Critically
Evaluate
If Managers Can
Develop
Organization Culture
To Enhance
Performance

[NITIN MENDIRATTA] Year 2008 This essay discusses the inter relationship of society, companies and modern day business management approaches and styles. Managers are the important drivers of the Corporate Mission, Goals and Values which are not only important for the Life and Growth of an Organization. But also decide the speed and direction of the company. Work culture must facilitate a life style which nurtures a sense of community and is not only in coherence with the social culture and values but also breeds increased efficiency, higher productivity and higher individual and team performance. Essay also discusses what constitutes a healthy and effective work culture and various methods for employee motivation and performance enhancement.

Business can be defined as an activity done for profit and Society can be understood as a association of number of people for a common interest and collective growth and progress. Social thinking drives business. Fair is considered lovely and this demand drives supply. Look at the how many number of beauty creams are sold every year.

Recent job retrenching by Jet Airways Business is a good example of how decisions, policies, and practices of an organization have far reaching effect on society. Impact of companies has become so large that now they claim what is good for the companies is good for the society. The relationship between society and business is not just economic but is also social. (Lantos, 2001, p. 608) Mintzberg et al. (2002, p. 69), for instance, argue: Corporations are economic entities, to be sure, but they are also social institutions that must justify their existence.

For example traditional business motto of Indian Society is "Shubh Labh". We pursue meaningful ideas with income. We are not ruled by profit maximization but to pursue our aims profitably. Shubh means "benefit and betterment of everyone", which should be combined with Labh means "profit".

Every organization, be it anywhere in the world have their own leaders, and every leader has his own philosophy and ideology for operation of his business. However in all approaches human resources it the key asset for every organization. Employee skills are intangible tools which an effective manager must employ using right management style. Depending upon the type activity, management style can be people oriented or product/project oriented. Management style also depends upon people's skills and knowledge, available resources (like time and money), desired results and the task.

Four distinct management approaches are: Autocratic, Democratic, Paternalistic and Laissez-faire. Autocratic is dictator type single person or group decision making with no discussion with workers. In Democratic approach, employees are engaged in decision making with managers acting as tools for communication, facilitation and coordination.

Paternalistic is father like approach, where manager listens to all issues and consult with work force but does not allows them to take decision. Manager decides what is best for the business and employees. Laissez-faire is the let them do it way, where employees can carry out the tasks and decisions within their broad limits.

Participatory, Directing and Teamwork are three effective modern day management styles in large organizations. In Participatory Style each employee has a set of duties or tasks to complete and is educated on how his part relates to the entire project. Once they know where they fit in the big picture, they're more likely to be motivated to complete the task. In Directing Style works for the tight deadline projects, with manager giving answers to what, why, where, when and how questions about the project and assigns various roles and responsibilities to the employees. Team work style optimizes and expedites the project by motivating people to pool their knowledge. The success of teamwork depends on coordinated effort among staff and solid communication, and can be well replicated in other projects. (http://www.allbusiness.com/human-resources/workforce-management/11438-1.html)

All of these management approaches, methodologies work for the corporate aim of the individual organization. These are the very long term audacious goals which business hopes to achieve. The core of business's activity is expressed in its corporate aims and plan.

Consider case of Vidya Sanskar International School in Faridabad, whose mission is to nurture knowledgeable and ethical, sincere and compassionate, responsible and confident leaders of the global community which contribute positively to the common good. Basically, idea is to orient management, employees, students and parents towards this common agreed upon goal and this will be used as benchmark for all the decision making in the school. This objective develops a sense of purpose, unity, vision and direction for the everyone. In addition to being a performance enhancer and guiding everyone in same direction, it can also be a tool to evaluate how successful enterprise has been in attaining

this objective. Upon this building block various strategies and framework for future growth can be drawn up. (Stimpson, 2006)

Managers play a pivotal role in implementation of these corporate objectives and goals. They are responsible to supervise and take charge of the activities and productivity of their workers. They are also involved in employee selection, career development, succession planning and working out compensation and rewards. They are responsible for the growth and increase in the organizations' finances and earnings, as they take day to day decisions and handle variety of problems. They provide satisfaction among the staff and the customers. All subordinates are happy when they know that their supervisors provide them with the necessary tools and resource. They feel secure if the management puts priority on health, safety and cleanliness issues.

