

## Elements of Organizational Culture That Facilitate The Conduct of Efficient Activities Within Modern Organizations

Ionuț Riza<sup>a,\*</sup>, Ionela Staneci (Drinceanu)<sup>b</sup> and Costinel Cristian Militaru<sup>c</sup>

<sup>a</sup> No.13, A.I. Cuza street, Craiova, Dolj, Romania

<sup>b</sup> No.13, A.I. Cuza street, Craiova, Dolj, Romania

<sup>c</sup> No.13, A.I. Cuza street, Craiova, Dolj, Romania

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### ABSTRACT

*Because of its impact on an institution's functionality and performance, organisational culture is one of the most discussed topics in management, organisational behaviour, and sociology. The majority of the debates centre on this organisational phenomenon's ability to significantly contribute to the entity's competitive evolution by mobilising its resources, particularly human resources. Even though there is still debate about the definition of organisational culture, experts agree that most of its components contain the fundamental values of any institution. Moreover, any institution considers a robust organisational culture essential for outstanding performance. This paper aims to highlight the concepts of organisational culture at the organisational level from the standpoint of modern economics. A questionnaire was used as a research tool, and the data collected from it was analysed using quantitative statistical-mathematical analysis. The non-implementation or functioning with deficiencies in organisational culture can raise concerns about the entity's functioning and the managerial act's quality and efficiency.*

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**\*Corresponding author:** Ionuț RIZA  
rizaionut@gmail.com

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## 1. INTRODUCTION

*Organisational culture* is one of the most addressed topics in management, organisational behaviour, and sociology due to its impact on the functionality and performance of an institution. Most of the debates focus on the ability of this organisational phenomenon to contribute substantially to the competitive evolution of the entity by mobilising its resources and, in particular, human resources. Even though there is still disagreement about the definition of organisational culture, specialists agree that most of its components contain the fundamental values of any institution. A strong organisational culture is considered an essential resource for outstanding performance by any institution. The paper aims to highlight the concepts of organisational culture at the organisational level from the perspective of modern economics. A *quantitative* statistical-mathematical analysis was used to collect the data, using the questionnaire as a research tool. Non-implementation or functioning with deficiencies in the

organisational culture can raise concerns about the entity's functioning and the quality of the managerial act in terms of quality and efficiency.

Organisational culture refers to the thoughts, attitudes, beliefs, and norms within an organisation and is sometimes known by other market participants. An organisational culture of a company is born with the establishment of a company and starts with its shareholders, or if it is a multinational, then with the company's top management. Entrepreneurial businesses, for example, bear the imprint of their founders strongly, even if they grow and become global corporations in the meantime.

However, things are not as simple as they seem because organisational culture is created over time. It is a set of values and norms to which shareholders adhere first and then employees. The foundations of organisational culture are laid with the formation of a different environment, a particular climate, or its own atmosphere, things that define a company and through which customers or candidates recognise it in the market. Along with a great organisational culture, there can be various subcultures that, without being in contradiction, have their own specialities, given the specifics of some roles. Various types of cultures have been identified over time, such as clan type (refers to team-based organisational culture, collaboration, and cohesion between its members) or start-up type (refers to companies in which each employee is responsible for his work and where he can value his creativity), but all translate into relatively common and unitary shareholders or representation. From them comes the organisation's mission, vision, and clear strategy. The company may already have an organisational culture to which top management adheres, but organisational culture is not something fixed, external, and unchangeable; it constantly changes due to internal, external, or environmental factors. People who interact directly with employees play an important role as well. They are in charge of communicating and consolidating the foundational elements that comprise the organisational culture. They can accomplish this through ethical behaviour consistent with the organisation's values, as demonstrated by authentic walk-on leadership. Employees will be dissatisfied with the organisational culture created if they do not see their managers and superiors respecting the values printed on the walls, or worse, if they see them engaging in contrary practices (Martin, 2018).

