The Effect of Corporate Culture upon Ensuring Corporate Success: An Application

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Abstract

The main purpose of this study is to determine the effect of corporate culture on corporate success. This study consists of two main sections. The first section comprises the theoretical framework where culture, corporate culture, elements of corporate culture, and the factors of organizational success are described. As for second section, it is composed of the research part. The hypotheses in the research were tested on the staff of Prime Ministry General Directorate of Press and Information Office of the News Department. The employees are asked the survey questions in order for measuring each factor. The scale was applied onto a group of 50 people (n=50) and a reliability analysis was conducted. The data, which were obtained by a total of 50 survey forms, were tested with frequency, percentage, mean, standard deviation, chi-square and anova analyses. As a result of the research, no statistically meaningful relationship was found when the relationship between corporate culture and gender, age and education level was studied. It was observed that the only meaningful relationship among demographic data was the relationship of seniority with the corporate culture. It is clear that there is a meaningful relationship between corporate culture and corporate success.

Keywords: Culture, Corporate Culture, Corporate Success

Introduction

In the rapidly developing and changing world order, corporations are observed as orienting from classical manners of management towards different approaches with the effects of destructive competition and globalization.

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The most important element, which creates difference, of these approaches is "human" (Şahinyan, 2011: 1). It is impossible to think the systems with human in themselves by isolating them from culture, which is considered as one of the most important factors that make a person 'human'. Because humans are reflections of the culture in which they grow up and they carry their cultures to systems they create. With the combination of cultural reflections of people, cultures belonging to the system occur. As for cultures, they have the task of informative identity of systems. It is required to have knowledge about their culture in order to know the past recognize the present and predict the future of people, groups, organizations, societies, and states (Sucubaşı, 2008: 6). As societies, organizations also have aims, perspectives towards work life, values, principles, that is, characteristics unique to them. Therefore, it can be stated that the set of beliefs, understandings, and rules shared by the entire staff of an organization make up corporate culture (Öz Ceviz, 2009: 1).

Corporate culture plays a very important role in the lives of employees. Although some elements of corporate culture are visible, invisible elements of culture are an undeniable hidden power in terms of the fact that it shapes the behaviors of employees and their relationships with each other. If it is considered that an employee spends his 40-50 hours at work per week on average, it is almost impossible for a person not to be influenced by this power. In this case, a healthy and meaningful corporate culture would keep the employees happy and satisfied and would help them show beter performance. As the culture of an organization may adversely affect the future of company or its employees, a positive corporate culture contributes positively to personal and professional development of employees.

1.1. Corporate Culture

The word culture originates from the words Colere or Cultura, which mean "to plow, cultivate" in Latin (Kılıç, 2010: 8). According to Taylor, culture is a complex whole including knowledge, art, traditions, habits, and such, which human beings have learned (gained) as a member of a society (Sucubaşı, 2008: 7). Above all, for a culture to be formed, people must come together under some specific principles.

Just as each society has its own unique culture and culture differs from society to society, organizations operating in that society have their own cultures (Akıncı, 2003: 38).

Corporations are places that bring together people with different beliefs and values on common cultural platform for a particular purpose. The corporation's employees form organizational system by coming together for a common purpose along with their corporation's physical and financial elements. Organizational system is represented by the "corporate culture", which is the common name for all the values in which different beliefs, values, attitudes, behaviors, thoughts and ethics coexist within the organization (Öz Ceviz, 2009: 5). Corporate culture also reflects the recognization of that organization in that environment, its values, social standarts, its ways and levels of relationships with other organizations and individuals in surrounding environment. With this function, culture is one of the most important tools in connecting the organization to society and in determining its place, significance and even its success within society. However, each corporate culture carries the effects of social culture, in which it exists, and other organizational cultures with which it is in contact, and these cultures have contributions in their formation (Şahinöz, 2006: 64).

