

ROLE OF ORGANIZATIONAL CULTURE IN ORGANIZATIONAL CHANGE: A CONCEPTUAL FRAMEWORK

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Abstract This study focuses on the role of culture in organizational change by which organizations respond to the dynamism of business environment. Organizational culture is a powerful force that influences and drives the collective norms of people who work within an organization. Organizational culture is, an essential enabler of change, an underexploited change prospect. Though organizational culture is a double-edged sword, a culture that is well aligned with the organization's interest would enable the organization to be proactive in adopting change. But, a misaligned culture can be an overwhelming obstacle to change through amplifying strong but counterproductive beliefs and behaviors that are not in line with the organization's interests. The purpose of this study is to explore the need and importance of organizational culture, organizational change and the role of organizational culture in change.

Keywords Culture, Change and Organization

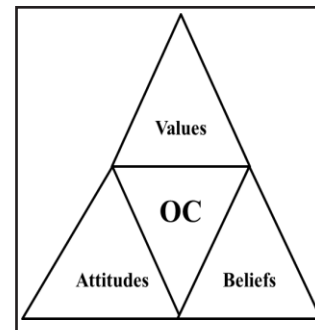
INTRODUCTION

The purpose of this article is to help the reader understand the concept of organizational culture change. The organizational culture is considered as an organizations' asset because it denotes how people within an organization behave and it can be used to increase the performance of a firm. In today's scenario, all the levels in an organization need to be revamped to survive in the market. This article gives clear image on organizational culture, organizational change and organizational culture change along with the processes and models to enrich the understanding.

During the last decade, 46 percent of the *Fortune 500* companies are dropped off the list because of slow, laggard, or wrong-headed change efforts (Cameron and Quinn, 1999). The rate of technological change associated with this information bang has created an environment intolerant of the status quo. Therefore, the current challenge is not to determine whether or not to change, but how to change in order to increase organizational effectiveness. Throughout decades several organizations tried different approaches of change such as quality initiatives, downsizing and reengineering. But all these approaches to change do not seem to be fruitful because their organizational culture remained unchanged. Therefore, the desired organizational effectiveness can be achieved only by bringing in the shift in organizational culture.

ORGANIZATIONAL CULTURE

Every firm has a distinct culture that represents the nature of an organization. Organizational Culture (OC) can be defined as a set of values, attitudes, beliefs and assumptions shared by the organizations' members. OC is deep rooted, and reflected in all deeds of employees when it becomes habitual. Thus, an organization's culture acts as a skeleton on which the entire organization behavior is being mounted.



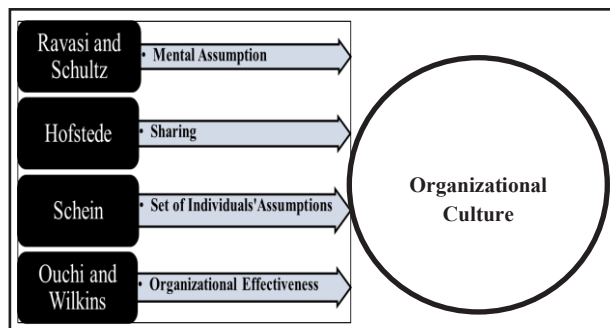
The word culture stems from a Latin root means the tilling of the soil. According to social anthropology, it refers to the way people think, feel, and act. The term organizational culture has its root from organizational behavior - starting from Hawthorne Studies in which an attempt has been made to learn the work environment using the work culture prevailing in the Western Electric Company.

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Organizational culture can be beliefs, expectations, guidelines, and the employees' understanding of how employees should behave, individually and collectively, internally and externally.

Many scholars have written about organizational culture in which they portrayed their perspective towards organizational culture (OC). Among them four authors were chosen to enable better understanding of OC. Organizational Culture is the outcome of an organic process that relies on, and derives from, the organization as a whole.



Ravasi and Schultz (2006) defined organizational culture as a set of shared mental assumptions that guide interpretations and actions resulting in appropriate organizational behavior required towards various situations. Thus, the culture of an organization insists on forming and sharpening of norms and values. Hofstede (1983) explains that the culture distinguishes organizations from other organizations among countries and within the same country. The reason behind the difference in culture among organizations is the level of practices, i.e. symbols, heroes and rituals that constitute visible elements of culture. Organizational cultures are manageable since they are embedded in the practices. Hofstede in 2010 proposed six dimensions of cultural values: individualism-collectivism, uncertainty avoidance, power distance, masculinity-femininity, long-term orientation and indulgence vs. self-restraint.

