

# **ORGANIZATIONAL CULTURE AND CHANGE PROCESS: THE CHALLENGES OF ORGANIZATIONAL PERFORMANCE**

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## **ABSTRACT**

*The effectiveness of any organisation is to a greater extent determined by its culture, just as every system is a product of its culture too. The challenges of organizational performance is in their organisational culture and change process. However, a good deal of attention had been given to the study of culture as a dynamic variable in promoting effective organizational performance. It is therefore the position of this paper to demonstrate that culture has positive influence or impact on organizational performance and to enhance organizational performance through effective cultural management, an organisation must imbibe a new orientation in their method of cultural development as well as develop attitudinal change for positive cultural influence. The paper concludes by recommending a change in the clique as well as the stakeholder approach among relevant agencies that determine the personality and expectations of organizations.*

*Keywords: Organisation, Culture, Change process, Performance*

## **INTRODUCTION**

Every person has a unique personality. Organisation too has personality. Organisational culture is a common phrase that one encounters in the business world. Organizational culture is not tangible. It can best be understood by studying the behaviour, the attitudes, the value and belief system of the employees, managers as well as the founders of the organisation. It characterizes and colours our perception of the business entity. Any employee however efficient will be a misfit if he is unable to adapt himself to the work culture of the organisation he finds himself. Organizations are laying emphasis on culture since growth and success depend on the kind of culture prevalent in the organisation. Do employees feel threatened or cherished, is there a desire to work and grow, do they want to evolve as a group or go their separate ways? these questions can be answered by a careful examination of the organisaitonal culture (Kulkami, 2010).

Individuals make up an organisation and the culture of that organisation in turn, is a reflection of the traits and characteristics of these

individuals. Various definitions abound for organizational culture. Some of them are considered hereunder: Wright and Noe (1996) opine that organizational culture as the set of shared assumptions, values and norms that identifies what the organisation considers important and how employees - including managers - should behave.

Robbins, Judge and Sanghi (2009) define organizational culture as a system of shared meaning held by members that distinguishes the organisation from other organizations. Wehrich and Koontz (2005) believe that organizational culture is the general pattern of behaviour, shared belief, and values that organisation members have in common. They believed that culture can be inferred from what people say, do and think within the organisation. Stoner, Freeman and Gilbert (1995) conceive organizational culture as "the set of important understandings, such as norms, values, attitudes, and beliefs shares by organisation members.

From the above definitions, it is obvious to believe in the critical management studies that organizational culture is the specific collection of values and norms that are shared by people and groups in an organisation and that control the way they interact with each other and with stakeholders outside the organisation (Hill and Jones, 2001). It comprises the attitudes, experiences, beliefs and values of an organisation toward the attainment of some goals. Organizational culture thus becomes a central them in the study of organizational behaviour because no organisation can exist without good culture capable of motivating employee towards goal attainment. Robbins and Coulter (2007) maintain that culture could be either strong or weak.

***Strong Cultures:*** These are cultures, in which the key values are intensely held and widely shared. Where culture is strong, people do things because they believe it is the right thing to do. The majority of the people in the organisation believe in them. They have greater influence on employees than do the weak cultures. In other words, the values are widely shared, that culture conveys consistent message about what is important, etc. Strong culture is said to exist where staff respond to stimulus because of their alignment to organizational values. While weak culture is where there is little alignment with organizational values and control must be exercised via extensive procedures and bureaucracy. However, Luthans (2008) believes that organisation culture is characterized by the attitudes, experiences, beliefs and values of the entire organisation. The culture of an organisation is closely tied to the mission and programmes of that organisation. The attributes of organisation's culture can be tangible, such as dress code, physical work environment or intangible such as shared values and definition of success.

