An Overview of Organizational Culture and Organizational Change*

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Abstract

Culture influences people in good and bad ways. Culture creates the identity for the organization itself. Vendors, customers, employees and other external agencies factor in the organization culture of these organizations when they make their business. To observe the culture of an organization, one has to study the visible signals and symbols along with invisible values, attitudes etc. This has a percolating effect in the organization and gets carried out to the lowest rung of the organization. Just as an individual is known through his / her personality, organizational culture is the personality of the organization. Corporate culture which is synonymously same as organizational culture which can be looked at as a system with input, output and through put with a feedback arrangement. The specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization. The identification of competencies also allows the organization to focus on its new markets and the organizational changes require serving these markets. Many organizations are re-designed or restructured, on the assumption that this is all that is needed to achieve major change. If the organization has a dysfunctional culture, and the culture is left unchecked members will simply continue to act as they had under the old structure, regardless of their new responsibilities and response requirements.

Keywords: Organizational Culture, Cultural Changes, Identity, values, attitudes, Vendors, customers, employees
1. Introduction

The existence and emergence of organizations is not a new phenomenon. But the study of organization is relatively of recent origin. Any study on Organization and its manifestation should necessarily start with Fayol, Taylor and Bernard. Organizations are made of members who bring in their emotions, egos and complex personalities. Organization culture is the sum of all these personalities, which creates a common ideology or identity for the organization. Some aspects of organization culture get created along the way, while most aspects are evolved by the founders and leaders of the organization stated in simple terms organizational culture is the culture that exists in an organization.

In the modern days, it is highly necessary to understand organization culture, for various reasons – some of which are purely academic and others for the benefit of organizations themselves. Culture influences people in good and bad ways. Culture creates the identity for the organization itself. Vendors, customers, employees and other external agencies factor in the organization culture of these organizations when they make their business decisions. Organization culture also helps the company to relate to these external entities. It helps the company to gear up for ever increasing competition. Potential business partners study the organization culture before making any strategic moves. Even valuation of business is influenced by the organization culture, as can be seen in mergers, acquisitions and takeovers.

Organization culture is the confluence of various ideologies (brought by all its participants), beliefs, languages, customs and these collectively form guidelines for conformed behavior. All implicit and explicit behaviors form the foundation for organization culture. To observe the culture of an organization, one has to study the visible signals and symbols along with invisible values, attitudes etc. For instance, do most people of the organization belong to a particular section of the society? What are the merits and awards instituted in the company? What is the value system that is strongly carried out by members of the organization? What are the guiding principals for the organization and answers to such questions generally describe the culture of the organization.

Apart from the visible signs and symbols, organization culture can also be seen in the value system instilled by the founder members as well as its leaders of the
organization. Senior management is responsible for creating a viable organization culture that suits the needs of the business and sends a meaningful message to all who matter to the organization both internal and external. Hence, certain values are enforced by seniors by setting examples and by propagating with the help of symbolic behaviors. This has a percolating effect in the organization and gets carried out to the lowest rung of the organization. Sometimes organization culture shapes itself with the entry of new employees. Values and beliefs get redefined and a new form of organization culture emerges. Many a times, a controlling mechanism is to be in place so that desired outputs are cultivated and undesirable outputs are weeded out. Then how can be organization culture controlled? The organization culture needs change if there is an influx of inappropriate organization behavior or when there is an erosion of organization values. There cannot be a culture change without the support of top management. Every department has to make a conscious effort to manage the change process. Specific steps must be incorporated in the change plan with intermediate feedback mechanisms. Cultural change takes a long period of time and its effects are seen over much longer periods. Hence it must be ensured that the cultural change process is attended to, keeping future in mind.

