



Organizational Culture and Theory

Serdaris Panagiotis*, Syndoukas Fotis

**Corresponding author: Prof. Serdaris Panagiotis, PhD Psychology, PhD Economic Marketing;
Department of Business Administration, Technological Education Institute of West Macedonia, Kila-kozani, kozani, tel.:
++302461068918; E-mail: serpan54@gmail.com*

Abstract

In this article we will try to make critical analysis the models undertaking the corporate concepts focusing on their strong and weak points. We believe that the decision with regard to the course that will follow an organization for the growth career of workers it constitutes fundamental component of its culture and if it is applied suitably it can constitute one competitive advantage. To reach a conclusion as far as the corporate culture is concerned we make use of related theories and their tools to be able to have a solid view as possible close to the truth.

Key words: culture, organize, workers, sociability



Introduction

In the following passage I will be stating my nineteen year old career as an employee of the Public Power Corporation (P.P.C.). I earn my living as a supervisor in the electrical servicing of mining machinery and equipment sector.

The Public Power Corporation (P.P.C.) was founded in August of 1950 to serve “on behalf of the public’s interest” aiming at the implementation of a national energy policy which in turn, intensely exploiting regional resources (such as coal, water basins etc) would make electricity accessible to every Greek citizen at the lowest possible price. This aim and its basis as a Public Utility Corporation has determined for many years the concept and culture of the corporation.

In accordance with the European Union’s policy of unrestricting energy market, the P.P.C. has become an S.A. company effective as of January 1st 2001 and entered the stock market.

As of February of 2001 the restriction of the energy market was abolished in Greece, thus the P.P.C. advanced in its efforts of organizational adjustment and development of diverse enterprising concept – through a program of reform concentrating on development of skill, effectiveness and orientation to the consumer.

Objectively the P.P.C. S.A. is today one of the largest Greek companies which has a substantial lead in the Greek energy market. It is diversely active in the whole of the country but its immense energy production is in the coal basin of Western Macedonia and its main headquarters in the capital city of Athens. This case study focuses on the production sector of the company. The organizational structure as it appears on appendix page 17, includes substantial hierarchy levels organized in operation basis. Until recently, the promotion to the higher levels of hierarchy was the exclusive privilege of university graduates, a situation, which developed intense friction with the graduates of Polytechnic institutes. The competition between the two groups continues up to the present.

The operational regulation was designed in the 1970s and continues to constitute the basis of the present regulations. Thus the corporation operates under bureaucratic elements. The authority lies in the hands of the manager without it being accompanied by the real power of authority. Political power and the Union’s influence constitute the main factors in the implementation of its policy.

Inter – office communication dominates as the official communication between the high ranking officials. The electronic means of communication has its rising share whereas its participation is limited. Until recently there have been countless important time consuming meetings for which the high ranking officials have been complaining about, yet with the use of board rooms (designed with ISO 9000 specifications) and the use of manuals has improved the situation. The social contact of the officials is strong, combining business with a luncheon. The attitude of the managers tends to be unofficial and rules of respect to authority are unusually visible. The official communiqué of hierarchy is enriched with a strong, informal and personal contact. “Gossiping” takes up much of the communication’s time. There are comfortable areas for social contact (restaurants, canteens etc) and the doors to the offices are often wide open. Hierarchy has its privileges such as a luxurious office, bonus and a company car.

Culture concept

In the article I will analyze the models undertaking the corporate concepts focusing on their strong and weak points. Further I will try to answer to the question whether this culture or concept exists. If the answer is positive then:

Is the nature of the elements that comprise it such that we can alter them by a conscious intervention? Could anyone intervene directly to assumptions?

Is the relationship between the elements such that if we intervene in one will cause foreseen alterations to the other?

Could we forecast the results of an intervention so that they would bring specific results to the yield of the company?

Finally, who is in a better position to comprehend and intervene in a culture, the managing director or the manager?

Human science deals with the study of societies which, in turn, help us understand human beings and their activities. The scientific study of culture and the corresponding environment has significantly assisted management particularly after the 1980s to better understand the differences between humans, on basic values, positions and behavior not only in different countries but within the inner structure of various organizations.

