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ORGANIZATIONAL CULTURE AND TEAM MANAGEMENT: A PANACEA FOR ORGANIZATIONAL PERFORMANCE

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ABSTRACT

This paper discussed the role of organizational culture in the effective management of teams and organizational performance. The paper offered a shift in interest from performance at the individual and organizational level to the team or group level. The design for the paper was theoretical, as such it offered indepth discourse on the concepts – organizational culture, team management and organizational performance, and also drew on theories and research content which identify and support the evidence of a relationship between organizational culture, team management and organizational performance. In conclusion, it was stated that organizational culture is a strong indicator of the positioning and effectiveness of teams in the organization; and to a substantial extent, determines the usefulness of such teams to the overall success and performance of the organization.

Keywords: *Organizational culture, team management, adaptiveness, innovativeness*

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INTRODUCTION

Achieving and sustaining organizational performance is a major priority for firms. This is most imperative especially within the context of today's highly competitive and dynamic business environment. As a required feature of a functioning organization, performance is an indicator of the organization's tendency for continuity and survival. It expresses the organizations capacity with regards to satisfying its customers and meeting the demands and expectations of its various stakeholders. Hatch (1997) noted that organizational performance is however hinged on other organizational factors; dominant amongst which is the culture of the organization. This is as Dennis (2000) noted that organizations whose cultural values and tenets emphasize on adaptiveness and innovation, have a higher tendency for competing favourably with other organizations and for sustaining their position within their various markets.

As noted, studies have often linked organizational outcomes such as performance to their culture and the values as well as belief systems upheld by members of the organization. In his study, Zalami (2005) argued that the study of organizational performance is such that should seek to align performance features at the individual as well as organizational level. He noted that while studies have predominantly addressed cultural impact on the individual as well as organization; little has been carried out with regards to identifying culture influence on the management of teams and how this also contributes towards the performance of the organization. His observation offers a shift in interest and concern for not just the significance or nature of individual functions and behaviour on the organization, but also that of teams on the organization as well.

This paper departs from previous theoretical discourses on organizational performance as it addressed the link between organizational culture and team management; and the implications of this on the performance of the organization. The paper is justified on the basis that it addressed the observed role of organizational culture in team management; thus, offering content which goes beyond the individual and unto engaging features of the team and assessing its contributions towards the performance of the organization.

LITERATURE REVIEW

Organizational Culture

Organisational culture is a widely used term but one that seems to give rise to a degree of ambiguity. Watson (2006) emphasises that the concept of culture originally derived from a metaphor of the organisation as 'something cultivated'. For the past number of decades, most academics and practitioners studying organisations suggest the concept of culture is the climate and practices that organisations develop around their handling of people, or to the promoted values and statement of beliefs of an organisation (Schein, 2004).

Schein (2004) highlights that the only thing of real importance that leaders do is to create and manage culture; that the unique talent of leaders is their ability to understand and work with culture; and that it is an ultimate act of leadership to destroy culture when it is viewed as dysfunctional. Culture therefore gives organisations a sense of identity and determines, through the organisation's legends, rituals, beliefs, meanings, values, norms and language, the way in which 'things are done around here.

An organisations' culture encapsulates what it has been good at and what has worked in the past. These practices can often be accepted without question by long-serving members of anorganisation. One of the first things a new employee learns is some of the organisation's legends. Legends can stay with an organisation and become part of the established way of doing things. Over time the organisation will develop 'norms' i.e. established (normal) expected behaviour patterns within the organisation.

A norm is defined as an established behaviour pattern that is part of a culture. Schein (2004) emphasises that 'perhaps the most intriguing aspect of culture as a concept is that it points us to phenomena that are below the surface, that are powerful in their impact but invisible and to a considerable degree unconscious. Schein (1990) uses an analogy that culture is to a group what personality or character is to an individual. The behaviour that results is often evident, but which one often cannot see the forces underneath that cause certain kinds of behaviour.

Yet, just as our personality and character guide and constrain our behaviour, so does culture guide and constrain the behaviour of members of a group through the shared norms that are held in that group. Schein (1990) emphasises that there are visible and invisible levels of corporate culture (the 'culture iceberg' analogy - the visible levels - surface manifestations) of the 'culture iceberg' incorporate observable symbols, ceremonies, stories, slogans, behaviours, dress and physical settings. The invisible levels of the 'culture iceberg' include underlying values, assumptions, beliefs, attitudes and feelings. Often, change strategies focus on the visible levels.