Just as an individual is known through his / her personality, organizational culture is the personality of the organization. Culture is comprised of the assumptions, values, norms and tangible signs (artifacts) of organization members and their behaviors. Members of an organization soon come to sense the particular culture of an organization, Culture is one of those terms that is difficult to express in clear terms, but everyone knows it, when they sense it. That is, only few facets of an organization can be explained, but many facets still remain un-described and unexplained. While discussing the elements of organizational culture the HR issues such as employee engagement, ability, task identity, work-life balance are to be considered. Accordingly these become the parameters associated with major variables. While discussing the leadership issues in the context of organizational culture, the concepts of transactional and transformational leadership, trust, empathy are taken care of. At the macro level learning orientation, absorptive capacity and virtual corporateship are also involved.

Corporate culture which is synonymously same as organizational culture which can be looked at as a system with input, out put and through put with a feedback
arrangement. The process is based on one’s assumptions, values and norms, e.g. values on money, time, facilities etc. Outputs or effects of one’s culture e.g., organizational behaviors, technologies, strategies, products, services etc. is seen at the end part of the organization. The concept of culture is particularly important when attempting to manage organization-wide change. Practitioners are coming to realize that, despite the best-possible plans, organizational change must include not only changing structures and processes, but also changing the corporate culture as well.

2. Organizational Culture and its Constituents

There are numerous ways of defining organization culture. One commonly accepted definition is as follows.; It is a pattern of shared employee beliefs, values, behaviors and ways of doing and thinking about the organization. Such beliefs, values etc. are learned, shared and transmitted by and through organization employees. A more comprehensive definitions “Organizational culture refers to a system of shared meaning”. In every organization there are patterns of beliefs, symbols, rituals, myths and practices that have evolved over time. These in turn create common understanding among members as to what the organization is and how its members should behave. Hence following are generally considered on the constituents of organization culture.

   a. Individual initiative
   b. Risk tolerance
   c. Direction
   d. Integration
   e. Management Support
   f. Control
   g. Identity
   h. Reward System
   i. Conflict tolerance
   j. Communication patterns

The first source of organizational culture is its founding fathers. An organization's current culture, customs, traditions are largely due to what has been done before and also its success in doing so. i.e. successful traditions, practices continue for more time.
Founding fathers have a vision / mission when they establish an organization. Typically all organizations start as small organizations. (example is that of Infosys which started as group i.e. an organization of husband / wife and few friends and now is an organization of more than 1 lakh employees). Hence it is relatively easy for founding fathers to disseminate their values and beliefs. Original founders have not only the idea of its creation, but also the means of fulfilling these. Thus the resultant culture is one of founders' ideas / beliefs and the first employees' reaction to founders' ideas / beliefs. Once it is created, the question of its management arises.

Following guidelines are useful in managing (i.e. planning, creating, sustaining) organizational culture.

- Formulate a clear strategic vision
- Display Top management commitment
- Model, culture change at the highest level
- Modify the organization to support organizational change (i.e. modifications in structure, HR resources, information and control system
- Select and socialize new-comers and terminate deviants (When a cultural change has to be brought in, it is necessary to remove such people who cannot match with new values, beliefs; and it is also necessary to bring in such people who subscribe to organization's values and beliefs.)
- Develop ethical and legal sensitivity: It is obvious that no culture shall exceed the limits set by ethics that they cherish and laws which they have to abide by.

3. Necessity of Cultural Change

Organizational culture, comprising of the attitudes, experiences, beliefs and values of an organization, has been defined as follows. The specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization. From organizational values, develop organizational norms, guidelines or expectations that prescribe appropriate kinds of behavior of the employees, in a particular situation and
control the behavior of organizational members towards one another. This implies the fact of necessity of cultural changes in an organization.

4. The Cultural Change Process

Before the change process can occur, there must be a “felt need for change” by key leaders in the organization, to stir the organization out of its comfort zone. Where the culture is strongly molded, de-stabilization may be needed to shake employees out of their complacency and ‘feel’ the need for change. This de-stabilization also however generates resistance to change. The transformational leader is usually capable of overcoming this resistance. Then do so as under.

Initially they identify and develop the organization’s distinctive competencies and channel resources to where they can be most effective. This identification of competencies also allows the organization to focus on its new markets and the organizational changes require serving these markets. The organization is often restructured during this stage.

