

Organisational Culture: Reviewing the Conceptual and Importance of Organisational Culture

Nurul Farhana Nasir

Faculty of Accountancy and Business, Tunku Abdul Rahman University of Management and Technology, Malaysia

Muhammad Nur Firdaus Nasir

Faculty of Art and Design, Universiti Teknologi MARA, Melaka, Malaysia

Mutiiah Mohamad

Faculty of Business Management, Universiti Teknologi MARA, Shah Alam, Malaysia

Muhammad Arif Nasir

Faculty of Hospitality and Tourism, Universiti Melaka, Malaysia

Shazwani Mohd Salleh

Faculty of Business Management, Universiti Teknologi MARA, Kedah, Malaysia

Nor Aizan Mohamed

Faculty of Business Management, Universiti Teknologi MARA, Melaka, Malaysia

Abstract

Building trust throughout an organisation is not an easy task. Generally, it takes a longer time to build trust and culture in an organisation. As the nature of the market atmosphere grows more competitive, the role of organisational culture has developed more meaningfully recently. In the context of this concern, this study seeks to discuss the concept of organisational culture and why organisational culture is important. Apart from that, this article discusses the effects of organisational culture and how to cultivate culture in the organisations.

Keywords: Organisational Culture, Concept, Important, Effect, Cultivate

Introduction

In today's fast changing business world, competitions are rapidly increasing. In a business, employees are considered as valuable assets. Thus, employees need a conducive environment that could boost their performance. With this, culture is a subject matter that should be taken into consideration when discussing about the performance of employees.

Basically, culture is complicated and complex. Culture has been used and embedded in various situations such as cultured person, national culture, professional culture, ethnic culture, group culture, youth culture, cultural identity, regional culture and organisational culture (Serpa, 2016). Although the concept of culture has been widely discussed in the past few decades, there is still uncertainty in the definitions to clarify this concept (Serpa, 2016).

According to Brown (1995), the different meanings of culture are the reason why it is complicated to discuss about culture. Thus, it is important to understand the culture (Subani et al., 2020) as it shapes the organisation. This means that culture in the organisation significantly influence employees.

In other words, organisational culture is the most influential factors in considering organisation performance (Nazarian et al., 2013). A strong organisational culture can serve as a substitute for formalisation and it emphasizes open and effective communication above all else. Meanwhile, a weak organisational culture refers to the values and beliefs that are not strongly and widely shared within the organisation.

Extending to the above paragraph, it is essential to delineate and understand the concept of organisational culture. On the basis of this study, this paper explains the concept of organisational culture, the importance of organisational culture, and how to cultivate organisational culture in an organisation.

Concept of Organisational Culture

Organisational culture, or also known as company culture, is an important factor in bringing prosperity to the businesses in order to sustain in the competitive environment. Basically, companies that have a good organisational culture tend to be successful and are able to maintain the sustainability of the company.

On the other hand, the less structured company tends to be less productive because of low involvement from employees. Involvement from employees is very important to indicate the level of engagement among employees.

Every organisation has different styles of culture, thus resulting in variations in organisational culture. Organisational culture, or also known as company culture, is defined as the shared values, attitudes, and practices of an organisation (Heinz, 2022).

Meanwhile, according to Shekhawat and Chouddhary (2018), organisational culture involves the beliefs as well as the norms that impacts an organisation. By conducting a scan of materials on published studies on organisational culture, researches from many countries were found.

Table 1

International academic research studies on organisational culture

Country	Research Study
Malaysia	Damisa & Zainol, 2022; Darus & Saahar, 2022; Hassan et al., 2022; Said et al., 2022; Yuxin et al., 2021; Hashim et al., 2020; Subani et al., 2020; Issa, 2019; Hashim & Latiff, 2019; Lee et al., 2018; Low et al., 2018; Han Loo, 2018; Jie et al., 2017; Saudi, 2016; Yusof et al., 2017; Wang & Rahman, 2013
Indonesia	Saragih & Saluy, 2022
Brazil	Larentis et al., 2017
Portugal	Curado et al., 2021; Serpa, 2016
India	Shekhawat & Choudhary, 2018; Verma & Singh, 2018; Iya, 2015; Aryasri & Aijaz, 2013
Moldova	Covas, 2019
Ghana	Zakari et al., 2013
Greece	Xanthopoulou et al., 2022
Swaziland	Mancoba et al., 2015
South Africa	Maleka et al., 2015; Bipath & Adeyemo, 2014
Iran	Nazarian et al., 2013; Jahanian & Salehi, 2013
Taiwan	Chang & Lin, 2015
Poland	Gitling, 2020; Szydlo & Buklaho, 2020; Raczynska & Krukowski, 2019
Saudi Arabia	Aichouche et al., 2022
Russia	Mingaleva et al., 2022
Serbia	Mali et al., 2022
Spain	Jarne et al., 2022
Nigeria	Ibrahim & Tsado, 2022
Sri Lanka	Pathiranage et al., 2020