Some researchers' findings show that certain kinds of cultures correlate with economic performance (Denison, 1990; Kotter & Heskett, 1992; Sorensen, 2002). Boyne (2003) suggests a link between organisational culture change and public service improvement. Similarly, Ban (1995) in a study of the US Environmental ProtectionAgency, found that the agency was more adept than other federal agencies in mitigating the effects of centralised federal human resource policy constraints.

This was linked to the agency's status as an adhocracy with an open culture, focusing on change and flexibility, and characterised by creative problem solving and risk taking. Understanding of organisational culture and cultural types also helps our understanding of why managerial reforms may impact differently within and between organisations. An organisation with a predominantly internal process culture, for example, may be more resistant to reforms aimed at promoting innovation.

Pollitt and Bouckaert (2004) noted that oneshould also expect staff in high uncertainty avoidance cultures to be more concerned with rule-following and more reluctant to risk changing jobs - both factors of some importance for those reformers who want to deregulate bureaucracies and encourage more rapid job change in the public service. Practitioners in both the private and public sectors have come to realise that organisational change often requires changing the organisation's culture and learning. For example, in terms of improving career progression arrangements in the civil service, O'Riordan and Humphreys (2002) suggest a need for a change in organisational culture in many areas of a department. In particular, O'Riordan (2004) says that 'developing a culture in which career progression and development of staff is prioritised represents an important retention and motivation tool.

Zalami (2005) notes that culture can either facilitate or inhibit institutional transformation depending on whether or not the existing culture is aligned with the goals of the proposed change. This is also noted by O'Donnell (2006) in terms of culture facilitating innovative initiatives in the public sector and providing a supportive environment for developing 'enterprising leaders.Hatch (1997), however, suggests that it is important to manage with cultural awareness rather than to directly manage the culture – this according to him facilitates a more adaptive and change oriented culture.

Legge (1995) has used a metaphor of 'riding a wave' to explain managing culture (Morgan, 1988). 'The best the surf-rider can do is to understand the pattern of currents and winds that shape and direct the waves. He or She may then use them to stay afloat and steer in the desired path. But this is not the same as changing the basic rhythms of the ocean (Legge, 1995). There are, therefore, competing views in the literature as to the degree to which it is possible to manage culture. Some argue that culture can be directed and controlled, particularly by influential leaders. Others argue that directive, top down change is unlikely to be successful in the long run, and that managing culture is either not possible or only possible if the complexity of reality is understood and change is progressed in a consensual and longer-term manner.

Team Management

Thompson (2000) defined team as a group of people who are interdependent with respect to information, resources and skills and who seek to combine their efforts to achieve a common goal. He further stressed that team have five keys defining characteristics. First, team exists to achieve a shared goal; simply put, teams have work to do. Team produces outcomes for which members have collective reward. Second, team members are interdependent regarding some common goal. Interdependence is the hallmark of teamwork. It means that team members must rely on others for information, expertise, resources and so on. Third, teams are bounded and remain relatively stable over time.

McShone (1998) defined teams as a group of two or more people who interact and influence each other and mutually accountable for achieving common goals and associated with organizational objectives, and perceive themselves as a social entity within the organization. Boundedness means the team has an identifiable membership; members as well as non-members. Most teams work together for a meaningful length of time, long enough to accomplish their goal. Fourth, team members have the authority to manage their own work and internal processes. Finally, teams operate in a larger social system context. Teams are not island unto themselves. They do their work in a larger organization, often alongside other teams.

Richard (1991) described team management as the control, development and directing of the activities of a particular unit of two or more people who interact and coordinate their work to accomplish a specific objective. He also said that the concept of team has three components. First, two or more people are required. Teams can be quite large, running to as many as seventy-five (75) people in a team with a regular interaction. People, who do not interact, such as when standing in line at a bank counter or riding in an elevator, do not comprise a team. Third, people in a team share a performance objective, whether it is to design a new type of hand held calculator or write a textbook. Students are often assigned to teams to do class work or assignments; in which case the purpose is to perform the assignment and receive an acceptable grade.

