

STUDY ON THE IMPORTANCE OF ORGANIZATIONAL CULTURE IN A COMPANY

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Abstract:

Organizational culture is that set of beliefs shared by all members of a company. To investigate why members of an organization behave in a certain way, we look for the values that govern their behavior. But, because it is difficult to observe the values, it is necessary to infer them by interviewing the key members of the organization or by analyzing documents. Experts assume that members of an organization fail to agree on borders/boundaries because they can't find common solutions and they don't reconcile conflicting beliefs and multiple identities. However these members claim that they belong to the same culture. They share a common direction and a common goal, face similar problems and have comparable experiences. This case highlights the manifestation of organizational culture and how it is involved in the "life" of a road transport company.

Key words: *organizational culture, traditions, company, manager, stories about employees.*

JEL classification: M14, M29

1. Considerations on organizational culture

There are a diversity of ways of approaching the organizational culture and various definitions brought to the organizational culture term highlight parts of it. Thus organizational culture represents "*a complex pattern of shared beliefs and aspirations of its members and it is based on the following: behavioral actions, shared/accepted norms by members, dominant values imposed in an organization, rules for integration in the organization, the philosophy on which the organizational policy is guiding, the way the members interact with customers or other outsiders*" (James D., Cismaru D-M., 2010).

Organizational culture is seen as "*all values, beliefs, aspirations, expectations and behaviors shaped over time in each organization, which is prevailing in its domain and is conditioning directly and indirectly its functionality and performance*"(Nicolescu O., 2008).

Organizations have cultures "*just as people have personality*".

According to Pânișoară G. (2005), the term culture is facing a number of definitions, but a working definition may be that that "*culture is an integrated system of social behavior, of thinking and feeling learned and transmitted through non-biological mechanisms from generation to generation in society. Culture is that structured set of material and spiritual results of transformed and adapted activities of the natural and social environment to the needs and aspirations of people.*"

The concept of organizational culture refers to everything that means collective standards of thinking: attitudes, values, beliefs, norms and traditions that exist in an organization. In the cultural component we can distinguish elements such as: behaviors and common language, rituals and symbols, but mostly we have less visible

components; perceptions and representations of what “value” is in the organization, myths, empirical standards of what it means to work and behave well and about” how things are done around here” (www.elfconsulting.ro / showed).

Organizational culture is “*a structured set of spiritual and material results of the transformed and adapted activities of the organization to the needs, desires, and aspiration of the internal and external environment*” (Puiu, 2003). At the same time organizational culture represents the totality of behaviors, ethics and value elements which are transmitted, implemented and supported by members. The question arises: “How do the employees learn how to do the job in the company?” Since the interview the person will receive information about organizational culture. The person is formulating their perception on it, when attending on a meeting of the company, while working in teams, while receiving reprimands, penalties or is being promoted.

Organizational culture is an accumulation of knowledge, experiences, beliefs, attitudes, routines, roles, relationships, concepts acquired by a group of people/organization from individual or group interactions over a certain period of time: “*the personality of each organization is created from the people who compose it*” (Rusu, 2003). Any company can create a favorable image through some kind of organizational culture and impose itself to its customers and to the market if it’s satisfying in the same time the interests of both the external clients and internal clients (employees).

Organizational culture is an important framework and teaches the employee what is accepted and what is not in the organization. The behavior of the bosses and of the colleagues represents a significant milestone for a new employee because he reports his expectations, ideas and attitudes to it. If between the formal and informal elements exist big differences, then the employee’s perception will be conflictual and it will be most likely to have as a result a predominant adaptation to the informal structure and the manifestation of an inappropriate behavior with unfavorable results for the company.

People from other countries, other generations, classes, functions or organizations *think and act in ways that shatter us. What is setting us apart is the culture in which each of us was raised and educated. Culture, in this way, is not equivalent to “civilization”, but requires much more.* (<http://www.utgjiu.ro/revista/ec/pdf/2010-01/14>).

The Organizational culture that determines the behavior consists in” house rules or how to solve problems around here” (Dygert, Jacobs, 2006, p.21). Within a company there are two cultural levels:

- *the visible one*, easy to spot and change, represented by:
 - the physical elements (buildings, parking lots, cars, furniture, accessories, and uniforms of employees) are the strong points of the organization;
 - the verbal elements (the language used myths, metaphors). These elements constitute the “folklore” of each organization and ensure the circulation of some messages which are referring to the company values and traditions;
 - behavioral norms include rituals and ceremonies. Their deployment is allowing the company to assert its identity, giving all members the feeling of belonging to the group.
- *the invisible one*, conservative, hard to observe and change, is consisting in: the shared values of the members, capabilities (organization, coordination, forecasting, training, monitoring, evaluation), knowledge, habits, expectations, beliefs, motivations and the satisfaction of the employees.

