

THE IMPACT OF ORGANIZATIONAL CULTURE ON MANAGEMENT PERFORMANCE FOR COMPANIES IN DAMBOVITA

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Abstract

The success or the failure of a company depends on the relevance of founders beliefs to current opportunities and constrains that company are facing with. The culture affects management as much as the management affects culture, both of them can develop or destroy each other, the culture pre and proscribing the management style. In our days, we can suggest that the organizational culture may mediate the relation between management and results of the organization, such as: performance, commitment and innovation. Making the couple person- organization is a determinant element for the organizational performance. That means synergy of all organization`s membersactions on common language, unit of thought and values shared in order to obtain the desired performance and coagulation of these efforts towards common goal. In other words, we can speak about correlation values between the organizational culture desired by employees and their perceptions about the organizational culture they work for. Each employee feels valued because he as a shareholder contributor to the organization he works for. Practicing social policies contributes in a fundamental way to the influence of employees` perception about identity with the organization, commitment and organizational satisfaction.

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JEL classification: M10, M14

1. Introduction

For three decades, the concept of organizational culture has been explored discussed and debated by different researchers, financial consultants,

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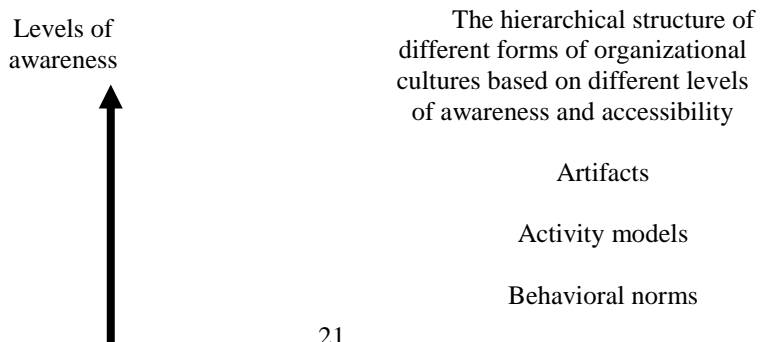
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as well as managers. Organizational culture has become known at the beginning of 1980, in the attempt to understand the superior performance of Japanese corporation compared with their American and European partners, in terms of productivity, innovation and quality. Persuasive comments on management and workers from Japan have strengthened a set of important values regarding good quality, organizational and even inter-organizational problem solving that led to an increasing of performances.

The multitude of books for managers from that period used the idea of an organizational culture. Peters and Waterman book entitled “In Search for Excellence” (1982) [1], has argued that the basic philosophy of an organization has more to do with its achievements than with technological and economic resources, with the organizational structure, innovation and distribution. The two authors concluded that the organizations` performances are characterized by a well-defined values system. The dominant beliefs of an organization performance include only based values such as: the belief to be the best, attention to details, the importance given to people in an organization, innovation, the role of informal relations, the importance of economic and profit growth, the management

In an attempt to incorporate all culture levels described in the existing literature, Rousseau D. developed a model of the structure of organizational culture on different levels of knowledge and accessibility [2]. Basically, the artifacts reflect the physically manifestations and products of cultural activity (ex. Logos). At the next level, activity model, such as decision factors, coordination and communication mechanisms are observed by outsiders and help the organization to manage the its functionality daily (figure 1).

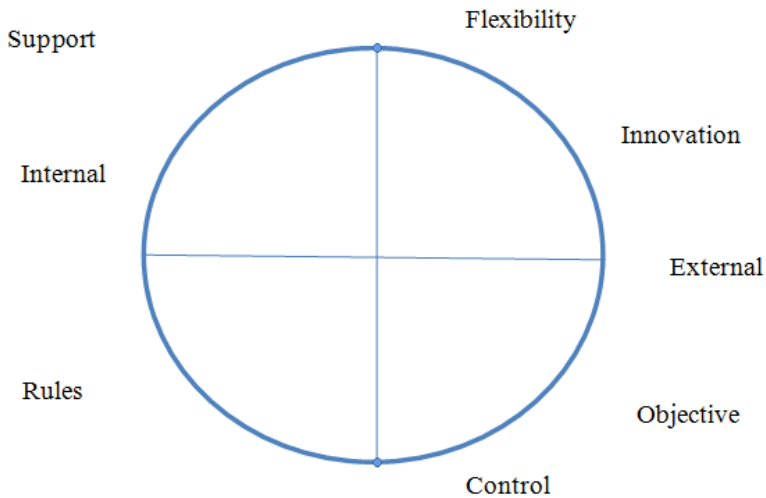
Figure 1. The manifestation of organizational culture on different levels of awareness and accessibility [3]



The content of organizational culture represents a key element of it. There are theoretical models that reflect the dimensions of organizational culture, such as the model of competitive values [4] the model of basic circumplex behavioral norms [5] and the theory about organizational culture and efficiency of Denison D.R. and Mishra A.K.[6].

