Role of Organizational Culture in Promoting Employee Development: A Review of Literature

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Abstract---The review paper attempts a review and summarization of the existing literature available on organizational culture and employee development. Employee development is seen as an asset for the organizations, which arises from within the organization and is built by the organizational culture. The paper has shown that a positive and direct relationship exists between organizational culture and development of an employee. Employee development is dependent on the culture of the organization and that organizational culture is instrumental in building mental health of the employees.

Keywords---employee development, human resource, organizational culture, psychological health.

Introduction

Organizational culture has been hailed as a mechanism that controls behaviour of the individuals working in that organization (Agwu, 2014; Chilla, et al., 2014). It is a set of visions, norms, working language, systems, symbols, habits, principles, traditions, policies, values and beliefs that forms the structure of its operating system Denison (1990); Morgan (1997); Chilla et al. (2014), and steers its workforce to mentally and emotionally behave in a particular direction (Schein, 2011; Chilla, et al., 2014). It is this structured system of collective sense - “innovation and risk-taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness and stability,” which differentiates
and defines one organization from the other (Collins & Porras, 2005; Forehand & von Gilmer, 1964). Hofstede (1984), defined culture as “the collective programming of the mind which distinguishes the members of one human group from another”. He also acknowledged the chief dimensions of culture that shape work practices in different countries as “power distance, uncertainty avoidance, individualism vs. collectivism, masculinity vs. femininity and long vs. short-term orientation”. There are two types of culture that prevails in an organization namely, strong and weak organizational cultures. Strong culture hints at presence of employees having same wave lengths; whereas weak culture is characterised by individuals possessing different beliefs and values (Agwu, 2014). Culture characterizes the persona of an organization majorly influencing employee satisfaction and organizational success (Balthazard et al., 2006). It is referred to as the “social glue” that binds an organization (Trevino & Nelson 2021).

According to Nelson & Quick (2007), there are four main functions performed by organizational culture namely; offers a sense of individuality, boosts dedication, strengthens organizational values and acts as a control apparatus for influential behaviour. It has the prospective to boost workplace performance, contentment level of employees and a sense of belief about problem solving (Kotter, 2008). A strong organizational culture increases chances of success of an organization by mainly performing three main functions, as described by Ojo (2009):

- “Control System: organizational culture is a deeply embedded form of social control that influences employee decisions and behaviour. Culture is pervasive and operates unconsciously.
- Social glue: organizational Culture is the “social glue” that bonds people together and makes them feel part of the organization’s experience. Employees are motivated to internalize the organization’s dominant culture because this helps fulfill their need for social identity. This social glue is increasingly important as a way to attract new staff and retain top performers.
- Sense making: organizational culture assists the sense-making process. It helps employees understand what goes on and why things happen in the company. Organizational culture also makes it easier for them to understand what is expected of them and to interact with other employees who know the culture and believe in it (Ojo, 2009).”

Organizational culture, whether strong or weak, also impacts employee development. Ogden (2007), has concluded that job stressors, which include work pressure, ambiguity in role, add to work-life imbalance. A healthy organizational culture is also synonyms to a healthy employee (Montgomery, 2006). Employee development can be summarised in the words of Hillier et al. (2005): “Creating and generating wellness at work involves a balance between healthy performance, a sense of purpose, effective and inclusive communication and work-life balance” (Hillier et al., 2005). Employee development as noted by researchers is seen as source of motivation, recognition, creativity, independence, self-management, recognition, encouragement, flexibility, team dynamics, and leadership (Ólafsdóttir, 2008; Twumasi-Ankrah, 2012; Thomas & Ganster, 1995). This paper will look at mental and psychological well being of employees as part of employee
development in an organization. However, there is scarce material and research available in this context. Keeping these points in mind, this research aims to explore the relationship that exists between organizational culture and employee development (Suardiana, 2016; Laksana, 2016).

Objectives

Organizational culture is a set of norms, beliefs and practices that sets an organization apart from the other. It is these defining practices that helps an individual employee to grow, develop and prosper or leads to burnout and fatigue. Keeping these aspects in mind, this paper aims to review the relationship between organizational culture and employee development. Second, the paper will analyse with the help of existing literature, significant impact if any of the effect of organizational culture on employee development. Third, to explore the psychological factors that support employee development in a healthy organizational culture (Wong, 2021; Suryasa, 2019).

