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Role of organisational culture in attaining organisational competitiveness

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Abstract

In the few decades, a significant development in the competitiveness of professionals in all industries has been observed. In the pursuit of service excellence, improved efficiency, profitability, and competition between companies have a significant impact on the members of the organization to instill a sense of competitiveness. The challenge of remaining competitive, highly innovative and responsive to dynamic customer needs has led companies to pay particular attention to culture as a key foundation for their survival and sustainability. Therefore, leading companies pay special attention to culture as a source of competitive advantage and as a basis for employee attitudes towards innovation, leadership, management and overall performance. For these companies, culture is seen as the root for gaining competitive business advantage and the stepping stone for meeting increasing dynamic market demands both locally and globally. Organizational culture gives organizations identity and personality and is considered an asset that cannot be imitated by competitors. It is the culture that provides the fundamental framework that governs operations, systems and management practices. This paper explains how organizational culture plays an important role in achieving organizational competitiveness. This paper is based on empirical literature and scientific evidence, the paper examines cultural elements that are crucial for the competitiveness of organizations. The model emphasizes the need to identify relevant resources and competencies and integrate them into organizational culture practices in order to achieve the desired level of competitiveness.

Keywords: Organizational culture, organizational competitiveness, organizational management

Introduction

The term culture denotes the beliefs, values, norms, customs, art, morals, knowledge and expectations shared by a group of people. Culture has also been defined as a set of socially constructed meanings that shape the behavior of people in a particular group of people or society. In management, culture has gained importance as a determinant of the performance and competitiveness of organizations. In terms of organizational culture, this is broadly described as a group of people in an organization who possess values, beliefs, norms, cognitive patterns, and expectations that shape their behavior and determine the outcome of their activities and practices. The overall value system determined by the organizational culture orchestrates the behavior, prepositions, processes, speed and outcome of organizational performance and competitiveness.

Organizational culture is considered as an organizational capital and core competency that develops compatibility between an organization's and people's values associated with "organizational performance" [1]. Cameron and Quinn define organizational culture as "the values, beliefs, and hidden assumptions shared by members of the organization" [2]. The process of beliefs, habits, values, and behaviors that shape the behavior of individuals within an organization is referred to as organizational culture. Likewise, each association has something unique in its way of working, such as culture, technology, human resources, etc. This characteristic uniqueness distinguishes it from other organizations. Ahmed and Shafiq posit that "the only thing that really matters for leaders is to create and manage culture" [3]. Organizational culture is an essential contributor to effective company performance, as corporate culture establishes values, beliefs and systems of work that can guide and provide an appropriate environment for competitive sustainability. Organizational culture enables new learning to streamline work, and it can lead employees to understand the fundamental

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value of the organization and develop a shared understanding of organizational processes and goals in order to become more involved. There is also a strong belief that a focus on employee education, participation and talent management is critical to achieving the desired sustainable competitive advantage through organizational culture. From a study of 492 manufacturing plants in Wisconsin (USA) aimed at identifying best management practices, it was found that there is a strong relationship between organizational culture and the organization's competitive advantage. The study also found a strong relationship between certain cultural variables such as education, employee engagement and talent management, all of which indicate high performance. This argument was first advanced by Denison (1990) who pointed out that companies or organizations with excellent training programs, participation and talent management demonstrate high levels of engagement, ownership and accountability among employees, making them key indicators of corporate culture [4].

Organizational competitiveness can be described as any factor that enables a company to differentiate its product or service from its competitors to increase market share. Finance capital brought organizational competition in the last century because it was a relatively scarce commodity. But financial capital is no longer scarce and technology is easy to imitate. These resources continue to bring benefits, but they are no longer able to maintain that benefit. In this decade, only people can maintain a company's competitive advantage. Because humans potentially have three aspects that can bring lasting advantage: the ability to create rarity, value, and inimitability.

The concept of organizational competitiveness is not new in the business world as it has gained prominence in the second era of the 21st century. Customer satisfaction is only achieved when the company or organization is able to create economic value superior to its competitors. When there are no barriers to entry in an industry, it is easy for competitors to gain an advantage and eat away at profits. This temporarily makes the organization competitive and if the company is not careful, it can easily lose to the competition. On the other hand, outcomes arise when the company is able to maintain some type of barriers to entry, making competitors less attractive or unable to compete with or imitate offerings [5].

There are some factors such as location, size and access to resources that affect the organization's competitiveness, it is the ability to build distinctive competencies that set it apart from other competitors or withstand external pressures [6]. These competencies include both tangible (buildings, assets, machines, etc.) and intangible resources (skills, experience, knowledge) and carefully combining them to transform materials into finished products that are inexpensive, valuable, and deemed satisfactory to customers [7].

The main resources associated with organizational competitive advantage are organizational resources, human resources, and physical resources. But even with these resources, distinguishing between core competencies and maintaining them remain a major threat to medium-sized and growing companies.

Competitive threats have left these companies vulnerable, and they must constantly rethink, innovate, develop new business strategies and reinvent business models that will ensure they retain their leadership positions now and into

the future. A buffer against the threats is a strong, well-rooted and developed corporate culture.

There is also a strong belief that in order to achieve the desired level of organizational competitiveness, organizational culture must focus on employee training, participation and talent management [8].

Conclusion

Management and cultural scholars now agree that a strong organizational culture is the basis of an organization. Organizational culture is also associated with clarity and less ambiguity and uncertainty in decision making, leading to maximum return on investment and high profits. An organizational culture that leads to the sustainable competitiveness of the organization must have the characteristics of being valuable, rare, inimitable and irreplaceable. Organizational culture becomes a source of competitiveness and superior financial performance when it remains unique and not easily accessible, manipulated or modified, traits that cannot be ignored in the modern, ever-changing business world.

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