The model of competitive values of Quinn R.E., presented in figure 2, propose describing organizations based on four cultural orientations that are not only mutually, but reflect the presumed competitive demands of an organization. Organizations balanced the existent competitive demands and prove their coexistence, which in turn have a positive impact on its employees` life quality [7]. The our cultural orientations are: human relations, open systems, internal process and orientation of rational objectives. The human relations or support orientation model involve cooperation, participation, individual development and personal consideration.

Figure 2. Competitive values model of organizational culture (after Quinn, 1988) [3, p.109]



The open systems or innovation orientation model contains the openness to change, adapting to business environment, focus and clients experience. Internal process or rules orientation model contains organizational

values that refer to the importance of rules and procedures, information management, stability and control. Rational objectives or objectives orientation model is characterized by setting goals, achievement of the goals, productivity, responsibility and efficiency. In a recent study of competitive values model, Hartnell C.A. and Kinicki A argued that “there is mixed support for nomological validity of the framework and more accent should be on interactive effects of the four cultural orientations on efficiency criteria” [8].

The model of behavioral norms describes a set of constructive and defensive behavioral norms that take place in the organizations and are linked to organizational efficiency and employees` satisfaction [9]. Constructive behavioral styles led to higher levels of organizational efficiency and work satisfaction, while defensive behavioral styles are associated with a lower organizational efficiency but also decrease of employee`s satisfaction. There are four constructive styles such as: achievement, affiliation, encouraged and self-actualization; these styles refer to achieve the goals, productivity, social support, personal relationsat work, cooperation, participation in decisions making, personal freedom and individual development. On the other side, there are eight defensive styles divided in two general categories. Defensive/aggressive styles include: competency, power, opposition and improvement. Passive/defensive styles are: approved, conventionally, dependence and permission. Defensive styles are incorporated in social environment that promote tough competition, respect for authorities, destructive and negative criticism, allowance of conflict and confrontation, dependency to higher and lack of power.

In another model of association the organizational culture with performance, Denison D.R. and Mishra A. Kidentified four characteristics of the culture through the development of a theory regarding the relationship of those features of culture with organizational efficiency. Thefour features of the culture are: involvement, consistency, adaptation and mission. Involvement requires participation in decision making and others organizational practices that promote employees identification with the organization they work for. Consistency reflects internal integration of an organization and, specifically, the degree to which members of the organization have a common way to observe and behave according to different organizational problems. Therefore, consistency not refers to culture elements, but to culture power. Adaptation represents also the tendency of the organization to pay attention to its external

environment, such as clients, competitors and govern and to promote necessary changes to be successful. Finally, the mission includes general objectives set by top manager and business philosophy that coordinates and guides the departments and divisions of the organization. These four features of culture were developed in empirical way to distinguish the efficient organizations from inefficient organizations from the large regions in the world [10].

Founders usually have a major impact on the way the group faced with the external adaptation problems and internal integration since the beginning of the organization existence. Founders have a high level of self-confidence and determination, they have strong beliefs about how they will practice the idea of company's developing. Leaders, as founders of the organization initiate the formation process of culture by imposing their perceptions and values on the new group. There is a number of mechanisms that are used by founders and others leaders to impose to the new group. Charisma is the most important way to deliver the message by founder to allow the creation of a long term culture.

Founders and small groups play a profound role creating organizational cultures, and mature organizational cultures have an impact on different aspects of organizational behaviors including leadership and working groups. Founders and other leaders are considered to hold distinct ideologies and visions, dictating the way organization should integrate its internal forces and to adapt to the requirements of environment to be successful.

During the evolution of an organization, the most important elements of culture were included in the structure and processes of the organization. During this stage, the organization developed different departments and divisions that generated the emergence of subcultures. A leader can change the organizational culture through a systematic promotion of people from one department to another. They will learn the values of the leader, temperament and motivation. This is an extension of promotion of the mixed management which is used to change the culture in the initial stage of organizational growth; this is a changing mechanism used in the growth period because there was given more importance to the growth of organization than to organizational culture.

Another leader behavior refers to the change through organizational development which refers primarily to coordination and integration of

different groups within the organization that works with a different set of values. The organizational development programs involve creating a parallel system for temporary learning where a certain part of the organization learns. The third way leader can action for the organizational growth is the behavior of “technological seduction” a new technology can be used by leaders to “attract” the organizational members in new ways of thinking and behavior which may replace the existing set of basic assumptions. Creating common concepts and languages may be facilitated by the diffusion of technological innovation leading to the formulation of new assumptions shared within the organization.