Schein (1985) stated that principles and ideologies followed by an organization determine its culture and decide the way individuals should interact with each other in the organization and with people outside the organization. Cultures have progressed by the way organizations have reacted to important incidents and have thus developed certain norms. In 2004, Schein identified three distinct levels in organizational culture: artifacts, values and assumptions. Artifacts denote the visible elements in a culture that resemble the tip of an iceberg. Values represent the thought process and attitude of the employees regarding what ought to be and not to be done in the organization and its impact on what matters a lot to the organization. Assumptions are indiscernible element of a culture and are hard to recognize, but it is an important element because it acts as a challenge and release anxiety and defensiveness against change efforts.

Ouchi and Wilkins (1985) considered culture as a rational tool of top management intended to shape the behaviors of employees in purposive ways. The process of shaping behaviors starts from recruiting the employees i.e., organization should recruit employees who have the tendency to learn and acclimate to the organization's culture. In 1983, Wilkins and Ouchi said "An important aspect of organizational culture is the maintenance of the culture, which is possible through the recruitment of people who share productive values". Positive culture is characterized by values, attitudes, beliefs and assumptions supportive to excellence and has a constructive impact on organizations' performance by leading behaviors in the right direction. Since it shapes the organizational behavior, unifies organizational capabilities and provides answers to the problems faced by the firm, it facilitates the firm in accomplishing its objectives.

Organizational culture evolves and exhibits itself differently in different organizations. Some scholars view organizational culture as a dependent variable and some consider it as an independent variable. Scholars who consider it as a dependent variable say that a firm's culture is a natural outcome and is not subjected to human attempts. On the other hand, those who view organizational culture as an independent variable state, it is the individuals' thoughts, feelings and behavior that influence a firm's culture and it is also managed by human efforts. Culture management refers to the implementation and the refreshment of the existing culture of an organization or changing an obsolete culture.

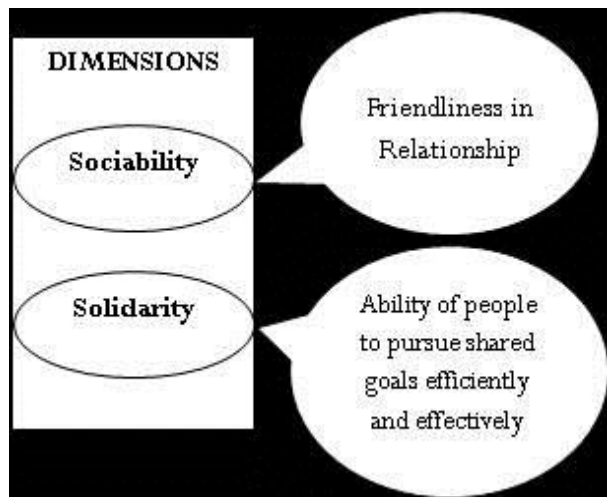
Culture is considered as controllable and contributing to the overall stability and effectiveness of an organization (Smircich, 1983). Organizational culture represents the character of an organization which directs its employees' everyday working relationships and guides them on how to behave and communicates within the organization, as well as guiding how the company's hierarchy is built (Tseng, 2010).

While trying to understand the concept of Organizational culture, several typologies have been developed. Goffee and Jones (1998) classified organizational culture based on two dimensions sociability and solidarity, resulting in four main types.

Sociability is valued for its own advantage and independent of its impact on the performance of the organization. Reciprocity is a hallmark of friendship; so that actions are taken to favor others with no expectation of immediate payback. Through friendship ideas, attitudes, interests and values are shared.

On the other hand, *solidarity* is an ability of people to pursue shared goals efficiently and effectively for the larger well-being of the organization without much concern on individuals and the relationship between them. Solidarity is favorable in generating single-minded dedication to the organization's mission and goals, rapid response to

changes in the environment, and an aversion to accept poor performance.



Goffee and Jones suggested there were four main types of corporate culture, namely the communal culture, fragmented culture, networked culture and mercenary culture. In context of communal culture, culture is a community or the way in which people relate to each other.

Corporate culture has been and always will be needed to allow a business to reach its possible success. In the absence of guidelines to pursue, individual employee or companies as a whole, would be in utter chaos.

