Chapter 5
Organisational Culture: An Essential Factor for Increasing the Competitiveness of Companies

Mihaela N. Otelea
Petroleum-Gas University of Ploiesti, Romania

ABSTRACT

Organizational culture is one of the determinants of a company’s competitiveness, and consequently, realistic analysis of the link between these two elements can provide relevant information to optimize it and, on this basis, to increase the company performance. The direct implications of organizational culture are important in business efficiency. Increasing the quality of human resources, efficient exploitation of material resources, and financial mean the achievement of provisioned levels of turnover, market share, or value added. Organizational culture, through its forms and manifestations (symbols, rules of behavior, customs, ceremonies, history, prestige, and authority of managers and employees), influences and leads to a series of behaviors and attitudes so that employees can tap the full potential for achieving goals. Eliminating fear in an organization is an essential requirement, as it encourages people to take more risks, responsibilities, and initiatives. Remarkable results can be achieved if performance will be measured properly and if a direct reward is chosen.
INTRODUCTION

Performance has always been the focus of companies’ management. Therefore, rapid changes taking place, at the present, in the business environment, make appropriate the managers’ orientation to practicing, in business, strategic management, rigorous foundation of business strategies and implementing them correctly, being essential for achieving higher performances.

Low performances or failures of many companies, are because of their inability to adapt to the requirements of the market and its rules of operation. In this context, the organizational culture plays an important role. Basically, the managers unawareness to the importance of organizational culture has made it impossible to support high performance. On such a dynamic market, companies can reach and can exist only if they have products and/or innovative services related to attractive prices. A company is competitive on the market only if it has a strong and positive organizational culture, able to mobilize people, energies for achieving the desired objective.

Improvement of organizational culture is required by the registration of decreasing performance of products/services that have not been adapted to the market, in the event of a merger acquisition, so that the so-called cultural shock to be easily overcome. The meeting of two types of organizational cultures, rules, values and beliefs of different rites, it involves a cultural adaptation, both for expatriate managers, as well as domestic workers. The complex and time-consuming process, the cultural adaptation must be supported by the application of effective methods and measures.

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Eliminating fear in an organization is an essential requirement, as it encourages people to take more risks, responsibilities and initiatives. Remarkable results can be achieved if performance will be measured properly and if a direct reward is chosen. Modern management systems try to better intertwine with the interests of the company’s employees, trying to reward team work, thus promoting the values and rules. Teams made up of motivated employees for business increase productivity.
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