment where it was learned. In the context given by culture is meant the totality of ideas, values, traditions of a distinctive group of people. The bearers of organizational culture are the people (Stanciu and Ionescu, 2006). But in an organization with an already formed organizational culture, it is abstracted from people and becomes an attribute of the company, a component of it, which has a strong impact on team members, transforming their behavior in accordance with norms and values, which is its foundation (Roșca and Vărzaru, 2005).

Most of the time, the beliefs and principles that guide the members of an organization have behind them factors such as its history, field of activity or technologies and strategies used over time to promote its products or services. Equally, the culture of an organization depends on the type of management promoted within it, the type of employees, as well as the society in which it was founded and developed (Preda, 2006).

According to human resources specialists, over time several types of cultures have been identified: clan type (refers to team-based organizational culture, collaboration and cohesion between its members) or start-up type (refers to companies in which each employee is responsible for his or her work and where he or she can value his or her creativity), but in essence they all translate into relatively common and unitary norms of behavior. Team managers, HR people or those who interact directly with employees also have an important role (Stanciu and Ionescu, 2006). They are responsible for communicating and consolidating the fundamental elements that make up the organizational culture. A leader must appreciate his role in maintaining or evolving the culture of an organization. A deeply embedded and established culture illustrates how people should behave, which can help employees achieve their goals.

This behavioral framework, in turn, provides greater job satisfaction when an employee feels that a leader is helping them achieve a goal (Armstrong, 2003).

Leaders in the organization are vital to creating and communicating workplace culture. However, the relationship between leadership and culture is not one-sided. While leaders are the main architects of culture, an established culture can also influence a possible leader (Burduş and Căprărescu, 1999).

Nowadays, organizational culture refers mainly to the values and practices that employees of a company or institution share. These values and practices are closely related to the business objectives of the organization and are somewhat dictated by the need to outperform the competition, build a strong image in the market, attract customers, partnerships and, ultimately, profit (Bărbulescu, 2000).

Therefore, the elements of a healthy and successful organizational culture should include things like a clear mission, dedicated and skilled staff, integrity, trust, effective leadership, efficient systems and processes, rewarding performance, customer orientation, effective communication, learning continuous and professional development, adaptability and innovation.

Finally, we must remember that all these principles can turn into simple theory if they are not implemented, if they are not communicated and promoted effectively among employees in all departments. This can be done through brainstorming, presenting models of good practice, information or regular reminders of the values that make the organization, through its employees, respectable and successful.

### 3. Research methodology

In order to identify the most important organizational aspects related to gender, a questionnaire was subsequently applied to civil servants from several public institutions in Romania. The survey was conducted between April 4 and June 27, 2020, collecting 97 valid questionnaires.

In this article we have adopted the Denison Organizational Culture Survey (DOCS) as a way to measure organizational culture. Denison's model distinguishes four dimensions of organizational culture:

- 1) Power-oriented culture
- 2) Role-oriented culture
- 3) Task-oriented culture
- 4) Person-centered culture

The characteristics of each dimension of organizational culture are presented in Table no.1.

*Table no. 1 Characteristics of the dimension of organizational culture*

<b>Power-focused culture (spider web type)</b>	<b>Role-oriented culture (temple type)</b>	<b>Task-oriented culture (network type)</b>	<b>Person-centered culture (swarm type)</b>
promoted values: individual performance	the values and perspectives, given by the <i>roof</i> of the temple, are clear, expressed in writing, with the obvious tendency towards stiffening;	the distribution of tasks is done according to the intellectual and professional potential of individuals;	the structures of the organizations are put at the service of the interests of the individual;
harsh, harsh atmosphere	discipline, compliance with procedures, internal regulations;	staff have autonomy in choosing how to perform tasks;	the individual can leave the organization at any time, but it cannot dismiss him;
integrative situations are rare;	perspective individuale restrânse și legate de îndeplinirea unui rol specializat;	promoted values: creativity, teamwork, achieving common goals before individual ones;	concepts: professional authority;
success is accompanied by a low level of satisfaction;	relatively calm atmosphere, protective for individuals, who are provided with the possibility of a professional specialization;	perspectives: at the level of the obtained results;	promoted values: performance, individualism, indifference to the organization;