Even if any of the leadership models examined the way situational variables moderate the relation between leading and efficiency, the influence of organizational or social culture as the main moderating variable of the relation between leadership and efficiency, has been neglected [3, p. 143]. Bjerke B. argued that even if the importance of social content on efficiency of leadership styles was remarked by the contingent theories, defining the social content in this approach is rather restricted to a limited number of variables and do not take into consideration the informal social networks within the organization [11]. The norms, values and assumptions that mainly operate through informal networks of the company have not been systematically examined as moderators of the relation between leading and efficiency.

1. Objective of the study

The main objective of this article is to analysis if the organizational culture affects the performance and if there are contingent factors that can be taken in consideration when analyzing the link between culture and performance. It is known that the power of culture and certain dimensions of culture are associated with effectiveness, having a common effect on the organizational performance. Predicting the relevant literature identified two mainly cultural dimensions as predictors of efficiency, an orientation towards people and an orientation towards tasks. The orientation towards people consists in cooperation, teamwork, involvement, participation in decisions making, individual development, activation of creating potential, social support and constructive social relations. On the other hands, the orientation towards tasks focuses on values and practices concerning the objectives`

setting, organization task, efficiency, organizational objectives and feedback of performance.

2. Data base

For this study were used 3 companies from Targoviste with a high cultural importance on local community. Knowing the impact of culture and its influence on the employees` behavior is useful in terms of management because it is impossible to take into consideration all the domains of culture. Inherent tensions and conflicts specific to the community characterized the organizational life for any company that bases on a set of values, norms, customs, which influence the results of this study.

Methodology

To achieve the scientific endeavor was established using the following criteria to identify the relations between organizational culture and performance, through combining the two criteria orientation towards people and orientation towards tasks, a of 12 variables which can influence this relation. Table 1 show the average scores of cultural dimensions oriented towards people and the dimension oriented towards tasks, sample selected from this study for the three companies.

Table 1. Mean Scores of Organizational Culture and Performance Dimensions

Dimensions	Company 1	Company 2	Company 3
Orientation towards people			
Cooperation (C1.I1.)	4,7	5,10	4,50
Teamwork (C1.I2.)	4,7	4,60	5,40
Involvement (C1.I3.)	4,9	4,90	4,50
Participation in decision making (C1.I4.)	4,5	5,10	4,90
Individual development (C1.I5.)	5,2	4,70	5,20
Activation of creative potential (C1.I6.)	5,7	4,70	5,60
Social Support(C1.I7.)	5,9	4,90	4,50
Constructive social networks (C1.I8.)	4,5	5,50	5,10
Orientation towards tasks			
Values and practices regarding objective setting (C2.I1.)	4,90	5,00	4,70

Efficiency (C2.I2.)	5,20	5,60	5,20
Organizational objectives (C2.I3.)	5,60	5,20	5,00
Performance feedback (C2.I4.)	4,90	4,70	5,20

Table 2 shows the correlations between the two analyzed dimensions.

Table 2. The relation between cultural dimensions oriented towards people and performance

CORRELATIONS												
		C1.I1	C1.I2	C1.I3	C1.T1	C1.T2	C1.T3	C1.T4	C1.T5	C1.T6	C1.T7	C1.T8
C1.I1	Pearson Correlation	1	0,036	-0,267	-0,069	0,146	-0,078	0,039	-0,113	0	0,134	-0,119
	Sig. (2-tailed)		0,849	0,153	0,719	0,44	0,684	0,838	0,552	1	0,479	0,531
	N	30	30	30	30	30	30	30	30	30	30	30
C1.I2	Pearson Correlation	0,036	1	-0,204	0,035	0,053	0,039	0,089	-0,219	0,106	0,249	0,084
	Sig. (2-tailed)	0,849		0,279	0,855	0,781	0,836	0,639	0,244	0,578	0,184	0,66
	N	30	30	30	30	30	30	30	30	30	30	30
C1.I3	Pearson Correlation	-0,267	-0,204	1	-,085	0,303	-0,193	0,175	0	-0,052	-,503**	0,308
	Sig. (2-tailed)	0,153	0,279		0,653	0,104	0,306	0,355	1	0,786	0,005	0,098
	N	30	30	30	30	30	30	30	30	30	30	30
C1.T1	Pearson Correlation	-0,069	0,035	-0,085	1	-0,285	0,015	0,33	0,135	-,516**	0,052	0,274
	Sig. (2-tailed)	0,719	0,855	0,653		0,127	0,937	0,075	0,477	0,004	0,784	0,143
	N	30	30	30	30	30	30	30	30	30	30	30
C1.T2	Pearson Correlation	0,146	0,053	0,303	-0,285	1	-,364*	0,132	0,089	0,134	0,009	0,271
	Sig. (2-tailed)	0,44	0,781	0,104	0,127		0,048	0,485	0,641	0,479	0,961	0,147
	N	30	30	30	30	30	30	30	30	30	30	30
C1.T3	Pearson Correlation	-0,078	0,039	-0,193	0,015	-,364*	1	0,078	-0,178	0,217	-0,254	0,061
	Sig. (2-tailed)	0,684	0,836	0,306	0,937	0,048		0,684	0,347	0,249	0,176	0,748
	N	30	30	30	30	30	30	30	30	30	30	30
C1.T4	Pearson Correlation	0,039	0,089	0,175	0,33	-0,132	0,078	1	0,221	-0,196	0,141	0,142
	Sig. (2-tailed)	0,838	0,639	0,355	0,075	0,485	0,684		0,241	0,299	0,456	0,454
	N	30	30	30	30	30	30	30	30	30	30	30
C1.T5	Pearson Correlation	-0,113	-0,219	0	0,135	0,089	-0,178	0,221	1	-0,118	0,348	-0,252