Although there is broad agreement on the existence of organisational cultures and that they are a vital factor in shaping organisational behaviour, identifying the culture is difficult. An absolute definition would allow for a more rigorous study of organisational culture and an understanding of how it influences other organisational outcomes such as productivity, employee involvement, and employee engagement. However, one thing is undoubtedly known about culture: it is constantly created, changed, and shared to ensure the success of its organisation.

Organisational culture is a mix of beliefs, assumptions, values, and ways of interaction that contribute to an organisation's unique social and psychological environment. Culture is founded on attitudes, beliefs, habits, and written and unwritten rules that have evolved over time and are regarded as valid.

The study aims to highlight the main elements of organisational culture at the level of organisations from the perspective of modern economics.

## **2. LITERATURE REVIEW**

Organisational culture is a concept that is becoming more prevalent not only in the concerns of teachers, students, and various types of specialists but also in the approaches of managers, entrepreneurs, and even ordinary citizens. As a result, much attention is paid to how cultural elements condition our behaviours. Indeed, many economics, management, sociology, and psychology experts agree that an organisation's culture is a significant determinant of its functionality and performance (Renard, 2002). Knowledge of the specific elements of organisational culture and management culture (as part of the overall organisational culture) is an essential requirement for modern management, given the dynamism of the local, national, and international business environment, growing competition, shortening the manufacturing cycle of products and services, and the pace of change to which members of organisations are subjected. At the same time, however, organisational culture can be one of the vital forces to oppose the changes proposed by the company's managers if its characteristics are not known or are not taken into account in developing organisational change plans. The concept's complexity stems from the fact that it encompasses aspects related to human resources and looks at them, not only from a rational point of view but also from an emotional and sentimental point of view. It also treats them both at the conscious and subconscious level, which determines what individual, group, and organisational level to witness a particularly varied and dynamic range of links established formally and informally on the horizon.

Organisational culture is one of the important concepts that has recently emerged and has significantly influenced the thinking and actions of researchers, teachers, students, managers, entrepreneurs, and specialists from various organisations worldwide. This interest has grown exponentially due to internal and external pressures, which call for better knowledge and increased competitiveness of organisations and their constituents to survive and thrive in the new conditions. The major consideration of the role that human resources play in the organisation's evolution also favoured the development of organisational culture. Organisational culture is regarded as the invisible force behind the easily observable and tangible aspects of a business; it is the social energy that drives people to act. We can compare a company's organisational culture to an individual's personality, which meets several visible and less visible aspects while also providing the vision, meaning, direction, and energy required for evolution. Organisational culture in a company helps us understand the differences between what managers formally state and what actually happens within it. Different rules, procedures, statements, or decisions are interpreted and, to some extent, even applicable through organisational culture. Furthermore, the organisational culture creates and develops its own certain behavioural models that may or may not be in line with the official versions, beyond the formal elements that try to establish in a centralized way a certain attitude and behavior for the members of the organisation. A large portion of

the elements that comprise organisational culture are intangible, unwritten, but extremely powerful (Thomas, 2010).

Organisational culture (also called "corporate culture") is a system of shared beliefs, values, beliefs, attitudes, and experiences that govern how people behave in organisations. These shared values strongly influence the organisation members and dictate how they dress, act, and perform their tasks. In addition, each organisation develops and maintains a unique culture, which provides guidance and limits the behaviour of the organisation's members. This entails a slew of elements that set the organisation apart from the competition (Preda, 2016). Organisational culture is also defined as the norms and values that people have within a particular organisation. Organisational culture is, in short, the psychology of a company. It consists of various elements such as its employees' values and attitudes, the organisation's image to the company in which it operates, its identity, and the selection process of its employees and suppliers (Adler, 2019).

The values are the essence of culture, of the organisation's success philosophy, and the central element that gives the sense of a common direction and shows the members of the system how to work together. One caveat: in order for this critical function to be carried out, all organisation members must share the same values (Fayol, 2015). Organisations become institutions when the value system is crystallized, communicated, accepted, and appropriated by all participants in collective creation because values produce a distinct identity and the construction of shared meaning, which involves modeling the system's social character. Social integration entails more than formal command and coordination, and it is reflected in all individual actions and interactions because shared values are socially legitimate and give meaning and significance to individual actions (Schein, 2014).

