ASPECTS OF ORGANISATIONAL CULTURE AND CHANGE MANAGEMENT

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ABSTRACT: *Effective adaptation of organisations regarding the competitive environment involves undergoing a process of important changes which must take into account the organisational culture, which is an essential component of an organisation's transformation process. Organisational culture can become a factor that either facilitates or prevents the adaptation process. Changing the organisational culture represents a far-reaching activity due to each organisation's culture containing a set of objectives, roles, processes, values, communication practices, attitudes and hypotheses. These are the implementation tools for achieving the desired results. In this context, this paper addresses a topic that has been little explored in the Romanian specialty literature: to establish a possible link between the organisational culture, the resistance to change and the performance of an organisation.*
To make a first pragmatic approach to the research topic, we have conducted a case study on organisational culture assessment at an organisational level within a power generation company.

KEY WORDS: *organizational culture, improvement, management, performance, change.*

JEL CLASSIFICATION: *B12.*

1. INTRODUCTION

Discovering the importance of two essential elements in the functioning and the development of an organisation – the importance of employees and the socio-human climate – represented the debut of organisational and managerial theories.

Any organisation has two "universes" among which we need to make a clear distinction. One of them is represented by employees, the relations between them, the level of training they have, manifest and apply, the values they adhere to and they expose as a reference in their relations with the surrounding world, and the other

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universe id made up of cars and technology, the production processes, the productivity and competitiveness of the products and services offered, and the market.

It is already well known that society reflects the "states" that organisations face. In this sense there are expressions at a national level - society is largely the expression of what exists, happens, develops or changes in the organisational space (Vlăsceanu, 1999) – and also at an international level – the organisation is an important marker of the contemporary age, and society represents the mirror of the organisations that make it up (Drucker, 1999).

Organisations are perceived as *"social inventions designed to achieve common goals through group effort"* (Johns, 1998), as social structures formed of groups of individuals acting in a coordinated and unitary way to achieve their goals. Regardless of their type (private, state, profit/non-profit, economic etc.), organisations function under the impact of certain values; in other words, each of them possesses a certain organisational culture. To know an organisation's culture is to understand how it works, the cultural factor having an important influence on management policies.

Hence, besides the structure, economic processes and people, an important element of an organisation is **culture**. We must distinguish between the culture seen as a very broad concept (mentality being one of its components) and **organisational culture**.

2. ORGANISATIONAL CULTURE: EVOLUTION, CONCEPT, AND APPROACH OVER THE YEARS

Organisational culture represents a relatively new concept; it has become a discussion and analysis topic in the recent years. Just 40 years ago organisational culture has been introduced in the managerial field. After only 10 years of existence it came to the attention of schools and universities.

Although concepts such as "group norm" and "climate" have been used since 1939 (Lewin, apud. Schein, 1990), organisational culture has been explicitly used over the past decades.

Since the 1970s, organisational research has started to use cultural concepts in organisational behaviour analysis.

The phrase *"organisational culture"* was introduced in specialty literature in 1979 by Pettigrew in his paper *"On studying organisational culture"*. Pettigrew conducted a study on the evolution of an English school under the influence of events that were perceived by the organisation's members as critical events, from its establishment in 1934, until 1975, when the author collected the latest data.

There has been a significant increase in the popularity of organisational culture starting in the 1980s; relevant to this were the pieces of work of Terrence Deal and Allan Kennedy (1982) *"Corporate culture: The Rites and Rituals of Corporate Life"*, *"In Search of Excellence: Lessons from America's Best Run Companies"* of Thomas Peters and Richard Waterman (1982), and also *"Culture's Consequences"* of Geert Hofstede (1980); the coming out of these works triggering an explosion of research on the concept of organisational culture.

After 1990s, the emerge of investments from multinational companies in Eastern Europe countries made the concept of organisational culture known in this part of the world.

Organisational culture arises out of the need for concepts that differentiate organisations of the same society, especially in relation to efficiency levels. This concept semantically integrates the values, symbols, believes, myths, rituals, ceremonies, and aspirations that define the spiritual space of an organisation (Burlacu and Cojocaru, 1999).

Currently, taking these aspects into account, the understanding and using of the concept of organisational culture, it has become necessary as a tool within a company, in the case when a company targets a top position in the ranking of the field which it operates in.

3. CASE STUDY WITHIN OLTENIA ENERGETIC COMPLEX

Oltenia Energetic Complex (CE OLTENIA) is a mostly state-owned company, a major player on the Romanian energy market, being the largest electrical energy producer using fossil fuel.

The Romanian energy market is constantly changing and the energy consumption has fluctuations of more than 40% even in the spare of a week. Under these circumstances, the organisation's status recommends that changes be implemented immediately and consistently across the organisation's structure.

The quality of being the leader of vocational training activity within CE OLTENIA and that of being the first author of the paper has determined me to initiate a research project regarding organisational culture and, together with the co-author of this paper, to establish a possible link between the organisation of culture, resistance to change and the performance of an organisation.