## **HOW CULTURE IS FORMED, LEARNT AND SUSTAINED IN AN ORGANISATION**

According to Robbins and Coulter (2007), an organisation's current customs, traditions and general way of doing things are largely due to what it has done before and how successful it has been with those endeavours. The founding fathers of an organisation traditionally have a major impact in establishing the early culture of the organisation (Robbins, 1990). They usually have a vision or a mission of what the organisation should be. They are unconstrained by previous customs of doing things or by ideology. The organisation culture results from the interaction between the founders' biases and assumptions on one hand and what the original members, whom the founders initially employed, learn subsequently from their own experience on the other hand. Once culture is in place, there are practices within the organisation that act to maintain it by giving employees a set of similar experiences (Harrison and Carrol, 1991). According to Robbins, Judge and Sanghi (2009), three forces, namely selection practices, the action of top management and socialization methods play an important part in sustaining culture in the organisation.

**Selection:** The explicit goal of the selection process is to identify and hire individuals who have the knowledge, skills and abilities to perform the jobs within the organisation successfully. This results in hiring people who have values essentially consistent with those of the organisation, or at least a good portion of those values (Schneider 1987).

**Top Management:** The actions of top management have a major impact on the organisation's culture. Through what they say and how they behave, senior executives establish norms that filter down through the organisation. This may result in things like:

- Whether risk taking is desirable
- How much freedom managers should give to their employees
- What is appropriate dress, etc.

**Socialization:** New employees are not usually fully indoctrinated in the organisation's culture. Since they are unfamiliar with the organisation's culture, they are potentially likely to disturb the belief and customs that are in place. The organisation through socialization will attempt to help them adapt to its culture. This is a way culture is sustained in the organisation (Wanous, 1992). Robbins, Judge and Sanghi (2009) believe that culture can be learnt in the organisation and they listed the following as the means by which culture could be learnt in the organisation - stories, rituals, material symbols and language. In other words, they are elements that can be used to describe or influence organisational culture and myths; build up about people and events, and convey a message about what is valid within the organisation.

**Rituals and Routines:** Activities like recognition and award ceremonies, weekly lunch time out, and annual picnic are example of rituals. Management meeting, board report may become more habitual than necessary. They reinforce and express the key values of the organisation.

**Symbols:** Symbols are things, objectives and behaviour that convey to the employees who and what is important in the organisation and help to reinforce organisation's culture. These include organizational logo and designs and they also extend to symbols of power such as parking spaces and executive washrooms.

**Language:** Many organizations and units within organisation use language as a way to identify members of a culture or subculture. For example, organizations overtime develop unique terms to describe equipment, offices, key personnel etc. In addition, new employees are frequently overwhelmed with acronyms and jargons. By learning this language, members attest to their acceptance of the culture and, in so doing help to preserve it.

**Organisational Structures:** These are the reporting lines, hierarchies and the way that work flows via the organisation.

**Control Systems:** These have been the process puts in place to monitor what is going on in an organisation.

**Power Structures:** These refer to who makes the decisions, how widely spread is power, and on what is power based?

**The Paradigm shifts:** These indicate what an organisation is about, what it does, its mission, its values, its internal structure of beliefs and concepts.

## ORGANISATIONAL CULTURE AND CHANGE

When one wants to change an aspect of the culture of an organisation, one has to put into account that this is a long term task. Organizational culture is something that is very difficult to change and employees need time to get use to the new ways of organizing it will be even more difficult to change for organizations with a very strong and specific culture. Cummings and Worley (2005) gave the following six guidelines for cultural change. These changes are equivalent to the eight distinct stages identified by Kotter (1995).

1. Formulate a clear strategic vision (stages, 1, 2, 3 of Kotter, 1995). This vision provides the intention and direction for the culture change (Commings and Worley, 2005).
2. Display Top-management commitment (Stage 4 of Kotter, 1995). Culture change must be managed from the top of the organisation as ability and willingness to change of the senior management is crucial indicators. The top of the organistion should display high level of

commitment to change of the senior management is a crucial indicator. The top of the organisation should display high level of commitment to change in order to clearly implement the change in the rest of the organisation.

