

LITERATURE REVIEW ON THE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND PERFORMANCE IN QATAR'S PUBLIC SECTOR ORGANIZATIONS

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Abstract: *The relationship that exists amidst organizational culture and performance has never been a straightforward task to decipher. This is illustrated in this approach to the research problem. The research problem stems from the fact that organizational culture in a company is very significant to the success of any organization. The basic assumption is that an appropriate and strong organizational culture with motivated employees who accept the goals of enterprise affects the success. In light of the fact that the Qatari public sector attempts to perform better, the literature review has only helped to expound why its performance needs to be studied with respect to organizational culture. Therefore, the purpose of this article is to examine the relationship that exists between organizational culture and performance by reviewing the available literature. The review of the literature probably concludes that organizational culture is regarded as being part of the most prevalent notions in management and organization theory. Organizational culture is not only a vital feature in any organization. It is usually the main reason for remarkable performance in an organization. One imperative issues in the organizational science is the reason behind the success of some organizations and the failure of others. Culture of the organization influences everything that an organization does. A number of studies have discussed the critical importance of the organizational culture on organizational performance. A thorough secondary (literature) review of multifaceted selected worldwide sources/authors., such as books, journal articles, internet sources, etc. was conducted. The literature review leads to the conclusion that organizational culture and performance have mutually reciprocating relationship. Strong organizational culture usually leads to high performance and overall profitability. The study's findings will warrant incorporation of integrated organization's cultural models in improving efficiency in the Qatari public sector.*

Keywords: *organizational culture; profit; cultural change; corporate culture; behavior; Qatari public institutions.*

JEL classification: *M21; O15; M14; L33.*

1. Justification

The significance of this study rests on the fact that the Qatari public sector strives to perform with high effective standards. This study aims to comprehend how present day public organizations approach the countless facets of organizational culture and determine the relationship between organizational performance and culture of the company. The research problem derives from the premises that the organizational culture in a corporation is very important for successful organizational performance. The basic assumption is that an appropriate and strong organizational culture with motivated employees who accept the goals of enterprise affects the success. For an organization, performance evaluation of its employees plays an important role in promoting the efficiency of employees' recruitment and induction. The data derived from the process of evaluation of performance can be used to inform the policies of development of organizations in helping them realize success. In the same way, the data on performance can be utilized in determining the most efficient strategies of employment (Pichler, 2012). The study's findings will warrant incorporation of integrated organization's cultural models in improving efficiency in the Qatari public sector.

2. Literature Review

The literature review helps to frame critical questions that need to be answered to account for improving the performance in the Qatari public sector. The theoretical aspect includes literature reviews through an internet search for e-books, official journals and publications of academic institutions. The most essential focus in this section is dealing with the theoretical features of organizational culture and the relationship amid organizational culture and organizational performance. According to Ilieş and Gavrea (2008: 322), the phrase 'organizational culture' was first used in an academic journal "Administrative Science Quarterly" by Pettigrew, in 1979. Organizational culture was used to explain the economic successes of Japanese firms over American firms by motivating workers who were committed to a common set of core values, beliefs and assumptions (Denison, 1984). A very significant reason that led to the interest in organizational culture is the postulation that some organizational cultures improved the financial performance of the organization.

Jones, George and Hill (1998: 285) explain that organizational culture as the set of values, norms, standards of behavior, and common expectations controls the ways in which individuals and groups in an organization interact with each other and work to achieve organizational goals. Supplementary theoretical development of the organizational culture concept includes research in the area of organizational theory. These researches have concentrated on comprehending and describing the culture of the organization of concepts by making use of typologies or arrangements, as explained below:

Deal and Kennedy (1982) recognized four basic types of culture to define organizational culture. They are the macho-man culture, bet your company culture, work-hard/play-hard culture and the process culture. Handy (1985) defined organizational culture by utilizing four categories of classification, which include power, role, task and cultures of people. Schein (1985) made use of three strata to describe organizational culture. They include values, relics and fundamental assumptions. Scholtz (1987) acknowledged five types of primary culture, i.e. anticipating, stable, exploring, reactive and creative. Hampden-Turner (1990) described organizational culture by making use of four culture types viz. role, authority, atomistic culture and task. O'Reilly, Chatman and Caldwell (1991) offered seven fundamental characteristics to explain organizational culture. They are attention to detail, innovation and risk taking, orientation to results, orientation of people, stability and aggressiveness.

In the literature, the typology of culture is often used as originally researched by Harrison, whose work was perfected and modified by Handy in 1979. It proved to be the most effective and best way for quickly and easily understanding of organizational culture in our region. According to this classification there are four basic types of culture: power culture, role culture, task culture and person culture. Handy assigns each of them a suitable symbol which with his personal qualities best reflects the characteristics of each type of culture. Power-oriented philosophy is a prominent feature of organizational culture model. In an organization, it is necessary to use the power to gain control and influence workers behaviour. Harrison and Stokes (1992: 14) describe this power-oriented philosophy as "an organizational culture caused by an unequal access to resources."