	Sig. (2-tailed)	0,552	0,244	1	0,477	0,641	0,347	0,241		0,535	0,06	0,178
	N	30	30	30	30	30	30	30	30	30	30	30
C1.T6	Pearson Correlation	0	0,106	-0,052	-516**	0,134	0,217	-0,196	-0,118	1	-0,074	-0,23
	Sig. (2-tailed)	1	0,578	0,786	0,004	0,479	0,249	0,299	0,535		0,696	0,221
	N	30	30	30	30	30	30	30	30	30	30	30
C1.T7	Pearson Correlation	0,134	0,249	503**	0,052	0,009	-0,254	0,141	0,348	-0,074	1	-0,188
	Sig. (2-tailed)	0,479	0,184	0,005	0,784	0,961	0,176	0,456	0,06	0,696		0,319
	N	30	30	30	30	30	30	30	30	30	30	30
C1.T8	Pearson Correlation	-0,119	0,084	0,308	0,274	0,271	0,061	0,142	-0,252	-0,23	-0,188	1
	Sig. (2-tailed)	0,531	0,66	0,098	0,143	0,147	0,748	0,454	0,178	0,221	0,319	
	N	30	30	30	30	30	30	30	30	30	30	30
**. Correlation is significant at the 0.01 level (2-tailed).												
*. Correlation is significant at the 0.05 level (2-tailed).												

3. Results and discussions

Interpreting the results obtained for the scientific endeavor requires the presentation of certain aspects of performance on cultural dimensions oriented towards people and the criteria that were the basis of it:

- First aspect refers to the use of the same empirical data than can be confirmed or refuted by different situations and on different moments;
- The second aspect is the necessity to know the type of culture, aware people to perceive their own culture, that distinguished them from others;
- The third aspect regards the accessibility and operationally the concept of organizational culture, which for many people is still a vague concept.

These situations lead us to conclude that companies from the target group are characterized by a compromised type of culture because their leaders ensure the normal functionality of the organizations. Through the normal functionality of the organizations is understood the balance between the attention for employees (orientation towards people) and attention for performance (orientation towards efficiency). This leads us to introduce a new concept namely optimal or compromise culture which ensures the maintenance of steady state for the development of organization.

4. Conclusions

Regardless the types of the organization and its nature, the organizations have a common feature: they are people, work with and for people to achieve the

strategically and managerial performance, so their activity operates on economic principles. In all of the cases, there must be ensured a correlation between the general interest and for profit.

Achieving professionalization of management within an organization differs from an organization to another depending on particularities. Still have identified two ways that we found in all organizations:

- Promote the strategies on professional group level to control the activity within the organization to ensure a motivating work environment;
- Increasing and specialization of competence levels. There are identified defining elements of an organization that determines the development and improvement of organizational culture [12];
- Structure, in the way of considering the organization as a central associative project (organizational effectiveness and participatory management);
- Activities (their development and diversification);
- Employees (improvement of human resources management).

Effective leader that corresponds to optimal organizational culture is described through its six dimensions: self-knowledge, understanding the others, power and authority, communication, decision making development of a vision.

Organizational culture is the subject of influence from the environment where the organization works and from individual personality. Taking in consideration that a company is based on people, among them changing relations, the organizational culture is seen as the link that ensures the harmonization of all interest categories that leads to individual and group behaviors. The reputation of an organization is given by the way the relations interim within it. So, the employees synchronized the efforts to achieve the desired effectiveness and organization image that distinguished it for other organizations. This means the loyalty that is an element of organizational culture.

The organizational culture to be strong means the need to communicate, the freedom to expression represent a sine qua non condition to ensure a fast communication between different departments of the organization.

It has found that the performance of an organization is determined also by the human dimension of the organization: cooperation, teamwork, involvement, participation in decision making, individual development, activation of creative potential, social support and constructive social relations.

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