

POSITIVE IMPACT OF CULTURE ON BUSINESS MANAGEMENT

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Abstract

An Organization's culture is the foundation for a strong business. After all, a business that creates a winning culture can attract better employees who stay longer, improve the health and happiness of your employees and increase the number of happy and loyal customers. We say that's a win-win for everyone. A positive culture can help improve the reputation of an organization, which may make more talented professionals seek it out when looking for a new job. This also can allow organizations to be more selective with who they hire, which can improve other factors, such as retention and productivity.

Furthermore, it influences how strategic objectives are set, goals are established, and resources are allocated. A strong culture encourages creativity, innovation, and risk-taking, which are all essential components of an effective business management. It also promotes open communication and collaboration to ensure that the organization's plan is well-thought-out and properly implemented. Culture is a key advantage when it comes to attracting talent and outperforming the competition. 77 percent of workers consider an organization's culture before applying and almost half of employees would leave their current job for a lower-paying opportunity at an organization with a better culture. The culture of an organization is also one of the top indicators of employee satisfaction and one of the main reasons that almost two-thirds (65%) of employees stay in their job.

Keywords: Strong culture, Effective business management, Creativity & innovation, Open communication & collaboration, Job satisfaction, Employee retention, Loyal customer and Productivity.

Introduction

Organizational culture refers to the values, beliefs, and behaviors that determine how management and employees interact, perform, and handle business transactions. Often, Business culture is implied, not expressly defined, and develops organically over time from the cumulative traits of the people that the organization hires. An organization's culture will be reflected in its dress code, business hours, office setup, employee benefits, turnover, hiring decisions, treatment of employees and clients, client satisfaction, and every other aspect of operations. In other words, organizational culture refers to the beliefs and behaviors that determine how an organization's employees and management should interact and perform. It can affect employee hiring and retention, performance and productivity, business results, and organization longevity. Organizational culture is influenced by national cultures and traditions, economic trends, international trade, size of the business and products. It represents the core values of an organization's ideology and practice.

Organizational Culture

The term "Organizational culture" refers to the values, beliefs, and practices associated with a particular organization. For instance, organizational culture might be reflected in the way an organization hires and promotes employees, or in its mission statement. Some organizations seek to associate themselves with a specific set of values, such as by defining themselves as an innovative or environmentally-conscious organization.

Some Examples of Organizational Culture

There are many examples of companies with well-defined corporate cultures. Alphabet Inc., for example, is known for its employee-centric culture and its emphasis on working in a creative and flexible environment, whereas Amazon is known for its relentless pursuit of customer service and operational efficiencies. Often, national cultures will play a role in determining the kind of corporate culture that is prevalent in society. For example, Japanese corporations are known for having markedly different corporate cultures as compared to those of American or European companies.

Definition

Organizational culture is the set of values, beliefs, attitudes, systems, and rules that outline and influence employee behavior within an organization. The culture reflects how employees, customers, vendors, and stakeholders experience the organization and its brand.

Concept of Business management

Business management is defined as the process of coordinating, planning, and organizing the resources of a business in order to achieve specific goals and objectives. It includes the development and implementation of strategies, policies, and procedures to achieve the goals of the organization. Typically, the main goal of business management is to create value for the shareholders. This is most often done by increasing the revenues and profits. Business management is a very important function in any organization. It helps to ensure that employees are productive, that resources are used efficiently, and that goals are met. Good business management can make the difference between a successful organization and one that struggles to survive. There can be different types of business management, but all share some common objectives. The most important thing for any business manager is to have a clear understanding of the organization's goals and objectives. Once these are established, the manager can develop strategies and policies to help the company achieve its goals. Another central component of business management is organizational culture. Organizational culture is important because it can support important business objectives. Employees, for example, might be attracted to companies whose cultures they identify with, which in turn can drive employee retention and new talent acquisition. Fostering a culture of innovation is essential to maintaining a competitive edge.

Objectives of the study

1. To identify the meaning of organizational culture
2. To understand the positive impact of culture on Business Management
3. To discuss the suggestions to build the organizational culture that spells overall success.

Research Methodology

The main objective of the study is to understand the positive impact of culture on Business Management. This study is mainly based on the secondary source in the form of various research papers, websites, textbooks and e-Books.

Literature Review

Yasas L. Pathirana(2019), in his article titled "Organizational Culture and Business Performance: An Empirical Study", has said that lack of cultural integration among member companies leads to corporate group failure. Unless business managers establish an effective organizational culture, the high level of diversification leads them to poor performance. Many business managers confirmed that effective organizational culture is an important element for the success of their businesses. The study results in the area of organizational culture showed the existence of a positive relationship between organizational culture and business performance. The findings also showed how business managers use an effective organizational culture to motivate employees, to attract customers, to improve operational effectiveness, and to increase financial performance.

Seda Birinci (2013) in her article titled "Impacts of organizational culture and leadership on business performance: A case study on acquisitions". In her view, the effect of organizational culture is crucial in major changes and the concept of transformational leadership and culture developed is shown to improve or sustain business performance during harsh times. Research clearly shows that companies that have an organizational culture that has the characteristics of transformational culture together with the transformational leadership competencies can become advantageous during major organizational changes such as merger and acquisitions. Hence, the culture is shaped by leaders to foster the advantageous elements such as sense of purpose, creativity and empowerment. In conclusion, the study shows that culture and leadership are the factors for successful performance of the company.