Elements of Strong Organizational Cultures (Schermerhorn, Hunt, & Osborn, 2005):

- A widely shared real understanding of what the firm stands for is often embodied in slogans.
- A concern for individuals over rules, policies, procedures, and obedience to job duties.
- Recognition of champions whose actions illustrate the company’s shared philosophy and concerns.
- A belief in customs and rituals vital to members and to build a common identity.
- A well-understood sense of the informal rules and anticipations so that employees and managers understand what is expected of them.
- A belief that what employees and managers do is essential and that it is crucial to share information and ideas.

ORGANIZATIONAL CHANGE

The organizational change has become unavoidable since the current and future trends in which the organizations survive demands change. The traditional way of doing business has lost its drift and now innovation and creativity has conquered the grip of business. Kotter in 1995 defines

change management as the utilization of basic structures and tools to control any organizational change effort. Authors describe organizational change as the systematic effort taken by any organization to challenge the status quo via its employees by providing them adequate and appropriate aids. Thereby it transforms employees as catalysts of change.

Palmer et. al (2006) states that there are two approaches to organizational change: the “hard” approach and the “soft” approach.

HARD APPROACH	SOFT APPROACH
Focuses shareholder value which is considered as the only valid measure of corporate success.	Focuses on developing a culture that enhances human capability through individual learning and organizational learning.

There is an identifiable continuum in this process, ranging from intended to unintended change outcomes. During intended change, the change agents will introduce the change plan and the entire organization will change in the intended direction. Whereas, unintended changes are more dynamic and the change agents are reactive instead of being proactive.

Change is crucial because individuals and organizations usually resist change, they do not embrace change unless it is mandatory. Lewin in 1947 imparted a “force field” analysis model to understand organizational change. Force field analysis proposes that there are two forces which maintain organizational stability: driving forces and restraining forces. Driving force signifies those elements of the organization that supports desired organizational change and the restraining force acts as resistance to change. If the two forces are equal, the organization will remain static.

Change occurs when one of these two forces become stronger than the other (disequilibrium). Once the change has occurred, the organization enters into a new state of equilibrium that reflects the desired change. As a conclusion, Lewin’s model foresees that an intervention which strengthens the driving forces or weakens the restraining forces will result in the desired change. The following are the basic elements of a formula based organizational change strategy: a) Determining the need to change b) Development of a vision c) Consensus building d) Identification of barriers to implementation e) Walk the talk f) Creating an overall change strategy and g) Implementation and Evaluation.

Organizational change management comprises both structural and cultural change. Structural change (Aplin& John, 1978) management deals with the way in which the functional units are organized to carry out work responsibilities. Structural change management has to do with things or facilities and focus on the policy and procedure, rules and regulations, management and recruitment, facilities and equipment, and human resource practices (Lewin, 1947). Cultural change is concerned with values, beliefs, traditions and behavior

within the organizational structure (Black, 2002; Claver, Gasco, Llopis, & Gonzalez, 2001). It signifies the way people interact with each other, both in peer relationships and in superior/subordinate relationships. Since cultural change has to be carried midst people, it is more difficult to deal.

Keeping people in the organization as the foremost initiatives of change with the aid of culture will be the complete change initiative. So, changing people involves bringing changes in their attitudes towards change. Dunham et al. (1989) suggested there are three types of attitudes toward change: affective, cognitive and behavioral. The *affective* component consists of the inclination a person has toward an attitude object, which involves evaluation and emotion, and is often expressed as like or aversion for the attitude object. The *cognitive* component of an attitude consists of the information a person possesses regarding a person or thing which is based on what a person believes is true. The *behavioral* tendency points the way a person intends to behave toward an attitude object. Another factor that plays an important role in changing an organization is the leadership (Denning, 2011). Also he stated that, the most profuse success strategy is to begin with leadership tools, comprising a vision or story of the future. Secondly, reinforce the change using management tools, such as role definition and control systems, and finally use the pure power tools of coercion and punishments, when all other fails.

Relationship between Organizational Culture and Change

The link between the organizational culture and organizational change helps in better understanding of organizational culture change. Al-Zu'bi (2011) in his study showed that fragmented culture has strong positive attitude towards organizational change. This denotes that the mercenary culture in an organization can ensure an effective and efficient management of organizational goals because this type of culture ensure people will work hard, make things happen and hit the targets that were set.

The study found that network cultural groups also had positive attitudes towards change because network culture is friendly but work tasks are not particularly interdependent. In this type of culture, it would be easy to change the attitude of other members in the organization to adopt change as they are friends in the organization. This camaraderie acts as the change agent and is a positive trait of a network culture.