As the change progresses, the leader enlists commitment to the change by assisting staff through the painful process of letting go of the old practices and adopting the new. They do so by:

- Involving them in the development of change strategies,
- Demonstrating how the new vision will meet their individual needs (e.g. for job security, professional development),
- Modeling the new behaviors he / she needs them to adopt, and
- Using early successes in some parts of the organization to reinforce further change.

Symbolic gestures such as public statements about the change, awards or parties to celebrate or launch a new strategy can also be helpful at this stage. Finally the change is institutionalized by building it into the management process, structure and reward systems of the organization.

5. The Difficulties in Organizational Culture Change

In excellent organizations, people unconsciously comply with the values and beliefs of a common culture and it is this compliance that maintains the organization.
Organizations develop cultures made up of values and beliefs about how people should behave. Employees associate these values and beliefs with the organization’s success and don’t need to be told what to do or what not to do to comply with the culture. As long as the culture remains relevant to the organization benefits – managers are relieved of much of the work associated with controlling or directing staff. However, if the environment in which the organization is operating changes, the culture can become dysfunctional and at times harmful also. Employees in a dysfunctional culture will then use same old strategies to new problems denying their uselessness and blaming external causes and other individuals for their failure. Left uncontrolled, this behavior can continue, until the culture causes the organization to extinguish rather than adapt.

Many organizations are re-designed or restructured, on the assumption that this is all that is needed to achieve major change. If the organization has a dysfunctional culture, and the culture is left unchecked members will simply continue to act as they had under the old structure, regardless of their new responsibilities and response requirements.

6. Pre-requisites For Successful Organizational Culture

In order that organizational culture change is smooth and also in order that direction is forward, certain pre-requisites are necessary:

According to Harigopal.K (2001) the following aspects have to be taken care before proceeding for cultural change:

- Formulate a clear picture of the firm’s new strategy and of the shared values, norms and behaviors needed to make it work.
- Take a close look at the inner functioning of the organization and determine if culture change is necessary.
- Identify aspects of the current culture that could still be valid and other aspects that need to be modified or changed.
- Communicate the change translated into goals, sub goals, activities and behaviors.
- Make changes from top down. The top management’s commitment must be seen and felt.
- Involve employees in the change process.
Check on the leadership and support process to overcome anxiety among managers in giving up their earlier responses

Monitor the progress from time to time; build momentum in terms of initial success.

Defuse resistance. Despite this, expect certain causalities to occur (for example, some employees may leave the organization)

7. Making best use of Cultural Changes

For the organizations, accepting the inevitability of cultural changes, following can be used as appropriate leverages:

- **Performance**: Performance related or competence related pay scheme; performance management processes; gain sharing; leadership training, skills development;
- **Commitment**: Communication, participation and involvement programmes; developing a climate of co-operation and trust; clarifying the psychological contract.
- **Quality**: Total quality programme, such as ISO 9000, 14000 etc.;
- **Customer service**: Customer care programmes; Customer feedback programme
- **Team Work**: Team building; Team performance management; Team rewards.
- **Organizational learning**: Taking steps to enhance intellectual capital and the organization’s resource based capability, by developing a learning organization.
- **Values**: Gaining understanding, acceptance and commitment through involvement in identifying values, performance management process and employee development interventions.

8. Organizational Culture and Industries

Organizations are open systems in constant interaction with their many environments, and they consist of many sub-groups, occupational units, hierarchical layers, and geographically dispersed segments, also geographically spread departments.
If we are to locate a given organization’s culture, where one should look for and how to generalize the concept one looking for?