If the organisational culture is strong, the values will capture the general attention. Otherwise, the values will be ignored. Creating strong cultures requires the critical input of strong leaders who can communicate core values throughout the organisation through well-articulated visions and missions, directly determining the long-term performance of organisations. Long-term success can be the cause or fortification of solid cultures, but there is a mortal risk that a strong culture will become arrogant, internally focused, and bureaucratic, becoming extremely inertial. Public enterprises that perform poorly may also have strong but dysfunctional cultures based on value systems that only appear to define success (Stanciu and Ionescu, 2019).

Values play the role of an informal control system, which is stronger than any other control system because it provides purpose and significance for everything that needs to be done to achieve successful results. At the same time, there are multiple practical proofs that for an organisation to be successful, the primary goal is to create a strong culture.

There are three characteristics of valuable systems belonging to strong cultures (Hofstede, 2011):

- 1) are the manifestation of a clear and explicit philosophy;
- 2) are communicated throughout the organisation and are known to all members

3) define the system's fundamental characteristics: create a sense of identity; influence all aspects of the system; define what kind of people are respected, and signal to the outside world what to expect from a specific organisation.

However, one clarification is needed: the more robust the values, the more inertial the culture. As a result, it is helpful to highlight some of the major shortcomings of robust value systems as attributes of strong cultures (Certo, 2020):

- 1) the risk of inconsistency—if the behaviour contradicts the organisational values;
- 2) obsolescence risk—if the content changes and the value system is no longer in line with the new requirements;
- 3) the danger of instilling a resistance to change.

These risks, inherent in strong value systems, which ultimately influence the degree of cultural inertia with a dramatic impact on an organisation's ability to change and adapt to a particular context, lead to the idea of another critical dimension, which conditions the relationship between culture and performance: the environment or context of the organisation's evolution. However, strong cultures demonstrate the role of the system of shared values in aligning, motivating, and controlling the organisation's members.

Organisational culture is not stagnant. Members of an organisation develop a shared belief around how good they look as they interact over time and learn what works and what does not. When these beliefs and assumptions lead to less successful outcomes, the culture must evolve for the organisation to remain relevant in a changing environment. Changing the organisational culture is not an easy operation. Employees often oppose change and may campaign against a new culture. As a result, it is the responsibility of leaders to persuade their employees of the benefits of change and demonstrate, through their own experiences and behaviours, that the new culture is the best way to function to achieve success.

### **3. AIM OF THE RESEARCH**

The main purpose of the research is to identify the application of the main elements of organisational culture practiced by managers of organisations in Romania:

1. Rules of conduct and rituals practiced within organisations - define the set of values and principles underlying the activities, thus setting out the principles of conduct that the organisation recognizes as its own and must be respected by all employees;
2. Characteristic motivation characteristics - material incentives are important for employees;
3. Characteristics regarding human resources, innovation, teamwork - human resource is seen as a strategic one;
4. Hierarchy of values - supporting individual creativity and innovation, the human resource is the most valuable resource.

The objectives of the research are:

1. Analysing the implementation of the elements of organisational culture;
2. Analysing the managers' perception regarding the main elements of organisational culture;
3. Establishing the importance of each element of organisational culture.

The following hypotheses have been formulated that underlie scientific research:

H1: The hierarchy of values does not represent the main element of the organisational culture;

H2: Managers ultimately take on Human Resource Characteristics, Innovation, Teamwork;

H3: The field of IT activity gives the greatest importance to the organisational culture.

After establishing the objectives as well as the hypotheses underlying the scientific research study, the research plan was designed which included the following stages:

Step 1 - Establishing the research community: managers in Romania who perceive the activities of organisational culture.