Therefore, bringing changes in the values and behaviors, creates the unique social and psychological environment of an organization, is possible only through change agents. Tschirky (2011) says that an individual or a group who undertakes the task of initiating and managing change in

an organization is known as a change agent. Organizational Culture acts as a source for sustainable advantage only when it facilitates organizational development by employing changes in itself and in the organization.

PROCESS OF ORGANIZATIONAL CULTURE CHANGE

Bringing change in mindsets is never easy. Usually a strong push is needed to realize that the traditional way of doing things is no longer adequate. Awareness towards need for change is achieved most effectively when employees in an organization are exposed to internal and external pressure. Most discussions of organizational culture (Cameron & Ettington, 1988; O'Reilly & Chatman, 1996) agree with the idea that culture is a socially constructed attribute of organizations which serves as the “social-gluе” wrapping an organization together.

As said in relationship between organizational culture and change, changing organizational culture is very difficult because commonly shared interpretations, values, and patterns have become the employees’ habit and it is difficult to modify the ingrained culture. However, once it has been determined that culture change is a desired objective, members of an organization has to be engaged in a series of steps that will put a culture change process in motion. The outcome of these steps is a process of moving an organization’s culture from the current state to the preferred future state. The following steps are based on the work of several authors who have described successful change interventions aimed at organizational culture change (Hooijberg & Petrock, 1993; Denison, 1989). These steps initiate change in individual and organizational processes, conversations, language, symbols, and values, none of which by itself ensures that culture change will occur, but together they create a great deal of momentum toward fundamental culture change in organizations. Cameron (2004) describes how organizations can profile their existing and preferred culture and, when a gap is discovered, how they can change it. Cameron gave the following seven step culture change process.



1) Clarifying Meaning:

The initial step in culture change is to clarify what it means and what it doesn't mean for the organization's culture to change. Moving towards one particular type of culture does not mean that other culture types should be ignored. It means that special emphasis must be placed on certain factors if the culture change should be successful. Questions that may be answered when determining what culture change means and doesn't mean include: What are the attributes that should be emphasized if the culture should move towards the preferred target? What characteristics should dominate the new culture? What attributes should be reduced in the move away from current situation? What characteristics will be retained? What makes this culture type to be prolonged even though there will be an emphasis on another culture type? What is the most important trade-offs?

The purpose of this step is to clarify the organization the things that won't change as well as the things that will. Wilkins and Ouchi (1983) identified the importance of building on corporate character in any change effort on the core competencies, the unique mission, and the special organizational identity that has been created over time. An organization should not discard core aspects of what make it unique, whereas some other aspects of the organization can be transformed. Identifying what culture change means and doesn't mean helps the organization to know what will be preserved as well as what will be changed.

2) *Identifying Stories:*

Organizational culture is best communicated through stories (Martin, 1992; Martin, et al., 1983) a second step is to identify positive incidents that can demonstrate the key values that will characterize the organization's future culture. It can be communicated publicly via real incidents, events, or stories in order help individuals understand what the culture will be like when the new culture evolves. How will the new culture look like? How will people behave? How it would be when explaining something that will be consistent with preferred future culture had happened in the past? The key beliefs, desired orientations, and behavioral principles that make up the new culture are more clearly expressed through stories than in any other way. These stories not only do help clarify the culture change, but reduces the individuals' anxiety about moving into an unknown future where they can carry parts of the past with them.

3) *Determining Strategic Initiatives:*

Strategic initiatives involve the activity that has to be started, enhanced and stopped. They are actions designed to make major changes that will produce culture change. This involves deciding the following. What new things must be begun? What activities should be stopped, or what would have been done that will now be stopped as a result of the culture change initiative? Most organizations find difficulty to stop something rather than to start something new.

What new resources will be required? What processes and systems need to be designed, or redesigned, to support the change initiatives? In what ways can the organization's core competencies be leveraged and magnified so that the culture change produces a sustained competitive advantage?

Identifying what is to be started helps the organization think of strategic initiatives that have not been previously pursued. Identifying what is to be stopped helps focus resources and energy so that non-value-added activities i.e., the characteristic of the previous culture will not hinder the change process. Identifying what is to be enhanced helps the organization to stop some activities that can engender change if they are enhanced with more resources, more attention, or appropriate leadership and to enhance currently pursued activities that will facilitate change.