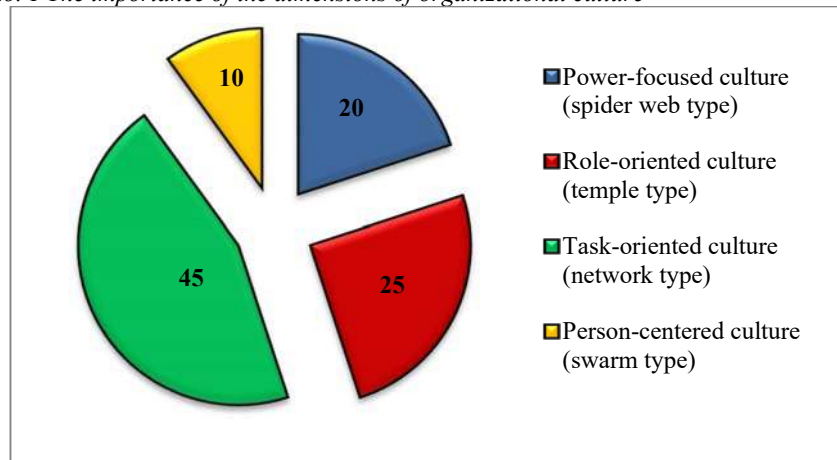
increased staff turnover;	rituals: less integration, less frequent differentiation, which marks differences in status between the <i>roof</i> and the columns of the temple.	basic concepts: confidence in man, in the ability of creativity, self-direction and control, high level of responsibility.	reduced attachment to the organization.
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Source: Developed by authors through adaptation and processing after Bărbulescu, 2000

#### 4. Findings

We found that 45% of the interviewed employees appreciated the main dimension of organizational culture is represented by *Task-oriented culture (network type)* - Figure no.1

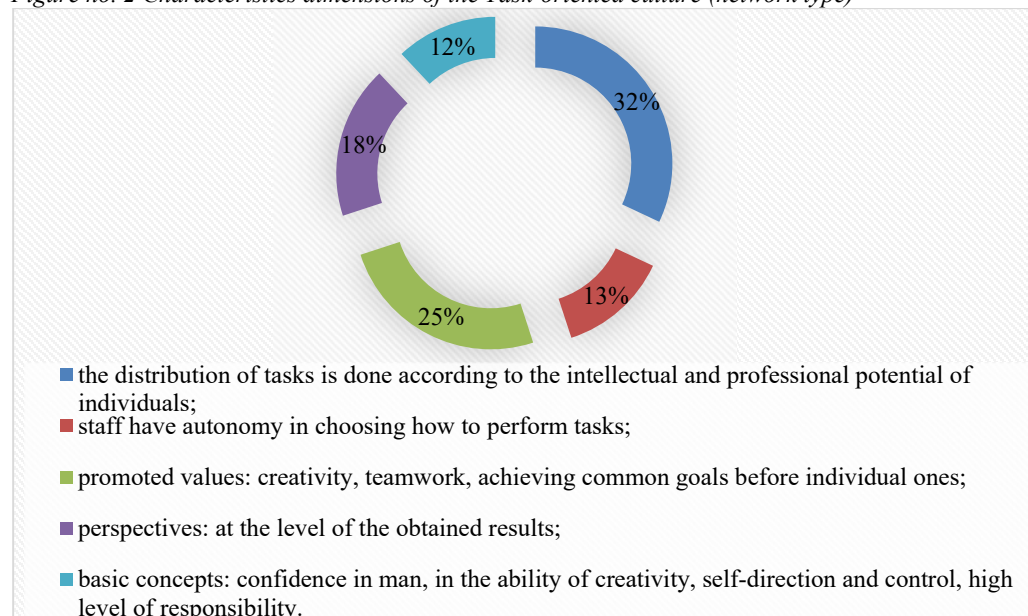
Figure no. 1 The importance of the dimensions of organizational culture



Source: the author's own concept

The importance of each type characteristic: *Task-oriented culture (network type)* is illustrated in Figure no.2

