Roles of Organizational Founders and Top Management in Moderating Organizational Cultures

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ABSTRACT: *Organizational culture has become dominant issue of a recent in the solution to numerous organizational problems, several attempt has been made to the justify this perceived fact that organizational excellence can be achieve by a means of well formulated culture that is align to organizational goals and objectives, this led to the question who are responsible for the formation of the said culture? Several authors has defined organizational culture as "the way we do things around here" to others is the unconscious and conscious belief, values, and ritual system which has became part and parcel of an organization, whether bad or good, this review suggest that organizational founders and top management are responsible for formation of culture of their respective organizations which in turn affects the organization negatively or positively. It is not sufficient to attempt to understand and measure them, this paper explore organizational culture from organizational founders philosophy and top management approach and its implication on the organization excellence.*

Keywords: Organizational founders, Top Management and Organizational culture

I. INTRODUCTION

Organizational leaders, executives and managers desire to know how to manage organizational culture and how to influence or change it to obtain the best achievement in organizational performance (Teague, 2006). When key leaders of organization fail to moderate the culture of their organization to suit or align with their goals and objectives, the culture may be outdated so much so that it thwarts performance (Teague, 2006). Robbins and Judge (2009) describe in a model how organizational culture is formed beginning from the organizational founder's philosophy, selection criteria to the top management and socialization, and then becomes the acceptable culture of the organization. A closer look at the model suggests that there are vital processes or stages that the organization passes through to be able to come up with a unique culture. Though some of these processes are unconsciously made, every role in the different stages has effects on the output of the culture. Thus every output of culture that does not suit the organization anymore will be changed. The need to change a particular culture can be group-oriented or individual-oriented. When a group identifies that a particular culture is undermining their performance in the competitive market, such a culture may be reviewed for change by the organizational leaders and the founders of the organization. For example, a culture that lays emphasis on a particular dress code that is not well adapted to the environment in which they operate may impede organizational performance. The organization may discover that an employee who does not conform to the dress code culture achieves outstanding performance frequently, whereas those who move in line with that culture often fail; if so, the organization may need to adopt the pattern of the successful employee instead.

II. ORGANIZATIONAL CULTURE

Organizational culture has proven to be very elusive because of the lack of a single definition that is generally accepted by all organizational culture literatures. One of the issues involving culture is that it is defined both in terms of its causes and effects (Shili, 2008).

Organizational culture is a complex network of values and norms that guides an individual's behaviors. It involves a set of beliefs, values, assumptions and experience that are acquired through learning, socializing and sharing by members of social unit such as people in the organization (Rousseau, 1990)

Almost all the definitions of culture emphasizes the organizational assumptions developed, nurtured and mentored consciously or unconsciously over organization's life cycle;, these includes experiences, norms, values, philosophy and rituals that hold the organization together; its portrait, self-image, inner workings, interaction with the outside environment where some of the values are kept in written form while others are unwritten but yet adhered to strictly (Schein, 1984).

The culture of an organization is sometimes dynamic in nature, particularly after doing effective strength and weakness analysis, out of which can be eliminated and advantages retained and strengthened (Shumen, 2009). A valid organizational culture is called corporate culture (Shumen, 2009). Schein (1984) argues that we can describe "how" a group constructs its environment and which behavior patterns are

discernible among the way it does its things. It is clear that organizational culture is a process that the organizational founders, top management and employees learn, socialize and adopt over time (Schein, 1984). It selects the best culture that suits the organization's objectives and that can be easily be accepted by wider environment (Robbins & Judge, 2009). Organizational culture is the normative glue that holds an organization together (Tichy, Fombrun & Devanna, 1982). Support by Schein (1990), in a more comprehensive fashion, argued that culture, as values and behaviors that are believed to lead to success and are thus taught to new members. Forehand and Gilmer (1964) suggest that culture is the set of characteristics that describe an organization and distinguish it from others.

Alvesson and Berg (1992) state that, organizational culture is a management tool that helps in work rationalization and efficiency thinking: an attempt to develop control mechanisms that are not based on compulsion or on direction. Parker (2000) argues that workers strive to get to command themselves or each other. The manager's task is considered to be the creation of a culture and its manipulation. The power of cultural theories is seen particularly in fields in which direct control and guidance mechanisms are difficult or impossible to maintain (Parker, 2000). Collins (1998) sums up the matter by stating that cultures are historically developed, socially maintained and individually interpreted. Every culture, however, has an in-built propensity to merge behavior, which happens by creating common norms and a shared social identity; such absolute behavior within a given organization is called corporate culture (Collins, 1998).

