



Organizational Culture and Its Impact on Business Development - A Theoretical Review

Astrid Navarro Paba^a

^a*Facultad de Ciencias Administrativas y Económicas, Universidad Francisco de Paula Santander, Colombia, e-mail address: anavarrop@ufpso.edu.co*

ABSTRACT

This article represents a theoretical approach to the main contributions made to the conceptual definition of organizational culture. It contains an extensive bibliographical review of national and foreign authors, who have reflected on the particular elements that characterize the cultural context of organizations and their relevance to business development. In line with this, contemporary debates described in current research are included, which allow describing the main research paradigms, as well as the role played by the directive or managerial bodies in the development of a propitious work environment, characterized by the generation of well-being and personal development of an organization's stakeholders.

Keywords: Organizational culture, organizational development, management, corporate sustainability.

1. Introduction

The leaders' knowledge of the theoretical foundations of the administrative sciences and their application to the business environment is becoming more relevant every day; with even more emphasis, if they are related to the way to encourage human resources to work together to achieve organizational objectives. In the same way, aspects such as the development and application of techniques that allow articulating the individual characteristics of a work group and involving them in decision making, become motivational factors that affect the development of institutions.

In accordance with their managerial functions, managers must strive for a successful management in which the actions necessary to satisfy the demands of the environment are planned in an orderly fashion. (Arribas-Ros, 2004). However, the business response to the changing market depends not only on the timely management of processes, but also on the internal culture of the organization, since the synergy established between the different links in the work chain will ensure that each area of the institution is oriented towards achieving the same objectives.

The current organizational trend shows how in many institutions "the paradigm of individual success" prevails, in which the achievement of objectives is based solely on the performance of managers and not on the results obtained from collective work. "But as organizations advance this approach loses value as greater importance is given to the process direction in a participative way through teamwork within the organization" (Segredo, et al., 2017).

Employees should not be considered as a simple resource available to obtain the desired results, but as the main asset of an organization, since the success and sustainability of the organization depends on the talent and congruence of their actions. At present, it is necessary that managers at all levels transform their mentality, allowing human capital to develop its capabilities and empowering them with the corporate mission-vision. Likewise, the organization must be understood as an integrated system, incorporating cultural aspects and other elements that contribute to the resolution of various business problems, ensuring its permanence in the environment, making diagnoses and carrying out modifications to them (Ortiz, et al., 2021).

* *Corresponding author.*

E-mail address: anavarrop@ufpso.edu.co

From this perspective, the conceptual development of organizational culture should be taken as a highly relevant component in the consolidation of a manager's knowledge. However, the approaches found in relation to the subject are diverse, since some studies refer to the organizational capacity to offer a greater labor welfare, orienting their conception towards the behavior within the institutions and therefore, the practices that lead to create a healthy and beneficial environment for the workers. While some studies relate to the anthropological and social perception of the concept, conceiving it as a transcendental element in each of the environments of an entity (González, et al., 2018).

These environments are conditioned by factors that give legitimacy to each of the processes that energize the organizational culture (Serrate, et al., 2014). In this way, companies can develop plans and strategies that allow the implementation of permanent changes aimed at sustainability, as a result of the creation of a solid corporate identity, encouraging the appropriation of collective commitments and the creation of a focused, adaptable and flexible mission approach in each of the areas of the organization (Salazar, et al., 2017).

Today the world is more globalized and competition is increasing at an accelerated pace, so achieving sustainability in the markets becomes a more tedious task. For this reason, the strategic role of an organization must "get into soft aspects of the organization offers great benefits for it, which achieves growth, efficiency, and success" (Palafox, et al., 2019).

From this point of view, companies seek that their human capital is involved with their corporate purpose, to such a degree that their empowerment and loyalty lead them to increase their productivity levels, favoring the strategic elements that characterize the organizational culture as well as the mission, vision and corporate values. In accordance with the above, the organizational culture has become a fundamental factor for the definition of strategies, actions and processes; since these are managed by people who respond to the needs of the companies in accordance with their feelings and well-being.