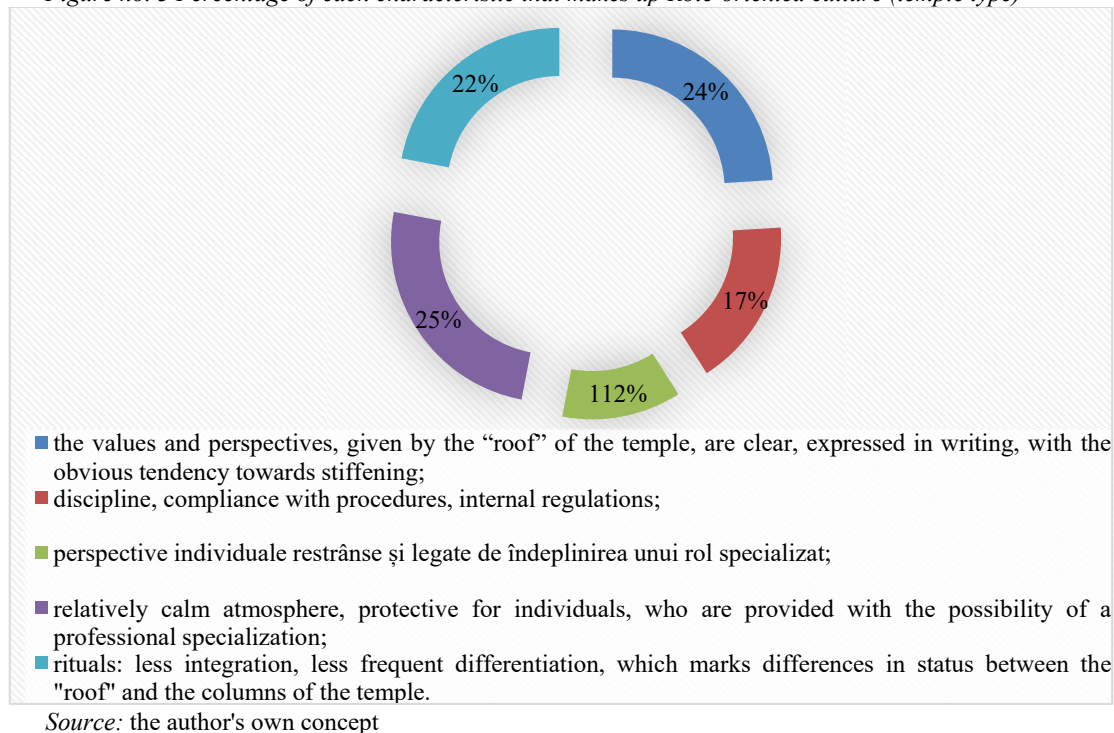
Figure no. 2 Characteristics dimensions of the Task-oriented culture (network type)



Source: the author's own concept

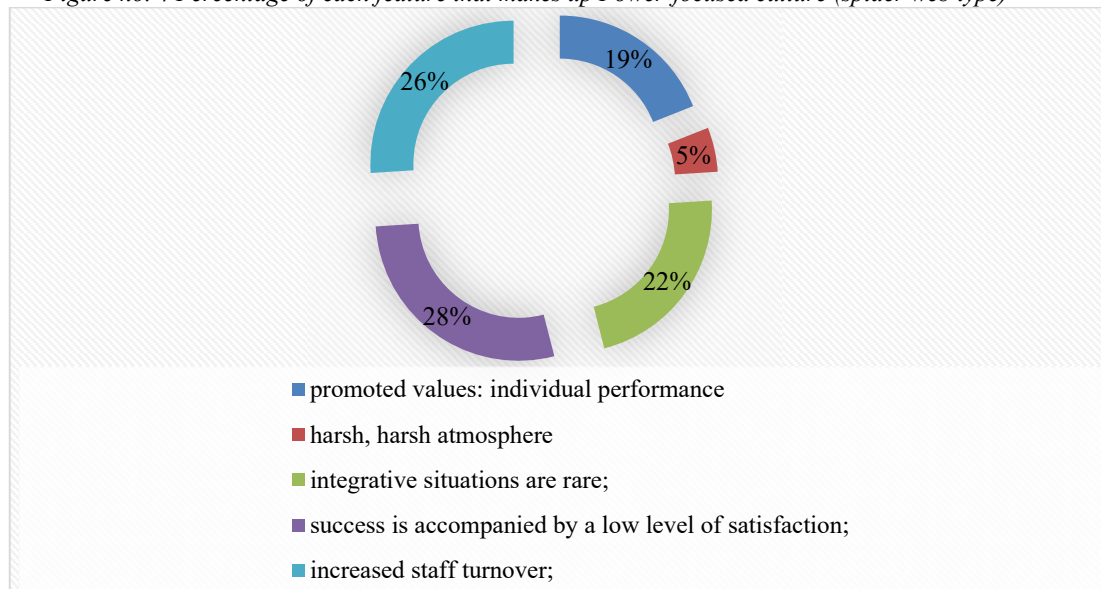
In second place in importance, with 25%, is *Role-oriented culture (temple type)*. Figure no.3 shows the importance of each characteristic of the type of *Role-oriented culture (temple type)*.