We believe that the change of organisational culture plays a crucial role in the rapid adaptation of the organisation to the external changes it faces. First, the managers' resistance to change must be defeated, as organisational culture represents "the result of the effort of managers to guide staff in the spirit of excellence" (Edelhauser, 2011).

If the paradigm of change can also be a change of paradigm, we can conclude that "in order for the world to be different, we must also change the paradigm" (Abrudan, 2012).

The aim of this paper is to make an assessment of the organisational culture in CE OLTENIA, to show that the main element leading to the valorisation and development of the organisation is the continuous improvement through change.

A case study will be carried out throughout this paper; it is not representative of Romania, but it is only a trend reflected by electric energy company, within which the issue of the evaluation of the organisational culture and its impact on long term performance was raised.

The data used comes from CE OLTENIA, a company which has undergone restructuring and change programs.

The sample this research was conducted upon is representative of technic

economic socio-administrative and managerial staff.

The research conducted aims at assessing the organisational culture, highlighting the specificity of the culture within CE OLTENIA, observing whether organisational culture is viewed within the organisation as a powerful strategic tool used to guide the company and all its employees towards common goals, to mobilise the employees' initiative, to ensure loyalty and ease the communication between them. It has been analysed whether the organisational culture is understood by employees and whether they fully adhere to it, but also the connection between this concept and the human resource of this society.

3.1. Research methodology

The *research method* used was the *survey based on a questionnaire*. The questionnaire helps determine organisational culture and assess it in terms of employee behaviours and the way they perceive whether they match the organisation they belong to and whether their expectations are met.

Performing a research program, regarding the conduction of the survey, is essential for estimating the cost and the time needed to take steps to ensure the effectiveness of the study.

In the realisation of the survey as a methodological tool, the questionnaire used was the one applied in CE OLTENIA between the 14th of May and 15th of June 2018.

In order to avoid the halo effect (employee's tendency to respond similarly to multiple questions), a lean presentation of the study was chosen without delimiting by title the category or dimensions the question was looking for.

The questionnaire consists of 30 open, close, and multiple answers questions.

The questionnaire contains in the beginning a brief overview of its subject, and then it is structured in two parts.

Part I of the questionnaire is generically titled Identification Data and it is consists of a set of nine general questions in order to ease the entry into the subject.

Part II of the questionnaire is generically titled *Enterprise values evaluation data* and it consists of a set of 21 questions introduced in order to determine what are the values, norms, ethical principles of the organisation and the extent to which employees adhere to the society's values, objectives, policies.

The choice of scales for this type of questions (with scale) was made according to the studied variable, hence avoiding the generation of appreciation errors (the tendency to give neutral or contradictory answers).

The types of scales frequently used in the questionnaire are nominal scales, namely dichotomous with answers such as yes, no, neutral, and with a possible answer from a given list.

In the questionnaire there were also used questions with an ordered scale with the hierarchy of preferences (from most important to least important), Likert (from total agreement to total disagreement), questions with differentiated scales by importance (from a lot to not at all).

The following criteria have been applied to the applied research method: accuracy of results, cost, timing, nature of reference population, sample size, available

information.

The advantages that support the efficiency of the chosen method are: the facilitation of the extraction of the employees subject to the study, the possibility of a rigorous control of the data collection process, a low cost and a limited time for sample determination.

In the interest of ensuring the confidentiality of the information regarding the respondents in order to increase the accuracy of the data obtained, their names were not specified, but only their position within the company, their gender, and their age, to which it is added the seniority in the company.

3.2. The population and sample observed

The population under investigation is made up of 50 employees from the personal management and execution categories of CE OLTENIA. The age of the respondents varies between 35 and 55 years and regarding their gender, they are both women and men. The questionnaire was distributed through direct contact to employees in different positions and functions.

3.3. Analysis and interpretation

Questionnaire survey data were collected, processed, analysed, and interpreted between May 14th and June 15th 2018.

All 50 questionnaires were correctly completed, these being the subject of statistical analysis.

For data processing, the program used was Statistical Package for the Social Sciences – SPSS, one of the most used programs in statistical analysis of data. This program has been favoured not only by availabilities, but also by the fact that it offers a larger flexibility in the case when the desired information is predominantly of quantitative nature, which has made it data recording and analysing easier.

It is not excluded that the results of this research may contain possible errors due to lack of field experience.

3.4. Results

The centralised data shows that CE OLTENIA is an organisation oriented towards respecting ethical principles, values, promoting a customer-oriented attitude.

The society's mission is *to produce efficient, clean and safe electricity, based on exploiting the lignite potential with maximum efficiency in Oltenia, to ensure Romania's energy security*.

The company's motto is *Excellence through quality*.

The company' slogan is *OLTENIA ENERGY COMPLEX – ROMANIAN LAND'S ENERGY.*

Behavioural rules: *immediate execution of the orders of bosses, respect of discipline and order, ethical behaviour and integrity, assuming responsibility and consequences for the committed deeds, teamwork* are respected by the employees.

The sources of information regarding the values of the company are represented through the following: official website, internal communication network, intranet, publication edited by CE OLTENIA, regular meetings and training with the employees, company regulations. The organisation has a preference for oral communication, although it is present within the society the written communication highlighted through procedures, instructions, and company regulations.