1.2. Features of Corporate Culture

Organizational culture is like the atmosphere in a room. Even if not written, it is breathed any time by anyone and depicts its effect at each unseen level. Many researchers consider corporate culture as an abstract environment. Whereas, if corporate culture exists, it must have certain definable and measurable mensions. We can mention 10 dimensions that form the core of business when they come together and that vary from business to business (Akıncı, 1998: 34):

- Individual Initiative: The degree of responsibility and independence that employees have, personal enterprise opportunities.
- Risk Tolerance: How employees are encouraged to assertiveness, being open to innovation, and risk-taking.
- Orientation: Clear objectives that enterprise offers to its personnel and the degree of performance that is expected from them.
- Integration: How departments are encouraged to work together and in a coordinated way.
- Management Support: The degree of open communication and support provided by superiors to subordinates within the organization.

- Control: The number of controls and regulations that apply in the organization and the amount of direct supervision executed for monitoring and controlling the behavior of employees.
- Identity: The degree of identification of members with the organization as a whole instead of their own working groups or their areas of expertise.
- Reward System: The degree of rewards (such as increase in wage and promotion) that are based on worker performance criterion without depending on such variables as precedence period or favoritism.
- Tolerance Shown to Differences of Opinion: How much of the conflicts arising from differences of opinion between the personnel or working groups.
- Communication Models: The degree of how much of organizational communication is limited by the hierarchy of official authority.

These dimensions give us information about the corporate culture by coming together and provide a basis for shared common areas that are owned by individuals about the organization; such as how works are carried out in the organization, the patterns of behavior expected from employees. This holistic approach, which ensures an understanding of corporate culture, also affects performances and work satisfaction of employees by having much effect in strong cultures. Actually, corporate culture is interested in not whether employees like these dimensions or not but how they perceive and understand (Akinci, 1998: 34).

1.3. Elements of Corporate Culture

According to studies, the elements of corporate culture are mentioned below (Şişli, 2012: 22; Bilegt, 2012:7; Demir, 2013: 77; Sucubaşı, 2008: 32; Bayram, 2011: 21-23; Köselecioğlu, 2012: 28-29; Sağol, 2013: 24) :

1. Values: They are the criteria that members of organization adopt in evaluating and judging events, situations, and behaviors. They are criteria, which show what is desirable in the organization and which are used in evaluation and judgment such as good and bad against events, situations and implementations.

According to Young (2000), they are the reasons why values, organizational events and phenomena must be as such, and they can easily be understood. For instance, rules, value statements, codes of ethics, etc.

2. Norms: Norms, which help social system to institutionalize and to strengthen, appear as legal rules and criteria governing attitudes, roles, and responsibility-taking of employees against the organization. While rewarding is formed as a result of acting in accordance with norms in norms protected by methods of reward and punishment, punishment is often formed as a result of behaviors that exist out of norms. When considered from this perspective, examining which behaviors are approved and which are not approved within an organization ensure to have a say about the norms of that organization.

3. Beliefs: The beliefs are values that indicate what to believe within the organization. For example, the belief that success will be achieved at the end of the work and that success will be rewarded shall create a motivating effect on employees. In a society, beliefs are more powerful and less flexible than values while they are not as widespread as values.

4. Leaders and Heroes: The leaders appear as people in the highest levels of management who contribute to the culture of the company, motivate the employees, and represent the company and its culture against others. As for heroes, they can appear at any level of the management. In order to be a hero, one must work rapidly, programmed and efficiently; however, this alone is not sufficient. Besides, giving from one's personality and time to his company above normal and dedicating is necessary. Organizations, the mini societies, create their own heroes as well.

5. Myths, Stories and Legends: The myths are exaggerated stories or tales, which frame realizable things and explain the beginning continuity and main purposes of group culture at the same time and which derive from legends, stories, preferences, and prejudices. Myth is also a communication tool that inserts a social group's or organization's values and promotion systems. When interesting events and stories regarding an organization's values, founders or people of different hierarchical levels turn into a meaningful message in time, they become myths.

Stories and legends are conveyors of culture that bear significance in terms of corporate culture and that generally result as a result of the slightly exaggerated transfer of events regarding the organization's past.

Stories and legends are important in terms of the fact that they act as bridge between past and present state of the organization. In addition, that stories and tales direct behavior of members of the organization can be stated as an important feature of stories and tales.

