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# Issues of standardization concerning organizational culture in change management\*

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## Abstract

This paper is a challenge in taking another view on cultural elements, considered to be more specific than any other strategic issues of management. The paper is structured into the following parts: cultural dimensions and variables; barriers to the organizational culture change and organizational culture change and its adaptation to world values. Conclusions lead to the possibilities of standardizing some related to organizational culture issues, such as: communication, relations and organization's flexibility, which may be considered as organizational culture elements that are to be standardized.

JEL Classification: M33, L19, L15

Keywords: change management, organizational culture, standardization

## 1. Introduction

Terms as organizational culture, culture management or culture change management are still of interest in the 21st century. The cultural values are inherited from generations and are difficult to be changed, but in conditions that the organizations are forced to adapt to the environment that is changing fast their management has to act for changing some cultural components (habits, behaviors, management styles, the mode of relationships, organizational structures, the mode of communication and others. Schein [11] argues about organizational culture that is the "deeper level of basic assumption and beliefs that are shared by the members of an organization that operate unconsciously and define in a basic taken-for-granted fashion an organization's view of it self and its environment".

Each organization has its "personality" or its culture. For an organization to be successful its culture has to be managed effectively. The management of cultural systems or culture management defines culture and makes possible the understanding of the mode in which this affects the organizational behavior. The entire process serves to the development of strategies as competitive advantage.

The culture management is focused on the following directions:

- Identification of the real culture versus „what is said or think“;
- Determination of what the culture should be to promote behaviours according to the organization's scope;
- Development of a plan that should conduct the organization from „where is“ to „where needs to be“ according to its culture.

Cultural factors are important in change management because they affect the process of change and what people are taken for granted. A high context of culture is that one in which people are deeply involved with each other in a structure where hierarchy exists and a low context culture, in contrast, is that one in which people are highly individualized, somewhat alienated and fragmented [6].

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In this context it might be not possible to standardize cultural elements, but there could be find related cultural issues that could considered in some extend.

Standardization allows for clear communication between industry and its suppliers, relatively low cost, and manufacture on the basis of interchangeable parts. The benefits of standardization are that the management can achieve economies of scale and the ability to attract common cultural issues by using standardized programs.

## 2. Cultural dimensions and variables

Analyzing the management culture, which is often found in the organizational culture is necessary to take into account the culture's dimensions and the variables that influence the organizational culture.

Cultural dimensions are best defined by Hofstede [7,8,5], who succeeded to define the concept of "organizational culture" and to highlight "its dimensions" for 64 countries' culture. The four dimensions Hofstede described are: the power distance, individualism / collectivism, masculinity / femininity and uncertainty avoidance.

The main variables that influence the organizational culture are grouped into endogenous variables and exogenous variables [9].

Endogenous variables relates to: organization's history, owners, managers, employees, the level of organization, technology and the degree of information technology, financial statements, the phase in the organization's life cycle, the organization's aim and objectives, the management system;

Exogenous variables: the economic environment, institutional environment and national culture. These variables define the organizational cultures and subcultures, varying according to values, beliefs, aspirations and expectations of the people and to individual, group or organization behaviour.

These issues contribute to the management and organization performances because the culture influences directly or indirectly the strategic objectives fulfillment and the efficiency of change process.

What is important regarding the culture analysis is the cultural specificities of different nations, organizations, groups and individuals. Studies highlights several cultural models and theories, among them may be exemplified: Hofstede model, Douglas cultural theory, Lessem's classification, national stereotypes paradigm etc. [1], that are really useful for any approach of culture.

The specific cultural elements are: meanings, habits and physical realities [14].

- Meanings are expressed by values that give sense to language and organizational image as: time (social and religious significance of specific days of the week), objects (specific utensils), actions (rituals), prices (related to quality) and sounds (specific words and symbols).
- Habits are the activities that people are used to doing. They may be relatively easy to change, because they are no social, ethical or moral imperatives underpinning them.
- Physical realities mean the real assets the organizations or people own. They also don't depend on social, ethical or moral aspects and may be changed.

Generally speaking it is accepted that cultural differences act as barriers to the standardisation of products and services, mainly concerning those on a global scale. In order to change the strategy, and as part of it the cultural dimensions, the following issues need to be in the management attention: cultural preferences, differences in purchasing power, positioning and advertising and country of origin effect [14].

- cultural preferences

The cultural preferences are strongly related to the type of product or service. Thus, food and clothing industries are strongly culture-bounded, industrial products are culture free and consumer durables are medium culture related. It is real evidence that traditional preferences are going to disappear in the foreseeable future but the rate of standardisation of products and services will be uneven and unpredictable.

- differences in purchasing power

The differences in purchasing power are related to the market split in luxury preferences, low price preference and middle price preferences. Some elements do make the preferences, such as: the means of transportation, the level of income, the diversity and capacity of fixed assets and others.

- positioning and advertising

Positioning and advertising depend on communication infrastructure and technology. Culture influence advertising in four ways: choice of advertising theme, connotation of words and symbols, interpretation of pictorial conventions and media selection [4]. Some elements are more culture-bounded than others, so it is easier to standardize some products advertising based on universal emotional values and difficult for highly culture-specific [12].

- country of origin effect/ ethocentrism

It is evidence that the market is influenced by the source of the product or service. On one side, the more homogeneous and standardized the product the less country of origin effect. On the other side the degree of consumer ethocentrism depends on four factors: openness to foreign cultures, patriotism, conservatism and the degree of collectivism / individualism in the society [13].

The combined impact of culture's four issues above mentioned produces strong arguments against standardization for many products and services.

