

ICEEPSY 2014

Organisational culture and leadership – joint vessels?

Hana Mohelska^{a*}, Marcela Sokolova^b

^{A+b}University of Hradec Kralove, Faculty of Informatics and Management, Department of Management
Rokitanskeho 62, 500 03 Hradec Kralove, Czech Republic

Abstract

Organisational culture and leadership has been of interest to scientists as well as managers for several decades. A well-built and managed organisational culture can create a significant competitive advantage for a company. Studying and understanding organisational culture is based on culture science in general and it is characterised by an inter-disciplinary approach; this brings methods and knowledge together, especially in sociology, psychology, economics and management. Staff leadership is a priority task for all managers in the organisation, no matter what level of hierarchy they operate at. Its performance is linked to both successes and failures of the entire organisation and all of their employees. It is clear that the success of a manager in leading people is judged by work performance and team results, created from their subordinates. Managers must affect them so that the internal processes of the organisation lead to a high level of productivity of the resources used by an organisation, to ensure high quality products and services offered by an organisation and to reduce the costs of the organisation. This requirement can be met by the managers only if they manage to convince all their co-workers to perform work tasks efficiently and highly effective as well as with pleasure. A manager must not only be a good specialist, but must also be a good psychologist, to know the impact of social aspects on the behaviour of the working group, and above all they must have the personal charisma - leadership skills. The best way a manager can lead workers is to effect the behaviour of collaborators by their own example. This article aims to describe the current theoretical basis for the issue of organisational culture and on the basis of custom investigation to seek the answer to the research question of the inter-dependence of organisational culture and leadership.

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Peer-review under responsibility of the Organizing Committee of ICEEPSY 2014.

Keywords: Organisational culture, leadership, communication, social aspects on the behaviour, leadership skills.

1. Introduction

Organisational culture has become an important topic in business especially in the last two decades. Although organisational culture is an intangible concept, it plays an important role in companies because it affects the

employees and organisational processes across the enterprise. Culture is not just a factor of business success or failure; a positive culture can have a significant competitive advantage. The research of organisational culture began in the USA in 70-80's of the 19th century. In the publication *Corporate Cultures: The Rites and Rituals of Corporate Life* (Deal, Kennedy, 1982) the author popularised the concept and understanding of positive organisational culture. Since then, the organisational culture has become an integral part of other researches, especially in the context of the business strategy. It is clear that organisational culture has become an important aspect for senior management, and therefore, this paper discusses the continuity of organisational culture and leadership, especially leadership methods of workers and communication methods.

2. Organisational culture

There are many ways to define organisational culture as it is influenced by factors such as the sector in which the company operates, its geographic location, the events that occurred during its history, personalities of its employees, and their patterns of interaction. Some of the formal definitions define culture as follows: cognitive framework, which consists of attitudes, values, behavioural norms and expectations (Greenberg, Baron, 1997), collective thinking, habits, attitudes, feelings and behaviour patterns (Clemente, Greenspan, 1999), programmed way of perception derived from the beliefs and values (Hall, 1995), configuration, material or behaviour pattern that was adopted by a company as an acceptable way to solve problems (Ahmed et al., 1999) and basic values, attitudes and beliefs that exist in the organisation, patterns of behaviour that are a result of these shared meanings that express the connection between beliefs, values and behaviours of members of the organisation (Denison, 1990). In the context of the content of this paper, the following definition was selected: *"Organisational culture is an elusive phenomenon characterising the quality of the social climate within the organisation and determining the dominant work positions of all workers. The status of organisational culture is relatively easy punishable immediately after joining the organisation, but the definition of the term is difficult because it represents a phenomenon that appeals more to emotions than rational considerations of an observer.* (Mohelska & Pitra, 2012)

3. Leadership methods of workers

To create conditions for the best performance of the tasks imposed to the team of workers requires that the manager is familiar with how best to use the mechanisms determining human's behaviour in the workplace. The manager must therefore not only be a good expert and know the branch of the organisation, but must also be a good psychologist, to know the impact of social aspects on the behaviour of the working group and mainly they must have personal charisma - leadership skills. The best way of managing workers is for an every manager to affect the behaviour of the co-workers by own example.