As the head of an organization manager guide and give direction so that the team can perform effectively. They are responsible for the growth and increase in the organizations' finances and earnings. A manager makes organizational decisions and handles a variety of problems that arise on a daily basis. Managers are responsible for Goal Setting, Planning, Giving guidance and Instructions. Communication is also empowering them to become better performers. Their job also includes evaluating and analyzing processes, procedures to decide best choice to produce an outcome. Managers also expected to track the progress of each individual's activities and effectiveness, review them and offer feedback and counseling. It involves thinking and planning out strategies on how to improve quality and also being cost conscious and effective. (http://www.about-personal-growth.com/managers.html)

Take them to newer level. Perfect managers are concerned with their staff's professional advancement and do everything possible to help staff members develop their capabilities. These leaders "see the employees for what they can become, not what they are now." These leaders' actions might range from improving specific aspects of job performance, to delegating special assignments, to developing an action plan for promotions. Perfect leaders must have the ability to assess the strengths and weaknesses of employees and use that to coach for continuous improvement. Mangers should have full faith in their

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employees work. Perfect leaders believe in the best qualities of their employees. They believe their employees are smart enough to handle tasks and find solutions to challenges if given the correct guidance and opportunity. This comes with earned trust from past performances and the investment by the leaders to ongoing shared coaching and feedback to give the employees the experience and skills to succeed in the future.

(http://www.growmybusiness.com/managing-small-

business/articles/mg_goodManagers.asp)

Managers build internal brand and set up bench marks for employee behavior. Managers are leaders and living examples of organizations thinking and philosophy. They are exponent of an organizations culture. Organizational culture refers to employees' shared assumptions and norms, as well as tangible aspects of the work environment that influence and reflect these beliefs.

Gareth Morgan has described organizational culture as: "The set of the set of beliefs, values, and norms, together with symbols like dramatized events and personalities, that represents the unique character of an organization, and provides the context for action in it and by it."

(http://www.organizationalculture101.com/definition-of-organizational-culture.html).

Edgar Schein (1999) says that organizational culture is developed over time as people in the organization learn to deal successfully with problem of external adaptation and internal integration.

As the saying goes, "perception is reality," and cultural beliefs define perception within an organization. If employees believe they will be punished for pointing out flaws in their boss's ideas, they may not share feedback, even if it would be accepted. Similarly, employees who believe their contributions are truly valued are more likely to forgive minor inequities in compensation and benefits.

Good Healthy Work Culture is very important for an organization. There are as many different organizational cultures as there are organizations. A culture's effectiveness

depends on an organization's business market, strategies and workforce. For example, an effective culture for an entertainment company may be disastrous for an automotive manufacturer; do we want people who build cars to work in the same way as people who produce TV programs?

(http://hiring.monster.com/resourcecenter/company_culture_recruitment.aspx)

Work Culture can also be understood as a set of common understandings around which action is organized, . . . finding expression in language whose nuances are peculiar to the group. (Becker and Geer, 1960). Allaire and Firsirotu, have also explained these in choicest words defining work culture as a system of knowledge, of standards for perceiving, believing, evaluating and acting . . . that serve to relate human communities to their environmental settings. Work culture must value individual differences. Equality and Diversity in culture for the retention of staff with disabilities is also an important issue. "Many disabled people possess creative skills and innovative approaches to problem solving so far untapped by many employers. We could not survive without those skills" (Massie, 2005) (

(http://ezinearticles.com/?How-to-Create-a-Business-Culture-(in-Seven-Difficult-Steps)&id=259816)

Winning work culture is the one where all staff is friendly instead of hostile, open instead of closed, supportive instead of discouraging and relaxing instead of rigid. Such environment helps ideas to flourish, it is a fun environment and people feel that they are not wasting their life. Of course business works for profit maximization but managers should get work done in a way that all workers are happy, enthusiastic and positive.

"People join companies and leave managers," observes Marcus Buckingham of the Gallup Organization, when there is no distinction between work and play life is stress free, productive and office becomes a great place to be.

(http://www.ccfbest.org/worklife/winningworkculture.htm)

Modern day ideas for better work culture includes creating a office architecture in such a way that it facilitates better team as well as individual working. For instance, creating no cubicles, giving a quiet environment to people who are doing detailing work. There can be a big room with plenty of space for people to work together. Creative art work, paintings, vending machine, proper lighting and lots of whiteboards are small but important things to have.

