Why is Company Culture Important for Performance

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An organisation's culture is a key driving force to how the employees will perform in the business. Too often, many managers do not believe in creating a healthy environment for their employees to thrive in. The focus is on "delivering results". While this may be the primary goal of the organisation, these results may not be realised if the environment that the employees operate in is hostile or unsupportive.

What is an Organisation's Culture?

The culture of an organisation is defined by its character and personality (Chartered Management Institute, 2015). In other words, the culture includes the beliefs and values of that organisation and the assumptions of the way in which one ought to behave socially, just like a human being's character. As a new employee enters the organisation, they take on the personality of the existing environment that they found when they joined the company. In other words, an employee does not necessarily change who they are but when they are at work, they may act in a different way than they would in their normal environment.

The culture can stem from various origins. For example, the culture of the organisation can be founded on the values of the founders of that organisation. In addition, the collective personality of the organisation's employees can, in the long run, shape the culture of that business. According to research, an organisation's culture is the hardest part of changing business. This is because of the numerous factors that influence the way in which that culture is ultimately formed (Chartered Management Institute, 2015).

Person-Organisation Fit

Spencer Stuart (2020), outlines the fact that a fit between an individual and the organisation's culture is also an important aspect of driving performance. Very often, performance failures begin at the recruitment level. At this stage, managers need to ensure that they are bringing in the correct person who will fit the business's culture. This is widely known as the "person-organisation fit". An individual may be competent for the job but it is not a guarantee that they will be successful in that organisation because of a possible clash between the personality of the company and that of the individual.

A misalignment between the organisation and the individual is also known as a "person-environment misfit", may result in various problems that may arise, putting a strain on the performance of the employee. Such problems may range from stress, dissatisfaction and even absenteeism (Spencer Stuart, 2020). As a result, the individual's performance suffers, ultimately affecting the performance of the organisation as a whole. During the recruitment and selection phase of bringing in new employees, managers should take seriously the values and beliefs that the individual outlines on their curriculum vitae as well as what they say during the selection interview. Missing this crucial information may result

in the individual not being the "right one" for the organisation and not for the job.

How an Organisation Can Manage Its Culture for Performance

Different Culture Types

According to Groysbrg, Lee, Price, and Cheng (2018), there are eight different types of organisational cultures. Each cultural type will depend on the region, geographical location, industry among other factors concerning the nature of the organisation. One thing to note is that there is no "perfect" culture for an organisation. Each one is different and has its own set of pros and cons. This is why it is important for leaders to be aware of the nature of the environment that they operate in as it is a factor affecting the culture of the organisation.

The eight culture types are caring; purpose; learning; enjoyment; results; authority; safety and order which will be elaborated as outlined by Groysbrg *et al* (2018) further below.

Caring – A caring culture consists of a caring, warm and relational environment. An advantage of having this type of culture is the fact that teamwork, trust, and engagement is improved within the workforce. On the other side, decision making and competitiveness may be negatively affected if over-emphasised.

Purpose – The purpose culture is purpose-driven, idealistic and tolerant. Diversity and social responsibility are major factors in this type of culture but the focus on long term purposes may get in the way of dealing with immediate issues.

Learning – The learning culture is open, inventive and willing to explore. This culture type would be suited for a company such as Google which relies on new ideas ad curious minds. The downside of this is that, if there is not enough discipline, an inability to harness immediate opportunities may be experienced.

Enjoyment – Playful, instinctive and fun-loving is the core of this culture type and has it's on organisation that would be suited to it. Employee morale and engagement may be realised but a lack of discipline may become a problem if not handled well.

Results – The results culture places an emphasis on improved execution and goal achievement for the individual and the organisation at large. While this may seem like the right one, an overemphasis on the results may result in a communication break down and lead to the stress and anxiety of the employees in the organisation.

Authority – Companies in the banking sector may benefit from this type of culture, based on the foundations of the organisation. This is because decisions are made timeously and risk management is improved. The downside of this is that too much focus on authority may lead to political instability and conflict in the workplace.

Safety – Organisations in the mining sector, for example, maybe found having this type of organisational culture. Improved risk management, stability and a focus on continuing the business may be realised. Although this may be good, bureaucracy and the dehumanization of the work environment may be a result, as the work that is needed is rather repetitive.

Order – In this culture, the workforce is rule-abiding, respectful and cooperative. This is good for organisations that value less conflict in the workplace. An overemphasis on rules and traditions may lead to the over standardisation of the workplace, resulting in a more monotone environment.

Leadership in Culture

As seen above, culture plays a large role in shaoing the performance of an organisation. A better part of the responsibility lies within the leadership of that organisation as they need to first realise the king of culture that prevails in the organisation. By knowing this information, it becomes easier for them to help shape the desired culture of that organisation based on the nature of the business. Leaders have influence in a business, meaning they have influence over the performance of the people in the organisation in other ways than their managing styles.

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