From the multitude of classifications of organizational culture our attention is held by the classification of the level of influence it has upon the achievement of the company objectives. Thus, organizational culture can be:

a. *organizational culture of progress*: characterized by the fact that the entire staff of the company is able to mobilize easily in order to achieve goals, the main values of employees being related to concepts such as: action, change, development. It can exist in two forms: democratic and authoritative.

b. *organizational culture of regress* (culture of assimilation): characteristic to the bureaucratic organizations, strongly centralized, the staff values are expressed tacitly through ideas like: "time passes, wages go."

Also within an organization, organizational culture exerts several functions (Gănescu C., 2011):

a. Organizational culture exerts *an important function of integrating employees within the organization* and adapting their internal environment. This function occurs not only for new employees, but all employees because it requires maintenance to their integration in the organization.

b. Due to its characteristics, organizational culture has an *important role in protecting the employees* from the potential threats of the external environment. Organizational culture is the support of behaviors and organizational actions of preventive nature or direct combat of negative consequences of external business environment.

c. Through *organizational culture the values and traditions of the company are preserved and transmitted*. Without strong cultures, values and well preserved traditions, we can not talk about strong and successful companies.

d. Related to contemporary competitive businesses, *we're talking about increasingly addiction of organizational capacity performance*, which consists in essence, in integrating the expertise of employees. Organizational culture is the one that allows the creation of a framework for the development of organizational culture.

In the current economic environment, companies must differentiate themselves from the competition through a continuous and consistent occupation, concern for increasing the prosperity of the organization and all the key factors involved in its work in order to create a high competitiveness. The major changes involved in any efficiently process of adapting to the competitive environment, taking into account the organizational culture, it has to be an essential part of the transformation of Romanian organizations especially those of foreign trade.

2. Methodology

The starting point of this work was the idea that in a company the organizational culture is the key to success. In the paper that we have done we tried to highlight what type of organizational culture is, how it manifests and how it is understood.

The present paper is an exploratory research based on descriptive method, for this being consulted various sources for the used concepts: literature, media articles and data collected from analyzed societies. We also used the observation and interview methods in order to investigate the organizational culture in the analyzed firm, and also for observing the working environment, reactions and responses of the interviewee.

The main objective of this research is to identify the elements of the organizational culture belonging to the investigated company, the factors that are influencing the stability and the implementation and strengthen of a strong organization. This research is based on both theoretical and practical information gathered from interviews and it was conducted in October-November 2012.

The hypothesis from which we started this study consists in the fact that if the employees of a company are aware of the values, symbols, customs, rituals and traditions of the organization then the consolidation of the organizational culture occurs and also it transforms in a strong culture to them.

„In successful organization the organization culture is contributing to their good functioning, favorizing communication, socializing of new members, the growth of trust and adaptation of common ways for achieving established objectives” (Gănescu C., 2011).

3. Case Study

In an attempt to highlight the business environment form Valcea, we tried to bring up the presentation of a local company through the prism of organizational culture. Starting from the question “How do employees learn to do things in the company?”, we note that since the interview the person will receive information about the culture, participating in a meeting of the company, working in a team, receiving reprimands, penalties or being promoted and this is formulating the perception of organization’s culture.

3.1. Aspects of company history

To demonstrate the importance of organizational culture in an organization, we have chosen to present a road transport society. For reasons of confidentiality, the company’s name will not be mentioned.

The company is located in Ramnicu Valcea and was established in 1997. The main objective of the company is internal and international freight transport. In those times organizational culture wasn’t existing but it grew when the company started investing, increasing its vehicle fleet with 2 trucks in 2000, and then 3 in 2003. First employees were experienced drivers, aged 40-50, coming from specialized state institutions. Since 2005 the company is expanding again, there is need of an assistant manager to meet the increasingly requirements of the company.

During 2006-2008 the company had 5 trucks and 10 employees. During 2009-2013 the road transport market begins to be increasingly affected by the global economic crisis and this is also felt within the company.