From this perspective, this research seeks to identify the characteristics of organizational culture through a literature review that will contribute to the consolidation of research on the subject and future business enrichment.

2. Methodology

For the development of this research, a systematic review methodology was used, since, as explained by Manchado et al. (2009), this method allows to perform searches that are directly related to the topic to be investigated and to describe the existing theoretical foundations, in order to generate new research proposals.

In the first instance, a documentary review was carried out in research databases such as EBSCO, Redalyc, Scielo and Elsevier, establishing key words. Subsequently, a set of parameters were established to reduce the search range, such as language (Spanish-English-Portuguese), document titles and working mainly with recently published articles, and others were taken into account which, due to their relevance to the research, were presented as theoretical references. Similarly, undergraduate theses were excluded within the parameters of the review.

Finally, an attempt was made to determine the relationship of the studies found in relation to the topic of organizational culture in a generalized manner and then to analyze whether the findings alluded to organizational culture in a specific way in order to finally process the information. In this sense, by performing the documentary search in the Redalyc tool, where the largest amount of information was found and classifying the mention of the concept according to the discipline of the publications, the following results were obtained:

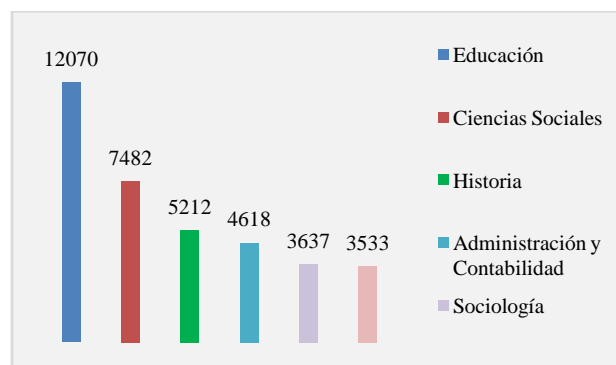


Figure 1. Documentary review Redalyc

Fuente: Redalyc (2022).

As can be seen, the results show that the largest number of publications found in the Redalyc database referring to organizational culture are in the field of education. Meanwhile, those related to accounting and administration occupied the fourth place of referencing, with a total of 4,618 publications found, representing approximately one third of what was researched on the topic in the field of education.

3. Results and discussion

Organizational culture is considered "a strategic resource that has the value of ensuring the continuity and permanence of organizations". From this point of view, it can be established that it is an intangible aspect of the business environment, which can only be appreciated from the effects and consequences that it has in relation to its development or detriment within an organization (González & Flores, 2020).

In the research conducted by Cameron and Quinn (2006) cited by Vesga et al. (2020), reference is made to the Competence Values Framework (CVF) model in which four types of culture are identified, thus making it possible to assess the culture of an organization. For this, Cameron and Quinn establish that there are implicit factors that are difficult to discern for organizations, which bring values and consensual interpretations of the reality of things.

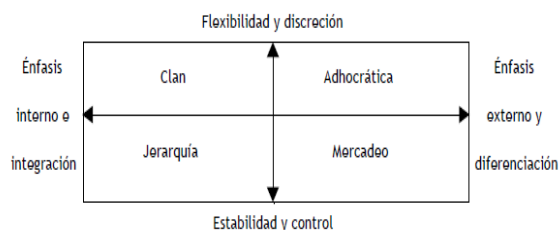


Figure 2. Types of organizational culture
Source: Vesga et al. (2020).

These four types of cultures are independent of each other, so there is usually a predominance of one over the others, and Cameron and Quinn describe them as follows;

Clan culture. They emphasize joint work, leadership and mentor support, characterized by tradition and loyalty.

Adhocratic culture. The organization is perceived as a system of change, dynamic, innovative, flexible and advanced.

Marketing culture. Characterized by its emphasis on obtaining results in highly competitive and demanding environments.

Hierarchical culture. It presents a structure surrounded by policies and rules, with a high degree of rigidity.

Seen from the perspective of strategic communication, organizational culture is considered one of the most important intangible assets, which is based on intellectual capital. For several decades now, it has ceased to be considered a variable, being understood as a "constitutive dimension of the organization", as stated by Yopan et al. (2019) when they state that organizational culture shares values and beliefs, characteristics of the people, structures and systems that make up an organization, generating behavioral norms.

