

# The Influence of Culture on Organizational Change

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## ABSTRACT

*Change is an inevitable process. UiTM being one of the biggest universities in the country, is experiencing tremendous change in responses to the globalization of the education sector. However, organizational change is intimately tied up to the culture of the people within the organization. The success or failure of any change effort may be influenced by the existing culture. Changing the organization needs to be accompanied by change in existing culture. Therefore it is very important for managers to first understand the existing culture and, then, identify the changes that need to be brought forward.*

**Keywords:** *Organizational change, organizational subsystems, Malay culture*

## Introduction

Change is a dynamic process. All people in all organizations are concerned and involved with change. The process of change involves alterations in people, structure, technology, skills and also individual attitudes. Organizational change, on the other hand, is defined as “the art, skill, process, or act of changing an organization in some planned, intentional way, with the purpose of improving its performance” (Floyd 2002). Change is essential because the world is always changing. Demand and supply are constantly fluctuating, and customer needs are also changing. The concerns of legitimate expectant employees keep changing. Currently, the pace of change is accelerating and all organizations must be prepared to respond to, and even anticipate change.

In the context of UiTM, organizational change is to respond to the current aspirations of the Ministry of Education, the challenges to compete in the education industry within the era of globalization and the boom of the ICT. The organization of UiTM will be experiencing tremendous

change with the new vision and mission for the 21<sup>st</sup> century, that is achieving the 'World Class' status by the year 2006.

The restructuring of the academic management in UiTM, not only involves physical changes, but also shifting of paradigms in terms of mind set, attitudes, values and ethics. In addition, it is important to inculcate the 'university culture' into the faculty members and staffs which emphasizes academic excellence and professionalism.

## **The Subsystems of the Organization**

An organization consists of two important components or subsystems, that is; the formal and the informal subsystems (Senior 2002). The elements of the formal subsystem are the organization's structure, strategy, goals, technology and operations. These elements interact with each other in some kind of transformation process which results in certain outputs. The informal subsystem, on the other hand, consists of the more hidden, less predictable and more intangible aspects of the organizational life, such as culture, politics and leadership. These are equally important elements in determining the success of the organization. This is reinforced by the statement by Storey, Edwards and Sisson (1997) that:

*'Given that technology and finance are increasingly internationally mobile and that innovations can be copied rapidly, it is the unique use of human resources, which is especially critical to long-term organizational success.'*

UiTM, being one of the biggest education organizations in the country, consists of its own unique formal and informal subsystems. Organizational change in the form of academic restructuring, inevitably involves changes in these two subsystems. While changes in the structure, strategy, goals and management of the academic programs are being effected, the changes in the informal subsystems need to be equally addressed. The informal subsystems or otherwise referred to as the informal organization is more or less the hidden part of the whole organization. These more covert aspects of organizational life include the values, beliefs and attitudes held by the management and other employees. Other aspects of these informal subsystems are the emergent informal groupings which occur in the organization, the norms of behavior which direct how things are done (but rarely talked about).

The politics or organizational life is another element of the informal subsystem. Though quite hidden, organizational politics are powerful drivers of decisions and actions.

As mentioned by Senior (2002), the informal subsystems such as culture, politics and power, play an important role in helping or hindering the process of change. Therefore, regardless of how well change might be planned in terms of the more formal organizational characteristics, it is the hidden informal aspects of organizational life which will act to help or hinder it.

## **Understanding Organizational Culture**

Culture is the way of life. Many definitions of culture can be found in literature. One of the definitions is:

*A set of understandings or meanings shared by a group of people. The meanings are largely tacit among members, are clearly relevant to the particular group, and are distinctive to the group. Meanings are passed on to new group members.*

(Drennan 1992)

Culture is an objective entity which can be identified and which delineates one human grouping from another. These groupings can either be societal or organizational. Thus, in general, people are seen as being from different cultures if their ways of life as a group differ significantly from one another. According to Senior (2002), culture has three dimensions that is; cognitive (to do with thinking), affective (to do with feeling) and behavioral. However, these elements of culture operate tacitly or unconsciously. Due to its deep-seated nature, it has been said that culture is likely to be resistant to change.

Bate (1996), however, points out that culture can be changed and in fact it is changing all the time but the degree of change might be different depending on the time frame and the process for doing so. Expanding the concept to the organizational perspective;

*culture refers to the atmosphere, ways of doing things, levels of energy and levels of individual or collective freedom, the sets of values, norms and beliefs reflected in different structures and systems.*

(Handy 1993)

What are the components of an organizational culture? Cummings and Huse (1989) proposed a composite model of organizational culture which comprises of four major elements, that are;

Basic assumptions, which is, the deepest level of cultural awareness are unconscious, taken-for-granted assumptions about how organizational problems should be solved. They represent non-confrontable and non-debatable assumptions about relating to the environment, as well as about nature of human, human activity and human relationships.

