Chapter 73

Exploring the Role of Organizational Culture in Modern Organizations

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ABSTRACT

Organizational culture controls the way employees behave among themselves as well as with people outside the organization, and represents certain policies which guide the employees and give them a sense of direction in the workplace. Organizational culture helps keep employees motivated and loyal to the management of the organization. Having a shared organizational culture in the workplace gives employees a sense of unity, thus promoting better communication and less conflict. The chapter argues that the improved organizational culture has the potential to enhance organizational performance and reach strategic goals in modern organizations.

INTRODUCTION

The increasing globalization of business appears to have led to the emergence of an international business workforce that shares a unique set of cultural beliefs, attitudes, and behaviors (Causin & Ngwenya, 2016). Nowadays, significant organizational parameters include organizational culture, organizational structure, learning, and process (Chandan, 2013). Organizational culture is made up of the:

- Symbols,
- Language,
- Ideology,
- Beliefs,
- Rituals, and
- Myths of an organization (Lee, Shiue, & Chen, 2016).

Organizational culture is an important part to be considered by dynamic organizations in order to develop competitive advantage to ensure enhanced organizational performance (Bashayreh, 2014). The important areas for creating a sustainable culture include:

- Change readiness assessment,
- Leadership and management support,
- Stakeholder involvement,
- Education, and
- Communication (Soliman, 2015).

Organizational and national cultural perspectives can be closely intertwined (Nafie & Jones, 2012). From the global perspective, organizational culture of a subsidiary is influenced by the home and host-country's national culture (Banto, 2012). Organizational culture is reflected in all its operations, and affects leadership style, decision-making process, team interaction, and communication style (Banto, 2012). Organizational culture must not be ignored during the decision-making process and managers must understand the existing culture of their organization in order to achieve their targets and to meet their goals (Kargas & Varoutas, 2009). Success in meeting the goals of an organization, whether they be business, bureaucratic, administrative, or operational, often depends on the ability of that organization to learn from experience and effect appropriate positive changes as quickly as possible (Nicholls & Paul, 2015).

This chapter focuses on the literature review of organizational culture. The extensive literature of organizational culture provides a contribution to practitioners and researchers by revealing the advanced issues and implications of organizational culture in order to maximize the impact of organizational culture in modern organizations. The objectives of this chapter are to describe the advanced issues of organizational culture and related variables and to review the philosophical assumptions and problems in each of current approaches.

BACKGROUND

Since the 1970s, organizational culture has attained considerable attention in academia, especially in the business disciplines (Harrison, 1972). Previous cultural literature provides the interesting and comprehensive contributions in both academic and industrial practices (Low, Abdul-Rahman, & Zakaria, 2015). Globally, cultures have many definitions and difference as nations collectively strive to communicate with one another (Cross, 2016). To ensure organizational efficiency in foreign subsidiaries, the rising conflict between corporate and country cultural characteristics can be solved through active cultural management (Zuber & Pfohl, 2015). The field of library and information science relates to organizational culture and group dynamics (Rossmann, 2010).

In the twenty-first century, life and work in organizations across the globe has changed and continues changing at a rapid rate, while the demands upon individuals and organizations escalate commensurate with the levels of diversity regarding organizational culture (Cook, 2014). Organizations with cultures of character not only comply with legal and ethical standards, they also internalize them from top to bottom such that every organizational member becomes a guardian of integrity (Sauser & Sims, 2015). The ability of an organization to compete in rapidly changing business environments is contingent upon its

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