From the perspective of Kast and Rosenzweig (2003), successful organizations are characterized by strong cultures, where there are practices to stimulate people who are part of human resources, in order to play roles and achieve business goals. Hence, the most important administrative role is to shape that culture, so that the impact generated in the managerial and philosophical style of the organization is significant.

According to Schein (1988), this concept can be understood as a set of premises invented by a social group through its learning and problem solving, which are "considered valid and therefore to be taught to new members of the group as the correct way of perceiving, thinking and feeling in relation to these problems".

This author highlights the importance of the emergence of internal interactions related to the cultural aspects of the organization, which facilitate the development of actions to detect errors that can be corrected in a timely manner. Similarly, the social responsibility acquired by companies, should lead them to take action as actors of human development, in which the activities are carried out by "people who want to work for society and not just for a salary" (Rodríguez & Pacheco, 2019).

The fact that the characteristics of the environment and the various work groups that are established within an organization can affect the identity of employees and redefine their conception of the vision itself, makes organizational culture a source of continuity and sustainability that is perceived by the members of an entity. In the same way, knowledge of organizational culture facilitates new employees' interpretation of the internal reality of the organization, clarifying contexts that would otherwise be somewhat confusing.

According to Chiavenato (2008), there are two types of aspects involved in organizational culture in what is called the "Iceberg of organizational culture", some related to operational and functional elements, and others behavioral or emotional, as shown in Figure 3.



Figure 3. Iceberg of organizational culture

Source: Adapted from Gestión del Talento Humano. Chiavenato (2008).

The formal and open aspects are related to the organizational structure, job descriptions, objectives and corporate strategies; components that are publicly observable. While the informal and hidden aspects are related to the power, influences, perception, attitudes, feelings and behavioral norms that characterize a given group, which are socially and psychologically oriented.

According to Mendez (2019), the behaviors of social interaction within an organization are subject to the parameters proposed and constructed by the organization. These behaviors are learned from the moment they receive induction and are appropriate once they are observed and imitated, as a result of constant interaction with the elements and individuals around them. Mendez highlights Durkheim's statement that the organizational climate must be an aspect of individual character, as a particular and subjective conscience that derives the behaviors or conducts characteristic of an individual, which have been developed through the interaction of the person with colleagues, leaders and other formal components of an organization.

This process of collective interaction benefits the organization, generating sufficient cohesion to align individual efforts in accordance with the objectives and interests of the organization, while contributing to corporate sustainability. The aforementioned corporate identity is a conditioning element for organizational development, on which depends the way in which the members of a company share, accept, cohere and project their performance based on the criteria of "social responsibility, values, ethics and standards with which they act, as well as uniform knowledge by sharing analysis methodologies that allow them to understand their environment" (Mendez, 2019).

Ochoa (2022) relates the postulates of Ogbonna and Harris (2000), Ravasi and Schultz (2006), Homburg and Pflesser (2000), and Cooke and Rousseau (1988), to establish that organizational culture is a mechanism that favors "performance, growth, volume, satisfaction and market participation"; but also, that those behaviors and orientations of an organization within a specific context, favor the development of programs for organizational transformation and generation of integral living conditions, thus increasing financial and market performance.

Siervo and Simeone (2019), state that organizational culture is not reduced only to the members that make it up, but extends to all groups that are part of the sphere of influence of the institution, that is, with those with whom it interacts in the development of its economic activity namely: "customers, suppliers, labor organizations, neighbors, authorities".

On the other hand, Rincón and Aldana (2021) state that an organizational culture well grounded in respect and the promotion of personal, family, professional and social development of individuals, will have an impact on the performance of those who are part of the human resources of an organization; directly influencing the achievement of objectives and results efficiently. From this point of view, a healthy environment with a high level of individual and collective well-being is established. In the process of cultural transformation of an organization, it means a change of mentality and actions of the people who make it up, seeking to break the existing paradigms (Álvarez, et al., 2020).