In the present study, two factors that are common to the whole study are

- The Nature of the organization which is ‘Industrial’ and
- They are geographically located in the State of Karnataka, in India

Culture can be viewed as a descriptive feature of an independently defined stable social unit. That is, if one can demonstrate that a given set of people have shared a significant number of important experiences in the process of solving external and internal problems, one can assume that such common experiences values, beliefs etc. have led them, overtime, to a shared view of the World around them and their place in it-and in the present context it is the industrial undertakings, under study. There has to be a large shared experience to have led to a shared view and this shared view has to have worked for long time to have come to be taken for granted and works without awareness. Culture, in this sense, is a learned product of group experience and is therefore to be found only where there is a definable group with a significant history. Here also, all the industrial undertakings studied, have a long history behind them.

Though it is the members who form and sustain the culture of an organization, the ownership of organization by way of Public, Private and MNCs have a significant role. By way of its principles and assumptions, each sector influences the culture of the organization of which it is the owner.

Organization culture has many layers with distinct externalities and many internalities. At the outermost layers, it is the artifacts, symbols which furnish the outer world, with a meaning to understand. However, it is inner layers in the form of values, attitudes and beliefs which ultimately affect, the performance- both economical and organizational in the form of production, profit, morale, motivation etc.

The study covered Nine industrial undertakings chosen from different sectors as well as different districts of the State of Karnataka. The study has covered, as widely as possible the external and internal manifestations of organization culture. The parameters under internal and external manifestations are elucidated in the questionnaire.
9. Gaps In Existing Research

- Structure of the organization being a determinant of organization is also a determinant of organizational culture and is also a determinant of corporate governance. Apart from the legal provisions, it is the self-regulated code of practices which play a crucial role in better corporate governance, which in turn is influenced by the organizational culture. Since many studies are not available, particularly in the Indian context, the present study is expected to bridge such gaps.

- Research on organizations culture being descriptive as well as highly abstract has advanced to the stages of prediction. Hence any measurement of otherwise highly descriptive and abstract elements, as is the case with studies related to organizational culture, can lead to better predictions.

- Higher employee turnover has been usually studied more as an HR issue than as an issue of organizational culture. Hence a good number of researches on employee turnover vis-a-vis HR policies are available. The present study of the organizational culture is expected to establish a link between HR policies and organizational culture as far as employee turnover is considered.

- Organizational culture research being sufficiently studied across the globe has definitely preceded the “Corporate culture boom” of the last few years. Traditional organization research, often highly abstract, has concentrated on the organizations as an entity of the environment in which it is operating. Very few studies have been done taking nature of the organization into consideration. The present study is expected to fill such a gap, as it has been done on organizations, the nature of which are industrial.

- Comparative studies on the organizations, which may be similar with respect to the business they carry out, but working under different structural (such as Public sectors, Private sector etc.) arrangements, are also few in number. The present study is expected to bridge such gaps of comparative studies.
10. Conceptual Frame Work

a. Organizational Culture and its levels

Though organizational culture is all pervasive, for ease of understanding two levels are considered. At the outer level, it is the observable symbols, ceremonies, stories, slogans, behaviors, dress, physical setting etc. which constitute organizational culture. This is denoted as **Explicit Dimension** in the present study. At the inner level culture of exists the values, assumptions, beliefs, attitudes and feelings. This is denoted as **Implicit Dimension** in the present study. In the backdrop of above description internal integration and external adaptation are examined.

**Internal Integration** of organization culture means that members develop a collective identity and know how to work together effectively. **External adaptation** of organizational culture refers to how the organization meets goals and deals with outsiders, such as vendors, customers etc.

Application of above concepts in the present study is seen in the description of symbols, ceremonies etc. (Explicit) on one hand and description of values, assumptions, beliefs etc. (Implicit) on the other hand.

Organizational culture by definition is “A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think and feel in relation to those problems *(Schien, 1983)*

When a study of internal integration vis-à-vis external adaptation is made, automatically we would have described the organization culture. Thus this concept is applied throughout the study.

b. Organizational Effectiveness in Relation to Organizational Culture

Irrespective of the type and nature of inputs, it is the effectiveness of those inputs which matter. Organizational Effectiveness is the degree to which an organization attains its short and long term goals, the selection of which, reflects strategic constituencies, the key interest of the evaluator and the life stage of the organization *(Stephen P Robbins, 2003)*. The relationship between organizational effectiveness and organizational culture is to be seen through ‘the degree of alignment among culture,
strategy, environment and technology. Stronger the culture, more perfect the alignment is. This concept finds its application while a study is made on government organization or a public sector organization. For e.g. alignment between such organization's strategy and the environmental requirements. It is to be noted that though organizational culture is a common perception held by its members, it is not in equal measure. As a result of this, there will be the existence of both dominant culture and sub-culture.

