Aligning Organizational Culture to Strategy to Achieve Competitive Advantage in International Business

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Abstract:- **There is a growing fascination among corporate leaders with workplace culture as a means for boosting performance and providing competitive advantage. Organizational study experts have established that an organization's long-term sustainability, profitability, turnover and commitment are significantly affected by organizational culture, and organizational culture and strategy are related. According to a Forbes study, 92% of executives believe that improving the Firm's organizational culture would improve a Firm's value. Experience has shown that many corporate leaders need help understanding how culture could aid the building of a high-performing organization and thus ignore it. Time and time again, many failure-proof detailed strategies and tactical plans fail because leaders do not appreciate the power and dynamics of culture in enabling firm success. The question, then, is, how can an organization ensure that its culture supports the actualization of its strategy? Are culture and strategy independent or complementary approaches to increasing an organization's success? This paper has promoted the understanding of organizational culture and how it could align the operating cultures of organizations with their business strategies to achieve competitive advantage and stimulate higher performance. It also demonstrated that a strong culture drives positive organizational outcomes when aligned with strategy and leadership.**

I. INTRODUCTION

Experience has revealed that a firm will be profitable if it can timely respond to the dynamic needs of consumers satisfactorily to ensure their continuous attraction and retention and with the values co-created delivered by productive and passionate employees oriented adequately to a transparent process and performance standards driven by its managers. Corporate leaders have a growing fascination with workplace culture as a lever for boosting performance and providing competitive advantage. This fascination may not be unconnected with headlines about culture in many companies, as shown by Robertson (2018) below:

➢ Facebook:- described as "disconnected", a culture in which the company and its 2.2 billion users do not see eye-to-eye, and neither does it seem its dozen or so senior executives with the rest of their 25,000 employees.

➢ L.A. Times:- the dominant story has been a "toxic" culture, which in a mere year and a half has seen three leaders, three fitful restructurings, and charges ranging from sabotage to sexual harassment.

➢ Uber culture has been described as "combative", United Airlines labelled "dismissive" and "insincere", Electronic Arts "evil", and the NFL as "out of touch.".

In March 2022, Comparably, a workplace monitoring site released a list of 10 global companies with the best workplace cultures naming Microsoft the best, followed by IBM, Google and Hubspot (Smith, 2022). However, until 2014 when a new CEO, Satya Nadella, came on the scene, Microsoft was beset by bureaucracy and internal politics, employees' engagement level and motivation was low, and the company's performance was flagging.

The description by Nadella of his vision for Microsoft using words like humility, empathy and accessibility was received with scepticism. This is understandable; how does one make a company high-performing with such words? This question was answered three and a half years later as Microsoft was able to turn around its fortune and made a comeback to being a growth stock after nearly a decade of stagnating.

Microsoft did not introduce a new technology product or create a blue ocean market to justify its outstanding and improved performance. Instead, it changed the internal environmental dynamics demonstrating genuine humility, compassion and accessibility to change the culture within the organization. The positive work culture created at Microsoft unified the employees and propelled them towards the shared goal of achieving the strategic performance objectives of the organization.

Acknowledging The impact of culture on its success at its annual shareholder meeting in 2015, Nadella told his audience that the ability of Microsoft to change its culture is the leading indicator of its future success. Organizational study experts have established that:

➢ Organizational culture significantly affects the long-term sustainability, profitability, turnover and commitment of an organization and

➢ There exists a relationship between organizational culture and strategy (Muafi,2009;p109).

Strategy provides a formal logic for the organization's goals and orients people around them, while organizational culture reveals" goals through values and beliefs and guides activity through shared assumptions and group norms' (Grysbrg et al., 2018). Organizational culture is considered important, as demonstrated in a study by Forbes. The study revealed that 92% of executives believe that the Firm's value could be improved by improving the Firm's organizational culture, and over 50% believe that there is a positive correlation between organizational culture and productivity, creativity, profitability, firm value, and growth rates. Lastly, 46% of job seekers will forgo job opportunities they deemed would not be a good culture fit (Mahmutovic, 2021).

Top leaders should therefore employ strategy and culture to maintain the organization's viability and effectiveness. However, experience has revealed that many corporate leaders, unfortunately, do not understand how culture could aid the building of a high-performing organization and thus ignore it. Time and time again, many failure-proof detailed strategies and tactical plans fail because leaders do not appreciate the power and dynamics of culture in enabling firm success; thus, culture eats their well-thought-out strategy for breakfast (Grysbrg et al., 2018).