### **3. Barriers against standardization and organizational culture change**

Having in view the world and European political orientation towards social aspects and the more intensive implication of the local authorities in sustainable development, management ethics and loyal competition of all organizations issues, the cultural issues mentioned have a notable influence in cultural characteristics change. Thus, three aspects might be priorities: communication, relations and organization's flexibility, which may be considered as organizational culture elements that are to be standardized.

#### *Communication*

Regarding communication it has been identified the following obstacles, with a higher or lower impact:

- Inexistence or unobserved some norms and rules of internal communication:
  - On vertical: information, decisions transmission, training, image creation, motivation and promotion of organizational culture;
  - On horizontal: cooperation, mutual knowledge and help.
- Communication interruption or messages distortion due to communication channels used. The chosen of inadequate communication channels has important consequences on the communication efficiency and the determination of a certain statement in the organization and its environment.
- Existence of barriers in the communication process, such as: language, status differences or barriers due to interpretation or waiting horizons.
- Reduced effectiveness of politics, strategies and structures dedicated to internal or external communication.

#### *Relations*

In the relations domain the most important obstacles are:

- Unsufficient utilization of the electronic channels of communication (Internet or Intranet).
- Unsufficient transparency towards employees or other stakeholders (such as closed office doors, short sckedule for communication etc).
- Unsufficient direct contact of the managers and employees with different stakeholders.

#### *Organizational flexibility*

In organizational culture change a series of obstacles that results from the lack of human flexibilities are identified, among are:

- Inflexibility – the characteristic of persons who approach the problems only in a certain way and doesn't accept other modes indifferent of the arguments brough;
- Conformism – the characteristic of persons that use available patterns of thinking without being able to restructure or abandon;
- Obedience – characteristic of submissive persons;
- Psychological inhibition against new – characteristic of persons that anchor more then necessary to the practices already validated and see them as no over taken;
- Unique response – characteristic of persons that believe that always is only one way to solve problems;
- Fear not to fail – characteristic of persons that are afraid of making errors that paralyses their imaginative availabilities.

The lack of cooperation among the members of teams is also a major impediment in the change process.

In the process of adaptation to the organizational change, an important role is due to the people, to employees, that need to change themselves, to accumulate new knowledge, to approach new tasks, to change their labor habits, values and attitude against the work into the organization, because an effective change may be achived only if a change of behavior is realized.

#### **4. Organizational culture change and its adaptation to world values**

The economic integration lead to the realization of a stable macroeconomic framework in Europe, characterized by low inflation rates and interest rates and the creation of unique market with more then 380 million consumers. USA still represents the country with the main developed economy in the world, with which is compared and measured EU progress. The general EU change process or European economy reform (Lisbon, 2000) is structured into eight dimensions:

- Creation of information society for all;
- Development of a communitarian zone for innovation, research and development;
- Liberalization, comprising: the unique market completion, state aids and competition policy;
- Creation of new industries in transportation, utilities and telecommunications;
- Creation of integrated and efficient financial services ;
- Business environment improvement from legal and entrepreneurship points of view;
- Social inclusion increasing by: new jobs creation, professional abilities increasing and social protection systems updating;
- Sustainable development.

These directions of actions are focused on structural reforms having in view electronic trading and electronic money, bureaucracy limitation in business, transparency in business framework, utilities and mailing services liberalization, security in energy supplying, investments in private pension funds and competitiveness increasing, which imply changes in organizations and individuals behaviors. Organizations strategies have to adapt their visions towards performance in a sustainable environment and this is generally the future of change management and culture.

The most important components of a performing management that lead to cultural change characteristics may be considered to be the followings:

The orientation of the management towards the accomplishment of the social mission, that implies: political wish, managers autonomy, certain activities externalization, development of private-public partnership, management style and much more societal responsibility.

Implementation of organizational cultural system audit, the process of audit having the following steps:

- Collection and updating of data (using as instruments: interviews, polls, data-bases), data analysis and writing an audit report that should contain elements of “real” culture;
- Emphasizing the gaps between the existing culture and the expected organization’s culture, systems, structures and processes that sustain the existing culture and the forces that are opposing to and sustain the new culture and the recommendations to increase the management efficiency and organization’s performances, as well;
- Presentation and final discussion in a workshop.

### *Organizational flexibility*

Open systems imply flexibility and orientation towards external environment where the knowledge and adaptation represent the priority in goals achievement, resource acquiring (material, financial, human and informational) and success on the market, named “cultural development systems” [3].

### *Innovation*

It is important to mention that innovation and intellectual assets are the source of value creation and bring contributions to changing, maintaining and reinforcing the new culture, the culture of consistency with future plans.

In the depicted context, it could be considered that some cultural issues are the subject of standardization, mainly when the organization is acting internationally. Examples from the real world are multiple, such as: learning procedures, subsidies structures, brand messages for the market, staff behaviors and others.

Even it is not possible to standardize cultural elements it may be possible to standardize some processes related to culture. This involves standardization of:

- Coordinating processes whereby information from one market being available to another market or operating subsidiary to another;
- Applying standardized procedures, structures or strategies patterned by the competitors.

## **6. Conclusions**

The main cultural issues influencing the organizations’ performance and therefore the organizational culture change are: the orientation of the management towards the accomplishment of the social mission, organizational flexibility, cultural audit and innovation.

Generally speaking, the more standardized products and services the more standardized organizational cultural issues. In high context culture, individual inner feelings are kept under control. They avoid direct confrontation, but it is more subtle and verbal and the change process is complex, needing an unbounded strategy to be applied by the change management.

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