

## Corporate culture: definition and background

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### Abstract:

Corporate culture is a widely used term but one that seems to give rise to a degree of ambiguity in terms of assessing its effectiveness on change variables in a company or organisation. 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 (Schein, 2004). Watson (2006) emphasises that an important trend in managerial thinking in recent decades has been one of encouraging managers to try to create strong organisational cultures.

Corporate culture is the characteristic and the tangible personality originated inside every organization. Even If we are not familiar with companies like Starbucks, Google or WWF. Their names represent the taste of their workplaces, the attitude, the unwritten protocol of interactions and the company values. As well as, organisational culture is unexpectedly tangible because its linked with corporate communication. It can be deliberately designed and leveraged.

This study reviews evidence that shows why managing culture as an important element of corporate identity is important to effectively enhancing company performance. Based on what we mean by

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corporate culture, its types and its background linked with corporate communication.

**Keywords:** Organisation; Culture; Corporate culture; Communication; Algeria telecom.

ملخص:

يستخدم مصطلح الثقافة التنظيمية على نطاق واسع ولكن يبدو أنه يؤدي إلى درجة من الغموض من حيث تقييم فعاليته في متغيرات التغيير في شركة أو مؤسسة. على مدى العقود الماضية، فاقترح معظم الأكاديميين والممارسين الذين يدرسون المنظمات أن مفهوم الثقافة هو المناخ والممارسات التي تطورها المنظمات حول تعاملها مع الأشخاص (Schein, 2004). يؤكد واطسون (2006) على أن الاتجاه المهم في التفكير الإداري في العقود الأخيرة كان يشجع المدراء على محاولة خلق ثقافات تنظيمية قوية. ثقافة الشركة هي السمة المميزة والشخصية الملموسة التي نشأت داخل كل منظمة. حتى لو لم نكن على دراية بشركات مثل Starbucks أو Google أو WWF. تمثل أسمائهم طعم أماكن عملهم، الموقف، والبروتوكول غير المكتوب للتفاعلات وقيم الشركة. بالإضافة إلى ذلك، فإن الثقافة التنظيمية ملموسة بشكل غير متوقع لأنها مرتبطة باتصال المؤسسة. يمكن تصميمها والاستفادة منها. تستعرض هذه الدراسة أهمية إدارة الثقافة التنظيمية كعنصر مهم في هوية المؤسسة لتحسين أداءها بشكل فعال. بناءً على ما نعينه بثقافة المؤسسة وأنواعها وخلفيتها المرتبطة بالاتصال المؤسسي.

الكلمات المفتاحية: المنظمة؛ الثقافة؛ الثقافة التنظيمية؛ الاتصال؛ اتصالات الجزائر.

## 1. INTRODUCTION

How we understand institutions, organizations and companies as systemic bodies that are crossed by different interests, plans, and contexts (ascribed to the conjunction of interest groups in a close, voluntary relationship with shared objectives) defines the relevance of Corporate Communication Management to those processes. Since "the results of communication are not always observed in the short term" (D Apolo, V Báez and others, 2017:9), and building experiences and relationships takes time, we should not consider communication as a kind of instrument. The discipline should instead be treated as a strategic analytical process that allows users, based on measurement

and evaluation, to establish continuous improvement frameworks that guide decision making in the "economic, political, business, social and cultural development" of real contexts.

Communication can be seen as "an integrative methodology" that generates results within social groups. For that, the corporate communication is divided in two: Internal and External Communication. The first works in the conception and development of corporate culture, that is, the ideas and qualitative concepts that define the organization. The second is responsible for managing the image that the company wants to offer to the market or society. In both cases cooperation is key to achieving profitability objectives." In another hand corporate communication concerned by the management of three categories which are: identity, image, and reputation.

The first category, which is corporate identity, which is introduced as a type of relationship between the institution and the members that compose it. According to Capriotti (2009), this process consists in taking into account corporate philosophy **and culture** and how their management contributes to the "commitment of the collaborators, stimulates the generation of ideas and encourages the achievement of objectives" (D Apolo, V Báez and others, 2017: 10).