Research Methodology

The study under consideration is conceptual in nature. On the basis of objectives of research, this study can be categorized as correlational in nature as it tries to establish relationship or dependence between the constructs under study namely, organizational culture, employee development, and psychological factors of individual wellbeing (Keng et al., 2011; Way et al., 2005). This research can be classified as fundamental or pure research as the study attempts to advance existing stock of knowledge about the subject. The work entails qualitative approach to research. The research makes use of secondary data by exploring extensive published material and online sources on the subject. Review of literature forms the basis of the research (Kalynychenko et al., 2021; Smith et al., 2018).

Organizational culture

Several scholars have defined Organizational Culture from time to time emphasizing on its importance and relevance. Kilmann et al. (1985), defined it as “shared philosophy, ideology, value, assumption, beliefs, hope, behavior and norms that bound the organization together”. Robbins & Judge (2012), saw it as “Common perceptions which are held by the members of an organization; a system of common meaning”, while George (2002), described it as “Informal design of values, norms that control the way people and groups within the organization interact through each other and with parties outside the organization.” Ravasi & Schultz (2006), describe it as “a set of shared mental assumptions that guide interpretation and action in organizations by defining appropriate behavior for various situations.” Tichy (1982), defined it as the “normative glue” that binds an organization in a whole. Schein (2011), observed organizational cultures to be a set of “shared philosophies, ideologies, beliefs, assumptions, expectations, attitudes, norms and values.” Kennedy (1982), defined it as “The way things get done around here” and created a model that works on an organizations efficiency to collect feedback, reward system, and the level of risk taken (Hayton, 2005; Garofano & Salas, 2005). Based on the said
factors, the organizational cultures were named as Work-hard, play-hard culture, Tough-guy macho culture, Process culture and Bet-the-company culture.

Aktaş et al. (2011), described the four types of organizational culture based on the Competing Values Framework (CVF). Competing Values Framework is considered to be the most dominant and expansively referred models in the field of organizational culture study. The framework is based on six organizational culture dimensions and four dominant culture types (Cameron & Quinn, 2011). Aktaş et al. (2011), summarized the different cultures as follows:

- "The Clan Culture: The clan culture is full of shared values and common goals, an atmosphere of collectivity and mutual help, and an emphasis on empowerment and employee evolvement. A kind of organizational culture where the sense of “family” is strongly exists. Teamwork is emphasized and leader’s role is as a mentor. The organization’s focus is to maintain its stability. Loyalty, cohesiveness and participation are highly regarded in setting the criteria of success.
- The Adhocracy Culture: The adhocracy culture is like a temporary institution, which is dismissed whenever the organizational tasks are ended, and reloaded rapidly whenever new tasks emerge. Adhocracy is an organizational culture which gives a lot more opportunity for individuals to develop in their own way, as long as they are consistent with the organization goals. Leaders are characterized as entrepreneurs who are driven by innovation and findings of new ideas. Organization’s focus is to gain opportunity as much as it can be from the external environment. Individuals will be considered a succeeded persons if they can create and develop new ideas and innovations.
- The Market Culture: The market culture focuses on the transactions with the environment outside the organization instead of on the internal management. The organizational goal is to earn profits through market competition. Market culture is a type of culture which stresses on the effectiveness on goal achieving. Competition is a common condition among individuals in order to develop them, which cause less flexibility in personal relationship. Criteria of success are based upon target achievements by individuals, which usually conducted from activities that connect the organization with its market or stakeholders (external parties).
- The Hierarchy Culture: The hierarchy culture has a clear organizational structure, standardized rules and procedures, strict control, and well defined responsibilities. This culture can be simply identified through the domination of rule, system and procedure. Stability inside the organization is a prime orientation which should be maintained through a set of fixed and tight rules. Criteria of success are based on how far the individuals can do their tasks correctly based on the procedure and in the same time able to maintain the stability in the system (Aktaş et al., 2011)."