The research carried out based on the questionnaire largely benefited from the answers of some people with management positions within the investigated companies, 62.7% of the subjects belonging to the senior management, and 37.3% of the subjects having management positions in the middle echelon of the managerial hierarchy.

Step 2 - Identification of the survey unit: it is represented by the managers of companies from four fields of activity: automotive, IT, energy, food - who perceive the elements of organisational culture.

Step 3 - Elaboration of the questionnaire: instrumental that was the basis of the article and with which the opinion of managers on organisational culture was surveyed, is the online questionnaire, method of data collection online survey conducted on the web, thus allowing analysis and explanation of causal relationships between variables.

A number of 372 valid questionnaires were obtained, which allows us to use a large number of statistical techniques to analyze the data collected. In developing the questionnaire we started from the personal definition of organisational culture according to which organisational culture represents the totality of values, symbols, rituals, ceremonies, myths, attitudes and behaviors that are predominant in an organisation, are passed on to future generations as normal, feel and act and which have a decisive influence on its results and evolution. Through managerial culture, we have defined all the beliefs, values, attitudes and behaviors of managers in an organisation, which are reflected in the decisions and actions they take and apply to ensure the competitive development of the company. We considered the organisational culture as a social construction, made up of a series of different elements and which are likely to send to the company's components messages that carry a strong symbolic load, messages that influence the decisions and actions of company staff and those outside who come in contact with it. The design of the questionnaire was based on the hypothesis that the ability of managers to perceive the specific elements of organisational and managerial culture and to use them properly in management processes, is vital for the functionality and performance of the managed company.

Step 4 - Determination of the sampling method: simple random sampling was used. Subjects who were the subject of the scientific research study were selected based on two criteria: availability and accessibility.

Step 5 - Exploratory quantitative analysis: data collection was carried out between January 2021 and June 2021, using the questionnaire, a quantitatively structured research tool. The duration of completing the questionnaire was about 20 minutes.

The main purpose of this stage was to outline, with the information generated by the questionnaire, as well as with other information obtained from secondary sources, the realistic image of the managers' behavior towards the elements of the organisational culture.

#### 4. RESEARCH METHODOLOGY

In the socio-economic universe, the economic decision assisting problems are generated by the multi-criteria decision processes. This is why the *maximum method of global utility* in the study can be applied. The model tries to use, at maximum, in a scientific way, the informational base, and the procedures for imitating the rational mode of decision making is, in more or less elaborate forms, the conceptual essence of the models. The steps of the global utility method are as follows:

Step 1. Determining the utilities matrix with the elements  $x_{ij}$ ,  $i = 1, \dots, r$  and  $j = 1, \dots, n$ .

Each matrix element is calculated for the maximum criterion with the expression:

$$x_{ij} = u_{ij} = \frac{x_{ij} - x_{i \min}}{x_{i \max} - x_{i \min}}, \quad (1)$$

and each minimum criterion with the expression:

$$x_{ij} = u_{ij} = \frac{x_{i \max} - x_{ij}}{x_{i \max} - x_{i \min}} \quad (2)$$

where:

$x_{ij}$  = value of the  $i$  indicator associated to the  $j$  indicator;

$x_{i \max}$  = maximum value of the  $i$  indicator;

$x_{i \min}$  = minimum value of the  $i$  indicator.

Step 2. Calculating the global utility for each project, as the sum of the products between the utility matrix elements (the column vector corresponding to the project) and the importance coefficient given for each indicator.

$$UG_j = \sum_{i=1}^r \alpha_i u_{ij}, \text{ where } \sum_{i=1}^r \alpha_i = 1 \quad (3)$$

Step 3. Choosing the project to which the maximum global utility corresponds.

$$\max \{UG_j\} \Rightarrow V_j \quad j = 1, \dots, n \quad (4)$$

For differentiating a decisional  $V_i$  variant (given  $n$  variants), and for selecting the best offer by simultaneously considering various assessment criteria ( $C_j, j = 1, \dots, n$ ) using the maximum global utility method. Finding the best combinations of attributes (characteristic of a variant) forms the object of the multi-attribute problem. This involves the transformation of all number values  $a_{ij}$  (expressed in the associated measure units) and qualitative characteristics in utilities  $u_{ij}$ , that is, numerical (dimensionless) values located in the range  $[0, 1]$ . The basic assumption in the correct operation of the weighted sum method is the independence of the criteria. The largest of the synthesis utilities indicates the best option.