Dominant culture is a set of core values shared by a majority of the organizational members. On the other hand a sub-culture is a set of values shared by a minority, usually a small minority of the organizations members. Such dominant and sub-cultures can be seen at company’s level and departmental level respectively. The presence of dominant culture and sub-culture is felt when a department or an office is working away from the head office, as the effect of dominant culture at company’s level is least felt at departmental level, resulting in sub-culture.

c. Descriptive Concept V/S Evaluative Concept

Though organizational culture is concerned with how the employees or members of an organization perceive the characteristics of it, evaluation can still be possible on a common scale. However to this extent organizational culture is limited to description. However, the descriptions when compared on common criteria with reference to its performance, can also be evaluative and thereby predictive also. An organization will necessarily have a leader-formal or informal. Leadership is the ability to influence a group towards the achievement of a vision or set of goals. Leadership conveys organizational culture both through the words and deeds. The concept of leadership is applied when the performance of organizations are evaluated, as it is considered as a significant variable affecting the performance in financial, production and related areas.

d. Transformational Leadership, Organizational Culture and their Interplay

Transformational leadership and organizational culture and their interplay have become popular topics over the several years. Some researchers have suggested that these topics contain the key to understanding organizational effectiveness (Barney 1986; Bass & Avoilo, 1992). Transformational leaders are presupposed to inspire and
motivate the followers to contribute beyond expectation (Bass & Avolio, 1992; Yukl, 1994). These leaders provide followers with a focus and appropriate levels of support, involvement and appreciation designed to encourage the follower to adopt the leader’s vision as their own and be committed to making it a reality (Bryman, 1992). Organizational culture in this context can also be defined as the deep-rooted beliefs, values and assumptions widely shared by organizational members and powerfully shape the identity and behavioral norms for the group. When a group of members is considered for the study, the concept of leadership necessarily comes into play. Positive organizational cultures have been linked to increased staff alignment, resulting in enhanced organizational effectiveness, heightened consensus regarding strategic direction, increased employee productivity and advanced levels of employee commitment (Barney, 1986). Only when a critical mass of their employees has taken ownership and responsibilities for the needed changes, can an organization assure a competitive advantage in today’s challenging marketplace. Leadership and organizational culture are purported to be highly interlinked (Peters and Waterman, 1982). Leaders must have a deep understanding of the identity and impact of the organizational culture in order to communicate and implement new visions and inspire follower commitment to the vision (Schein, 1990). Transformational leaders help shape and maintain the desired culture of an organization (Schein, 1990). Some researchers have suggested that transformational leadership and organizational culture contain the key to understanding organizational effectiveness (Barney 1986; Bass & Avoilo, 1992).

e. Transformational Leadership Vis-À-Vis Organization Effectiveness

After having described about leadership in relation to organization culture, now its association with organizational effectiveness is described. Yukl (1994) defined transformational leadership as the process of influencing major changes in the attitudes and assumptions of organizational members and building commitment for the organization’s mission, objectives and strategies. More recent studies on the subject of leadership have focused on transformational leadership which concern the leader’s effect on followers (Bass & Avolio, 1992). Followers of a transformational leader feel trust, admiration, loyalty and respect towards the leader and they are motivated to do more than they originally expected to do (Yukl, 1994). This, then leads to the desired
organizational effectiveness. A six-stage process that managers need to adopt if they are to function as transformational leaders as suggested by Ulrich (1987) is worth noting. (1) Creating and communicating the need for change, (2) overcoming resistance to change, (3) making personal commitment and sacrifices for change (4) articulating a vision (5) generating commitment to the vision and (6) institutionalizing the vision.