Capriotti (1999: 23) identifies two components for the understanding of corporate identity, culture and corporate philosophy: "The first of these is the "soul and represents "what the organization really is, at this moment." The second one, on the other hand, is "mind," and represents "what the organization wants to be". Indeed this intervention focus on the first element, culture or (soul) in way to understand his importance in an organization. For that we try to answer the following problematic question:

**Research Problematic:** what is a corporate culture? In addition, how the communication approach may distinguish its background?

### **1. Definition of corporate culture:**

In order to achieve their goals, organizations are driven by their own kind of culture known as 'corporate culture', which has significant influence on member's attitudes and behaviors. Bateman and Snell (1999) observed that a company's culture provides a framework that organizes and directs people's behavior on the job. Corporate culture impact individual behavior on what it takes to be in good standing and directs the appropriate behavior for each

circumstance. Hills and Jones (2003) **defined corporate culture** as the “specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization”.

Most authors also agree that corporate culture refers to the set of values, beliefs and behaviour patterns that form the core identity of an organization. Based on the definitions above, one can safely say that corporate culture refers to predominant system of beliefs, values and norms, held by members of an organization, which is passed on to new comers. Culture seems to determine things like loyalty and commitment, how employees work and how far they are prepared to take risks. It is also the organizationally induced collective ‘mental programming which all members of the organization share.

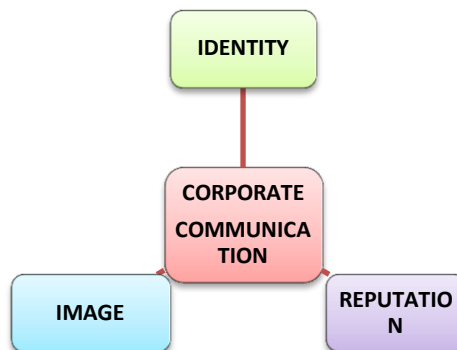
Corporate culture, then, is made up of more ‘superficial’ aspects such as patterns of behavior and observable symbols and ceremonies, and more deep seated and underlying values, assumptions and beliefs. Some proponents argue that corporate culture can be changed by focusing on the more visible aspects such as rites and rituals, as these help shape behavior. However, others argue that this is a misunderstanding of culture and that the ‘deeper’ aspects of culture such as beliefs and feelings must be taken into account when considering corporate culture and potential changes to culture.

## 2. Background of corporate culture from communication approach:

As we have seen above, corporate culture is driven from the corporate communication as one category among the other. What it is shown in the following schema:

**Figure 1. Categories for Corporate Communication management**

Source: adapted from Capriotti (1999) and Costa (1995 and 2012)



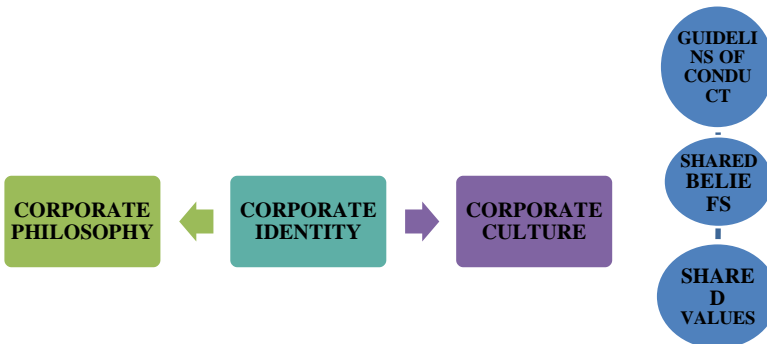
To address each of these categories we must understand the elements that comprise them. Together, they allow us to gather relevant data for measurement and decision-making that will eventually define research design and our subsequent proposal for the Corporate Communication management plan. However, in our study, we have to focus only on the first category. Which is corporate identity; in that, we have to define its different elements: philosophy and culture, then we are going to study the second one “corporate culture”.

