

How to Create the Best Culture that Impacts on People Performance

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In today's world, vast information availability has propelled innovation at a very fast rate. This forces organisations to be many uncommon steps ahead of their competitors. Many business leaders want to adapt to these changes but seem to fail. Many times, this is not because of a badly chosen strategy but a lack of understanding of the relationship between the change and the culture within the organization. They don't understand how the change will affect the people. But how does culture really affect performance?

It is difficult to define culture. In 1952, the American anthropologists, Kroeber and Kluckhohn, went on a journey to critically review the concepts and definitions of culture. They came up with a list of 164 different definitions. They defined culture as shared patterns of behaviors and interactions, cognitive constructs and understanding that are learned by socialization. In simple terms, culture is a common term often used to refer to symbolic markers used by ethnic groups to distinguish themselves from each other.

In many organizations, there is this pattern where lack of success is blamed on the workers. As a result, a lot of firing and micromanagement occurs which even decreases productivity. Research has shown that there is a relationship between how employees are taken care of and how it reflects on their performance. This includes the environment they work in, how information is communicated and whether their views really matter.

An organization is a living body. It has a personality. Uniformity is created through collaboration and work performance which occur when employees share the organizational personality. A uniformity is created where everyone tries to do their best and not just because of the money but because it fulfils their purpose as a good worker.

As a way of saving training costs, organizations tend to hire people with the right skills regardless if they are a fit to the culture. You can't avoid training. That is why organizations have to look for the right attitude first.

There are three levels of organizational culture. These are Artifacts, Values and Assumptions.

Artifacts are the first things that can be noticed. Artifacts are the ways people communicate, share feelings and the overall first impression of the whole environment. Artifacts can be changed especially when new trends come up and the organization wants to follow in the direction of those influences.

Values are the set of beliefs and norms that should be followed within an organization. Every leader's

task is to make sure employees buy into those values and make them one of theirs. However, values can be tricky in terms of determining how they are translating the message of the firm. According to Somers, values are the key to making the employees committed to the vision and be loyal to the organization.

Assumptions are feelings and beliefs that are understood without thinking about them or analyzing them. They are already written in our heads as something that does not need to be explained. It is the way how we automatically translate certain occurrences without the urgency of deep evaluation. According to Shein, A very different set of assumptions can create a conflict in the environment and if it is not understood and worked on, it could cause unnecessary disputes.

There are three types of organizational cultures that an organization can adopt. These include Clan Culture, Market Culture, Adhocracy Culture and finally Hierarchy Culture.

Under the clan culture, the main focus is internal and the emphasis is put on interaction between the people in the firm. The culture is team-oriented with emphasis on loyalty. According to OCAI online, the clan culture gives a lot of space to the workers to make their own decisions and take responsibility concerning what might be the next best steps for the firm. For an organization that uses the clan culture, commitment is high. The organization emphasizes the long-term benefit of human resources development and attaches great importance to cohesion and morale. Success is defined in terms of sensitivity to customers and concern for people. The organization places a premium on teamwork, participation, and consensus.

The market culture is a result-oriented organization whose major concern is getting the job done. People are competitive and goal-oriented. The leaders are hard drivers, producers, and competitors. They are tough and demanding. The glue that holds the organization together is an emphasis on winning. Reputation and success are common concerns. The long-term focus is on competitive actions and the achievement of measurable goals and targets. Success is defined in terms of market share and penetration. Competitive pricing and market leadership are important. The organizational style is hard-driving competitiveness.

Under the adhocracy culture, the main focus is to build a dynamic, entrepreneurial, and creative place to work. People stick out their necks and take risks. The leaders are considered innovators and risk-takers. The glue that holds the organization together is a commitment to experimentation and innovation. The emphasis is on being on the leading edge. The organization's long term emphasis is on growth and acquiring new resources. Success means gaining unique and new products or services. Being a product or service leader is important. The organization encourages individual initiative and freedom.

The hierarchy of culture creates a very formalized and structured place to work. Procedures govern what people do. The leaders pride themselves on being good coordinators and organizers who are efficiency-minded. Maintaining a smooth-running organization is most critical. Formal rules and policies hold the organization together. The long-term concern is stability and performance with efficient, smooth operations. Success is defined in terms of dependable delivery, smooth scheduling and low cost. The management of employees is concerned with secure employment and predictability.

There are a number of organisations that have succeeded because of their culture. For example, Southwest Airlines is the biggest low fare airline company in the world. The Southwest is successful, consistency and deliver profits every year is not because of strategy only but its consistency with its culture. All employees are committed to the goal of the organization. Its values and norms are well communicated to all employees who identify themselves with.

One of the former CEO of Southwest once said that they wanted people who would be happy to do their job and picked them in such a manner so that they would not have to control their decision making but that they would fit the purpose in such a way that they would trust them when it comes to decisions. New potential employees undergo many evaluations to check their personality and see if they fit into the culture.

An online shopping organization Zappos is another company that built its success in culture. The Founder and CEO Tony Hsieh did not write any values down. He suggested that he did not want to force the values onto the people because it could bias and destroy the true environment.

Zappos takes the culture to fit seriously. After training new hires, they offer each new hire some money if they to quit. By doing this, they can identify who is just there for the money. The values of Zappos include having fun, being creative, treat each other as family and have a strong connection with the team. Interview questions are designed specifically to see if the person possesses the attitudes and beliefs that they cherish in the company.

Because of the team spirit environment, most Zappos customers are satisfied with buying online and refer other people to buy online too. They trust the Zappos team will take care of their needs.

One of the biggest banks in the Netherlands, ABN AMRO collapsed because of a lack of proper culture. With the ambition to take the bank to the top 5 banks in Europe, the CEO introduced a bad culture. The CEO was known for his isolation towards the employees and his view of them was more in the number of units they represented and their work activities. The system he introduced created a void between the banks and the customers as well as the managers and employees.

The Queen's University Centre for Business Venturing did a survey which included collecting data over a ten-year period of employee engagement surveys and company results. The results indicated that organizations that possessed an engaged culture had 65% greater share-price increase, 26% less employee turnover, 100% more unsolicited employment applications, 20% less absenteeism, 15% greater employee productivity and 30% greater customer satisfaction levels.

In a nutshell, organizational culture has a huge impact on both overall organizational performance and individual performance. The choice of culture each organization can adopt depends on the values they see as important or the type of environment they want to create.

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