Figure no. 3 Percentage of each characteristic that makes up *Role-oriented culture (temple type)*



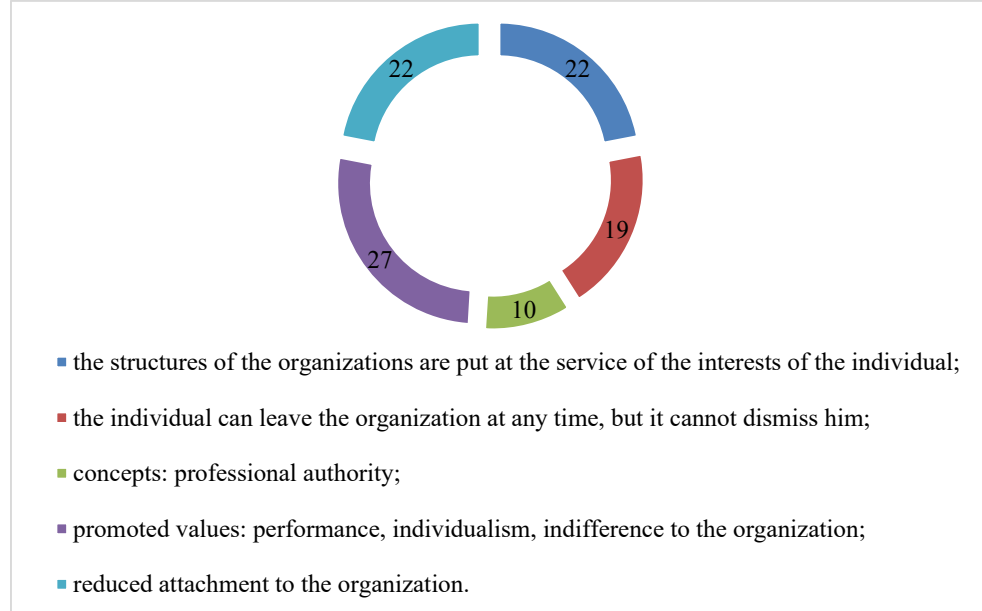
In third place in importance, with 20%, is *Power-focused culture (spider web type)*. Figure no.4 shows the importance of each characteristic of the *Power-focused culture type (spider web type)*.

Figure no. 4 Percentage of each feature that makes up *Power-focused culture (spider web type)*



On the last place was *Person-centered culture (swarm type)* with a percentage of 10%. Figure no.5 shows the importance of each characteristic of the *Person-centered culture type (swarm type)*.

Figure no. 5 Percentage of each characteristic that makes up Person-centered culture (swarm type)



Source: the author's own concept

## 5. Conclusions

Consciously or not, each organization possesses a culture that is more or less consolidated and situated on several levels. Wherever people form a community, a culture is born. Organizations not only possess a culture, they are a culture. The culture of an enterprise is transmitted, it is learned, it is able to adapt, it is multiple, it is only partially conscious and it exceeds the level of the individual.

Organizational culture has a number of dimensions and attributes according to which it is structured: the external environment, the mission, the strategy and the goals at the strategic level. Changing the culture of an organization is an effective way to apply the terms in question in its definition. For an organization to function, the organizational culture must be passed on with conviction to the new members and they must perceive it as valid. If every generation that enters the organization brings new values and perceptions, culture would no longer be stabilizing for the organization. This process of transmitting the organizational culture to the new members allows its testing, ratification and validation. Organizational culture improves the stability of the organization and provides its members with the understanding they need to discover the meaning of events and activities that take place in the organization (in everyday activities). It is necessary for an organization to implement and promote a constructive culture (less a defensive one), to understand its consequences and to focus all its efforts on its strengths, on its elements of authenticity. Organizational culture is in fact an ongoing process. The better the culture of an organization, the greater the concern to maintain and improve it. People's behavior is dictated by their values. In addition, a high level of transparency, openness, excellence in leadership, a culture of feedback, customer orientation and achieving results in a sustainable manner are essential elements for a successful organizational culture.

Cultural change must be accompanied by changes in formal organization and specific actions; change cannot be achieved only through ideas, concepts and trainings. Visible changes at the formal level can induce the necessary atmosphere for cultural change and can create favorable conditions for acceptance by members. Changes must be substantiated and planned coherently on the basis of a strategy that targets all levels and forms of manifestation of organizational culture as well as formal relations.

As it has been observed, the organizational culture has the role of an organizational binder, it ensures the internal coherence of the organization. Secondly, it is also part of the organizational learning process, by transmitting from one *generation* of employees to another the patterns of successful organizational behavior. Finally, it is part of the managerial process, influencing management practices and the philosophy of managers.

In my opinion, organizational culture is the specific and unique imprint of the values, beliefs, traditions, processes and behaviors of the people of an organization that determines its functioning and performance, in other words the relationship in the internal and external environment. For the organizational culture, the defining are the conscious and unconscious human elements, rational and irrational, group and individual, between which interconditioning relations take place.

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