The subsections on organizational culture discussed below will aid the understanding of the concept in a more comprehensive way, as follows:

(i) Corporate Culture

Corporate culture is the collective beliefs, value systems that an organization acquires in its years of existence with its own unique essence and attitudes that also define the totality of the organization's ways of doing things and the self image it has created (Ojo, 2009). Corporate culture is an active living phenomenon, through which people jointly create and recreate the worlds in which they live (Morgan, 1997).

As organizational culture is particular in nature, its uniqueness distinguishes it from other corporate cultures, which vary according to the values of its founders and the environment in which it operates (Ojo, 2009). Corporate culture is important because researchers have reported findings that cultural dimensions correlate with economic performance (Schein, 2004).

(ii) Culture Content

Culture content is the real culture that survives growth and is finally adopted. Schein (1992) describes culture content in two phases: Survival, growth and adoption in their environment; and internal integration that permits daily functioning. This indicates that culture content is a set of acceptable workable values at a given time that have been validated and produced successful results for both the organization and employees over time. It is a practical component of organizational routine that describes the strengths and weaknesses in an organization's internal set-up (Schein, 1992). Moreover, it is the culture content of the organization that makes corporate culture so unique (Gregory, Harris, Armenakis & Shook, 2009).

III. FUNCTION OF ORGANIZATIONAL CULTURE

Culture communicates to people through symbols, values, physical settings and language, and thus supplementing the rational management tools such as technology and structure. The function of organizational culture can be view in five different ways as follows: behavioral control, stability, source of identity, easy point of identifying strengths and weaknesses, and objective-focused (Deshpende & Webster, 1989).
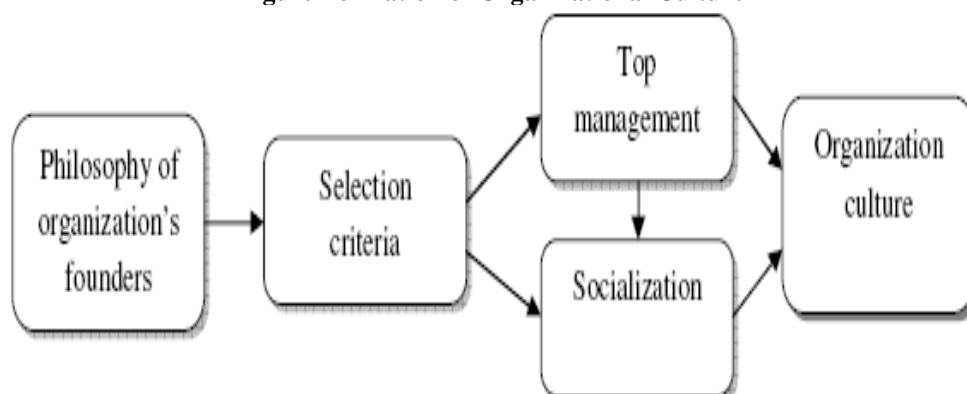
IV. TYPES OF ORGANIZATIONAL CULTURE

One of the areas of controversies in organizational culture is the inability to derive generally accepted definition and how it functions, due to some divergent opinions as it can be seen about culture typology (Cameron & Quinn, 1999). Wallach (1983) identifies three types of culture which is more common with organization: firstly, bureaucratic culture has a defined line of authority, responsibility and organized order of roles and hierarchical structure; secondly, innovative culture provides workers with challenges and inspiration, but the result-oriented environment may put workers through a lot of stress; and thirdly, supportive culture promotes family values where employees are fair, friendly and supportive to each other.

Cameron and Quinn (1999) identify four types of culture as clan culture, hierarchy culture, adhocracy culture and market culture. On the other hand, Harrison (1991) gives four typologies of organization culture as power, role, task and personal culture. These divergent opinions on culture can influence new or further research.

## V.	MODEL OF ORGANIZATIONAL CULTURE
Figure shows how organizational culture is formed.

Figure Formation of Organizational Culture

Source: Robbins & Judge (2009)

The organizational culture model, above as shown in Figure above, explains the process how culture is formed, going through processes or stages, beginning from the philosophy of the organizational founders – the organizational owners who from the inception of the organization have in mind the kind of organization, its purpose and what they hope to achieve. At that stage, the first culture will be introduced bearing the ideology and values preferred by the owners; it will get to the point that there will be so many possibilities, and thus a selection criteria will be proposed based on the culture that supports growth or the interest of the organizational owner.