With the parameters (as discussed in detail in the above paragraphs) taken into consideration, a pictorial framework (Fig. 3.0) comprising of these concepts is proposed in this study for an enhanced view of organization culture.

- a. Explicit dimension
- b. Implicit dimension
- c. Internal integration
- d. External integration
- e. Organizational effectiveness
- f. Dominant culture
- g. Sub-culture
- h. Descriptive parameters of organization culture
- i. Evaluative parameters of organization culture
- j. Transformation leadership
- k. Organizational effectiveness
Fig. 1: Pictorial Frame Work Of Inter-Relations Among The Elements Of Organizational Culture
11. Dimensions of Organizational Culture

A study by Angel A Berrio (2003) on dimensions of organizational culture in Ohio State University can be referred in the context of major variables, considered for the present study.

The author uses the competing values framework to assess the dominant organization culture based on widely accepted four culture types viz. Class, Hierarchy, Adhocracy and Market cultures. The study included as to what type of culture is or is being exhibited in current situation and preferred situation. The study was descriptive co-relational with N = 965. The questionnaire used by the author was the modified version of organizational culture assessment instrument developed by Cameran and Quinn (1999).

Six dimensions were analyzed by the organizational culture assessment instrument using the competing values framework. The highest mean score for each of the culture types in both current and preferred situations for Ohio State University (OSU) Extension personnel are shown in table 3.0. In the current situation, the highest mean score exhibited by OSU Extension personnel was in the criteria for success dimension (Mean = 34.07), while the lowest mean score recorded was in the organizational glue dimension (Mean = 26.90).

Table 1- Highest Scores on the Organizational Culture Dimensions

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Current Situation</th>
<th>Preferred Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>S.D</td>
</tr>
<tr>
<td>Dominant Characteristics</td>
<td>27.49</td>
<td>14.62</td>
</tr>
<tr>
<td>Organizational Leadership</td>
<td>30.05</td>
<td>14.55</td>
</tr>
<tr>
<td>Management</td>
<td>30.64</td>
<td>13.84</td>
</tr>
<tr>
<td>Organizational Glue</td>
<td>26.90</td>
<td>15.07</td>
</tr>
<tr>
<td>Strategic Emphasis</td>
<td>28.90</td>
<td>11.85</td>
</tr>
<tr>
<td>Criteria for Success</td>
<td>34.07</td>
<td>17.60</td>
</tr>
</tbody>
</table>

Mean Scores could range from 0 to 100, representing a percentage out of 100.

(Source: Angel A Berrio, 2003)
The major findings of the above study indicate that three dimensions of organizational culture displayed a distinctive profile from the overall culture profile of the organization in current and preferred situations. The dimension labeled as “Dominant Characteristics” is concerned with what the overall organization is like. The Adhocracy classification in the preferred situation is not in agreement with the overall culture profile of the organization, but in agreement with the finding that no statistically significant difference was found between the mean scores of the Clan and Adhocracy cultures in the preferred situation.

The dimension labeled as “Organizational Leadership” is related to the dominant leadership style and approaches used by leaders and administrators in the organization. The Hierarchy classification in the current situation of this dimension is not in agreement with the overall culture profile of the organization. In terms of the leadership style the employees perceive its leaders and administrators as currently having a Hierarchical type of culture, wanting them to change to a preferred Clan culture type.

The dimension labeled as “Strategic emphasis” is concerned with the definition of areas of emphasis that drive the organization’s strategy. The Adhocracy classification in both the current and preferred situations are not in agreement with the overall Clan culture exhibited by the organizations, but are in agreement with the finding that no statistically significant difference was found between the mean scores of the Clan and Adhocracy cultures in both current and preferred situation.

As can be seen from the above findings, it is the dominant cultural factors, leadership factors and strategy factors, which have lead to the majority of organizational culture. All the three factors have also formed the important variables of the present study also along with other factors.

