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Creating a Healthy Corporate Culture

It is widely acknowledged that one of the main factors that influence the successfulness of a business or company is its corporate culture. This phenomenon is actively studied by numerous researchers in the business and management fields, because even the definition of corporate culture may differ in various types of organizations, and as follows, the set of its characteristics is likely to change as well. Yet, one of the main aspects that professionals point out is the fact that the healthiness of corporate culture directly influences a company on all levels, including the productiveness of employees, the effectiveness of management, and in the end, overall success. In case a company fails to establish a strong and positive corporate culture, it may face critical complications in the performance and even fail because, as it is known, internal factors have a crucial impact on an organization's effective performance. In order for a company to create a healthy corporate culture that leads to successful work, it should consider a number of significant factors that are the main characteristics of this phenomenon, its components, reasons for the discussed critical impact, and the true value of different contributing factors.

Definition and Main Characteristics of Corporate Culture

First of all, it is necessary to start with defining the phenomenon of corporate culture because, as it was already noted, while its main meaning is clear, its particular details and aspects need additional explanation. Due to the fact that the topic of corporate culture is widely studied, there are numerous definitions of this term that can be applied to different types of organizations. Still, in order to provide the explanation that is to fit in various organizational contexts, one can say that corporate culture is “a strongly held and widely shared set of beliefs that are appropriately supported by strategy and structure” that is supported on all levels of a company’s performance, including its employees, management, directors, and leaders (“Understanding and Developing Organizational Culture”). In this definition, the central place is taken by the ‘set of beliefs’ that is developed, spread, and integrated into a company’s performance on all levels. Notably, Craig accurately points out the fact that this set of beliefs may exist even before a company’s management or human resource department focuses on establishing a clear corporate culture. Usually, a company carries certain values since the very beginning of its performance and the engagement of its first employees. As follows, it is critical to consider and develop these values and to avoid imposing new ones because, by aggressively changing corporate culture, it is possible to negatively affect its work and to create an unstable working environment (Craig).

Nonetheless, while the total transformation of corporate culture may appear as a disadvantageous decision, a careful analysis of its current state and consideration of its elements are necessary for its conscious development. There are four main components of corporate culture that all companies represent differently but unavoidably include, and they are human nature, the relationship with a company’s environment, appropriate emotions, and effectiveness. All of these components are vital for corporate culture, as they define professional relationships

within an organization and its external policies, and conscious consideration and integration of them into a company's structure are necessary for an organization's effective and successful performance.

Healthy Corporate Culture

It was noted previously that corporate culture should be addressed consciously, but for the truly effective performance of an organization, it is necessary to establish a healthy corporate culture. Notably, the definition of a healthy corporate culture is not absolutely clear because organizations perform in different fields and emphasize various values in their work; nonetheless, there are certain rules of healthy corporate culture that can be considered as universal.

Firstly, the critical importance of strong leadership for the corresponding organizational culture—as this factor defines the main directions of a company's performance—proclaims and introduces a company's values to employees, and inspires them. As highlighted by Panneerselvam and Raya, “leaders are the catalysts for creating personal and meaningful connections with their employees, which is very critical for bringing about the desired job and work-related attitudes from employees” (Panneerselvam and Raya). What is more, another meaningful component of a healthy corporate culture is a learning culture that can be observed in an organization's interest in the education of employees and such critical characteristics as the openness to new experiences and paying attention to past failures that allows learning from them and developing further (Panneerselvam and Raya). The third significant element of a healthy corporate culture is employees' satisfaction regarding their workloads and ability for professional development in the organization (Panneerselvam and Raya). Finally, the fourth critical component of a healthy corporate culture is people-friendly human resource management

practices; they should be aimed at “identifying the right talent, appraising and rewarding their performance with right incentives, and providing career development support” (Panneerselvam and Raya). All of these elements can be observed in all corporate cultures on different scales, but in healthy ones, they are considered as definitive, are approached consciously, and well developed.

The Role of Healthy Corporate Culture in Organizational Performance

It was already mentioned that a healthy corporate culture is necessary for a company’s success, but this statement can be seen as notably general. Nonetheless, specialists in the field accurately point out a number of particular factors that make the role of a healthy corporate culture outstanding. One of them is the fact that corporate culture is a significant strategic resource of a company—which is similar to financial capital and human resources—and it affects the performance of an organization as well (Degrassi).

To add more, according to Alton, a company with a strong corporate culture is much more competitive. This is critically important in the current business environment. In particular, organizations with healthy corporate cultures benefit from attracting more talented employees and gaining a better public image, which contributes to its popularity among customers (Alton). Thirdly, a strong and well-developed corporate culture has a direct and powerful impact on the commitment of employees and, as follows, their productivity (Ramdhani et al. 826).

Talking about the role of a corporate culture in encouraging employees, different aspects of a corporate culture appear to have a dissimilar impact on employees’ performances and, as follows, overall organizational success. As pointed out by Guiso, Sapienza, and Zingales, proclaimed values do not have much impact on the employees unless a company’s leaders

display a devotion to these principles and become role models to follow (Guiso, Sapienza and Zingales 1).

Creating a Healthy Corporate Culture

As it was noted, a corporate culture exists in all organizations, as they initially have certain established values and working principles. Nonetheless, often, it may be not developed and, as follows, appears not as a positive and strengthening element of an organization's performance but rather as an obstacle to its success. Most times, such a situation can be observed in organizations that fail to address this phenomenon consciously and do not develop their values and principles, approaches to leadership, job opportunities provided to employees, HR practices, and other elements in this sphere. Yet, sometimes, organizations may face difficulties in developing their corporate culture even when they pay attention to this factor. Specialists provide a number of methods, pieces of advice, and tips that are helpful in both cases. Notably, there are different approaches to new companies that want to establish a healthy corporate culture from the start and ones that have already existed for some time but struggle in this field.

In the first case, according to Coleman, it is necessary to start with developing a vision of a corporate culture and presenting a mission statement that can define the exact tasks, objectives, and aims of an organization. After that, an important part is to consider the needs of the target audience that should be explained and addressed in the values and principles of the company (Campbell). Thirdly, it is critical to create a respectful and inclusive workplace that would follow the needs of employees and modern society in general (Forbes Coaches Council). In addition, in case there is a corporate culture, it is necessary to evaluate it in terms of office atmosphere, and let all organizational subdivisions develop the culture by themselves without forcing them to follow strict rules (Campbell). Finally, as highlighted by specialists in both depicted cases, it is

critical to ensure that working communication is effectively organized and allows introducing and adequately perceiving a company's values and principles (Forbes Coaches Council). In case the communication in an organization is not at a satisfactory level, even the most meaningful principles and values are likely to remain unnoticed and will not bring an expected outcome.

Conclusion

A healthy corporate culture appears as one of the decisive factors in an organization's success, since it influences the effectiveness and productivity of employees and overall organizational performance. In order for a company to establish a great corporate culture, it should attentively analyze its current performance, needs of customers and employees, communication in the workplace, and leadership, as these factors shape a strong base for a healthy culture. It is also critically important to learn and understand the principles and values that already exist within a company so that the establishment of a balanced corporate culture can be natural. This process may be considerably complicated and time-consuming, but in the end, it brings significant benefits such as great effectiveness, competitiveness, and a positive public image of a company.

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