4. Conclusions

Organizational culture is a transcendental aspect in the development of institutions, which depending on its proper management, allows to achieve a favorable work climate and environment, which in addition to making workers proud of the work performed within an organization, positively influences the behavior and attitudes present in its different areas. In the same way, the actions of any company should be oriented to increase the levels of job satisfaction, which encourages the achievement of corporate goals and becomes a competitive advantage, by having suitable and motivated human resources. Under this perspective, Pineda and Manzano (2018), mention that entrepreneurial thinking with human behavior, stating that this is linked to the behavior of organizations and serves as a stimulus for the individual.

There are several benefits immersed in the organizational culture, such as the fulfillment of strategies in which, when solidified, the values and personal characteristics of each individual are incorporated as part of their appropriation and empowerment with the business objectives. However, the opposite scenario can occur, which can harm the internal activities of an organization and all the individuals involved in them, by not paying due attention to the emergence of negative aspects.

It should be noted that the literary findings found during the documentary review are directly related to the development of the researched topic, since they allude to the care of workers as the most important and complex asset of any organization, on which depends the success or failure of its objectives. In addition, it is essential to understand that the relevance of a pleasant work culture and environment, depends on the levels of competitiveness, efficiency, value generation and sustainability within the market.

For this reason, the realization of this type of literature reviews represent several advantages and allow to analyze the organizational benefits obtained from the contribution of the different strata of an entity, to achieve an optimal organizational culture. However, this topic should be analyzed from the administrative and accounting disciplines, beyond the social sciences, since it is the top management of an organization that is mainly involved in the development of strategies that allow taking organizational culture as a mechanism for growth and business competitiveness.

REFERENCES

- Álvarez-Silva, M. I., Guarín-Rivera, L., & Bermeo-Giraldo, M. C. (2020). Reingeniería del proceso administrativo de gestión inmobiliaria en una empresa de telecomunicaciones. *Revista Científica Profundidad Construyendo Futuro*, 13(13), 2-11. doi:<https://doi.org/10.22463/24221783.2551>
- Arribas-Ros, T. (2004). *Administración local: hacia nuevos modos en la prestación de servicios*. Recuperado el 25 de septiembre de 2022, de II Congreso Online del Observatorio para la Cibersociedad: http://www.cibersociedad.net/congres2004/index_es.html
- Cameron, K., & Quinn, R. (2006). *Diagnosing and Changing Organizational Culture*. San Francisco: Jossey-Bass.
- Chiavenato, I. (2008). *Gestión del talento humano*. Bogotá: McGraw-Hill.
- Cooke, R. A., & Rousseau, D. M. (1988). Behavioral norms and expectations: A quantitative approach to the assessment of organizational culture. *Group Organiz. Manag.*, 13, 245-273.
- González-Limas, W. R., Bastidas-Jurado, C. F., Figueroa-Chaves, H. A., Zambrano-Guerrero, C. A., & Matabanchoy-Tulcán, S. M. (2018). Revisión sistemática de las concepciones de cultura organizacional. *Universidad y Salud*, 20(2), 200-214. doi:<https://doi.org/10.22267/rus.182002.123>
- González-Díaz, R. R., & Flores-Ledesma, K. N. (2020). Cultura organizacional y sustentabilidad empresarial en las pymes durante crisis periodos de confinamiento social. *Revista Internacional Multidisciplinaria CIID Journal*, 28-41.
- Homburg, C., & Pflesser, C. (2000). A multiple-layer model of market-oriented organizational culture: Measurement issues and performance outcomes. *J. Market. Rs.*, 37, 449-463.
- Kast-Fremont, E., & Rosenzweig, J. E. (2003). *Administración de las organizaciones*. México: McGraw-Hill.
- Manchado-Garabito, R., Tamames-Gómez, S., López-González, M., Mohedano-Macías, L., D'Agostino, M., & Veiga de Cabo, J. (Septiembre de 2009). Revisiones Sistemáticas Exploratorias. *Medicina y Seguridad del Trabajo*, 12-19. Obtenido de <https://scielo.isciii.es/pdf/mesetra/v55n216/especial.pdf>
- Mendez-Álvarez, C. E. (2019). Elementos para la relación entre cultura organizacional y estrategia. *Universidad & Empresa*, 21(37), 136-169.
- Ochoa-Jiménez, S. (2022). La cultura organizacional en el siglo XXI: Un estudio bibliométrico de WOS. *Interciencia*, 47(3), 92-99.
- Ogbonna, E., & Harris, L. C. (2000). Leadership style, organizational culture and performance: Empirical evidence from UK companies. *International J. of Human Resource Manag.*, 11, 766-788.
- Ortiz-Gutiérrez, M. F., Galindo-Henao, A. M., Valbuena-Rodríguez, P. D., Clavijo-Peña, A. V., & Duarte-Leguizamo, J. D. (2021). Teoría del desarrollo organizacional: Ineficiencia laboral y organizativa. *Revista Científica Profundidad Construyendo Futuro*, 14(14), 25-42. doi:<https://doi.org/10.22463/24221783.3162>
- Palafox-Soto, M. O., Jiménez, S. O., & Jacobo-Hernández, C. A. (2019). La cultura organizacional como base para la permanencia en las organizaciones. *Revista San Gregorio*(62), 198-207. doi:<http://dx.doi.org/10.36097/rsan.v1i35.1109>