According to table 1 above, researchers have examined organisational culture in various fields such as constructions, insurance, commercial banking sectors, utility sectors, manufacturing, community offices, non-profit organisations and many more. This indicates that organisational culture is important and has been used countless times in various industries.

The importance of Organisational Culture

The importance of organisational culture goes beyond the environment of the workplace. Many businesses lose sight of the importance of a coherent organisational culture. Organisational culture impacts every aspect of a business. If a company is interested to find the best talent to fulfill its vacancy, it needs to value and put organisational culture a priority, as sixty-six percent of job seekers always consider their career opportunities by looking at the organisation culture of that company (Oak Engage, 2022).

In addition to that, according to a recent survey by Oak Engage in 2022, fifty-five percent of respondents in LinkedIn clarify that a great company culture is an important factor when considering a job. Essentially, it is remarkable that organisational culture is a significant mechanism to attract the best candidates to fulfill a vacancy. Normally, job seekers would evaluate organisational culture of the company before applying for available positions. Thus,

this is a clear indicator that organisational culture is one of the major reasons in choosing a workplace.

Next, organisational culture will decrease the turnover rates among employees. Having a strong organisational culture will make the employees feel engaged in the organisations. As a result, employees would have a high level of engagement among themselves towards the organisation. Apart from that, employees would feel included in their organisation. Basically, 'inclusive' employees will make the organisation become better and strong in terms of performance.

The relationships between employees' performance and culture are important, as it affects the short term and long-term planning in the future. In essential, a strong organisational culture demonstrates tolerance and respect for individual differences, compassion, and ability to accept and forgive. Additionally, organisational culture empowers employees to grow within the organisation and discourage toxic behaviours in the workplace.

Cultivating Organisational Culture

Cultivating culture is essential in a workplace. There are several ways to cultivate organisational culture in the workplace. The first thing is the company needs to value their employees by receiving opinions from the employees. Employees are primary stakeholders of the company (Rudawska et al., 2017), and thus, their performances are important and considered as a valuable investment for the company in order to maintain company sustainability in the industry.

Communication is vital to cultivate culture. By accepting employees' feedbacks and opinions, they will feel included in the organisation. As a result, employees will have a strong connection to the organization because they feel the top management hears their feedback and opinions. Basically, companies need to take the employees thought into account and make appropriate actions towards their feedbacks. Employees' feedbacks are something to ponder on in order to cultivate the culture of the organisation.

Secondly, providing clear directions to employees is important to cultivate organisational culture in the workplace. According to a study by Channappa (2012), both mission and vision statements are important in the company to provide clear path direction for future endeavors. Basically, an organisation will be effective only when the culture is supported by an appropriate business strategy and a structure that is appropriate for both the business and the desired culture.

Thirdly, doing activities together is good to cultivate organisational culture. It is important to stimulate greater overall engagement among employees. Basically, employee engagement is a critical metric for organisations in the twenty-first century (Patro, 2013). There are many activities that could cultivate organisational culture such as team buildings, brainstorming ideas sessions, cross-team projects, employee engagement activities, annual dinner, learning culture, and many more.

Conclusion

Organisational culture is a vital element in any working environment. Hence, organisational culture is remarkable for maintaining the sustainability of the company in the industry. A strong organisational culture empowers the employees to grow within the organisation. The increasing of employees' population in the industry has given a significant impact on the organisational culture. Basically, the increasement of employees' population will be able to enhance the profits for the organisation.

From a theoretical standpoint, this study explores the concept of organisational culture and therefore, provides valuable information on the contextual applications. From a practical perspective, this study contributes valuable inputs to those in the industry in developing and cultivating culture for organisations.

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