There is also a desire within the society *to avoid conflicts by reaching a compromise.*

Staff adheres to the organisation's goals and policies, showing loyalty to it. Sources of information regarding company values are represented by: internal regulation; code of ethics; organisation and operations regulations; system, administrative, and operational procedures; regular meetings and training with employees.

On the other hand, it can be said that, *after contributing to performances*, CE OLTENIA falls into the category of *forte culture or positive culture* characterised by the homogeneity of values and perspectives that provide positive motivation.

According to the accepted risk level and the speed of obtaining feedback, CE OLTENIA falls into the Process culture category, being a rigid culture, based on rules and procedures. Employees are disciplined, orderly, punctual and thorough.

Furthermore, *according to the type of transaction by which the individual is linked to the organisation*, it can be concluded that CE OLTENIA belongs to the *hierarchical culture* type because it is based on employees respecting procedures and regulations in an environment of stability and control. In CE OLTENIA the authority lays in the rules and the power is executed by specialists. Decisions are based on detailed analyses, and leaders tend to be conservative and cautious.

According to the organisation's configuration, CE OLTENIA falls into the *Role culture (temple type)* due to it being a large society, with bureaucratic mechanisms which determine the appearance of subcultures in specialised departments, which form the column on which the temple rests; the values and perspectives, given by the roof of the temple, are clear, expressed in writing, with an obvious tendency towards stiffening, discipline, respect of codes, instructions, procedures, regulations of society, individuals are offered the possibility of professional specialisation.

Depending on organisations' characteristics and the differences between the national cultures, CE OLTENIA falls within the *Eiffel Tower* culture type, because the relations between the employees are regulated in advance by imposed interactions; authority is attributed to the most important roles, people being distant but very powerful.

CE OLTENIA is a *collectivist society*, due to it favouring interdependence, loyalty to a family or clan with a feminine culture because it accepts different roles regarding genders, emphasizing gender equality.

Within CE OLTENIA the following are emphasised: rules, regulations, hard work, compliance, safety, which, in terms of *avoiding incertitude* (the degree of assuming risks, the degree to which the employees feel uncomfortable in uncertain and ambiguous situations), make it fit in strong avoidance.

Taking into account the orientation, CE OLTENIA fits into *long-term oriented*

*culture*s, as it emphasises perseverance, prudence, attention to position differences.

CE OLTENIA falls into the type of organisations characterised by a *small distance from power*, within which: inequality is minimalized, superiors are accessible, and power differences are not given great importance.

In a proportion of 90%, employees are identified with the organisation's values and they adhere to the company's objectives and policies.

4. CONCLUSIONS

The result of the research shows that CE OLTENIA represents an organisation that *promotes a customer-oriented attitude and values*.

The most important values promoted by CE OLTENIA are: professional excellence, team spirit, solidarity, valorisation of synergies, ethics, integrity and loyalty, fairness and respect, standard of business ethics (internal and external) towards colleagues, customers, providers, the respect and responsibility towards the community and environment.

Therefore, it can be concluded that the hypotheses of this research on the organisational culture of CE OLTENIA are valid because the moral values have an impact on the performance of the organisation and its employees. There are no differences between the values promoted within the company and those in which employees find themselves. Ethical behavioural values and norms are promoted within the organisation.

Organisational culture promoted within society is known and understood by the organisation's employees. Employees' values match the requirements of organisational culture promoted within the company.

Organisational culture represents a combination of conscious and unconscious, rational and irrational, group and individual elements, which influence each other and have a major impact on the functionality and performance of the society.

Society culture is a support in orientation, essential for both managers and employees, it is a source of identification and it creates a sense of security and refuge.

Any organisation can be seen as a social structure, consisting of a group of people who act together to achieve the organisation's goals. The success of an organisation is conditioned by the extent to which the personnel act as a whole in order to achieve its goals.

Quality-oriented *organisational culture* is a guarantee of continuous survival and development for any organisation, regardless of whether it operates in a highly competitive market or in an unfavourable economic, social, or politic environment. This is because the organisational culture, through its components, dictates certain rules of employee behaviour, guides how the employees perceive and represent reality, how they should react to environmental changes.

The existence of an organisational culture involves the transmission and learning of a behavioural type that must become a habit for the employees. By the way they behave on a daily basis; managers encourage employees to adopt an identical behaviour in their relations with others. If the society imposes through its own culture

behaviours that lack ethics, not only will the leadership behave this way, but also the employees, taking the managers as an example.

Within an organisation with an authoritarian management, an organisational culture lacking values and moral principles, employees will also adopt an immoral behaviour.

Organisational culture has become fashionable topic in the recent years, a topic that has been frequently approached both in the academic world and in the economic environment. Its importance is mainly reflected by the impact it has on the results of an organisation. Thus, regardless of whether we are talking about a public institution, a state owned company, or a foundation, we can definitely affirm that a healthy organisational culture is a safe chance for success; it is one of the main factors that can determine the performance of that organisation.

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