Social science – a branch of human science – deals with the culture is something real, I strongly believe so, the point is to be able to grasp culture as an intangible element, to measure it as a tangible element so that it can be comprehended, to consider



its suitability and to manage it. Since I believe in its existence then the elements that comprise it I believe are such that accept conscious intervention. According to Schein the visible points of a culture are based on values and in the final analysis on assumptions. The essence of culture is in the basic assumptions whose recording is the job of a researcher. The best was from someone to understand the cultural concept of an organization is to attempt to change it, according to Clinical Research Model (Schein). Based on all of the above the intervention directly to the basic assumptions is the one which will have an effective change in them. Based on concrete evidence, P.P.C. commissions to an outsider the management (to the managing director as it appears on the organizational chart) who is best suited to intervene in the cultural concept.

Philosophy searches into the nature of the things, particularly into values and customs. Ethics is the study of general customs and particular ethical choices. They are the rules and models which govern the behavior of the members of an organization. Ethics lead directly to the existence of the organizations and what constitutes proper behavior within corporations (Modern Theory of Cultural Values). Liberty ethic (Locke John) suggested that freedom, equality, justice and personal goods are legal rights. Market ethic (Smith Adams) supported the idea that market and competitiveness and not governments should be the regulators of economic growth. Such ethics surround today's organization's, providing them the basis for legal authority, a reward according to production and justify the existence of corporations and their company figure. Schein admits that cultural values of a company are affected by the cladic and ethnic culture within its operation. Schwartz¹ is looking into a connection mechanism. Consequently, the two models are supplementary. Values constitute the clear preferable solutions as far as security, dignity, happiness are concerned. Based on these values, societies create norms for their implementation in specific situations. The capability of any person to comprehend the attitudes² of others and the knowledge of possible influences of attitudes towards a certain direction provides that person a powerful tool to attain the

objective by manipulating others. This comprehension of attitudes determines the way by which they can change, (acquire new). Intellectual Autonomy Egalitarianism are values characterizing the Greek society whose members hold responsibly and it's obvious that the emphasis is given to the ethical equality of all members of society having similar interests.

Hofstede's research³ tell us that Greeks as a society are high in collectivism, masculinity and uncertainty avoidance, that is they tend to belong to groups in which the look for security, they have a conflict of interests and they probably cannot tolerate uncertainty. The Greek orthodox ideals are the basic values and they learn the meaning of volunteer cooperation and the need to be interested in the welfare of their neighbors. Such values relative to this solution are equality, social justice, responsibility, freedom, honesty etc. Schwartz connects these social values to their occupation using the parameters work centrality, society norms and work values (in this case I believe this is what people anticipate from the jobs), that is their occupational objectives and benefits.

Their benefits might be intrinsic (personal development, autonomy, interest, creativity etc), extrinsic (wages, security etc), social (contacts with others, contribution to their communities needs etc) and power (influence, prestige etc). I can clearly distinguish and connect the schools of incitement with these values.

Thus we can see that wishes of the workers conflict and a gap is created between the needs and satisfactions provided by their jobs. This gap could have been bridged by creating an instigating environment within the companies. When a worker finds no interest in his work but feels a bit proud of what he accomplishes, he may give his outmost best for the company in his post of duty.

From this I conclude that the key to success lies within the individuals⁴ and therefore the companies must develop and incentive because "man has the need to give meaning to his actions"⁵.

Organizational Culture

According to Martin (2002) we may list the theories on culture into three categories: (integration, differentiation, fragmentation).

¹ Shalom H. Schwartz, 1999 "A Theory of Cultural Values and Some Implications for Work", Applied Psychology: AN international Review, 48 (1).

² Kanellopoulos H., 1990, Management and effective administration, p. 372-373, Athens

³ Even though it took place several decades ago I see that is still valid today

⁴ Theory of human relations

⁵ Schwartz, Shalom



Joanne Martin⁶ suggests an approach to culture with the simultaneous use of all three schools of thought. Some elements of the culture might be accepted by all (or nearly all) and thus they might be comprehended better under integration terms.

In other elements, various groups might differ or even dispute, justifying the term differentiation. For some other elements there will be ambiguity, uncertainty or multiple alternating meaning from the various members.

we agree with the theory of integration perspective⁷ because we believe that culture is the link of the organization, which as a mechanism resolves the ambiguous relationship within the company.

The emphasis here is on the elements of continuity, perception and coherence within the company. Objectively, culture is considered to be the resolving mechanism of ambiguity in the relations within the company. Schein⁸ belongs in this category. My answer to this is that the culture as a concept brings integration and coherence to a whole giving them a structure, continuity, stability and meaning. Moreover the development of a culture is the result of the capabilities of a group to learn from its experience⁹ (Schein, 1997).