**5. FINDINGS**

Table 1 shows the informational basis of the study, respectively the share of importance that managers give to each element of the organisational culture.

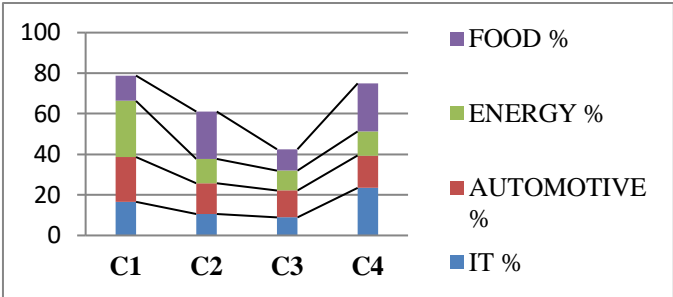
**Table 1:** The importance of the elements of organisational culture

ELEMENTS OF ORGANISATIONAL CULTURE	FIELD OF ACTIVITY			
	IT % (v1)	AUTOMOTIVE % (v2)	ENERGY % (v3)	FOOD % (v4)
Rules of conduct and rituals practiced $C_1$	16.45	22.35	27.5	12.5
Characteristic motivation characteristics $C_2$	10.55	15.15	11.9	23.61
Characteristics regarding human resources, innovation, teamwork $C_3$	8.9	13.25	9.8	10.54
Hierarchy of values $C_4$	23.45	16	11.82	23.55

Source: developed by the authors based on the collected data

The resulting results indicate that the manager takes into account the  $C_4$ - *Hierarchy of values* in which the employee offers a favorable opportunity to acquire professional specializations. Thus, it can be stated that ***Hypothesis 1 has not been validated.***

Ultimately, managers take into account  $C_3$ - *Characteristics of human resources, innovation, teamwork* (Figure 1) - so the organisational culture is manifested mainly through specially chosen key people, according to a limited number of rules; decisions are made more as an effect of the balance of influences, than on a procedural or purely logical basis - ***Hypothesis 2 was validated.***



**Figure 1:** The share of elements of organisational culture  
Source: developed by the authors based on the collected data

Going through the calculation algorithm involved:  
Step 1 - building the matrix of units with the elements  $x_{ij}$ - Figure 2.



$$\begin{bmatrix} 0,26 & 0,66 & 1,00 & 0,00 \\ 1,00 & 0,65 & 0,90 & 0,00 \\ 0,00 & 1,00 & 0,21 & 0,38 \\ 0,99 & 0,36 & 0,00 & 1,00 \end{bmatrix}$$

**Figure 2:** Matrix of units

Source: developed by the authors based on the collected data

Step 2 - Calculation of global utilities for each organisation (Table 2):

**Table 2:** Results of the calculation of global units

GLOBAL UTILITY	RESULT
IT	2.25
AUTOMOTIVE	2.66
ENERGY	2.10
FOOD	1.38

Source: developed by the authors based on the collected data

Step 3 - From Table 2 is observed by the calculation of global utilities, the highest global utility of companies in the field of AUTOMOTIVE - so it can be stated that ***Hypothesis 3 has not been validated.*** Therefore, following the application of the algorithm for calculating the maximum global utilities method, it can be concluded that the AUTOMOTIVE organisation has best assessed the importance of the elements of organisational culture.

## 6. CONCLUSION

The research highlighted that despite a turbulent business environment, a period full of uncertainties, managers are still very concerned about the moral dimension of economic activity. This aspect is also highlighted by the placement in a superior position of the value aimed at the management with ethics and responsibility of the company.