Employee development

Employee development is a critical function of Human Resource Management. Vaught et al. (1985), defined employee development as “any individual or organizational activity that, through increased learning, contributes to both
personal and organizational objectives” (Vaught et al., 1985). Development focuses on enhancing the knowledge and skills of workforce so that they will be equipped to undertake new responsibilities and challenges. It is an attempt towards broadening the horizon of an individual’s acumen for future responsibilities (Snell et al., 2010). Employee development is considered to be the key driver of value growth in any organization (Mayo, 2000). It is also referred to as the “intangible assets” of an organization. Additionally, the concept of employee development by Greenberg & Baron (2003), adopted as “The set of processes that arouse, direct, and maintain human behavior towards attaining some goal” (Martin & Siehl, 1983; Gregory et al., 2009).

Role of organizational culture in promoting employee development

There are several factors that play an integral role in enhancing employee development. The way the culture of an organization works helps in boosting the morale of the employees. It helps in restoring a healthy work environment where the employee’s feel loved and appreciated (Dachner et al., 2021; Wong et al., 2013). Their hard work is recognized and compensated accordingly. A healthy organizational culture also boosts the wellbeing of an individual which directly leads to overall development of an employee. Numerous factors that play significant role in building overall development of an employee are as follows:

- Creativity of an employee towards his work is one of the markers of psychological development and an employee’s interest towards his work. While defining creativity Haner (2005), referred to it as “a component of organizational creativity, often referred to as “invention” (Haner, 2005). Shalley (1995), defined individual creative behavior as:
  - “Developing solutions to job-related problems that are judged as both novel and appropriate for the situation” (Shalley, 1995). Emphasizing the importance of creativity in an individual for an organization, Amabile (1988), stated that, “Individual creativity and organizational innovation are closely interlocked systems. Individual creativity is the most crucial element of organizational innovation, but it is not, by itself, sufficient” (Amabile, 1998).
  - Thus, creativity helps in approaching a problem in a novel way that benefits the organization in the long run. Creativity is boosted by the culture of an organization; helpful and supportive organization fosters creative and vice-a-versa.

Ability to use one’s creative skills creatively to produce desired results or unique ideas or solution to a problem is dependent not only on an employee’s creative instincts but also on the amount of motivation he gets from the culture of his organization to exercise his skills. Latham & Pinder (2005), defined motivation as motivation is a psychological process resulting from the interaction between the individual and the environment.” (Latham & Pinder, 2005). Amabile (1998), in contextualizing creativity of an employee referred to extrinsic and intrinsic motivation. Motivation, whether external or internal in general helps to keep an individual going. In her theorization Amabile (1998), found external motivation to be easy and ongoing. Organizational culture plays an important role in boosting motivation with the help of fringe benefits and rewards and promotions (Benabou
Abraham Maslow’s hierarchy of needs theory also supports individual motivation and relates it to the state of self-actualization. Theorists and researchers in support of extrinsic motivation are also of the opinion of it being morale booster for employees. Twumasi-Ankrah (2012), provided evidence of works that supports external motivation:

“George & Zhou (2002), concluded that perceived rewards for creative performance acted as a moderator on the positive link between negative mood and creative performance. The rewards they identified seemed to be extrinsic, although not contracted, made of pay raises and promotions. Tellis et al. (2009), found in their multinational study that; incentives for enterprise (innovation, new business creation) were important practices that allowed engendering and sustaining radical innovations” (Twumasi-Ankrah, 2012).

Constant support and encouragement that an employee receives from his team and management are also crucial for his mental wellbeing and performance. They receive support and encouragement in the following ways; non-specific organizational support Anderson et al. (2004); Basadur & Gelade (2006), support from management in general and executive management in particular (Amabile, 1998; Andrew et al., 2008).

Recognition of one’s efforts and its subsequent appreciation within and outside the team are important boosters that lead to employee development. Recognizing the hard work and efforts made by an employee is an integral part of an organization’s culture that cares about growth and development of its workforce. While explaining the importance of recognition Twumasi-Ankrah (2012), explains, “The recognition is important and impactful when it comes from a peer, a supervisor, a senior executive, a respected industry authority, and the more public it is Taylor (1990), claimed that individual recognition is more important than salaries, bonuses, or promotions” (Twumasi-Ankrah, 2012).

