Organizational Culture, Leadership, and Success: cultural characteristics of thriving organizations

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Thousands of businesses are started every day around the globe with few surviving the first few years; of these, only a handful achieves long-term success (Patil, Grantham, & Steel, 2012). A prosperous business is characterized by a number of factors such as strategic marketing (Brooksbank, Garland, & Werder, 2012), successful business networks (Besser, & Miller, 2011), shared vision, transformational leadership, advanced technology, product innovations, proactive operations (Liu, 2013), and so on. The foundation to such qualities is a healthy company culture coupled with culture-minded leadership. Unfortunately, to the detriment of organizations, many leaders often underestimate the importance and its key role in organizational success (Schein, 1996).

Organizational Culture Defined. Organizational culture integrates perspectives from social psychology, sociology, and anthropology. It is essentially "a pattern of basic assumptions that a group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration (Schein, 1983, p.14)." Subsequently, any new associates to a company are typically expected to fall in line with established beliefs (Schönborn, 2010).

Organizational Culture – An Organizational Practicality. An organization's culture determines how internal entities interact with and behave amongst one another and how the organization and its employees can reach out and connect with external forces (Nieminen, Biermeier-Hanson, &

Denison, 2013). In research and application, organizational culture was demonstrated to have an impact on job satisfaction, employee retention, organizational effectiveness (Azanza, Moriano, & Molero, 2013), organizational sustainability, employee perceptions (Aksoy, Apak, Eren, and Korkmaz, 2014), organizational collaborative network (Weare, Lichterman, & Esparza, 2014), ethics, underlying assumptions, organizational values, and norms of behaviors (Cambell & Göritz, 2014). Leaders who attempt to strategize and put in place modern management processes without thinking of a complementary organizational culture risk adverse effects on performance (Tabaghdehi & Salehi, 2015).

With a cost of turnover running from 70% to 200% of salary of each lost employee (Abbaspour & Noghreh, 2015), it is judicious for leaders to maximize retention by creating a culture that gives rise to happiness and motivation. Organizational culture and job satisfaction/employee retention have become a

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known and accepted association (Azanza et al., 2013), making it sensible for companies to keep turnover at a minimum by keeping employees fulfilled. In a study of 400 bank employees, Abbaspour and Noghreh (2015) showed that there is a compelling relationship between job satisfaction and organizational culture. Because shared values and beliefs ultimately drive employee commitments to one another and to the organization, the concept of organizational culture as practicality and reality needs to become a part of the mindset of management (Abbaspour & Noghreh, 2015).

Even though each culture is as unique as the works of individual artists, there are some shared underlying characteristics that leaders can consider promoting in organizational culture. Schönborn (2010) used an explorative study on organizational culture and success to identify such underlying cultural characteristics.

The study used an online questionnaire covering multi-level corporate cultural issues. The survey was administered to 2,873 employees across 46 companies. Results identified some "success-related driving forces (Schönborn, 2010, p. 240):" (1) the company and leaders keep employees motivated and satisfied, (2) the company is firmly embedded in tradition, (3) employee health is actively supported, (4) practices are based on ethical and principles, (5) experienced employees are favored, (6) there is leeway for employees to develop innovative ideas, (7) going beyond personal limits not required, while development in encouraged, (8) the company allows personal use of company equipment, (9) the company provides clearly-worded vision, and (10) different working methods are allowed (Schönborn, 2010).

Schönborn (2010) also stresses the importance of competence-providing and competence-oriented environment, and concluded that an organizational culture that produces success tends "to value higher in corporate citizenship and responsibility, an explicit orientation toward competence, involvement, and job satisfaction of the employees (Schönborn, 2010, p.240)." On the other hand, a culture that produces less success tends to stress formalization of processes and routine (Schönborn, 2010, p.240)."

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