Values of how people measure what ought to be in organizations. Values tell members what is important in the organization and what they need to pay attention to.

Norms, which are unwritten rules of behaviour that guide members of the organization how they should behave in particular situations.

Artifacts and creations which are visible manifestations of assumptions, values and norms. These include observable behaviors of members, the structures, systems, procedures, rules, and physical aspects of the organization.

Culture can be categorized in various ways based on the differences in their orientation. Among the common types of organizational cultures, according to Handy (1993) are: power culture, role culture, task culture and person culture.

Power culture which are those in which a single person or group tends to dominate. Decision making is centralized. This type of culture is seen as political in that decisions are taken on the basis of influence rather than through a logical rational process. Power is held by a 'Centre' by virtue of personal charisma or the control of resources. The strength of this type of culture depends on the strength of the centre and the willingness of other organizational members to defer to this power source. However, this type of culture is more prevalent in family business or small entrepreneurial companies.

The role culture ensures that activities are controlled by rules and not by virtue of power. Emphasis is on the definition of roles and organizational members are expected to fulfill these but not overstep them. Such cultures are common in stable organizations.

Task Culture which are the dominant concept in the task culture is project work associated with matrix-type organizational structures. This type of culture is not particularly concerned with personal power or hierarchy, but with proper planning and utilization of the required resources to complete work efficiently and effectively. Decision making is developed by the project groups to enhance flexibility of working method and speed-

up the outcomes. The task culture is very suitable where creativity and innovation is encouraged. This type of culture is particularly desirable for organizations who are concerned with activities such as research and development, marketing, advertising and new ventures. In its effort to achieve world class status, UiTM needs to adopt this type of culture where creativity and innovation could be obtained through extensive commitment in research and industrial linkages by faculty members.

Person culture only exists to serve the needs of the participating members of small groups such as consultancy firms, doctors' associations or local private clubs. The structure of this culture depends on the needs of the members of the group.

## **The Influence of the Malay Values on Organizational Culture**

UiTM, being a fully 'Bumiputera' university has more than ninety percent Malay staff and faculty members. It can be seen that the organizational culture of UiTM is very much influenced by the Malay culture. This can be observed in the daily activities, interactions and decision makings of these staff and faculty members. The values of courtesy, moderation, tolerance, harmony and cordial relations are emphasized in the daily interactions among faculty members and administrative staff. However, according to Asmah (1996), the high context nature of the Malay culture does have some beneficial as well as adverse effects on organizational management and change.

The Malay culture's emphasis on respect for elders, tradition, heritage and pride are beneficial for the organization as they act as precedents for future actions. However, on the adverse side, this set of values may result in a general reluctance for faculty members and staff to initiate changes and improvements. Another aspect of the Malay culture is the acknowledgement and acceptance of experience and wisdom of elders and those of a higher status. This facilitates the process of organizational alignments by the executives or heads of faculties when developing new initiatives for the others to follow. On the reverse, such dependency of subordinates on their leaders may curtail creativity and expression of new ideas as they may be seen as going against the management or regarded as anti-establishment.

Group spirit and holistic connection is another value orientation of the Malay culture. Asmah (1996) points out that the strength of the

Malay culture is the value of relationship building and group decision-making. This process helps for greater consensus and decision making in meetings. On the adverse side, this group consultation may be too time-consuming and in some cases can discourage subordinates from taking risks and becoming independent and self-reliance.

The above national values are very much different from the organizational culture in the international arena. Speed, accuracy, timeliness, quality and value-added service are the current accepted standards in the international business. Therefore, for the case of UiTM, it is important that the values of participation, involvement and commitment to be incorporated and integrated with the indigenous culture of the employees so that they become more responsive to current challenges. In other words, the Malay culture can still be an asset around which local versions of UiTM's work culture can grow rather than being seen as liabilities which need to be eliminated. The values of mutual respect, group spirit, contentment and loyalty need to be integrated with values of achievement, recognition, efficiency and competition.

## **The Influence of Orientation and Structure of Organizational Culture**

The organization's capacity to change is influenced by the orientation and structure of the organizational culture. Different elements of the cultural structure may support change while at the same time, work against it. As proposed by Senior (2002) some of the elements of the cultural structure that influence the organization's capacity to change as shown in Figure 1 are as follows;

- i. Attitudes to criticism
- ii. Degree of management's openness to new ideas, especially from below
- iii. Attitudes to conflicts
- iv. Degree of willingness to discuss sensitive issues openly
- v. Degree to which the organization's structure facilitates change
- vi. Degree of willingness to give people autonomy and support them in their actions
- vii. Attitudes to experimentation in process and products
- viii. Attitudes to sharing information.