The culture selected may be examined by a team of organizational experts working in that organization. Usually this consists of the top management which may include the owners of organization who will evaluate the culture in the light of their organizational objectives, then allow it to proceed to the socialization stage to assert its acceptability by employees and the wider environment. When it is accepted, it will be considered the organizational culture. The accepted culture will guide the actions and activities of both the owners and employees of the organization. Performance is mostly determined by the culture of organization, for instance an organization that places greater emphasis on rewards and employee evaluation tends to achieve measurable performance (Robbins & Judge, 2009).

Factors that influence moderation in organizational culture

Organizational culture has been commonly considered a network of values developed and nurtured over a period of time in the organization; there are unavoidable factors within and outside the organization that directly or indirectly influence the moderation of organizational culture in a way (Denison, 1990). These factors are as follows:

(i) Organizational performance

The improvement of organizational culture identity can guarantee sufficient change to both enterprise and employees that drive enthusiasm and success system. These will result in paying attention to the staff and how employees respond to change; if favorable, then organizational culture will build a kind of positive working atmosphere, mutual value system and management mechanism for the staff. Thus, a suitable working environment that encourages creation actively is produced. This will enhance the employee's working enthusiasm, improve work efficiency, and reduce trade costs inside enterprises effectively. Besides, organizational culture promotes employees to study, to improve their work skills and increase work productivity, thus improving the relative value of products or services. The staff members are direct creators of the enterprise's value, fastening their own intelligence, physical ability on the production of better products or services. Through positive connection and cooperation with the external environment, for instance, market investigation, questionnaires etc., employees understand customer demands and suggestions, thereby improving or producing new products or services. Consequently, employees play the most basic role to organizational performance.

(ii) Leadership

Sun (2008) asserts that the culture of the organization is typically created unconsciously, based on the values of the top management or the founders of an organization. Robbins and Judge (2009) concur that the organizational founder's philosophy and top management play a vital role in setting the culture of their respective organizations.

Building a culture of productivity and innovation requires some vision at the top – a leader to understand the market dynamics and to drive people in his or her organization to change. Once the vision is set, managers have to be on board to get the organization where it needs to be, and to constantly reinforce that culture and vision throughout the organization (Robbins & Judge, 2009). Organizations can drive productivity to infinity by cutting costs and people and maintaining the same output. However, this short-term focus will derail the ability to deliver for customers eventually and drive away the biggest resource an organization has – its employees and their corporate knowledge. It is important to balance the desires of the investors and their short-term objectives with the requirement that firms invest in their people, their ideas and the fruits they will bear in the future (Denison, 1990).

(iii) Employee's feedback

According to Parker (2000), workers strive to get to command themselves or each other. The manager's task is considered to be the creation of a culture and its manipulation (Parker, 2000). Ogbonna (1992) declares that organizational cultures are the outcomes of the interweaving of an individual into a community and the collective programming of the mind that distinguishes members; it is the values, norms, beliefs and customs that an individual holds in common with other members of a social unit or group. Kunda (1992) writes about an organization in which the workers had criticized the cultural propaganda and ideology spread by their manager. Feedback from employees may initially be disregarded, but when the situation persists, the management has no option but to consent to such suggestions, thereby letting go of some of the ways the organization used to do things (Kunda, 1992).

(iv) Environmental forces

STEP analysis suggests that there are social, technological, economical and political forces that greatly influence the decision of every organization. These forces are external in nature, and they are forces, every organization must reckon with. As organizations try to fit into the environment, they comply with whatever direction the forces point at, thus resulting in the inclusion or exclusion of certain ways of doing things in the organization . Culture consists of the totality of assumptions, beliefs, values, social systems and institutions, physical artifacts and behavior of people, reflecting their desire to maintain continuity as well as to adapt to external demands (Sinha, 2000). Moreover, Schein (1984) defines organizational culture as the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration and have worked well enough to be considered valid to be taught to new members to perceive, think, and feel in relation to those problems. Culture is an asset of assumptions that are created and developed by a group of people while learning to cope with the problems of everyday life (Senyucel, 2009).

(v) Problem solving

Critical issues are mostly brought to fore during brainstorming, where preventive measures to avoid future occurrences may be discussed. When measures have been taken against the future, it implies the introduction of a new way of doing things around the organization (Schein, 1984).

VI.   CONCLUSION

Organizational culture is the fundamental of every organization in its drive and passion for success and excellence, cultural literatures has argued that culture is unconsciously created, this paper explored culture as a product of organizational founders and top management. To achieve organizational excellence, the organizational founders and top management should formulate a culture that will be society and employees friendly; this would result to sustainable success and excellence on the organizational drive. Culture can be incomplete without the critical approach of the organization's founder and the top management.

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