4) *Identifying Small Wins:*

This focuses on finding something that is easy to change, then changing it, and publicizing it. Then, find another thing that is easy to change, change it, and publicize it. Small successes create thrust in the desired direction, reduces resistance. Since small, incremental changes are seldom resisted and create a trend so that more employees get on the change process. When individuals see that something even small is changing, a sense of progress and advancement is created, and that sense builds support for the larger and more fundamental changes. The biggest mistake made by organizations instituting a small wins strategy is that the first two steps are achieved but not the third. That is, small changes are initiated but they are not publicly acknowledged and celebrated. The publicity accompanying the small wins is the chief momentum creator.

5) *Craft metrics, Measures, and Milestones:*

Defining the key indicators of success, what to measure, how to measure, and when to measure the levels of progress is crucial part of the change process. The most common fault in most change processes, especially when the target of change is as soft and nebulous as organizational culture, is the neglect of firm measures of achievement and progress. Change requires the detection of success indicators in culture change and progress indicators at the same time. Therefore, it is important to understand what is to be measured and on what basis it has to be measured. But overloading with multiple measures is a sure way to kill the change initiatives. So, identify few metrics that are attached to resource allocations, key levers, indicators of change, and also understood by those involved in the culture change process.

6) *Communication and Symbols:*

During culture change in an organization, individuals' basic way of life will be challenged and changed, and familiar area will be altered. Primary aspects of the organization will be changed, so culture change is sure to generate stiff

resistance. Communicating the culture change process, therefore, is a critical tool in overcoming resistance and generating commitment. Explaining the necessity and benefits of culture change is probably the most vital step in generating commitment. Usually people tend to explain “why” to people they care and they tend to tell “what” to those they care less.

A balance has to be maintained while criticizing the past culture in order to pull down the previous culture in the process of moving on to a new culture. Criticism of the past diminishes commitment because it is interpreted as a disapproval of organization members’ previous best efforts. Instead of criticism, celebrating the best of the past but sketching a future in which certain elements of the past will not be carried forward is a more effective way. Building coalitions of supporters, involving victims of changes, and empowering individuals to implement aspects of the change process also reduce resistance to cultural change. Sharing as much information, reducing rumors by providing accurate information, providing feedback on initiatives, and organizing public events to share updates are all ways to create support.

Another most important initiative that accompanies culture change is a change in symbols used in organizations. Symbols are visual representations of the new state. Symbols help organization members visualize things different, provide a new interpretation of the organization, and provide a figure for people supportive of the change. New logos, new structures, new events, new charters are forms of symbolic reassembling points that can be used.

7) Leadership Development:

All organizational change requires headship, champions, and owners. Culture change does not occur randomly or unintentionally in organizations, and it requires leaders to consistently direct the process. Leaders play a major role in change processes. Two key points should be noted are (i) each aspect of the culture change process—for example, each strategic initiative, each communication process, needs a champion or someone to accept ownership for the successful implementation and accountability is maintained best when specific individuals are designated as owners of the initiative and ensure participation and commitment, (ii) not the current leaders alone champion the culture change, but a group of future leaders must be equipped to lead the organization when the culture change has been put in place.

The new leadership competencies that are required for the preferred future culture must be specified. Disparity between current and future leadership requirements should be expressed. Then, learning activities, developmental interventions, and training must be put in place to develop the required leadership competencies. Selection processes must be aligned with not just the way the things are at the

present time but with the strengths demanded for the future culture.

CONCLUSION

One of the predominant factors that make an organization profitable is its culture. Organizational culture transforms over time. Once the people turn out to be comfortable with the present culture, considering culture change usually turns to be a considerable event. When an organizations’ culture respects and trusts its employees, and allows personal and professional growth, it not just produces a loyal and productive workforce, it also ensures a strong and financially viable organization. Meanwhile inculcating change into such a promising culture is not an easy task. To make such alteration, the organization has to put into play the organizational tools for changing minds. The foremost important thing in using the tools is the order in which the tools (i.e., the leadership tool, management tool and power tool (Denning, 2011)) are deployed because it has a critical impact on the likelihood of success. So, the organization should make the people realize and recognize that their current culture needs to be transformed to support the organization’s success and progress. Only then the desired change can occur. Organizations must also create plans to make sure that the desired organizational culture becomes a reality. Thus, the ability to manage culture change while continuously meeting the needs of stakeholders will enhance the organizations’ performance.

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