Fig. 1: Organizational Culture and Change  
Source: Senior (2002)

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Some of the above elements are actually interrelated and sometimes interchangeable. Each element may counter influence the other while at the same time affecting the organization's capacity to change. The illustration for this interrelation is shown in Figure 1.

The great change taken by UiTM in the process of change through the restructuring strategy, is a big challenge to both the top management officials as well as the members of the university, particularly the academic staff (lecturers). In order to acquire the status of world class university, there must be a paradigm shift in terms of attitudes, beliefs and values within the faculty members. Attitudes toward criticism, conflicts and sharing of information among the academic staff and the management need to be repositioned and adjusted to the current needs of university. These issues need to be addressed in a positive way in order to develop strong team-work and creative networking among the lecturers and with the industry to ensure academic excellence.

In order to develop efficient and effective work culture to suit the new mission of the university, faculty members need to be more open to experimentation in processes and products. This could be viewed in the context of Research and Development (R&D) activities which is very much lacking in UiTM at the moment. However, the current trend of R&D awareness seems to be rising with more faculty members indulging in research activities in almost all faculties and branch campuses.

The degree of management's (Deans, Campus Directors) willingness to new ideas especially from subordinates is another cultural factor which influence the university's capacity to change. Efficient process of change needs to integrate the cumulative ideas from the top management with those of the subordinate i.e. employees (lecturers). In addition, the new structure of the academic programs should facilitate efficient implementation of quality education through quality teaching-learning as well as R&D activities.

Willingness to give a certain degree of autonomy and support to respective faculties and branch campuses to implement their own industrial networking and linkages would definitely help to speed up the process of acquiring the status of world class university.



## **The Steps of Changing Culture to Suit Organizational Change**

Cultural change can be promoted through a variety of methods including strategic planning, training, redesigning organization to promote teamwork, and changes in appraisal systems. Dobson (1998), stated that culture can be changed by shaping the beliefs, values and attitudes of employees. Cummings and Huse (1989), however, identified five crucial steps necessary to bring about cultural change in an organization. These steps are;

A clear strategic vision, which includes effective cultural that change should start from a clear vision. The new vision of UiTM to be world class university, provides the new strategy which dictates the shared values and behavior needed to make it work. This vision provides the purpose and direction for cultural change within the university.

Top management commitment, where cultural change must be managed from the top of the organization. Senior managers (deans and campus directors) and administrators of the university need to be strongly committed to the new values and the need to create constant pressure for change.

Symbolic leadership, where senior executives within the university must communicate the new culture through their own actions. Their behaviours need to symbolize the kind of values and behaviours being sought that is as members of a world class university which emphasize professionalism and academic excellence.

Supporting organizational changes, where for cultural change to take place, it must be accompanied by supporting modifications in organizational structure, human resource systems, information and control systems, and management style. These organizational features can help to orientate people's behaviors to new culture.

Organizational membership, which includes changing organization's membership which is one of the more drastic but sometimes effective method for changing culture. New employees can be selected in terms of their fit with the new culture. These new recruits are then provided with an induction which clearly indicates the desired attitudes and behaviour. However, existing staff who cannot adapt to the new ways may need to be retrained and reoriented to suit the new culture instead of terminating their service as suggested by Cummings and Huse (1989). Nevertheless, some dynamic organization may choose the more drastic

action of terminating those who cannot adapt to the new culture. This is especially important in key leadership positions, where people's actions can significantly promote or hinder new values and behaviors.

## **Conclusions**

Change within an organization is inevitable due to constantly changing environment. Over the last 20 years, new products and processes have appeared at an increasing rate. Local markets have become global markets. Industries including the education industries have been opened up to fierce competition within the country and internationally. UiTM, being a newly proclaimed university need to compete with other local public and private educational institutions of higher learning. Hence, in response to the rapid changes surrounding the world of education and information technology, UiTM need to join in the race for organizational change. The new vision and mission of the university to be of world-class status by the year 2006 need a great amount of change efforts and commitment from the management, staff and faculty members.

The restructuring of UiTM is one of the strategy developed to realize the new vision and mission. However, such organizational change does not only involve the physical structure and strategy, but also the culture of its members (management and employees). Success of the planned change process is very much influenced by how best the cultural issues are managed. As stated by Clarke (1994), the essence of sustainable change is to understand the culture of the organization that is to be changed. If the proposed changes contradict cultural biases and traditions, it is inevitable that they will be difficult to implement in the organization. In other words, for change to be successful the local cultural values must be anchored in the organization's culture. These values must be seen to drive productive and meaningful behaviours in the form of shared practices, mechanisms and processes which staff and faculty members can apply at the workplace.

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