Leadership methods concerning workers bring the necessary dynamics to the management of the business activities of the organisation by the fact that managers apply two ways to influence the behaviour of their subordinates:

- a) They act on the rationality of their working attitudes by appropriate choice of the vision of future successes and the derived strategic objectives.
- b) They act emotionally to their internal needs and motivate them to personally identify with the objectives of the tasks assigned to them.

The difference between the rational and the emotional effects of managers on working behaviour of their subordinates is evident from the contents of the following table.

Rationality in the selection of strategic objectives	Emotional effects on workers
<ul style="list-style-type: none"> • Realistically achievable but challenging at the same time and mobilising for people. • Focus on objectives that improves the competitiveness of the organisation. • Strategic management thinking in creating conditions of the availability of these 	<ul style="list-style-type: none"> • Promoting an atmosphere of compliance workers' personal goals and organisational goals • Strengthening the personal responsibility of each individual as the achieved results • Continuous learning of individuals, teams and

objectives. • Consistent management of work activities and monitoring of the results achieved by them.	entire organisations from the mistakes as well as successes
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Fig. 1: The difference between the rational and the emotional effects of managers, (Mohelska & Pitra, 2012)

Under the influence on the working behaviour of their subordinates, a manager must monitor two aspects, presented in Fig 2:

- a) mental conformity with the interests of workers with the fulfilment of the objectives of the organisation;
- b) opinion consensus on the causes and consequences of phenomena that accompany the performance of the organisation’s objectives.

The high level of compliance in both cases brings motivation to high job performance of each individual and contributes to the tight cohesion of the working team during the performance of planned work activities.

During the leadership workers, the manager must first build a base for the development of mental (adoption of targets) as well as opinion (professional consensus) compliance using their power of authority. By that they make it clear for all subordinates, what is expected from them and what the positive or possibly negative consequences can happen if this expectation will not be fulfilled. The development of the mental conformity of employees with organisational goals is then performed by the manager reinforcing their own leadership action. To a large extent by emotional rather than rational approaches.