3. Model culture change at the highest level (stage 5 of Kotter, 1995). The change has to be notable at first at management team level in order to show that the management team is committed to the change. The behaviour of the management is expected to symbolize the kinds of values and behaviour that should be realized in the rest of the organisation. Deal and Kennedy (1982) believe that the management should show the strength of the present culture as well to make clear that the present organisation does not need radical changes but a few adjustments.
4. Modify the organisation to support organizational change.
5. Select and socialize new comers and ignore or terminate deviants (stage 7 and 8 of Kotter, 1995). A means to implement a culture is to connect it to organizational membership. People can be selected and terminate in terms of their fit with the new culture.
6. Develop ethical and legal sensitivity. Tensions between organizational and individual interests can result from changes in culture, which can give rise to ethical and legal challenges for practitioners. This is especially important for changes in the integrity, control, equitable treatment and job security of employee.

### **ARGUMENT FOR AND AGAINST THE DYNAMICS OF ORGANISATIONAL CULTURE**

It is a truism that change is constant. Irrespective of the situation, all issues are subject to change. There are however opponents to the issues of cultural change. It is asserted that since culture takes a long time to form, seen in deeply held values by employees, organisation's culture should not be changed. Robbins and Judge (2005) opine that the selection and promotion policies work against cultural change, as it afford the employees the avenue to choose the organisation they perceive their values to be a good fit with the organisation. As there are opponents to the issue of cultural change, so also there are proponents in support of the issue of cultural change that since culture can be learned, it can also be unlearned. It is equally an established fact that through the selection process, top management actions and methods chosen for socializing employees sustain a culture and stories, rituals, materials symbols and language are means of employing learning culture. Management changing these conditions can facilitate the process of changing culture.

## NECESSARY CONDITIONS FOR CULTURAL CHANGE IN ORGANISATION

Luthans (2008) identifies the following factors that can bring about cultural change in organisation.

***Dramatic Crisis:*** This condition most commonly acknowledged to exist before culture can change is dramatic crisis. Dramatic crisis, such as sudden financial setback, loss of a major customer and technological breakthrough by a competitor, all necessitate cultural change.

***Leadership Turnover:*** Top management is a major agent transmitting organizational culture. A change in the organisation's top leadership position facilitates the imposition of new values. The emergence of a new top leadership, which can provide an alternative set of key values, may be perceived as more capable of responding to this state of turnover.

***Organisation's Life Cycle:*** Organisation's culture change is easier to achieve when the organization is in transition from the formative stage to the growth stage and from maturity to decline stage. This implies that, as the organisation moves into growth, maturity and decline stages, major changes are possible.

***Organisational Age:*** The younger the organisation, the less entrenched its culture will be, hence susceptible to changes.

***Strength of Culture:*** The more widely held a culture is, and the higher the agreement among members on its values, the more difficult it will be to change. Conversely, weak culture is more amenable to change than strong culture.

***Absence of Subculture:*** Organisation's culture heterogeneity with their concern for protection of self-interest results in resistance to change. The more there are subcultures in an organisation, the more the resistance to change in the dominant culture (Dyer Jr. 1984).