6. Customs, Ceremonies and Symbols: The symbols are the most detailed form of cultural elements in which special meanings are coded and which are shared by the members of an organization. The symbols can be verbal, behavioral expressions, and various physical images that form wealth of meaning, create excitement and direct people towards activities. Customs, rituals, and ceremonies have a very significant place in forming the culture of organization or strengthening the current one. Customs and rituals have some certain characteristics that differentiate them from other cultural elements. These are:

- Detailed pre-planned applications.
- □ They are conveyed via social interaction.
- Mostly, they are organized for the benefit of a specific audience.
- □ They result in several social consequences.

7. Language: Language, which is considered as "main element at the control stage of organizational results" by organizational behaviorists, was defined as "main management tool and a power" by administrative scientists and as an "administrative and organizational control device and system" by educational scientists. Language is an important cultural factor providing the transfer of corporate culture from one generation to another; it is a tool that enables communication between members of the corporation, gives information about the current culture and that plays a role in transfer of culture to new members. Language enables the continuation and survival of culture by fulfilling these functions.

8. Presumptions: Presumptions are the most basic elements of corporate culture, forming the bottom level of corporate culture and guiding the behaviors, perceptions and dreams of members of the corporation. Presumptions, as elements of corporate cultures, include basic interpretations about problems on human beings, organization and environment, which constitute the corporation and is shared by individuals and groups, about human relations and tendencies, and about the relationship between all these and the nature of reality and truth.

These interpretations become concrete in usage of time and place, works done, and the ways of their execution. As for the most important feature of presumptions, it is their being closed to discussion and being accepted without questioning.

1.4. Corporate Culture-Success Relation

Corporate culture is very significant in the development of the organization's mission and strategies, ensuring organizational effectiveness, and management of change. The identities of the ones working in companies with strong corporate culture are integrated with the corporate culture. Cultural elements fit together and depend on each other. The managers need less rules and regulations in order to direct behaviors of employees who adopted the corporate culture. The researches show that successful companies have a rich culture in terms of stories, slogans, anecdotes and mythology (www.ttefdergi.gazi.edu.tr, 2004: 8).

Characteristics that prepare the basis for culture can be listed as personal features, structure, support, identity, performance-reward, work tolerance, and risk tolerance. In each organization, these cultures are different. If an organization's strategy and culture are in harmony with each other, its management capability becomes high. Therefore, organizations would succeed as long as they define strategies that are compatible with their cultures. In various analyses made to determine organizational strategies, the structures of organizations are also focused on and these structures are discussed. Most part of these structural features must also be in line with strategies; in other words, strategies and policies that will ensure this parallelism must be adopted within the organization and be actualized (Şahinyan, 2011: 60-61).

It has been stated by various authors that there is a relationship between strategic successes of companies, their competitive advantages and their corporate cultures. These authors argue that "right" cultures, which are owned in below-stated subjects, are helpful in providing corporate success (Ülgen and Mirze, 2007: 383-384):

- Mobility and being ready for action: Always being ready and willing for application beyond making analysis
- Closeness to customers: Learning from customers and carrying out works in the way they give value to (qualified, reliable)
- Autonomy and entrepreneurship: Having independent leaders/managers with different opinions and giving importance to creativity within the company
- Productivity through people: Believing that labour will provide efficiency and believing in the philosophy of creating together
- Controller and value orientation: Having the knowledge that creates value in all areas of the company and being able to control.
- Making the known works where experience exists: The fact that companies operate in only their basic areas of business and doing what they know without getting involved in other areas
- Simple and low-level management structure: Simplicity and having horizontal structure in structural elements such as command, decision-making, etc
- Flexible and tight organizational structure: Having a decentralized structure in autonomy and product development and centralized structure in core values

2. Research

In this part of the paper, the purpose of the research, limitations, hypotheses, universe and sampling, data collection, evaluation methods, research findings and analysis have been mentioned.

2.1. Purpose of the Research

The purpose of this study is to define corporate culture and to reveal the effect of corporate culture on corporate success. With this purpose, in the survey study conducted on employees of General Directorate of Press and Information Office of the News Department, the aim of the research is to determine their levels of sharing thoughts about corporate culture regarding their organization.

2.2. Limitations of the Research

The research is limited to 50 people working at General Directorate of Press and Information Office of the News Department.