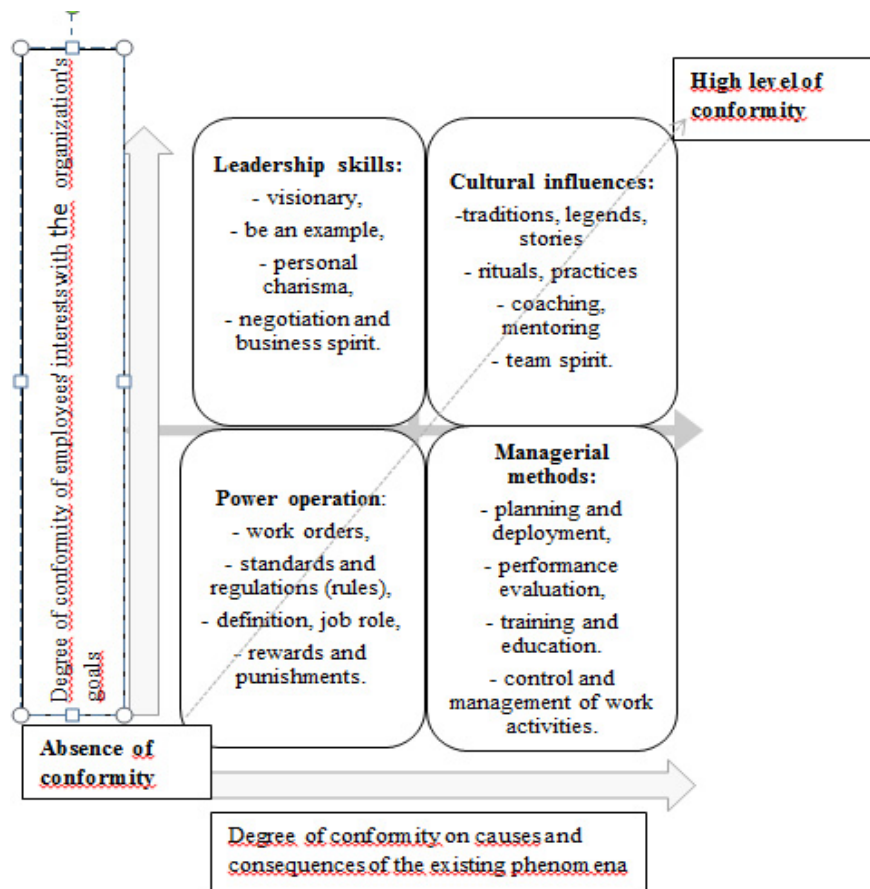


Fig. 2: Tools of action to increase internal compliance of organisation and its staff (Mohelska & Pitra, 2012)

When securing the cohesion of work team, the manager submits almost exclusively the rational approach. The management tools are used to fasten internal co-operation between members of the working group in the application of current knowledge to achieve a high quality team work results, in compliance with scheduled deadlines and cost limits. Desirable synergy of mental and opinion consensus within the work team must be ensured by the manager by affecting the company, i.e. organisational culture, characterised by the active participation of all workers in the creative solutions to problems that the team must successfully cope with.

4. Communication methods

“Internal communication as a managerial discipline has become important as a managerial discipline only recently. By its gradual development, it is now perceived as a tool, which –when working efficiently – can become a strong motivator, however, on the other hand a strong distress factor as well. Internal communication has a crucial importance on the staff engagement, which increases profitability of a company and supports its competitiveness as the research by Gallup, Yates, Tan and Pikhart.” (Hala & Pikhart)

The communication process secures the information transmit - arranged in a report so that the transmitted information has informative value - from the source to the recipient. Because an information is intangible phenomenon, it is necessary within the interests of its transmission (communication between the source and the recipient of the report) to attach it to a transmission medium. The report should be encoded (recorded) into a form suitable for its transmission and transmit it through the transmission channel to the authorised receiver. It decodes so the report recipient can use the information contained in it to reduce the uncertainties of their knowledge regarding the report. This removal of the uncertainties of knowledge should then invoke an activity of the recipient, which is expected by the source of the report.

The importance of the communication process has been examined by Hala and Pikhart (Hala & Pikhart, 2014) who also state: : *“The conducted research carried out in 252 companies operating in the Czech market has shown that strategic and systematic internal communication is important for the company profitability and its competitiveness. Small companies do not focus on internal communication as such and solve the communication issues intuitively and ad hoc, however, it is important to set certain strategies of internal communication into a company management so that the problems of insufficient communication are eliminated as much as possible. The research has proved that in the companies which systematically manage their internal communication the efficiency evaluation of the internal communication is significantly higher than in the ones which do not manage their internal communication systematically, and in the companies which include internal communication in their strategic management the evaluation of efficiency of internal communication is significantly higher than in other companies.”*

So the manager's report has the desired effect on the recipient, it must meet certain conditions, which can be briefly summarised in the following points:

- a) The manager must demonstrate personal convictions about the correctness of the facts and requirements communicated by them, their interpretation must be supplemented by the list of benefits that will be brought by the desired activity, a description of the proposed procedure and specifications of obstacles that might occur during its implementation.
- b) The report must include the manager's directives for implementation of the proposed approach, the specification of the necessary inputs and allocated capacities, and requirements definition for the final output.
- c) In their report, the manager has to declare the necessity of fulfilling the assigned task and identify the negative impacts of failure in doing so. At the same time they shall announce a reward for achieving the desired results as well as a penalty for failure to comply the task or non-compliance with the directives.
- d) The communication must be understandable to all subscribers and must therefore offer the possibility of immediate verification of its understanding by each recipient.
- e) The report must be presented with respect to the personality of each recipient, the manager must give everyone the space to express their objections. They must also make it clear that only the objections or comments on the progress of the assigned task are acceptable, i.e. objections doubting the task itself are not allowed.