A team is similar to what is usually called group in organizations, but team has become the popular word in the business community. The team concept implies a greater sense of mission and contest although the words can be used interchangeably. People often refer their groups as teams; they are really not team, because there are several important distinctions between them as explained by Jerald and Robert (1997). First, in group, performance typically depends on the work of individual members, however team depend on both individual contributions and collective work products.

The second difference has to do with where the accountability for the job lies. Typically, members of groups pool their resources to attain goals, although it is individual performance that is taken into consideration when it comes to issuing rewards, members of group usually do not take responsibility for any result other than their own. By contrast, team focus on both individual and mutual accountability. That is, they work together to produce an outcome. Third, whereas group members may share a common interest goal, team members also share a common interest to purpose.

Team members focusing jointly on such lofty purposes, in conjunction with specific performance goals, become heavily invested in its activities. Team however also has a broader purpose, which supplies a source of meaning and to the emotional energy to activities performed. Fourth, in organizations teams differ from groups with respect to the nature of their connections to management. Work groups are typically required to be responsive to demand regularly placed on them by management. By contrast, once management establishes the mission for team and sets the challenge for it to achieve, it typically gives the team enough flexibility to do its job without any further interference. In other word, teams are to varying degrees of self-managing.

Team success or failure can be evaluated using some performance criteria factors. According to Hackman (1987) three key criteria are: productivity, satisfaction and individual wellbeing. Organization gain was added by Thompson (2000). Productivity is the most important measure of team success. Team productivity requires that the team have a clear goal and be able to adopt accordingly as new information arrives, goals change and organizational priorities shift.

The productivity criterion asks whether the team's output meets the standards of those who have to use it, that is, the end users. It is not enough that the team is satisfied with the output or even that it meets some objective performance measure. If the teams' output is unacceptable to those who to use it, the team is not effective. For these reasons, it is important to identify the legitimate clients of the team. The various end users who depend upon the team's output may focus on different performance standards (e.g. quantity, quality, cutting cost, innovation and timeliness).

Satisfaction and well-being are based on learning something from working together and better able to work together in the future. Sometimes, team meets their goals, but relationships suffer and are not dealt with in a way that allows members to works productively together in the future. Hackman (1987) observed that mutual antagonism could become so high that members would choose to accept collective failure rather than to share knowledge and information with one another. In an effective functioning team, the capability of members to work together on future projects is maintained and strengthened.

Individual growth implies that teams should represent growth and development opportunities for the individual needs of the members. Human beings have a need for growth, development and fulfilment. Some teams operate in a way that block the development of individual members and satisfaction of personal needs. In short, member's needs should be more satisfied than frustrated by the team experience. The fourth criterion of team performance is organizational gains. Does the organization benefit from the team? In many cases, the team becomes so self-serving and egocentrically focused that it loses sight of the organization's larger goals. (This is most likely the case with teams that have greater autonomy).

Organizational Performance

It is also difficult to formulate an unambiguous and definitive description of 'performance', since this ultimately depends upon the objectives of the particular organization. Nevertheless, a wide range of performance indicators have been investigated in organizations, and, for the purposes of this review, one should look at these under the headings of operational outcomes and financial outcomes. The former would include productivity (e.g. the number of hours to assemble a car), the quality of the product or service, innovation and customer satisfaction; the latter, value-added per employee and return on capital employed. To complicate matters, many of these indicators can be recorded at different levels within an organization. Productivity, for example, can be measured at department, workplace or company level.

In addition, when one begins to consider the team-based literature, another set of 'performance' outcome come to the fore (Cohen & Bailey 1997; Guzzo& Dickson 1996). A number of these studies are designed to show the outcomes for individual team members or the team itself. While some of these measures, job satisfaction, for example, or absenteeism – may not seem directly relevant to the present study, subsequent discussion will show that there are important links with organizational performance. It is therefore imperative to include such studies within our remit and categorize these measures under the headings of 'attitudinal' and 'behavioural' outcomes.

The capability of an organization to establish perfect relationship with resources presents effective and efficient management of resources. (Daft, 2000) In order to achieve goals and objectives of organization strategies have been designed based upon organizational performance (Richardo, 2001). The equity based upon high returns helps in effective management of organization resources so that performance improves (Ricardo, 2001). The performance measurement system helps in improving organization association to achieve goals and objectives at an effective manner (Ittner&Larcker, 1998). The strategic planning based upon development of goals and objectives help organization to focus non-financial or intangible assets. The quality, performance and services linked with customers have financial nature (Kaplan & Norton, 2001).