Despite this limitation, the obtained results are expected to provide significant clues to workers and managers of said sectors. The personnel in management and administrative staff in the said organization were taken into the scope of the research. Research findings reflect perceptions of the personnel, who work in the organization where survey was conducted, regarding the corporational applications on the date of survey. Reliability and validity of the data collected by questionnaire is limited to the features of this technique used in data collection. In the research, the level of meaningfulness of the relationship among perceptions of employees regarding various dimensions of corporate culture and the direction of the relationship were tested by grounding on age, age, education status, working hours and gender, which are of the demographic features of company employees. Due to the fact that the question regarding administrative duty and title of position, which is regarded among demographic features, was not answered by every employee, the question was omitted from the survey and this question was not included in data analysis and evaluation part.

2.3. Hypotheses of the Research

The hypotheses whose accuracy is desired to be tested are as follows:

- H₁: There is a positive relation between the company's corporate culture and and corporate success.
- H_{2.1}: There is a meaningful relation between corporate culture and gender.
- H_{22} : There is a meaningful relation between corporate culture and age.
- H_{2.3}: There is a meaningful relation between corporate culture and education status.

H_{2.4}: There is a meaningful relation between corporate culture and seniority.

2.4. Universe and Sample

The universe of this research is composed of 100 people who are the personnel of General Directorate of Press and Information Office of the News Department. As for the sample, it is 50 personnel. The fact that the sample consists of 50 % of the universe makes us think that it is adequate for reflecting the universe.

2.5. Methods of Data Collection and Evaluation

The survey, which was used as the data collection tool of the research, consists of two parts. In the first part, there are questions that collect information about the participant's gender, age, education status and work period in the firm. The second part is composed of 32 statements that were prepared by taking 5-point Likert scale as basis and aimed at measuring the participant's attitudes and behaviors about corporate culture and corporate success. Of the statements, eight statements regarding Corporate Success were taken from Öz Ceviz's study in 2009. Cronbach Alpha value of the statements related with Corporate Success was found as $\alpha = 0,916$. According to Özdamar (2002): "If the alpha coefficient is 0.60-0.80 the scale is quite reliable, and if the alpha coefficient is 0.80-1.00 the scale is highly-reliable one" (İra, 2004: 7). Therefore, the scale used in our study was found as highly reliable.

The scale was designed as 5-point Likert Scale in the way as (1) Strongly Agree, (2) Partially Agree, (3) Indecisive, (4) Partially Don't Agree, (5) Strongly Disagree. It was given points as 1, 2, 3, 4, 5 from Strongly agree to Strongly disagree. The scale was implemented on a 50-people group working at General Directorate of Press and Information Office of the News Department, and a reliability analysis of the scale was conducted.

2.6. Research Findings and Analyses

In evaluation of the data gathered from the survey, "SPSS for Windows 21.0" statistical software package program was made use of. Frequency analysis was used in the analysis of demographic data. Frequency values of statements formed to measure corporate culture and corporate success were calculated and the analyses of standard deviation, Chi-square and anova were performed.

2.6.1. Socio-Demographic Findings

Socio-demographic findings of organization's personnel participating in the survey are shown in Table 1.

Features	-	f	%
	Male	19	38,0
Gender	Female	31	62,0
	Total	50	100,0
	Ages 21-30	17	34,0
	Ages 31-40	22	44,0
Age	Ages 41-50	8	16,0
Aye	Age 51 and above	3	6,0
	Total	50	100,0
	High School	1	2,0
	College	2	4,0
Education Status	Bachelor's	29	58,0
	MA or Doctorate	18	36,0
	Total	50	100,0
Work Period in the Firm	Less than 1 year	16	32,0
	between 1-5 years	11	22,0
	between 6-10 yıl years	9	18,0
	between 11-15 years	8	16,0
	between 16 years	6	12,0
	Total	50	100,0

Table 1: Demographic Data

When the data about demographic features of the personnel taking the survey are examined; 19 male, 31 female personnel and 50 people in total participated in the survey. As seen in Table 1, Men make up 38 % and Women 62 % of the personnel taking the survey. 44 % of the personnel is in age range 31-40 and 34 % is in age range 21-30. When education statuses of the employees are viewed, more than 58 % has a Bachelor's degree and 36 % has a Master or PhD. As we examine the distribution about the employees' work period and seniority in the company, 32 % is less than 1 year, 22 % is between 1-5 years, 18 % is between 6-10 years, 16 % is between 11-15 years and 12 % is 16 years and above.