Jurgen Moormann (2017) in his article titled “Impact of Organizational Culture on Business Process Performance: An Investigation in the Financial Services Industry” he stated that, by attaching more importance to employee information and participation and revealing high confidence in the employees, managers can exert positive influence on the performance of their company’s business processes. Along this path the culture of an organization becomes economically relevant. Successful process Management in all types of organizations needs a supportive culture. Since cultural changes do not happen on a short notice, establishing and sustainably anchoring process thinking on all hierarchical levels must be pursued continually. Blessings Moyo (2020), in his article titled, “The impact of culture on Business Management”, he opined that, Organizational culture plays an important role in an organization as it can and does affect employee behavior, motivation and values.

Leaders should try as much as possible to implement management practices which allow internal career development and job satisfaction so that turnover rate is reduced and maintain a culture that is conducive for all.

Positive impact of culture on Business Management

A positive culture cultivates a workplace where employees have higher job satisfaction, deeper employee engagement and ultimately, increased productivity. Satisfied, engaged employees go above and beyond what is required of them because they are invested in the work they are doing. This benefits your business. Building a strong culture is no small task. It takes time and resources to create a winning culture with a compelling vision, thriving environment and flourishing employees. Here are some of the positive impacts of culture on business.

1. Attract and keep top talent

High staff turnover is not only expensive, but it lowers staff morale and can make the job harder for those who remain. Some studies show that it costs six to nine months salary on average every time a business replaces a salaried employee. No matter how passionate people are about their careers, if they are not immersed in a healthy, supportive culture they are more likely to burnout and leave their job. Take teachers, for example, many people go into education because they deeply care about teaching and the students, yet, between 40-50% of teachers quit within their first five years. People can care about their role, but if they are not in a healthy environment, the chance of them staying long-term is low. Organizations that invest in creating a positive culture demonstrate they value their employees. In turn, those employees will be more likely to stay with such organizations for a longer period of time.

2. Improved Productivity.

A positive culture cultivates a workplace where employees have higher job satisfaction, deeper employee engagement and increased productivity. In other words, the secret to getting more work out of your team is not by giving them more tasks to complete. Instead, it’s about creating an environment that allows your employees to do their best work.

3. Employees become advocates.

Employees who love where they work will not hesitate to let others know. That’s why organizations with a strong and thriving culture don’t just have employees, they have amazing advocates for their brand. Employee advocacy isn’t just a great thing for recruitment. It can also have an impact on revenue generation. Most employees are willing to be advocates for their workplace – if they have a good experience to talk about! One of the best ways to determine if the organization has a positive organizational culture is to question itself, “Are my employees telling others about where they work proudly ? ”.

4. You differentiate yourself in the marketplace.

Creating a strong, winning culture leads to better branding. After all, culture should be the foundation for marketing. A positive, thriving organizational culture can become a key point of differentiation for business, which can help to stand out amongst a crowded field of competitors. As, customers and vendors notice happy and engaged employees. Essentially, a positive culture can give you a competitive edge that will help in attracting customers, investors and employees.

5. Healthy Team

We spend a third of our day at work, which is a significant amount of time. If all of those hours are filled with stress from work, it wreaks havoc on your team's personal health. And that can have a huge impact on business. High stress levels can lead to unhealthy and unhappy employees, which can cause increased healthcare costs and lost productivity for business. Alternatively, when you take the time to emphasize employee wellness as part of overall culture, organizations prove that they care about the people who work for them and that they are more than just a cog in the machine. A healthy and positive culture reduces stress, chaos and burnout in the organization. "Remember, happy and healthy employees make for a happy and healthy business".

Suggestions to Develop a Corporate Culture

There is no single strategy for building a corporate culture because companies, industries, and people can be so different. However, the basic steps below may help you envision an organizational culture that spells success for your employees, clients, and company.

- Define organization's vision, values, and behaviors.
- Gather feedback from employees about your organization's values, ideas, and work methods to improve the workplace environment and performance.
- Use small discussion groups, surveys, brown bag lunch meetings, or town hall-type meetings to engage your employees and give them a voice.
- Establish methods, such as training at regular intervals, to communicate organizational values/behaviors and determine how well they are understood.
- Employ high-quality internal communications to maintain consistent contact with employees about organization goals, the working environment, and employees' roles in the organization's success.
- Establish guidelines that reinforce organizational values, e.g., a rule that employees should not be disturbed by work phone calls, emails, or texts during vacations or other types of time off.
- Recognize employees in a positive and public manner as a reward for their contributions to corporate success.
- Practice what you preach—ensure that management maintains a consistent behavioral approach to operations rather than cutting corners when convenient.
- Be approachable so that all employees may address their concerns and feel connected/valued.
- Foster teamwork rather than silos and isolation.
- Set goals for diversity and inclusion, celebrate the differences among people as you encourage consistent behavior from all.

Conclusion

Organizational culture is one way that people determine whether or not they'll do business with an organization. The overall branding image, values and mission statement needs to align with both a candidate's and potential client's needs. This ongoing alignment is important to any profitable business, but culture offers far more than just that. It also provides guidelines in managing the workflow for employees. Team members will find it easier to keep each other informed of the progress of their tasks. Entire projects are more likely to be completed as a result. It helps employees understand the dynamics of their organization, find a common purpose between colleagues, adapt to working practices, share ideas and communicate feedback and concerns. A strong culture can also have an external impact, and it can influence an organization's brand perception. Therefore, it's important to consider what type of culture your organization currently portrays, and if that's something you are proud of, or something you'd like to change. A strong positive culture, where employees believe in the company values and feel part of the business, can drive employee engagement and productivity, improve decision-making, boost wellbeing and increase employee retention.

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