- Pineda-López, C. P., & Manzano-Sanguino, Y. D. (2018). La cultura emprendedora en los estudiantes de Administración de Empresas. *Revista Científica Profundidad Construyendo Futuro*, 8(8), 2-9. doi:<https://doi.org/10.22463/24221783.2458>
- Ravasi, D., & Schultz, M. (2006). Respondin to organizational identity threats: Exploring the role of organizational culture. *Acad. Manag. J.*, 49, 433-458.
- Rincón-Rodríguez, O. O., & Aldana-Bautista, L. (2021). ultura organizacional y su relación con los sistemas de gestión: una revisión bibliográfica. *SIGNOS-Investigación en Sistemas de Gestión*, 13(2).
- Rodríguez-Téllez, F., & Pacheco-Sánchez, C. A. (2019). Empresas B: un diagnóstico sobre su aplicabilidad. *Revista Científica Profundidad Construyendo Futuro*, 10(10), 2-9. doi:<https://doi.org/10.22463/24221783.3354>
- Salazar, J., Guerrero, J., Machado, Y., & Cañedo, R. (2017). Clima y cultura organizacional: dos componentes esenciales en la productividad laboral. *ACIMED*, 20(4), 67-75.
- Schein, E. (1988). *La cultura empresarial y el liderazgo. Una visión dinámica*. Barcelona: Plaza & Janes Editores.
- Segredo-Pérez, A. M., García-Milán, A. J., Cabrera, P. L., & Perdomo-Victoria, I. (2017). Desarrollo organizacional, cultura organizacional y clima organizacional. Una aproximación conceptual. *INFODIR*(24), 86-99.
- Serrate, A., Portuondo, A., Sánchez, N., & Suárez, R. (2014). Evaluación de la cultura organizacional y su incidencia en la efectividad grupal. *Ingeniería Industrial*, 35(1), 2-12.
- Siervo da Motta, L. A., & Simeone-Gomes, J. (2019). Interações entre cultura nacional, cultura organizacional e gestão pública. *Contabilidade y Negocios*, 14(27), 89-103.
- Vesga-Rodríguez, J. J., García-Rubiano, M., Forero-Aponte, C., Aguilar-Bustamante, M. C., Jaramillo, J. A., Quiroz-González, E., . . . Gómez-Vélez, M. A. (2020). Aspectos de la cultura organizacional y su relación con la disposición al cambio organizacional. *Suma Psicológica*, 27(1), 52-61. doi:<https://doi.org/10.14349/sumapsi.2020.v27.n1.7>
- Yopan-Fajardo, J. L., Palmero-Gómez, N., & Santos-Mejía, J. R. (2020). Organizational Culture: From communicative theories to the complex organizational approach and Latin American anthropological perspectives. *Controversias y Concurrencias Latinoamericanas*, 11(20), 263-289.