There is no lack of alternative ways that individuals might invest, including entirely different forms of organizations. Even if it is limited to corporate organizations, there are clearly alternative ways capital might be raised, i.e., through fixed claims of various sorts, bonds, notes, mortgages, etc. Moreover, the corporate income tax seems to favour the use of fixed claims since interest is treated as a tax deductible expense. Marris (1964)

Subsequently, Harrison and Stokes (1992: 15) explain role-oriented culture as "the substitution of a system of steps and procedures for the complete authority of the leader." This form of culture emphasizes more on job specialization and description. Consequently, the work is controlled by the steps and procedures specified in the job description. This is

far more significant than the person filling the position (Harrison, 1993). Harrison and Stokes (1992: 17) also described an achievement-based culture as "aligned culture that unites people behind a shared vision or goal". Aligned culture is often called task culture, which means that members of the organization focus on achieving the goal and objectives of the organization. Brown (1998: 67) explains that "the culture of task is one in which power is diffused, based on experience rather than on charisma or post". Achievement-oriented culture is different from support-oriented culture based on the fact that the former focuses on teams, as it encourages individuals as a focal point of the organization. Harrison and Stokes (1992: 20) outline support-oriented culture as an "organizational environment grounded on common trust amongst the individual and the organization". Therefore, support-based organizational culture is often called people-oriented culture.

Brown (1998: 69) explains that a support-based organization "exists only for people that compromise it and can be represented schematically as a group that no person single-handedly oversees". A number of studies have discussed the critical importance of the organizational culture on organizational performance. For example, Brown (1998: 226) is of the opinion that a strong organizational culture can allow an organization to achieve high performance due to the reasons mentioned below:

- Strong organizational culture eases alignment of objectives.
- Strong organizational culture increases employee enthusiasm level.
- Strong organizational culture is enabled to learn from its previous experience.

With regard to the above advantages of a robust organizational culture, Martins and Martins (2003: 382) argue that "a specific result of a strong culture must be less turnover of employee". This is explained by the fact that when the employees agree about the objectives of an organization, there is organizational commitment, cohesion and loyalty (Martins and Martins, 2003).

Weak culture, is consequently the opposite of a strong culture. Weak culture also translates to a lack of common beliefs, norms and values amongst employees in the organization (O'Reilly et al 1991). Members of the organization in a weak culture have difficulty identifying the objectives and goals of the organization (Wilson, 1992). Due to this, the different components or services of an organization encounter such different beliefs that do not necessarily meet the organization's core objectives.

Organizational culture is not just an important factor of an organization. It is the central driver of superior organizational performance. One of the important questions in organizational sciences is why some organizations succeeded while others failed. Culture of the organization influences everything that an organization does.

Some of these reformulation attempts have rejected the fundamental principle of maximizing behaviour as well as rejecting the more specific profit-maximizing model. We retain the notion of maximizing behaviour on the part of all individuals in the analysis Meckling, WH (1976). Performance of any organization is the most imperative issue in any company. These researchers have conflicting opinions on the performance that remains a controversial issue among the researchers of organization. The central question is the relevance of different approaches to the use of the concept and the measurement of organizational performance. Performance is a controversial issue within researchers of organization. For instance, Javier, referenced in Abu Jarad et al. (2010: 28-29), performance is corresponding to the famous 3E (efficiency, economy and effectiveness) of a program or activity. In the words of Daft (2000), the organization's performance is the organization's capability to accomplish its objectives by effective and efficient management of resources. Much like Daft (2000), the existence of competition in product and factor markets will not eliminate the agency costs due to managerial control problems as has often been asserted (Friedman, 1970) Ricardo and Wade (2001) definition of organizational performance is the organization's ability to accomplish its aims and objectives. The word 'performance' has sometimes been confused with productivity. According to Ricardo and Wade, cited in Abu Jarad et al. (2010: 28-29), performance is different from productivity. Productivity is a ratio of the amount of work

performed in a given time. Performance is a larger gauge that includes productivity, consistency, and quality amongst others. Performance should be wide-ranging, including effectiveness, economy, efficiency, consistency, quality and performance of policy. Organizational performance includes the output or results of an organization, in relation to the expected (objective) results. In light of the fact that the Qatari public sector attempts to perform better, the literature review has only helped to expound why its performance needs to be studied with respect to organizational culture.

3. Conclusion

A review of the literature probably concluded that organizational culture is one of the most popular concepts in the areas of management and organizational theory. One of the main explanations for popularity and interest in organizational culture stems from the argument or hypothesis that some organizational cultures improved organizational performance. Many researchers claim that an organization's performance depends on how widely the values of culture are shared.

The literature on organizational culture and performance revealed that organizations which know how to develop their cultures in an effective way most probably have the benefit of advancement in productivity and the quality of work life among the employees. Indeed, employees must absorb the organizational culture at the maximum strength and the top management should provide a precise guideline and direction to motivate the employees in achieving the objectives of enterprise.

In general, the literature on the culture of the organization is broad and diverse. Much of the wealth is based on the assumption of many researchers that organizational culture is linked to the performance of the organization. Although some researchers have questioned the universality of the link between culture and performance, there is insufficient evidence to prove that organizational culture is related with organizational performance. This research work tries to show the relationship between the organizational culture and the functioning of the institutions in the Qatari public sector.

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