(http://www.perlmonks.org/?node_id=285646)

Transparency and Positive talk is also part of the culture. If managers want to tell someone they're not doing well, then you say it in the nicest possible way. These are written in a set of behavior statements to be used by managers. Managers should take it out to their people and demonstrate that culture day to day. Only then employees start thinking like owner, and work as if they are managing their own company.

At the heart of our definition of a great place to work is a place where employees "trust the people they work for, have pride in what they do, and enjoy the people they work with" - is the idea that a great workplace is measured by the quality of the three, interconnected relationships that exist between employees and management, employees and their jobs, employees and other employees.

(http://www.ccfbest.org/worklife/whatmakesagreatplace.htm)

Next level of culture is **values**. Values underlie and to a large extent determine behavior, but they are not directly observable, as behaviors are. There may be a difference between stated and operating values. People will attribute their behavior to stated values. (http://www.au.af.mil/au/awc/awcgate/ndu/strat-ldr-dm/pt4ch16.html)

Effective communication is very important aspect for developing organization culture to enhance performance. Effective communication will strengthen managers existing relationship and will help to form positive bonds in future interactions. Effective communication will prevent misunderstandings and increases confidence and maturity of organization as a unit. (http://www.effective-communicating.com/importance-of-

effective-communication.html)

We can also characterize organization culture as consisting of *three levels* (Schein 1988). The most visible level is **behavior and artifacts**. This is the observable level of culture, and consists of behavior patterns and outward manifestations of culture: perquisites provided to executives, dress codes, level of technology utilized (and where it is utilized), and the physical layout of work spaces. All may be visible indicators of culture, but difficult to interpret. Artifacts and behavior also may tell us what a group is doing, but not why.

Culture in an organization may seem a bit mysterious and organic and the fact that there are parts of which can not be controlled is a myth. It depends on the management to decide what culture they want, should it be hierarchy or may be a democracy and loose federation of experts or something else entirely? Culture can help in deciding how people will make decisions, how resources will be distributed. (http://ezinearticles.com/?How-to-Create-a-Business-Culture-(in-Seven-Difficult-Steps)&id=259816)

Feedback Surveys, Interviews and Informal discussions can help managers understand what frustrates them, what makes them feel good and how they can improve the work environment. These interaction opportunities will also help in making changes in work environment and will also help us measure the changes or improvements.

(http://ezinearticles.com/?How-to-Create-a-Business-Culture-(in-Seven-Difficult-Steps)&id=259816)

Cultural forms function as the linking mechanism by which networks of understanding develop among employees. Cultural forms enable leaders to transmit messages about desirable culture to influence thinking and ways of behaving. Cultural forms also address the emotional aspects of organizations that are commonly referred to as cohesion or camaraderie. Organizational scholars **Janice Beyer and Harrison Trice** elaborate on this point: Cultural forms not only aid sense making through the meanings they convey; they also aid the sense making process through the emotional reassurances they provide that

help people persist in their coping efforts. Forms provide a concrete anchoring point, even if the meaning they carry are vague and only imperfectly transmitted. Also many cultural forms involve the expression of emotion and, by this venting of emotions, help people to cope with stress.

(http://www.au.af.mil/au/awc/awcgate/ndu/strat-ldr-dm/pt4ch16.html)

In large organization, such cultural rituals can not only be as strong social linking mechanism but can also bring unity, cohesiveness and mobilize the unified action and direction of large organization with people from multicultural and diversified human talent.

Office politics and power game also has a role of playing role of doctor and nurse in organization. However it is important to keep a realistic check on that to ensure there is no victimization or loss of talent due to insecurity in employees mind.

Humor has a very important part to play in happiness index of employees. There is no medicine like laughter, it is an old saying. Humor is good not only in everyday life, but at workplace too. It can enhance creativity, can lead to better communication and also lead to better trust among people. When the work atmosphere is light, productivity is enhanced and the company too benefits. The creative juices will flow when the atmosphere is light and good amount of bantering actually leads to good bonding. Workplaces are full of stress. If the stress factor is addressed by humor, then productivity will flow, companies will prosper, and the general health of employees will improve. (http://betweenus.bharatmatrimony.com/?p=479)

Managers can create various opportunities, rituals, ceremonies, rites, symbols and artifacts to strengthen work culture of an organization. For example a Rite could be Annual Day of an organization which consolidates various forms of cultural expression into one event, which is carried out through social interactions, for benefit of employees. Ceremonies such as Office Party on successful and timely completion of a project can be a bonding and team building opportunity. Ritual of 10 minute meditation music in common area during lunch could help manage stress and anxiety. Symbols and Artifact,

which strengthens, expresses and reinforces organization values and beliefs can also be good tool to foster organization culture.