The research aimed to capture several characteristics of organisational culture for Romanian companies. By way of design and development, we can say that the results obtained broadly reflect this organisational phenomenon's specifics: organisational culture. Organisational culture is today one of the most important criteria for candidates when selecting their job. It is also an essential aspect for existing employees, as it is a powerful tool capable of developing a strong sense of belonging. An organisational culture must be built over time, but even so, it is not something that lasts very long. A solid culture is in a cohesive company, aligned with a unitary purpose and way of working, with a high level of internal cohesion and adherence to the values that define it. We are talking about synergy and the efficiency with which things are done in the organisation. A company without a solid culture, which has not convinced its employees of its own identity, is an organisation without an identity. Alternatively, even more, it can

suffer from the multiple personality syndrome given by the interest groups that end up forming and that act independently or even discordant with each other.

In order to maintain a system of values that a group considers socially acceptable, it is necessary for it to develop a system of rules of conduct to guide the actions of its members. Behavior rules foreshadow the attitudes and behaviors expected to be displayed by employees within and outside the organisation as well as the rewards / sanctions triggered by their observance / violation.

The advantages of understanding and adapting organisational culture to the internal and external environment, far outweigh the work done in the transformation process. Moreover, organisational culture is the only sustainable competitive advantage that is completely under the control of the entrepreneur.

The application in practice of the concept of organisational culture proved to be more difficult than it could have been anticipated, to which the following aspects contributed:

- ✓ the tendency to bureaucratize;
- ✓ lack of practical guidelines for implementation in the fields of activity;
- ✓ insufficient training of employees;
- ✓ resistance to change in management and employees;
- ✓ absence of sanctions within the regulatory framework.

Organisational culture is fundamental in any organisation because it guides the direction of the company and guides how it should be run. It also directs the treatment that should be given to employees, customers and society in general.

Regarding the society in which the organisation operates, the organisational culture serves as a spokesperson to make known how that company relates to the community, ie its image, how it cares (or not) about the environment, the interest for social and business environment, influence and participation in community activities.

So here is an effective way to achieve remarkable results: to build the organisational culture that simply leads to success through the values and principles on which it is designed and that outlines an environment and climate that will almost implicitly generate performance.

A strong dynamism characterises the current business environment, a situation that tends to intensify as the phenomenon of globalisation intensifies, the unprecedented development of information technology and telecommunications and the increasingly free movement of resources of any kind. In this context, the human resource truly represents the strategic resource of a company, and the organisational culture is the binder that decisively determines how this resource uses or not, the potential for the good of the company.

The research showed that there is still a lack of knowledge of the concept of organisational culture, its forms of manifestation and the functions it performs in the company, elements highlighted during the interviews organised to complete the questionnaires.

In this sense, better training of managers is required by participating in various training programs and individual studies on a series of topics that include aspects specific to the field of human resources and, especially, in the field of organisational culture.

Noticing the impact of organisational culture on the company's performance can also be done by conducting diagnostic analyses, in which part of the research should focus on the correlation between the type of organisational culture and the company's performance.

An important aspect that should not be lost sight of is that, in any organisation, culture is a social construction. It highlights certain expectations from employees and shows how a company's staff shapes its environment to ensure the overall survival and development of that community.

The limits of the study undertaken are diverse, from which we point out: the time horizon chosen by us is quite narrow, because research topics often generate studies of 10-15 years; the scientific approach was channeled on the interpretation of the studies and not on the explanation of the use of the obtained findings; the inductive research methodology was easily realized.

Based on the research conducted and the analysis performed, we consider that the following recommendations are required for the remodelling of the organisational culture:

- 1) Consideration to a much greater extent, by managers and other categories of staff, of the role of organisational culture in the functionality and evolution of a company;
- 2) The approach by the managers of the components of the organisational culture as an important way of influencing the attitudes and behaviours manifested by the staff;
- 3) Periodic audit of the organisational culture;
- 4) Increasing staff motivation through better use by managers of elements of organisational culture.

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