The question then is, how can an organization ensure that its culture supports the actualization of its strategy? Are culture and strategy independent or complementary approaches to increasing an organization's success? This paper aims to promote the understanding of organizational culture and how the operating cultures of organizations could be aligned to their business strategies to achieve competitive advantage and stimulate higher performance. The theoretical framework adopted is the contingency theory, which proposes dynamism in management practices tailored to the context of the situation.

II. UNDERSTANDING COMPETITIVE STRATEGY

Strategy is described as strategic choices amply applicable across industries and organizations. It is the pattern of objectives, purposes and goals together with plans to implement them in a fashion congruent with the firm's existing or intended type of business (Hofer & Schendel, 1978). Mintzberg (1972, cited in Mintzberg & Waters, 1985,pg 257) defined "realized" or "intended" strategy as a pattern in streams of decisions or actions. Strategy was dimensioned into two parts by Porter (1980), competitive or business strategy, which refers to the distinctive competence of the firm and corporate strategy, which refers to the firm's mission.

Firms are believed to select generic business strategies with which to compete based on their assessment of competitive opportunities and internal resources (Miles & Snow, 1978). Porter (1980) identified three generic business strategies organizations could pursue to achieve, build, defend and sustain their competitive advantages. The first is the Focus strategy which involves concentration on a specific market, group of customers, product or service to achieve niche leadership.

The second is cost leadership which advocates for cost efficiency, and the third, differentiation strategy, involves offering a unique product or service that allows the premium price to be charged. Cost leadership and Differentiation are mutually exclusive and, if combined, will leave the Firm stuck in the middle (Muafi,2009). A hybrid strategy could be formed when the Focus strategy is combined with either Cost leadership or Differentiation, but there is still no guarantee that the stuck-in-the-middle situation cannot happen.

Miles and Snow (1978) produced the topology of competitive strategies and listed the four strategic types as defenders, prospectors, analyzers and reactors. The defender strategy emphasizes cost control in a stable environment and involves the development of a narrow product/market niche and the erection of a barrier to protect it. Prospector strategy focuses on innovation and involves scanning the environment for new products, services or market opportunities. Analyzer strategy "builds a solid foundation in efficiency but continues to pursue incremental innovation through flexibility" (Djaharuddin, 2018, p9) and combines the attributes of defender and prospector strategies by simultaneously defending its niche while scanning for new opportunities. Reactor strategy involves reacting to environmental changes and making strategic adjustments when pressured. Companies with this strategy are not competitive as they are more concerned with cost containment and efficiency.

Miles and Snow reason that prospector and defender strategies operate from two extreme points: Prospector emphasizes innovation in the process of organizational adaptation in its environment, and defender emphasizes efficiency (Muafi, 2009). They proposed that firms generally develop stable strategic behaviour patterns to align well with perceived environmental conditions (Gimenez, 1999).

The chosen practices of management, according to Pfeffer (1998), depend on the Firm's strategy, which in turn relies on the resources of the organization, i.e. tangible (physical and financial) and intangible (people and culture). Intangible resources are rare and hard to imitate, and thus, we can expect socially complex resources such as culture to bequeath a firm with a competitive advantage. Therefore, organizational leaders must shape their practices to create a culture that would match their strategy choice (Klein, 2008) based on the contingency approach.

The Contingency theory advocates for flexibility when making strategic choices which suggest that the leadership style should match the context of a situation. An effective leader in one instance can become ineffective in another if a wrong strategy choice is employed. It, therefore, flows from

the above that the effectiveness of an organization depends not only on the alignment of culture and strategy in a dynamic market environment but also on the ability of the strategic leaders to 'create suitable structures, systems, technologies, and human resource capabilities (skills and qualities) to communicate and reinforce behavioural norms that are supportive of the strategy' (Klein,2008, pp 2). Both contingency theories and strategic choice models agree that the interaction of the firm resources and the adopted strategy produce firm performance.

III. COMPETITIVE ADVANTAGE OF A FIRM

The differences in performance across firms can be explained by the variations in their capabilities and resources, giving one Firm an advantage over others. The competitive advantage of a firm refers to what a firm has or does that gives it an advantage in the market over its rivals and is created from many sources, including, among others, quality dominance, delivery speed, reliability, lower cost and price.