## ORGANISATIONAL CULTURE CHANGE PROCESSES

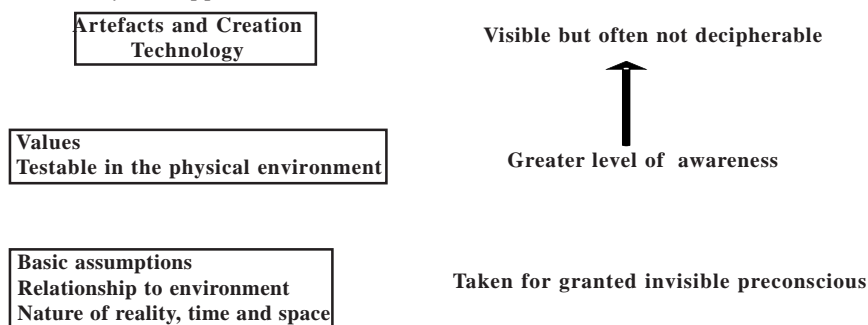
Organizational culture is dynamic. The processes of organisation's change focuses on the steps involved in altering the organisation's culture. There are numerous approaches to change in an organisation's culture. Schein's (1985) management enabled approach is the most popular as it uses the Lewin's (1948) model to organizational change. This approach recognizes the instrumental role of management in changing corporate culture. The implication is that when culture becomes dysfunctional, leadership is needed to help the group to unlearn some of its cultural assumptions and learn new assumption. All these activities occur at the unfreezing state. This involves group therapy with the involvement of an outsider who is knowledgeable in group dynamics, leadership and learning theory. The unfreezing process of cultural change is precipitated by both external and internal changes (Quinn and McGrath, 1985).

## CHANGE MECHANISMS IN ORGANISATIONS

After the unfreezing stage, there is the need for a change/movement mechanism to be used. The necessary movement most appropriate is illustrated in the table below:

<b>Growth Stage</b>	<b>Change Mechanism</b>
<b>Birth and Early Growth</b>	<ul style="list-style-type: none"> <li>-Natural evolution</li> <li>-Self guided evolution through hybrid (merger and acquisition)</li> <li>- Manage evolution through hybrid</li> <li>- Manage revolution through outsiders</li> </ul>
<i>Midwife</i>	<ul style="list-style-type: none"> <li>-Planned change and organizational development</li> <li>- Technological seduction</li> <li>-Change through scandal, explosion of myths</li> <li>- Incrementalism</li> </ul>
<b>Maturity</b>	<ul style="list-style-type: none"> <li>- Coercive persuasion</li> <li>- Turnaround</li> <li>- Reorganisation, Destruction, Rebirth</li> </ul>

*Source: Schein, E,H (1985) Organisational Culture And Leadership San Franscisco, C.A: Jossey-Bass pp 271-172.*



**Fig. 1:** Levels of Culture and their interactions

*Source: Schein, E H (1989) Organisational culture and leadership, Jossey-Bass, San Francisco, p.14. Omotola A. O. and Oladipupo A. O. (2009) Concept and Measurement of Culture in Organisation. Journal of Communication and Culture: International Perspective, 1 (1/2), 64 - 86*

### THE ROLE OF CULTURE IN ORGANISATIONAL PERFORMANCE

The culture of an organisation has an important role to play in the organisation. As clearly observed by Wright and Noe (1996), organizational culture plays a pervasive and significant role in the organisation. Culture complements the managers' "rational tools" such as structure, policies, information systems, technology and strategy. With rational tool, managers take actions designed to directly achieve their goals and objectives. Together, rational tools and organizational culture shape employees perception and behaviour. Organizational culture has socializing role. It subtly or explicitly informs new members how they should behave to fit in.

Organizational culture supports the implementation of organisation's strategy and may desired change in the strategy. Robbins (1990), noted that culture as an amorphous concept, defies objective measurement or observation. He opined that culture as the foundation of the organisation's internal environment, plays a major role in shaping managerial behaviour. Culture determines the "feel" of the organisation. Culture enhances the tight control of employees' exceptions to established policy. Culture makes employees to be watching one another to ensure that no one breaks rule, and people are trained to check with their superiors before making most decisions. The basic underlying function of culture is that it creates the lenses through which people perceive and interpret events.

On the other hand, Gomez-Mejia and Balkins (2002) state that organizational culture helps to achieve organizational objective in several ways: employees self-management, stability and socialization. Robbins, Judge and Sanghi (2009) point out the following as the functions of organizational culture:

**Boundary Definition:** This implies that culture creates distinction between one organisation's and the others.

**Identity Creation:** This means that culture conveys a sense of identity for the organisation's members.

**Commitment Creation:** Culture facilitates the generation of commitment to something larger than one's self interest.

**Enhances Stability:** Culture enhance the stability of the social system in the organisation. It is the social glue that helps hold the organisation together.

