

ORGANIZATIONAL CULTURE: EXPLORING ITS DYNAMICS AND ITS ROLE IN SHAPING EFFECTIVE COMPANY MANAGEMENT

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ABSTRACT

THIS ARTICLE EXPLORES THE INTRICATE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND EFFECTIVE COMPANY MANAGEMENT, RECOGNIZING THE PROFOUND IMPACT THAT CULTURAL DYNAMICS EXERT ON OVERALL SUCCESS. THROUGH AN EXPLORATION OF VARIOUS ORGANIZATIONAL CULTURES, WE UNVEIL THE PIVOTAL ROLE THEY PLAY IN SHAPING MANAGEMENT PRACTICES. THIS RESEARCH AIMS TO PROVIDE INSIGHTS INTO CULTIVATING A CULTURE THAT CATALYZES SUCCESS. THE FINDINGS UNDERSCORE THE IMPORTANCE OF ALIGNING ORGANIZATIONAL VALUES WITH MANAGEMENT STRATEGIES, CREATING A SYNERGISTIC RELATIONSHIP THAT FOSTERS INNOVATION, EMPLOYEE SATISFACTION, AND LONG-TERM PROSPERITY, EMPHASIZING THE SIGNIFICANCE OF A WELL-CRAFTED CULTURAL FRAMEWORK FOR SUSTAINED SUCCESS IN TODAY'S DYNAMIC BUSINESS LANDSCAPE

KEY WORDS: ORGANIZATIONAL CULTURE, VALUES, CULTURAL FRAMEWORK.

1. Introduction

In the contemporary society, significant changes have occurred lately, either due to increased market competition or as a result of production cost reductions. These aspects have led to the restructuring of organizations, often resulting in workforce reductions.

The emergence of information technology has changed the way numerous transactions and operations are conducted, often eliminating the need for human intervention. Consequently, the role of transmitting information that was traditionally assigned to managers has been replaced by computational systems.

All these aspects often lead to a rapid change in organizational culture and the necessity to alter work practices, requiring major changes not only in formal social institutions but also in informal ones, such as the system of values and behavioral norms.

2. The concept of organizational culture society

The concept of organizational culture became known in the early 1980s. It originated from understanding the superior performance of Japanese corporations compared to their American and European counterparts.

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The concept of organizational culture is fundamental as it explains certain interpersonal elements, the creation of a hierarchy of values that influences the strategic direction process of the organization, as well as the configuration of the information system.

Organizational culture is considered to be the invisible force behind easily observable aspects within an organization and represents the social energy that drives people to act in order to achieve the proposed organizational objectives. Organizational culture can be compared to an individual's personality that embodies certain qualities such as direction, motivation, vision, and the necessary energy for growth, signifying the lifestyle of individuals. It includes sets of social values that guide directions for specific social changes, daily and traditional behaviors, religious requirements, and rituals.

3. The development of organizational culture

The development of organizational culture has been favored by the significant role that human resources play in the organization's growth. In an organization, culture represents the major determinant necessary for its foundation and achieving the performance required for progress.

Organizational culture is based on several factors, but two are essential: the structural stability of the group and individual integration into higher standards. It can be defined as a system of common values that can be assessed by observing how employees understand this aspect at different levels of the organization and by possessing diverse skills and knowledge [1].

Hodgetts R.M. and Luthans F. cover key theories and frameworks related to cross-cultural management, providing insights into the challenges and opportunities that arise in diverse cultural environments. Additionally, they discuss in their book practical strategies for effective international management, considering the interplay between organizational culture and strategic initiatives.

For a healthy organizational culture, there are several conditions to be respected, namely:

1. Norms should be defined considering the workload and the level of cooperation between employees and the organization's leadership.
2. Rules should be clearly defined for the employee department regarding productivity growth, cooperation between groups, relationships with partners, and clients.
3. Observed behavioral routines can define a common language as well as formal procedures.
4. Coordinating and integrating different organizational units with the aim of improving the efficiency, quality, and speed of production and service delivery.

In order to produce the goods necessary for life, people organize themselves in various forms to be able to act within them. We understand organization as the totality of actions and processes that are oriented towards the formation and improvement of connections between members.

The mechanism that ensures this organization is the institutionalization, formalization, and standardization of interpersonal relationships and individual behaviors, without which a society cannot exist.

Human society is characterized by thought and emotions, which implies the establishment of a symbolic language through which humans give meaning and significance to each thing, action, deed, and creation.

Man cannot form or realize himself as a simple individual; he cannot participate in society's life outside of organizations. The organization is constituted by a social group that operates according to certain normative acts in order to achieve common goals and objectives.

Culture is a world of symbols, serving as the unity between the material and the spiritual, with its essence consisting of values. It represents a sphere of human existence, the ensemble of values, and criteria for appreciating the world.

Culture is a way of humanizing individuals and humanity in the process of acquiring qualities that are not found in nature and that emerge from the transformations of human biological forms of existence into the socio-cultural sphere.

4. Important field researches and authors

Spencer Kagon, acknowledging the reciprocal influence between culture and society, puts forth the following:

- Even in the broadest sense of the term, culture is not coextensive with humanity in its activity, and it is not synonymous with society.
- Man, as the subject of activities, is the creator of culture and simultaneously its creation, meaning that man is not its content but its form of existence.
- Example: the state, the school, the market are creations of culture in form, and in content, they are social realities.

Also, Leslie White argued that each human culture can be divided into three parts [3]:

1. Economy and technology
2. Social structure
3. Ideology

The economic and technological aspects are fundamental for the other two, and social structure and ideology can only be understood in reference to this foundation.

At the level of a country, several categories of culture can be delineated based on the scope, such as:

- National culture
- Economic culture
- Organizational culture

Culture is the way of thinking and acting; it is a system of attitudes, values, ideas, behavior, and institutions.

Through education, individuals integrate into a community and evolve according to socio-cultural models. O. Nicolescu and I. Verboncu indicated that organizational culture resides in the entirety of values, beliefs, aspirations, expectations, and behaviors shaped over time within each organization [4]. The predominant ones directly influence the functionality and performance, in the following ways:

- The understanding and acceptance of current values and behavioral norms within an organization are critical;
- Discrepancies between stated values and those genuinely promoted within modern organizations pose a significant challenge;
- Organizational behavior plays a pivotal role in conflict dynamics. Recognizing and addressing conflicts promptly is essential for maintaining a healthy work environment;
- The rapid evolution of technology and changes in societal expectations necessitate constant adaptation;
- Effective communication and transparency are foundational elements in managing organizational behavior;
- Leadership holds a substantial influence on shaping organizational behavior, by embody and promote the desired values;

5. Conclusions

Lack of awareness of current values and behavioral norms, non-acceptance of these by members of organizations, and the discrepancy between the values displayed and those actually promoted in modern organizations lead to the emergence of various conflicts.

In conclusion, effective management of organizational behavior involves navigating the complexities of values, norms, and cultural dynamics. Embracing adaptability, fostering transparent communication, and addressing conflicts proactively are crucial for promoting a resilient and thriving organizational environment.

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