The analyzed company does freight transportation in all Europe having an experience of 16 years. The society adapted and it’s still adapting to the current economic tests but it’s becoming difficult. Regarding the organizational structure of the company, at the time of the research the employees were: a transport manager, an assistant manager, an accountant, 9 professional drivers and a mechanic. Because this is a small company (consisted of 13 employees) we can not speak about fledged departments and the manager can supervise the activity of each employee. The company is looking for capable people able to participate in the construction of the business, able to assume the risks for any action, responsible and perspective people. The selection of the personnel is based on the values of the company. In addition it offers the employees regular courses about economical driving and in the beginning guidance, to facilitate the adaptation and facilitation in the company.

In terms of logistics, the company benefits of new technologies and an infrastructure able to support it.

3.2. The Mission of the company

Starting from the fact that each company has a mission, we identified that this company aims primarily at providing quality services and professionalism on the road. The objectives require the direct involvement of management in:

- continue investment in advanced technologies in order to increase the efficiency of communication;
- continue anticipation of market requirements;
- staff specializing through repeated training;
- increasing complexity of customer services.

- establishing a strong network through which the customers can benefit of speed and availability for consulting and taking optimal decisions.

3.3. The company's vision

However we find out that the company's vision are both on short and long terms.

In short term the company aims to improve the road transport services by creating an offer, containing the main assets of the company and distributing it to the customers as quickly as possible.

In long term the company aims to expand a policy to expand its services in EU market.

The company is focused on the customer's needs, tracking all changes that may affect the level of evolution of supply and demand.

3.4. Presentation of the collected data

The information presented here was obtained in an interview with the company's transport manager, 38 years old, experienced in this field. He describes himself as a democrat manager with sanguinico-choleric temperament manifested by the energy and restlessness. Sometimes moody, sometimes impulsive he is unequal in his actions. The affective moods are succeeding fairly quickly. He tends to dominate the group, but not by force, but by ideas and plotting about tasks and he passionately gives to an idea wanting to complete it with any price. He is balanced, lively, and is adapting easily to any situation. Always feeling the need of something new. He races over failures and establishes contacts with other people easily.

We must point out that we could not interview other employees (drivers) because they were gone in international routes.

The interview questions were made consulting specialized literature and other research in this field: Ticu Constantine, *Psychological evaluation of staff*, Polirom Publishing, Iasi, 2004 and [http://www.ejobs.ro/legislatie/sectiune-Week's guide-Organizational culture or how we are doing the things in our company](http://www.ejobs.ro/legislatie/sectiune-Week's_guide-Organizational_culture_or_how_we_are_doing_the_things_in_our_company).

We shall begin by presenting the answers given to the questions asked in the interview:

1. *Can you briefly describe where the company is going and how it will look in 3 years?*

A: Our goal is to be known as soon as possible by the customers both internally and externally.

2. *Business values are complemented by strong ethical and moral values?*

A: Seriousness, honesty and respect towards employees and partners.

3. *Do you identify yourself with the values of the company where you are working?*

A: Yes, through professionalism, responsibility, continuous improvement, innovation, experience, dynamism, quality, initiative and integrity.

4. *How can you become an employee in this company?*

At this question the manager considered to be very important the opening, flexibility and cooperation of entrepreneurial spirit. To all these it can be added autonomy, independence, initiative, and adaptability, the style of work, responsibility and vigilance. Regarding all these, experience is an advantage. The person must be „appropriate to the company's team” because there is a strong organizational culture and people are accepted because of results and adaptation to the organizational climate.

5. *What is the biggest mistake that can be made in the company?*

A: The manager mentioned: when the driver is not at time at the loading place, lack of interest in taking the goods, disinterest in the company trucks, negligence to the documents of the truck or of the transported goods, consuming and driving under the influence of alcohol. However according to the manager, these are major risks that can not be tolerated under any circumstances.

6. *How do you welcome new staff in the company?* (referring to the period of accommodation and to the attitude of the older employees)

A: The new employee is engaged in the business through the „body system” (which means that the new employee is initially guided by an older one, with experience). The manager considers at the beginning that the employees feel foreign to the organization, but while they are accommodating and having results, their capacity of adaptability within the organization also increases. The manager also said that only determined employees, who have a clear objective love what they are doing remain in the organization.

7. *Which are the criteria you consider when you are promoting an employee?*

Promotion is depending on: the relationship with colleagues, bosses, how the employee is representing the company at any event (both internal and external), how he manages the goods in his possession during the race. It should be also noted that there is not a nominal hierarchy, but when an employee is effective/ it has good results it is recognized in the company. The organization focuses on teamwork, which is a great way to boost the employees (two drivers per truck).