### 2.1. Corporate Identity (CI)

Corporate identity is constituted as much in the daily life of the institution as in their stakeholders. It presents an approach that goes beyond the meaning of ‘corporate identity’ derived from graphic design. Linking Villafañe (2008) and Scheinsohn (2009), this depends not only on the institution’s organizing structure, but how it seeks to be recognized by its stakeholders. It includes the "history of the organization, its beliefs and philosophy, the type of technology it uses, its owners, its people, the personality of its leaders, its ethical and cultural values and its strategies". But above all, it seeks to clearly, coherently and concisely express "the overall strategy of the company ... all its manifestations, productions, properties and actions" (D Apolo, V Báez and others, 2017: 11), allowing it to focus not only on producing messages, but also on its relationship with its stakeholders and their interests. These are the different component of corporate for understanding corporate identity, philosophy and culture:

**Figure 2. Components of Corporate Identity**

Source: adapted from Capriotti (1999: 2. 3)



According to what we have seen above in the schema (figure 2), corporate identity is divided into components: corporate philosophy and corporate culture. Nevertheless, in this study we are going to concentrate on the second one, which is corporate culture as essence of an organization.

### 2.1.1. Corporate Culture:

According to Capriotti (1999: 24), corporate culture is "the set of beliefs, values and behavior patterns, shared and unwritten, by which the members of an organization are governed, and that are reflected in their behaviors." This is how each stakeholder assigns a meaning to the institution according to his or her experience, and gives makes it relevant to his or her own daily life.

**Table 1. Elements of corporate culture**

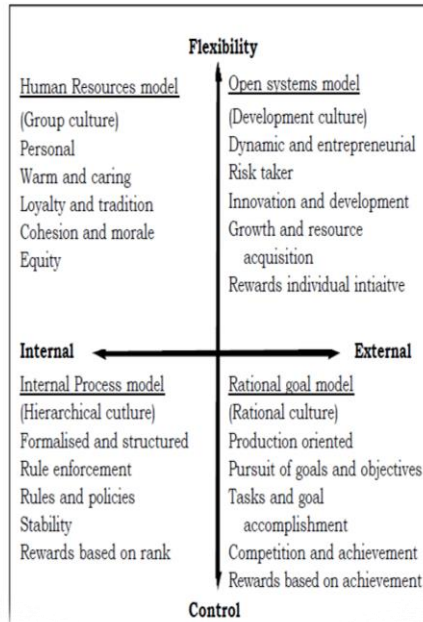
SHARED BELIEFS	SHARED VALUES	GUIDELINES OF CONDUCT
<p>“The set of basic assumptions shared by members of the organization regarding its different aspects and issues. They are invisible structures, unconscious and assumed as pre-established”.</p>	<p>“The set of principles shared by the members of the organization in their daily relationship within it. They have a higher degree of visibility than beliefs, but are not clear or obvious”.</p>	<p>“Models of behavior observable in a wide group of members of the organization. They are visible and manifest aspects of corporate culture, which express its beliefs and values”.</p>

Source: adapted from Capriotti (1999: 24-25)

### 3. The types of corporate culture

It is important to note that there is not just one corporate culture. It is widely recognized by the academic literature that different organizations have distinctive cultures. Also, there may be more than one culture within organizations. One classification of culture types is proposed in Bradley and Parker’s (2006) Competing Values Framework (CVF). (see Figure 3).

**Figure 3 The Competing Values Framework of Corporate Culture**



Source: cited in Bradley and Parker(2001) and adapted from Zammuto and Krakower (1991)

The CVF has been used in a number of studies to investigate organizational culture (e.g. Harris and Mossholder, 1996). The CVF examines the competing demands within organizations between their internal and external environments on the one hand and between control and flexibility on the other (Bradley and Parker,2001). These conflicting demands constitute the two axes of the competing values model. Organizations with an internal focus emphasize integration, information management and communication, whereas organizations with an external focus emphasize growth, resource acquisition and interaction with the external environment.