12. Corporate Governance Reflected through Organizational Culture

Corporate governance, through may be studied as a separate concept, the code of conduct and ethical part of it lend themselves to be included in the study of organizational culture. The code of conduct is generally explicitly stated, for an organization.
The corporate governance practices vis-à-vis organizational culture have also been included as one of the objectives of the present study.

The model in the form of a framework proposed herein is to be fitted against the leadership of the organization. It is through the organizational leadership, the corporate governance is reflected. The present study has questions related to leadership, ethics and corporate Governance. (For detailed questionnaire please refer to appendix)

Venugopal, et al (2011) have explored theoretical framework while examining ethics leadership in the context of organizational culture. They argue that there is an imminent imperative for the organizational leadership in the form of change in perception. It is not the set of activities which create a value for the organization (and thereby the society). But it is action; accordingly the perception should be revised to ‘Actions’.

Following is the list of such desired changes for an organization, seeking itself for its increased effectiveness.

<table>
<thead>
<tr>
<th>Existing Perception</th>
<th>Revised Perception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>Action</td>
</tr>
<tr>
<td>Individualistic approach</td>
<td>Collaborative approach</td>
</tr>
<tr>
<td>Fear of failure in reaching goals</td>
<td>Joy of scaling new heights</td>
</tr>
<tr>
<td>Hard work</td>
<td>Wise work</td>
</tr>
<tr>
<td>Imposing order</td>
<td>Enlisting co-operation</td>
</tr>
<tr>
<td>Organizational productivity</td>
<td>Social productivity</td>
</tr>
<tr>
<td>Non-conformity</td>
<td>Conformity</td>
</tr>
<tr>
<td>Organization profit</td>
<td>Beneficiary profit</td>
</tr>
</tbody>
</table>

The revised perception is essential not only for the economic prosperity but also for the ethical prosperity of an organization. Out of the above list of perceptions, it is the social productivity perception which leads to enhanced corporate governance.

They argue that morals or ethics, while taking the view of distributive justice would ensure equitable distribution of benefits. Benefits, though include both tangible and intangible elements, can be conveniently equated with economic benefits also, which is one of the primary reasons for the existence of business. The revised perception would also fit the Utilitarian theory of ethics viz. the principle that every one should act
to generate the greatest benefits for the largest number of people. Hence it can be argued that high ethical standards are supplementary to economic prosperity also. A group can be conveniently construed as an organization. The leadership which emerges as an offshoot of organization, which in turn operates in a society, is in fact shaping the organizational culture through the organizational members i.e. employees.

Diagrammatically when depicted it would result in a triangle with individual (employee), organization and society at the three apexes and leadership having a central pivotal place. Thus the when the effect of corporate governance is seen in society, it is to be understand that it can neither be above nor below the other two apexes of triangle, namely individual (employee) and organization. However, it needs to be emphasized that it is the organizational leadership, which has to balance all these three apexes to an heightened degree.

**Fig 2: Triangular Relationship Among Society, Individual And Organization With Leadership At The Core**
13. Conclusion

Organizational culture being an important determinant of organizational performance needs to be studied, not only for its description; but also for prediction. The business of the organization whether in manufacturing or service, is dependent on how the cultural elements are managed in the company. The study and findings come in handy for an organization, while it looks to change its technology or strategy.

Several of the factors of ethics and corporate governance are shaped by organizational culture and they also in turn shape organizational culture. It was studied with respect to the following associated elements.

a. Ethical conduct and honesty
b. Conflict level, the employees feel while confiding with their superiors
c. Senior members understanding of their own decisions and its implications
d. Empowerment of employees
e. Effectiveness of decision making process.

The values cherished by the organization, the style in which it is imbibed and propagated through various leadership styles are important aspects of organizational culture. A large part of organizational culture can be directly traced to internal factors or internalities as explained elsewhere. Many of the dimensions in the form of stories, jargons, rituals etc., are explicit also. As can be conjectured organizational culture is a combination of both. However both of them needs to be integrated properly for the betterment of the organization.
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