2.6.2. Findings Related with Corporate Culture

The relation between corporate culture and the corporate personnel's gender, age, education status and seniority was studied. The relation between the employees' answers to the statements of corporate culture and their gender, and the Chi-Square result is given in Table 2.

Table 2: Relation between Corporate Culture and Gender

	Value	df	Asymp. Sig. (2- sided)
Pearson Chi-Square	30,900 ^a	22	,098
N	50		

When we examine Table 2, Assymp. Sig. value is seen ,098. Within 95 % confidence interval, sig. value emerged over 0,05. As the value is p=0,098>0,05, no statistically meaningful difference between corporate culture and gender were found. The hypothesis "H_{2.1}: There is a meaningful relation between corporate culture and gender" was not accepted. Chi-Square value was designated as 30,900.

Table 3: Relation between Corporate Culture and Age

	Value		Asymp. Sig. (2- sided)
Pearson Chi-Square	61,149ª	66	,646
Ν	50		

When we look at Table 3, now that sig. value is 0,646 and p< 0,05 is not provided, no statistically meaningful relation was found. The hypothesis " $H_{2,2}$: There is a meaningful relation between corporate culture and age" was not accepted. Chi-Square value was designated as 61,149.

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	Value		Asymp. Sig. (2- sided)
Pearson Chi-Square	52,027ª	66	,895
N	50		

Table 4: Relation between Corporate Culture and State of Education

As we study the relationship between corporate culture and education status of the personnel, p value p<0,05 is above condition (p=0,895>0,05), no statistically meaningful relation was found between corporate culture and education status. The hypothesis " $H_{2.3}$: There is a meaningful relation between corporate culture and education status" was not accepted.

Table 5: The Relation between Corporate Culture and Seniority

	Value		Asymp. Sig. (2- sided)
Pearson Chi-Square	1,111E2ª	88	,048
Ν	50		

As also seen in Table 5, sig. value takes the value 0,048 below p<0,05, a statistically meaningful relation between corporate culture and employees' seniority was detected. Thus, the hypothesis "H_{2.4}: There is a meaningful relation between corporate culture and seniority" was accepted.

	-	Sum of Squares	df	Mean Square	F	Sig
Between People		381,500	47	8,117		
Within	Between Items	42,417	7	6,060	8,897	,000
People	Residual	224,083	329	,681		
	Total	266,500	336	,793		
Total		648,000	383	1,692		

Table 6: The Relation between Corporate Culture and Corporate Success

As also seen in Table 6, now that our H1 hypothesis provides p<0.05 (p=.000) value, it is statistically meaningful. The hypothesis "H₁: There is a positive relation between the company's corporate culture and and corporate success" was accepted (p<0, 05).

Conclusion

With this study, we have determined the participation rates of the personnel in General Directorate of Press and Information, which is a public institution, to ideas on corporate culture as a result of the questions asked, and the relationship between them and hypotheses. Statistical analyses show that there is not a meaningful relationship between corporate culture and age, gender and education status of employees in the company, but there is a meaningful relationship between corporate culture and seniority of the personnel. In this study, which has been conducted in order to determine the relationship between corporate culture and corporate success, the statement "there is a meaningful relationship between corporate culture and corporate success", the main hypothesis, was adopted. This result shows us that values of corporate culture have a significant value in increasing success of corporations. Studies on corporate culture depict that there are established behavirol measures, which indicate how employees should sct in companies with strong corporate culture. When successful companies are inspected, it appears that they have their own unique cultures. That the company and employees are integrated around same goals and values, a feeling of "us" exists, and employees have commitment to their companies are of general features of such companies. The success of companies is directly proportional to the success of organization's employees and their commitment to the organization. As for the employee success, it is bound to his adoption of the goals of organization accurately.

Corporate culture is that which will ensure this. With the understanding of corporate culture, rules, values and relationships within the company will be adopted and the behaviors will be oriented to the purposes of the organization. Creation of a strong corporate culture and its continuation in the same way would ensure the organization to be successful in the long term. The presence of a strong corporate culture would increase the empoloyees' confidence to both their companies and themselves and in this regard would affect their efficiency positively.

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