On the second dimension of conflicting demands, organizations with a focus on control emphasize stability and cohesion while organizations with a focus on flexibility emphasize adaptability and spontaneity. Combined, these two dimensions of competing values map out four major ‘types’ of organizational culture revealed in theoretical analyses of organizations (Zammuto, Gifford and Goodman, 1999):

**1. The internal process model** involves a control/internal focus in which information management and communication are utilized in order to achieve stability and control. This model has also been referred to as a ‘hierarchical culture’ because it involves the enforcement of rules, conformity, and attention to technical matters. The internal process model most clearly reflects the traditional theoretical model of bureaucracy and public administration that relies on formal rules and procedures as control mechanisms.

**2. The open systems model** involves a flexibility/external focus in which readiness and adaptability are utilized in order to achieve growth, resource acquisition and external support. This model has also been referred to as a ‘developmental culture’ because it is associated with innovative leaders with vision who also maintain a focus on the external environment. These organizations are dynamic and entrepreneurial, their leaders are risk-takers, and organizational rewards are linked to individual initiative (Bradley and Parker, 2001, 2006).

**3. The human relations model** involves a flexibility/internal focus in which training and the broader development of human resources are utilized to achieve cohesion and employee morale. This model of organizational culture has also been referred to as ‘group culture’ because it is associated with trust and participation through teamwork. Managers in organizations of this type seek to encourage and mentor employees (Bradley and Parker, 2001, 2006).

**4. The rational goal model** involves a control/external focus in which planning and goal setting are utilized to achieve productivity and efficiency. This model of organizational culture is referred to as a rational culture because of its emphasis on outcomes and goal fulfilment. Organizations of this type are production oriented, and managers organize employees in the pursuit of designated goals and



objectives, and rewards are linked to outcomes. The importance of this academic understanding of types of culture is not that the types exist in any pure form in organizations. It is possible for organizations to display several cultural types. Rather, it is that such typologies help in our understanding of predominant cultures and thinking as to what re-balancing is needed if culture is to be shifted to support new practices and values.

#### **4. The function of corporate culture for an organization**

The main function of organizational culture is to define the way of doing things in order to give meaning to organizational life (Arnold, 2005). Making meaning is an issue of organizational culture, because organizational members need to benefit from the lessons of previous members. As a result, organizational members are able to profit from whatever trials and errors regarding knowledge others have been able to accumulate (Orla O'Donnell, Richard Boyle 2008).

Organizational culture also determines organizational behavior, by identifying principal goals; work methods; how members should interact and address each other; and how to conduct personal relationships.

Brown (1998, p 89- 91) states the following functions of organizational culture:

√ **Conflict reduction:** A common culture promotes consistency of perception, problem definition, evaluation of issues and opinions, and preferences for action.

√ **Coordination and control:** Largely because culture promotes consistency of outlook it also facilitates organizational processes of co-ordination and control.

√ **Reduction of uncertainty:** Adopting of the cultural mind frame is an anxiety reducing device which simplifies the world of work, makes choices easier and rational action seem possible.

√ **Motivation:** An appropriate and cohesive culture can offer employees a focus of identification and loyalty, foster beliefs and values that encourage employees to perform.

√ **Competitive advantage:** Strong culture improves the organization's chances of being successful in the marketplace.

In addition to the above functions, Martins and Martins also mention the following as functions of organizational culture:

√ It has a boundary-defining role, that is, it creates distinctions between one organization and the other organizations.

√ It conveys a sense of identity to organizational members.

√ It facilitates commitment to something larger than individual self-interests.

√ It enhances social system stability as the social glue that helps to bind the organization by providing appropriate standards for what employees should say and do.

√ It serves as a meaningful control mechanism that guides or shapes the attitudes and behaviors of employees.

These functions of organizational culture suggest that an organization cannot operate without a culture, because it assists the organization to achieve its goals. In general terms, organizational culture gives organizational members direction towards achieving organizational goals.

## **5. How to create and sustain corporate culture:**

The following discussion focus on how an organisation is able to create and sustain its culture.

### **5.1 Creating organizational culture**

The main source of organizational culture is the organization's leadership. Leadership in this context refers to the influential individuals, often the founders who have a major impact on the creation of the organization's early culture. According to Brown (1998, p 48) "in building their organizations founders tend to impose their beliefs and values about the nature of the world, organizations and human nature on other organizational participants". This suggests that the founders of the organization, created the organizational culture.

the founders of an organization follow the following ways in their process of culture-creation:

√ Firstly, founders only appoint and keep employees who think and feel the way they do.