Porter (1985) observed that competitive advantage could be established through comparative advantage (cost advantage) or differential advantage (product/delivery attribute advantage) that enables more significant profit to be made. The basis for sustainable competitive advantage was narrowed down to when competitors cannot readily imitate the Firm's superior product/delivery attributes over a sustained period (Porter, 1985).

Barney (1995) provided the Resource-Based View (RBV) model for the internal analysis of a firm's resources and capabilities, combining the internal analysis of phenomena within companies with the external analysis of the industry and the competitive environment. He proposed that business managers must look inwards for valuable, rare, and costly to imitate resources and exploit them through their organizations" (VRIO) to discover its unique resources and capabilities for creating sustainable competitive advantage. RBV model help put core competency ideas into practice and develop sensible diversifying strategies (Collis & Montgomery, 2008).

Competencies and capabilities are rooted in the organizational processes of firms and cannot be bought; thus must typically be built. The success of a Firm or its future development, therefore, depends on its ability to find or create a timely and distinctive competence, i.e. what the organization can do very well (Leamed et al. cited in Teece,Pisano & Shuen, 1997). An organization that will have a competitive advantage over its competitors in this volatile and uncertain dynamic global business environment, driven essentially by technology, must be able to respond timely, innovate rapidly and flexibly, and demonstrate management's capability to coordinate effectively and redeploy internal and external competencies in order to achieve congruence with the changing business environment (Teece, 2007).

Drejer (2000) argued that competence in a Firm consists of four elements; technology, people, organizational structure, and organizational culture and defined it as a system of technology, human beings, organizational and cultural elements and the interactions of these elements. These competencies are not static but gradually evolve through learning. The better the firm employees are at fulfilling the demands of the customers (internal or external), the greater the competence the group of people exhibit along with technology and other elements. The development of competence thus hinges on understanding the dynamic interactions of these elements.

The competitive advantage of firms lies with their managerial and organizational processes -also referred to as the way things are done in the Firm -shaped by its (specific) asset position, which includes technology endowment and intellectual property and the paths available' (Teece,2003;93). Teece (1984:95) observed that successful Firms possess one or more forms of intangible assets, such as technological or managerial know-how. Teece (2009) would suggest that dynamic capabilities are developed by uniquely combining these resources and then ensuring that they are applied to give a competitive advantage.

Dynamic capabilities are strategic activities that manipulate asset configurations according to the logic of exploitation or exploration. The capabilities approach, according to Teece, Pisano & Shuen (1997), indicates that competitive advantage is not just a function of strategic actions but also a function of the Firm assets and how these assets can be deployed and redeployed in a changing market. The fundamentals of dynamic capabilities, which include the distinct skills, processes, procedures, organizational structures, decision rules, and disciplines, are difficult to develop and deploy' (Teece, 2007;1319). The difficult-to-imitate dynamic capabilities give Firms the ability to achieve new forms of competitive advantage in the face of market dynamics by driving changes in operational capabilities and function (Teece, Pisano & Shuen (1997) and focusing on the Firm's internal processes, deployment, and evolution.

Firms enjoy competitive advantages by leveraging the fundamentals of dynamic capabilities mentioned by Teece (2007) and the four elements of competence in a Firm listed by Drejer (2000). However, the uniqueness of the fundamentals and elements conferred on the Firm will, in time, be eroded by the ubiquitous adoption by competitors, saving organization culture elements. Culture and its main elements were defined by Johnson (1992) using the "cultural web" as a framework. Johnson (1992) identified six major components of the "cultural web": routines and rituals, stories, symbols, power structures, organizational structures and control systems. Organizational culture evolves and embraces assumptions about the nature of the organizational environment, the managerial style in the organization, the nature of its leaders, and the operational routines (Johnson,1992). Thus, organizational culture is the most unique of the elements of dynamic capabilities capable of conferring a sustainable competitive advantage.

IV.   CULTURE AS A COMPETITIVE ADVANTAGE TOOL

The importance of organizational culture was underscored by Schein (1996), who noted it as the missing concept in organization studies. While there is no definitive understanding of the organizational culture, the definition of organizational culture propounded by Edgar Schein, a former MIT Sloan School of Management professor, is often used as a springboard. He defined *organizational culture* as "the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that has worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems" (Schein, 1984).