The only way employees will fulfill your dream is to share in the dream. Reward systems are the mechanisms that make this happen. "However, reward systems are much more than just bonus plans and stock options. While they often include both of these incentives, they can also include awards and other recognition, promotions, reassignment, non-monetary bonuses (e.g., vacations), or a simple thank-you. Such behavior by Manager will be a role model for subordinates and will do the job of coaching, nurturing and mentoring them for future tasks.

(http://www.1000ventures.com/business_guide/crosscuttings/motivating_reward_system.

Employee Motivation is an important factor of performance. Motivation results from the individual's requirement to achieve objectives and to satisfy needs. Managers job is to get a job done from employee make him feel that he wants to do it. The best-motivated workers will help an organization achieve its objectives as cost effectively as possible. Motivated workers will also be trying to reach their own personal goals. Employers need to be aware of what these are because the greatest motivation will develop if workers feel that, through working towards the objectives of the organization, they are achieving their own. (Stimpson, 2006)

Motivation through incentives should be such that it addresses all genders and is irrespective of race, age, nationality and caste.

Setting up higher goals, fair rules and certain effective rules and regulations can enhance employee motivation. Regular appraisals and platforms where employees can share their on the job experiences can be particularly useful. Further, there must be consistent and constant on the job rewarding and incentives. (http://www.motivation.co.in/employee-motivation.htm)

Motivation can be classified into two different categories: Financial and Non Financial. Financial Reward system means using monetary compensation as a carrot to enhance

performance by giving overtime, salary, that is an annual sum, which is usually paid on a monthly basis. It is the most common from of payment for professional, supervisory and management staff, then comes commission, which is most frequently used in personal selling, where the salesperson is paid a commission or a proportion of the sales gained, another reward is performance related pay which means reward staff for above-average work performance. It is usually in the form of a bonus payable in addition to basic salary and the last factor is fringe benefits. They are non-monetary forms of rewards-and there are many alternatives that can be used. They include: company car, free insurance and pension schemes, private health insurance, discounts on company product and low interest rate loan.

Non-Financial methods are now widely recognized that money alone will not create the eagerness to complete jobs efficiently that all businesses are looking for in employees. Therefore a non-financial method equally motivates employees to enhance performance.

They also includes a large number of options such as job rotation which means simply encouraging a worker to do more than one task by switching from one job to another. Second comes job enlargement, which involves the principle of organizing work so that employees are encouraged and allowed to use their full abilities- not just physical effort. The process often involves a slackening of direct supervision as workers take more responsibility for their own work and are allowed some degree of decision- making authority. Team working is also an important feature to enhance performance, which involves quality circles. It usually leads to workers learning several skills rather than just one. This helps to create a more flexible and adaptable workforce. The last factor for enhancing performance is Delegation and empowerment. It involves the passing down of authority to perform tasks to workers, although empowerment goes further, by allowing workers some degree of control over how the task should be undertaken. (Stimpson, 2006)

Managing and keeping large organizations connected is all the more difficult task for the managers. Knowledge operates on complexities of connection. Individuals, Communities, Information Systems and Business Assets that are massively inter dependent and inter connected in modern day's evolving economic system.

John Kotter, of the Harvard business school, discovered that effective general managers spend more than 80% of their time interacting with others. Other management scholars were also starting to see the importance of conversations and relationships in managerial work. Individual mastery was no longer the key -- it was human capital and social capital working together to create productivity and innovation.

Vancho saw the same effect in project teams inside organizations. He has summarized these concepts of managing connected organizations using Einstein's famous formula:

 $E = MC^2$

E is the resulting Effectiveness of the team or organization

M is the Mastery of each individual (human capital)

C are the Connections that join individuals into a community (social capital)

C is the Communication that flows through those Connections

(http://www.orgnet.com/MCO.html)

Lastly, I would like to conclude that Managers play a pivotal role in building an organization to last. Managers are important drivers of company's mission, success, vision and goals. Combination of employee's personal aspiration with organization's objectives is in best interest of both parties. In modern time, we need a work culture that supports next generation life style, nurtures sense of community which is in coherence with local as well as global social values and breed increased efficiency and high individual and group performance.

My research on the topic has convinced me that for performance enhancement employee motivation, manager's leadership ability, precise and effective communication and sharing financial success is essential for growth of employees as well as the organization.

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