√ Secondly, they indoctrinate and socialize these individuals to their way of thinking.

√ Finally, the founders' own behavior act as role model that encourages employees to identify with them, thereby internalizing their beliefs, values and assumptions.

Organizational culture is therefore, not created accidentally or spontaneously but through founders who have specific values and beliefs in their endeavor to realize their vision and goals.

## **5.2 Sustaining organizational culture**

In order to keep the organizational culture alive, the organization has to ensure that its culture is transmitted to organizational members.

Brown (1998, p 55 – 59) presents the following three basic stages in which organizational culture can be sustained in the organization:

### **5.2.1 Pre-selection**

The first stage of sustaining organizational culture is the pre-selection stage. The pre-selection stage is characterized by potential recruits who aspire to become members of an organization, who may make great efforts to learn about its history and culture (Brown, 1998). The selection process is also used by the organization to appoint individuals who will fit into the organization's culture; the values of such individuals should be consistent with those of the organization.

### **5.2.2 Socialization**

The socialization stage follows the pre-selection stage of sustaining organizational culture. According to Brown (1998, p 57) this stage can be described as the “enculturation process by which participants learn the culturally accepted beliefs, values and behaviors, so that they are able to act as effective members of the group”. This suggests that during the socialization stage, the organization helps new organizational members to adapt to its culture.

### **5.2.3 Incorporation/Rejection**

The incorporation or rejection stage is the final stage of sustaining organizational culture. It is through the socialization process that organizational members may be incorporated or rejected (Brown,

1998). Indicators that the individual member has reached full incorporation includes acceptance by the work group, understanding and acceptance of the organization's. On the other hand, rejection may lead to loss of key goals, values and assumptions; which ultimately create a crisis of identity for organizational members.

## 6. Methods of learning corporate culture:

Organizational members in a number of ways and methods can learn organizational culture. According to Brown (1998, p 10 – 30) the following ways have been identified to be methods of learning the organization's culture:

√ **Artefacts.** They refer to the total physical and socially constructed environment of an organization. Examples of artefacts include office space, equipments, rules, systems and procedures.

√ **Language.** It refers to the fundamental way in which the organization comprehends its world. Examples of language include jokes, metaphors, stories, myths and legends.

√ **Behavior patterns.** They refer to recurrent patterns of behavior, which are a feature of organizational life. These patterns include rites, rituals, ceremonies and celebrations.

√ **Norms of Behavior.** They refer to rules for behavior, which dictate what are considered to be appropriate and inappropriate responses from employees in certain circumstances. Such norms develop over time as individuals negotiate with each other in their attempts to reach a consensus on how to deal with organizational issues.

√ **Heroes.** They make success possible, provide role models and portray the organization to external constituencies. Heroes are the people who motivate other employees.

√ **Symbols and symbolic action,** these include words, objects, conditions, acts or characteristics of the organization, which mean something to organizational members. Typical symbols found in organizations include corporate logos, policies and products.

√ **Believes,** values and attitudes. Values are intimately connected with moral and ethical codes; they determine what people think ought to be done. Beliefs on the other hand, refer to what people think is and

is not true. Attitudes connect belief and values with feelings; they may be thought of as a learned predisposition to respond consistently in a favorable and unfavorable manner.

√ **Basic assumptions.** They are taken-for-granted solution to an identifiable problem. Basic assumptions guide organizational members' perception, feelings and emotions about things in the organization.

√ **History.** Culture is understood to be a product of the historical process.

The different ways described above, can be used to transmit organizational culture during the process of sustaining it.

## **2. Example about corporate culture of national company:**

### **Cas study : Corporate culture algerie telecommunication company as model**

This case interests to study the reality of corporate culture inside Algeria Telecom Company, among five head of employees as sample, by using survey to understand which corporate culture dwell in Algeria Telecom Company and its type and how the employees perceive the corporate culture and its importance. This empirical study is done on 23th January 2020 at 10h00 inside Directorate General for Algeria Telecom situated in National Road N5, five houses, Mohamadia, 16130 Alger's.