Conducive work environment created by an organization also plays a vital role in developing an employee. Team related activities like team cohesion, trust and openness, supportive presence of coworkers, team support, internal communications, and play and humor all contribute towards better employee performance and development in an organization. Tata & Prasad (2004), found that “Work teams change the way people interact and work in organizations”. Isaksen & Lauer (2002), in their studies gave immense importance to “respect, communications, clear roles and responsibilities, freedom to develop ideas, —play hard, work harder!, reaching the goal, enthusiasm, commitment; comfortable discussing everything, brainstorming to improve others’ ideas without feelings of hurt; leading by example, encouraging new ideas, sharing best practices, leader provided guidance, support, encouragement, and secured support and resources from outside the team; common, clear, compelling, open, and challenging goals” as markers of employee development supported by organizational culture (Twumasi-Ankrah, 2012). Management studies “suggest that teams with high levels of self-management may be more effective in organizations where the authority to make decisions on task performance is distributed, and in organizations with fewer explicit rules, policies and procedures” (Tata & Prasad, 2004).
A great team and conducive work environment result from right leadership. Researchers like Oldham & Cummings (1996), postulated that leadership is prominent aspect of the work environment for employees. Goleman (2017), stated the benefits of having a flexible leader. He claims that “a leader who demonstrates an authoritative, democratic, affiliate and coaching style will greatly benefit the workplace climate and thus the performance amongst the members” (Goleman, 2017). Goleman (2017), further stresses upon the importance of authoritative leadership style by claiming it to be highly effective for organization as well as individual. He says, “The overall result of this leadership style is highly committed employees who ultimately receive their motivation from the overall success of the organization. The leadership style additionally constitutes flexibility, this means the leader assures his or her final say in important matters but also allows leeway for employees to be independent in terms of innovation and creativity” (Goleman, 2017). Adding additional information about affiliate leadership style, he opines, “to a great deal revolve around the individuals’ part of the organization. This leadership style is considered highly flexible, high in trust, and allows innovation and risk-taking” (Goleman, 2017). Table 1, summarizes the factors that are instrumental in development of an employee and are created because of the positive and supportive work culture of an organization.

Table 1
Factors promoting employee development

<table>
<thead>
<tr>
<th>Factors promoting Employee Development</th>
<th>Researchers</th>
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<tbody>
<tr>
<td>Creativity</td>
<td>Haner (2005); Shalley (1995); (Amabile, 1998).</td>
</tr>
<tr>
<td>Motivation</td>
<td>Latham &amp; Pinder (2005); Benabou &amp; Tirole (2003); Amabile (1998); Twumasi-Ankrah (2012).</td>
</tr>
<tr>
<td>Recognition</td>
<td>Twumasi-Ankrah, 2012</td>
</tr>
<tr>
<td>Team Dynamics</td>
<td>Tata &amp; Prasad (2004); Twumasi-Ankrah (2012); Isaksen &amp; Lauer (2002)</td>
</tr>
<tr>
<td>Leadership</td>
<td>Oldham &amp; Cummings (1996); Goleman (2017)</td>
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</table>

**Conclusion**

Organization culture is the adhesive that binds an organization together, supporting its growth and the well being of its employees. It has been widely studied as an important component for survival of an organization. Besides, forming the structure for operating an organization it also ensures long term productivity and growth (Lemon & Sahota, 2004; Ellinger et al., 2008). Organizational culture provides a healthy work environment for ensuring development and mental well being of its employees. It believes in fostering prosperity that helps the individuals as well as the organization. Referring to the existing literature on the subject and various studies conducted by researchers, it is evident that a strong and healthy work culture in an organization supports employee development. Strong organizational culture is directly responsible for positive employee development. Development of an employee takes into account his / her psychological health and professional health by providing them with a support system that understands, acknowledges, respects, motivates, encourages to be creative and constructive at work (Berson et al., 2005; Alvesson, 2011;
It also takes financial and promotive measures like bonus, rewards and promotion to keep the employees motivated and engaged. Thus, it can be concluded by saying that organizational culture is key to employee development. Stronger the culture, happier and satisfied the employees; whereas weak the organization, dissatisfied and unhappy the employees. Unhappy employees also leaves the organization, whereas satisfied and dedicated employees stay for long with the organization and becomes instrumental in the growth of the organization.

References


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