5. Results Summary

To become a valuable member of a well-coordinated team of top leaders of an organisation requires individuals to not only have the ability of a holistic approach to co-operation with other team members, but also the ability to absorb new knowledge, to be able to use the new leadership tools and adapt to inevitable changes in the personnel composition of the team. It also brings changes in the concept of co-ordination of business activities of the organisation, associated with extending the scope of its top management team, with a new form for them to meet the strategic role - see Fig. 3.

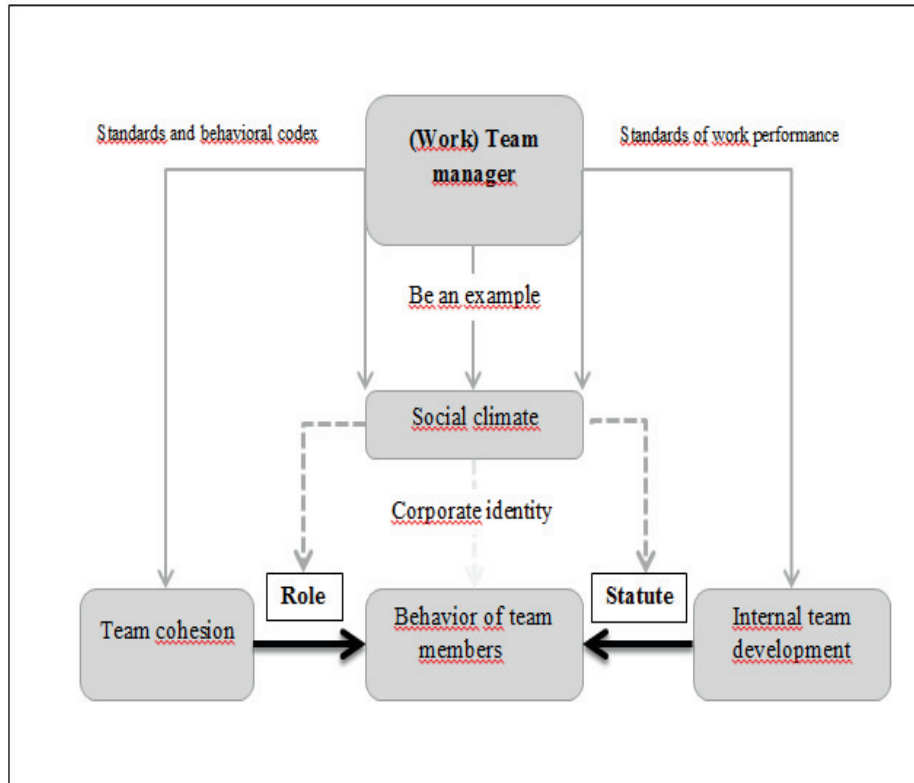


Fig. 3: Manager and co-operation with other team members (Mohelska & Pitra, 2012)

6. Conclusion

Changes in the performance of individual organisational units associated with the changes in organisational structure, i.e. in the organisation of relations between organisational units in the internal environment of the organisation, significantly changes the role of top management. Organisational changes that improve the dynamics of reactions of an organisation to the development in the area necessarily focus on the changes in the structure of the processes that go beyond the boundaries of individual organisational units. As a result of procedural arrangements of the internal environment in the organisation, there are several parallel organisational structures. Each staff member has to clearly understand their classification into different organisational structures and respect the related responsibility and delegated authority associated with that. Therefore, so far prevailing hierarchy of functional structures in the division of competence of top management responsible for the operation of basic organisational

units, where the top management of the organisation usually consists of technical, industrial, commercial, financial and human resources CEOs directly subordinate to their managing director, has been changing.

Allocating responsibility to individual members of top management in the field of internal processes (instead of under the influence of functional sections) and another form of exercising their decision-making powers than the classic command line "superior - subordinate". The traditional staffing composition of the team of top managers also changes.

The whole process of improving organisational culture and leadership is a long-term effort to reconcile the values that are important for organisational performance and personal values of its employees. Only by harmonising the values we can achieve minimum cultural risks as well as failure risks in the work behaviour and business negotiations. Only then we can fully release the creative and performance potential of our employees.

Acknowledgements

This paper was supported by Grant Agency of Excellence, University of Hradec Kralove, Faculty of Informatics and Management, No. 2014.

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