

International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Website: www.ijirset.com

Vol. 6, Issue 12, December 2017

An Overview of Organizational Culture

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ABSTRACT: A good corporate culture draws together the employees at the business and keeps them aligned. When the culture is simple, diverse voices will assemble behind it for common intent. The atmosphere of your company sets standards about how people act and operate together, and how well they perform as a team. This helps culture to crack the limits of silo-driven teams, direct decision-making and boost the overall workflow. In the other hand, a poisonous atmosphere in the company will do the same. Corporate culture may also serve as alignment force for the business. This is especially true of new recruits, which have more than often thought about the type of culture in which they enter. Culture is essentially a leading force for any organization, so it's important to begin with embarking. This review article provides an overview of impact of organizational culture on organizational performance.

KEYWORDS: Business growth, Organizational culture, Organizational performance, Development.

I. INTRODUCTION

Organizational development has many characteristics that will improve productivity and longevity. Improved success supports employee participation when expectations, principles and priorities lead to strengthening an organization's culture. Most of them operate in companies for a significant portion of their day[1]. The Geert Hofstede study demonstrates that clearly cultural variations between nations are found at the level of values. By comparing cultural variations between organizations, activities are clearly defined. Practices are more concrete relative to principles. "Organizational culture can be characterized as "the collective mental programming, differentiating one organization's participants from others." In order to find various elements of culture that may shape organizational practices, the Hofstede looks for differentiation among IBM 160,000 workers in 50 different countries, moreover, in three regions of the world. Researchers include reasons of cultural disparities in various regions as well as the necessity for each cultural introspection of foreign knowledge and multiculturalism[2]. Cultural variations show differences in thought and social behavior, and in some kind of Hofstede word for planned behavior, including in "mental programmes". Hofstede connects culture to racial and regional cultures, but in addition to organizations, occupation, family, communities as well as subcultural classes, political structures and legal guidance this particular research reveals the structural variety of four-dimensional national culture: control gap, individualism, resisting confusion and manhood[3].

The supposition that such organizational cultures contribute to an improvement in organizational accomplishment represents one of the most significant reasons for curiosity in organizational culture. Corporate success involves an organization's current output and the effects or consequences calculated against the anticipated outcomes. In no particular measure should the managers have to select between financial and operating metrics to provide a consistent success goal[4]. The elements of the balance score card are used in this analysis to assess organizational efficiency. These dimensions of the Balance Score card include:

1. Financial perspective;
2. Customer perspective;
3. Internal business perspective

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4. Learning Perspective.

The major element shaping organizational efficiency is organizational culture. The aim of this research is to study the effect of corporate culture on the success of organizations.

II.LITERATURE REVIEW

1. Organizational Performance:

One of the big market problems are that some companies were successful and others struggled. The success of any company was the most critical thing, be it profit or non-profit. Managers have been very important in understanding which variables affect the success of an organization in order to make suitable steps to initiate them. However, it was not a simple job to describe, conceptualize and evaluate performance. Researchers have varying perceptions and meanings of success within themselves, which remain a controversial problem for organizational researchers. The main question is whether the conceptual usage and evaluation of corporate success are acceptable in different ways[5].

2. Definition of Organizational Performance:

Investigators have diverse success views among themselves. Indeed, success among organizational researchers remains a contentious topic. For example, success is equal to the famed 3Es of a programme or operation (economy, quality and effectiveness). However, organizational efficiency is the capacity of the organization to accomplish its goals by productive and successful utilization of resources. Absolutely analogous to the organization's willingness to fulfill its priorities and targets[6]. Not just a description problem, but even a conception problem has influenced the organizational efficiency.

In modern management, they claimed that operational success in a variety of fields suffered from problems of intellectual clarification. Firstly, the definition area and, secondly, the measuring area. Often the word efficiency was misunderstood for effectiveness. Output and efficiency were different. Productivity was a ratio that showed the amount of work performed over a given duration[7]. Information is displayed was a wider predictor, including efficiency and output, continuity and other considerations. Productivity metrics is generally viewed in an outcome-oriented assessment.

Education and training, principles and instruments like management growth and leadership training, which represented the requisite capacity-building and performance management behaviors, may include outcome driven behavior (criterion-based) and relative (normative) actions. Thus, the word "performance," including productivity, efficiency, economy, consistency, uniformity and regulatory action, should be more broadly focused in the adored literature review. The next topic on organizational success was often asked what factors dictated the organizational performance. Two main streams of study were done on determinants of corporate success in business policy literature. One is focused on economic tradition and emphasized the importance of outside business influences to assess corporate efficiency[8]. The other line of study was focused on the behavioral and sociological model and saw the environmental determinant of organizational variables and their "fit" for the environment.

3. Measurement of Organizational Performance:

Many variables have been used in previous studies to measure organizational efficiency. The rates of return on investment (ROI), return on equity (ROE), revenue on sales (ROS), growth in revenue (ROS), market share, stock price, sales growth; export growth; liquidity and operating performance. These include profits; gross profit, return on asset (ROA). Although awareness is made of the value of organizational efficiency, there has been considerable discussion of both vocabulary concerns and philosophical framework for assessing performance. No single success metric will describe all facets of the word in detail[9].

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The measures of organizational efficiency were often inconsistent—although most scholars used quantitative metrics such as stock gains, profits on sales etc. to assess organizational performance. The concept of efficiency included metrics relating to efficiency and performance, as well as efficacy related measures addressing concerns such as market development and employee satisfaction. Output was also conceptualized using both quantitative and perceptual financial and non-financial indicators. Objective metrics include financial secondary tools, such as asset returns, investment returns and profit growth[10]. These measurements are nonbiased and, owing to the uniformity of measures across all the organizations, are especially beneficial in single sector studies.

Financial measurements enable researchers to establish pattern studies and analyses of metrics. Employees' perceptions of occupational or financial wellbeing and overall happiness are perceptual tools. These subjective success evaluations are also used to measure operational productivity and staff happiness in organization. Given the increasing burden on organizations, to reach various stakeholder groups, more nuanced operational productivity strategies are required in which too simpler implementations of single variable models are insufficient expressions of the modern world, the multi-target life of businesses.

3. Financial Performance:

The efficiency of organizations is primarily determined by the organization's financial success. For most profit-driven companies, financial stress may be measured both in terms of 'top-line' steps (e.g. sales) and 'bottom-line' behavior (e.g. profitability). The sustainability of a company represents the productivity and willingness of owners and management to maximize revenue while maintaining variable costs. This is a significant financial measure. The common metrics on financial performance shall be called profit margin, return on assets, return on equity, return on investment and return on revenue. Moreover, revenue, sales rise, net profit and growth profit are one of the financial metrics favored by Malaysian SMEs, according to the study conducted on Malaysian small businesses. Sales growth is determined by three straight years from the current annual sales growth rate (2006-2008). In the other hand, the profitability of the three financial ratios, ROS, ROI, and ROA, incurred in the last three years, from 2006 to 2008, is evaluated.

III. CONCLUSION

Organizational culture refers to the purpose, goals and aspirations of an organization and its employees' beliefs. Enterprises with a corporate culture tend to be more effective than organizations with a lower hierarchy, as they have structures that encourage employee efficiency, competitiveness and loyalty. In a good business culture everybody is inspired to do their best.

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