The financial and non-financial reward management systems enabled by measurement and evaluation of performance measurement system. The traditional measurement of performance based upon strategic performance system (Chenhall, 2005). The measurement technique helps in increasing competitive advantage in organization based upon effective pressures. The multiple performance measures adopted by organization based upon non-financial and financial measures helps in presenting uncontrollable events (Burns & McKinnon, 1993). The measurement technique adopted by organization helps in presenting positive association of goods and services.

The Balance Score card has been used to evaluate performance management of employees based upon perfect association between goods and services(Kaplan & Norton ,1992). The strategies based upon rationality and design helps in making culture more effective. The four casual relationships between performance management and culture have been defined so far. The learning growth, customers, internal business process and financial reward management system helps in improving and presenting causal relationship. The focus of an organization for cooperative tool helps in improving communication among business performance. The organizational goals and strategies based upon feedback helps in improving performance management.

Organizational Culture, Team Management and Organizational Performance

Aycan, Kanungo, and Sinha. (1999) argued that organizational culture at its peak becomes a source of competitive advantage for organizations especially when it is adaptive and innovative, since it affects commitment of people at work, both individual and collective process of learning and capability development, and it arises from the underlying assumptions, beliefs, norms, values and attitudes. In sum, as argued by Pettigrew (1979), organizational culture explains how employees think and make decisions that ultimately affect the performance.

Lund (2003) while discussing the employee-related performance variables, recommended the management of the organizations to clearly identify the performance variables of the employees such as task knowledge, task expectation, extents of achievement and satisfactory levels of performance, and correlate these with the clearly identified dimensions of the corporate culture. Furthermore, he recommends and suggests that organization culture prevails and moves in a unified direction only if the management clearly establishes the corporate culture dimensions, explain them to the organizational members vividly, and all employees agree on their mutual association.

Ogbonna and Harris (2000) research findings positively associated organizational culture with corporate performance. The researchers like Shahzad et al. (2013) elaborate organization culture as the key influencer of the performance and establish that a strong organization culture is a great source of performance excellence and consistent achievements. Kozlowski and Klein (2000) emphasize upon the presence of strong organizational culture based on true value and belief systems in order to gain sustainability in higher performance.

Denison (1990) links team management decisions (e.g. funding, structuring of training programs and development of team members) and behavioural practices to the outcome of commonly shared norms, values and beliefs that an organization transforms and experiences since its inception. The set pattern of works and handling issues in management decisions are the reflection of organizational norms system. Brown (1998) establishes that organizations are the outcomes of experiences and experiences make learning, which largely develop such norms, values and procedures that ensure a long-term presence of the organization in the field. He clearly establishes the presence of strong organizational cultural values to assure consistent performance.

The study of organizational culture has significance when it has correlation with the performance in order to improve actions (Alvesson, 1990). Barney (1986) explains that core values encourage creativity, innovativeness, higher achievements and flexibility in firms. The most common definition of performance explains it as the degree or extent of achievement of pre-assigned goals (Shields & Brown, 2015) and each organization has to: firstly, determine measurable goals; secondly, link the abilities and competencies of the employees to these goals and; thirdly, provide the employees with sufficient resources to expect achievement of goals.

The organizations are supposed to prepare and train their employees in such a way that they are fully abreast of the task demands from the organizations and they are able to link their abilities to specific actions so as they can contribute to the performance of the organization. In management literature, performance refers to the degree or extent of achievement of pre-established goals, but some scholars (Roe & Ester, 1999) emphasize the fact that performance can be identified and measured through two main dimensions; action dimension and the output dimension and develop a linear relationship in which output becomes dependent on actions.

CONCLUSION

Team management is revealed in the literature review of this paper to be critical to the health and performance of the organization. Nonetheless, the decisions as to the required funding, training and development of teams are such that they are tied to the level of adaptiveness or innovativeness expressed in the culture of the organization. Organizations are therefore not only driven by the functionality and behaviour of their teams, but also by the form of culture expressed in their actions and in their intra-organizational and inter-organizational relationships. By this, the paper concluded that organizational culture is a strong indicator of the positioning and effectiveness of teams in the organization; and to a substantial extent, determines the usefulness of such teams to the overall success and performance of the organization.

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