**Control Mechanism:** Culture serves as a sense making and control mechanism that guides and shapes the attitude and behaviour of the employees.

**Fashions Behaviour:** Culture fashions the behaviour of the organisation's members as well as guide them to achieve organisatioanl goals and objectives. It defines the rules of the games and the Challenge on Cultural Change on Organisational Performance. From the analysis so far, on various organizational culture and change, the following implication stand clear on organizational performance.

**Mission connect:** Individual members are not committed to organisation's mission. They contribute in small measure to the advancement of the mission of the organisation. Mission connect has the potentialities of defining the culture of organisation.

**Top management:** A change in the organisation's top leadership position may not facilitate the imposition of new values and as such may not provide an alternative set of key values. Management of organizations do not carry out deliberate role modeling, teaching and counseling, reaction to critical incidents and organizational crimes. They do not use stories, myths, legends and parables



about crucial events and people and formed statements of organisational philosophy, creed and charters.

***The reward systems to reflect the new expectations have not been changed:*** They have no legacy of honesty and truth. Bribery and corruption have also taken their toll in the reward system.

***Training programmes have no positive influence on the employees in organisation:*** Programmes are not revised in line with changes in the environment. In other words, organizations do not keep watch with the competitive environment. This hinders organizational culture change process.

***Young employees entering into organisation lack the legacies of new values and beliefs:*** Formalizing new behaviour or rules and regulations become difficult.

***Organisation's selection and promotion policies use against culture change:*** It gives employees the opportunity to choose the organisation they perceive their values will fit.

## CONCLUSION AND RECOMMENDATIONS

From the discussion so far, the writers conclude that a single culture does not exist in all organisation. Complex organisation may have many cultures and that such sub-cultures might overlap and contradict each other. To change an aspect of the culture of organisation is a long term project and indeed hard to change. Realizing that all of us will suffer the consequences of bad culture on organizational performance, if we fail to give positive culture, it behooves on all concerned to think positively in order to bequeath on our organisations, organizational culture legacies that will endure the taste of time. Organisational culture and dynamics should be appraised with functional criteria that will challenge positive influence, motivate employees for positive contributions for the development of organizations.

Bearing in mind that organisation exist for the benefits of its numbers and society and not itself, and that the culture of the organisation is nothing in itself but become something only in so far as it is embodied the culture of the individual employees. The way forward as suggested in this paper may not be exhaustive in itself, but can serve as a panacea.

1. Developing a mind set on positive culture in organizational development will serve as a guide, particularly on the principal actors in the development of organisation.
2. Increase in cultural consciousness of organisation: Cultural consciousness should be emphasized in organisation. No matter the sector or area of the organisation, as long as the criteria have been set, it must be followed no matter who is involved.

3. Cultural re-orientation: Management of organisation should be culturally orientated. There should be a change of attitude and orientation towards what most managements of organisation pursue as values, beliefs, experience, attitudes, etc. If we reposition over organization culturally, certain vices that work against cultural change will be reduced.
4. When culture becomes dysfunctional in organisation, leadership is required to assist the members of organisation to unlearn some of its cultural assumptions and learn new assumptions. Thus, leadership that can formalize new behaviour in rules and regulations revise training programmes and changing reward systems to reflect new expectations is needed.
5. Organisational culture change process must be thoroughly appraised and should not be selfishly motivated.
6. A person culture where all individuals believe in themselves superior to the organisation must not exist. If it exists, survival can become difficult for organizations because the concept of an organisation suggests that a group of like - minded individuals pursue the organizational goals. Example are professional partnership since each partner brings a particular expertise and clientele to the organisation.

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