8. *She during meetings is maintained with strict punctuality?*

The manager supports that generally the team meetings vary due to the nature of the work they perform, these sessions taking place at least once every two or three weeks when the drivers are returning from external races.

9. *The management is concerned about establishing a climate of confidence?*

The manager says that the idea of creating teams comes from the management team, in order to create a system of close interpersonal relationships.

10. *Important decisions are taken individually or collectively?*

A: Of course collectively. Where would the team spirit be?

11. *How do you communicate?*

A: Management communication style is open. There is used the internet, mobile telephony, and the GPS system.

12. *Is the management delegating the authority level in the company?*

A: Decisions regarding investment policy and determining the number of staff required in business activity is up to the management.

13. *Is there any mission of the company? It is clearly stated by the current activity? To what level is communicated and known to the company?*

14. *Which are the essential factors of the business strategy?*

A: Customers, financial performance and increased operations.

15. *How are the conflicts in your company being solved?*

A: Being a small company, the conflicts between employees or between customers and employees are tried to solve through communication. Then, there are identified the causes and found solutions. Each drivers has a personal file, in which is recorded all the driver’s outputs and deviations.

16. *What kind of reward system do you use?*

A: At the end of each year, at a meeting with all employees, based on criteria, it is chosen the best leader in that year. In addition to physical stimulation, the driver is given a certificate “*Driver of the year*”. This tradition of the company leads to a competition among employees. However, during the Orthodox holidays: Easter and Christmas the company is remunerating the employees through bonuses. Also the birthdays are celebrated by giving them time off and bonuses. During the year, there is a special reward to the driver that has the lowest fuel consumption. It’s actually a competition that lasts all year.

17. *How do employees identify with the company?*

A: Each driver is equipped for representing the company with branded equipment, respectively hats, t-shirts, books. Each truck is engraved information about the company so the customers can find us more easily.

18. How is a typical day looking like and what tasks are performed?

A: Every day is a new challenge. There are all sorts of situations from damaged trucks on the European motorways to advising drivers.

19. Have you ever worked for another company?

A: The manager said that he worked for a short time in another foreign private organization with a strong organizational culture. The company was established in Bucharest .He is satisfied with his current job, one of the reasons being the organizational culture of the company.

3.5. Evaluation of the interview

In our opinion, after the interview it could be drawn the following:

- The company is an organization orientated towards results and this is confirmed by the transport manager, who claims that a day at work is largely filled with unpredictable elements, the tendency of avoiding risks being impossible.
- The company is oriented both to employees and to work; there is a trend for improving the work done within the organization through training courses offered to drivers.
- It is a professional organization because the members are considering that the recruitment is largely based on competition at the workplace.
- It is an open organization: this can be seen very simply observed at the contact with the people in the organization and at the way that the new employees are accommodating.
- It is a solid organization because there is put more emphasis on costs even if there are not weekly meetings.
- It is a strong organization oriented to customer satisfaction and market.

These conclusions are an overview of what “life” of a company means, as in the interview is a small part regarding to investigating „organizational culture of firms”. It is requested an active presence of monitors in the company every day. Therefore this research wishes to be a reference guide for the ones that are interested in issue of organization culture.

4. Conclusions

In this paper we have tried to emphasize that the existence of organizational culture in a society is defining that society, is customizing it and individualizing it on a more pronounced competitive market

We believe that in successful organizations, the organizational culture contributes to their proper functioning, fostering communication, socialization of new members, creating of trust and adoption of common means in order to achieve objectives.

Organizational culture is considered today as one of the factors influencing a firm performance. In most of the cases, the good and very good results are associated to the ability of the owners, managers, leaders of creating, maintaining and developing a strong organizational culture, which helps the components to achieve the objectives.

Based on what was presented we can be observed that changing and consolidating the culture of a company and also maintaining it on the market is a difficult process that requires substantial effort and resources. The withdrawal of a member is strongly felt because any new employee requires resources, time and much perseverance. Given the assumption from which we started, we can say it is confirmed in terms of values, rituals and traditions.

We consider that each organization is unique, each has its own system of values, symbols, rules and what applies to one is not useful to another. Also, we consider each organization has its own organizational culture, its own “personality”, but creating a strong culture depends on who runs the organization, the way it is transmitting the “values” both in the internally and externally environment and not at least, the human factor and the basic resources. Many times they should ask themselves "who am I and where am I going?"

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