According to the investigation among the heads of some departments of directorate general for company about the reality of corporate culture and its importance inside them we have reached the following results:

#### **A. Values and communication as components of corporate culture inside Algeria telecom:**

- The values are the most vital component that formed corporate culture, which should be shared between employees and the head in one part and among employees in another part. So that, what is exposed by both the head of computer unit, and the one of network department who said " the values adopted by him as head are trust to employees and confidence to take decision in due to get their loyalty". (interview Maouda Tarek& Benyahi Djamel,1/2020)

- Almost all heads of employees don't have acquired training about how to communicate with their staff, although they either confirm the importance of communication inside company in due to understand each other and achieve the organisation's efficiency or they evaluate communication system as correct one generally. (interview Lefhoum sofiane,1/2020)

- The corporate language used inside Algerie telecom is clear, concise and specially technique such us ADSL, IP, NG BSS. That's facilitate communication among employees and heads they oversee them.

### **B. The Norms of corporate culture inside Algerie telecom:**

- The corporate culture of Algerie telecom lead to respect some common norms and tradition like culture diversity, No discrimination on race, gender or religion, in one hand and the respect of timing, schedule, orders and hierarchy in another hand. In the same time the members of Algerie telecom are forbidden to be late, don't assume objectives, and disappointment. (interview Benyahi djamel,1/2020)

- Actually Organisation inside Algerie telecom seems that is not stable because of complexity, ambiguity and frequent changes. So is what the interviewed declared the chiefs of workers.

- Few of chiefs of workers have an accurate vision about the theme of corporate culture which refers to the beliefs, and the determine of who company employees and manager interact (interview Maouda Tarek,1/2020). But every interviewed members confirm that Algerie telecom have a corporate culture which is characterised by seeking after corporate needs (offers/promotion), structured relations and censorship of system.

### **Conclusion**

Organisational culture is an important concept and a pervasive one in terms of its impact on organisational change programmes. The literature suggests an ambiguity in terms of the link with organisational performance as strong cultures have been shown to hinder performance (unadaptive) and there is also a problem of isolating the impact of corporate culture on performance.

The problems associated with the culture/performance linkage as we have seen in case study of Algerie telecom

company, inside company the chiefs workers don't distinguish how their performance and image perceived are affected by corporate culture dwell inside Directorate General for Algeria Telecom.

### **Annex 1: Survey destined to sample of head of employees in “Algerie telecom” company**

#### **Survey Questions :**

#### **Chapter 1: values and communication as components of corporate culture inside Algeria telecom**

1. What are the values you adopt as head of worker in your company to get the loyalty of the employees that you supervise?

2. Do you have acquired training about how to communicate with your staff?

Yes No

If its yes how do you benefit from that training?

3. What do you think about the communication system inside your company?

4. Is company distinguished by a specific language, which facilitates a communication process among its members?

Yes No

5. If it is yes is this language clear for every one?

Yes No

6. Give us some terms used inside your company, then explain them?

#### **Chapter 2: The Norms of corporate culture inside Algeria telecom**

7. What are the common things between the members of a company that we should respect?

8. What are the forbidding things that the company does not accept?

9. How do you see the organization inside the company?

10. What do you know about the subject of corporate culture?

11. According to you, does your company have a corporate culture?

Yes No

In both case, justify your answer?

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**2/ Interviews**

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2. Tenia Djamel, (21/1/2020), head help desk unit, in Directorate General for Algeria Telecom situated in National Road N5, five houses, Mohamadia, 16130 Alger's.
3. Benghali Djamel, (21/1/2020), head of computer unit, in Directorate General for Algeria Telecom situated in National Road N5, five houses, Mohamadia, 16130 Alger's.
4. Maouda Tarek, (21/1/2020), head of network department, in Directorate General for Algeria Telecom situated in National Road N5, five houses, Mohamadia, 16130 Alger's.