R. Goffee and G. Jones¹⁰ consider two parameters of culture as the most important ones for the conversation of coherence of a corporation, sociability and solidarity. With these two parameters and with the writers' model I will attempt to locate which cultural category P.P.C. belongs in. with the theoretical support of formal and informal work teams¹¹, I will connect the formal work team with solidarity and the informal work with sociability.

⁶ Joanne Martin, 2002, "Organizational Culture. Mapping the Terrain", Sage.

⁷ If there are no conflicts between espoused and inferred themes or between espoused themes and practices this means that the company's culture may be better analyzed using integration cultural theories. I came to this conclusion in part 3 of my case study using Martin's methodology.

⁸ Peter Frost et al editor, 1991 "Reframing Organisational Culture", Sage.

⁹ E. Schein, 1997, "Organisational Culture and Leadership", Jossey- Bass, page 10-11.

¹⁰ R. Goffee and G. Jones, , 1998, "The Character of the Corporation", Harper Collins.

¹¹ I do this in order to be able to support that culture can be managed as well as the formal and informal team work.

A single model¹², which has been developed in the form of a particular school of social studies cannot possibly provide us with all the answers alone. Schein's model refers to collective level whereas Lord & Brown's model refers exclusively to an individual. This gap, according to Brown, is filled with self-identity: 1) the individual, the relation and the collective. Oddly all these functions require their fuel, friction requires energy.

Conclusion

As a conclusion from the study of schools and theories, we end in the functional¹³ confrontation of culture. The changes in regards to culture require a dialogue beforehand. "All problem-solving groups should begin in a dialogue format to facilitate the building of sufficient common and mutual trust and to make it possible to tell what is really on one's mind. Seen from this point of view, dialogue is necessary combination for effective group action, because only with a period of dialogue is it possible to determine whether or not to the communication that is going on it's valid. If its not valid, in the sense that different members are using words differently or have different mental models without realizing it, the possibilities of solving problems or making effective decisions are markedly reduced. Dialogue, then, is at root of all effective group action"¹⁴.

Above is a simplified example¹⁵ of my view on theories which support the concept of the management of culture, and that someone may intervene directly to the assumptions.

we believe that the relationships existing between the elements that make it up are such that if we intervene to one we will cause foreseen changes to the other:

Let us take the doctor as manager for example and the individual as an organization. The individual's characteristic artifacts (young, presentable,

¹² Robert Lord and Douglas Brown, 2004, "Leadership Processes and Follower Self- Identity", Lawrence Erlbaum Associates Publishers.

¹³ Martin, J., 2002, "Organizational Mapping the Terrain", Sage, page 4.

¹⁴ Schein, E., "On dialogue, Culture, and Organizational learning, reflections", Volume 4, Number 4,

¹⁵ With a method similar to the inspirations of clinical research model (Schein E., 1997, "Organizational Culture and Leadership", Jossey – Bass, P30



smoker, eats a lot, drinks a lot) as basic assumption considers himself to be healthy. In a routine check up the results show high levels cholesterol, sugar etc. These might even endanger his life and to his basic assumptions. The individual's reaction from the shock turns to a submission of taking the doctors advice.

In the business world, the manager faces the dilemma of changes in the company's culture. Basic assumption changes with real facts will come from the government with measures such as tenure abolishment, social security etc. The leader is obligated to accommodate for the total of the team's basic assumptions and to adjust it to the outside environment and to conserve the inner coherence.

“How can corporate cultural not change, when the corporation is in danger of ceasing to exist?”

References

- Applied Psychology: AN international Review, 48 (1).
- E. Schein, 1997, “Organizational Culture and Leadership”, Jossey- Bass, page 10-11.
- Shalom H. Schwartz, 1999 “A Theory of Cultural Values and Some Implications for Work”,
- Kanellopoulos H., 1990, Management and effective administration, p. 372-373, Athens
- Joanne Martin, 2002, “Organizational Culture. Mapping the Terrain, Sage“.
- Peter Frost et al editor, 1991“Reframing Organizational Culture”, Sage.

- R. Goffee and G. Jones, 1998, “The Character of the Corporation”, Harper Collins.
- Robert Lord and Douglas Brown, 2004, “Leadership Processes and Follower Self- Identity”, Lawrence Erlbaum Associates Publishers.
- Martin, J., 2002, "Organizational Mapping the Terrain", Sage, page 4.
- Schein, E., "On dialogue, Culture, and Organizational learning, reflections", Volume 4, Number 4,
- Schein E., 1997, “Organizational Culture and Leadership), Jossey – Bass, p.