Organizational culture could be referred to as a "more profound level of basic assumptions and beliefs (paradigm) shared by members of an organization that operate unconsciously and define an organization's view of itself and its environment in a taken for granted fashion (Schein, 1986 cited in Kemp & Dwyer 2001). Job Site defined it as "The set of behavioural and procedural norms observed within a company. This includes policies, procedures, ethics, values, employee behaviours and attitudes, goals, and code of conduct. It also defines a company's personality and the work environment (professional, casual, fast-paced, etc.)." (Mahmutovic,2021).

Organizational culture is the "social glue" binding the people together, making them feel part of the organizational experience. It is not employee perks, which are merely consequences of a company's organizational culture, but consists of values, ideals, attitudes and goals that characterize an organization (Heinz, 2022). Organizational culture mirrors the Firm's core values, a direct reflection of the organization's leadership and decision making and facilitates the achievement of an organization's strategic objectives (Garner,2022). It is dynamic and, as noted by Garner (2022), 'evolves both through deliberate organizational development interventions and cultural transformation process, as well as organically'.

The interaction of a firm's internal resources and capabilities with the external opportunities and threats helps to determine a culture's relative 'value' as an organizational resource. According to Klein (2008), the 'valuable culture' idea can be examined when the business strategy models of Miles and Snow is combined with the "resource-based view" of J.B. Barney. Organizational culture is a complex socially constructed phenomenon, and social systems are inimitable across organizations. For this reason, 'valuable culture' is a unique resource capable of providing firms with a sustainable competitive advantage. Therefore, new information that can help leaders understand and create appropriate cultures could be potentially beneficial (Klein, 2008).

Cultures can represent a powerful and enabling capability to exploit environmental opportunities and threats (Barney, 1986). Azeem et al. (2021) investigated the relationship between organizational culture, knowledge sharing, organizational innovation, and competitive advantage, and their results revealed that organizational culture fosters knowledge-sharing and innovation activities among the workforce that positively affects competitive advantage.

➤ *4 General Attributes of Organizational Culture:*

- Culture resides in shared values, assumptions and behaviours commonly experienced through the norms and expectations of a group. It is not culture if it solely exists within a person or aggregates to the average of individual characteristics. Cultural characteristics must be shared among a group. Therefore, it may not be suitable to consider culture as top-down or depends only on C-suite executives who, at best, can only drive the acculturation process.
- Culture is pervasive, permeating multiple levels, and broadly applicable in an organization. Culture manifests in collective behaviours, physical environment, group rituals or traditions, tangible symbols and stories and intangible perspectives like mindset, motivations, assumptions and reasoning (Shayan,2019).
- Culture is enduring and can direct the thoughts and actions of group members over the long term. Culture thus becomes a self-reinforcing social pattern that grows increasingly resistant to change and outside influences. This has a good side, like the attraction-selection-attrition model first introduced by Benjamin Schneider. However, it has a downside, too, like when companies ignore to change their culture based on the organization's development stage (Shayan,2019).
- Culture acts like a silent language, and the ability to sense and respond to culture is universal, so culture is implicit.

➤ *6 Common Components of Great Culture:*

What makes culture in an organization distinctive is its uniqueness, as no two cultures can be the same because numerous factors come together in their creation. Coleman (2013) dimensioned culture elements and observed six common components embedded in great cultures.

The first component is the vision and mission statements that guide the organization's values and provide a purpose that orientates employees' decisions. The second is Values espoused in the organization, which guide acceptable behaviours and mindsets required to achieve a stated vision. Next is Practice, which describes the coherence of employees' behaviours and actions with the organization's values. The fourth component is People who must either share the core values of the organization or willing to embrace those values to build a coherent culture (Coleman. 2013).

The fifth component Coleman (2013) observed in great culture is Narrative, the unique story about the organization that is sufficiently powerful when unearthed, crafted into a narrative and retold to aid the acculturation process. The sixth component is the Place which could be geographical location, architecture or aesthetic design capable of impacting the values and behaviours of people in the workplace. Examples are the emerging adoption of open office layout design because it removes barriers between employees and supervisors and the clustering of tech firms in Silicon Valley, financial firms in London and New York, and countries where local cultures support or contradict the culture the Firm is working to create.

➢ *Ways of Assessing Organizational Culture:*
Culture consists of several layers of elements, and for the study of these layers, it was observed that methodologies appropriate depend on the layers of culture for study. Layers of culture, such as values and assumptions that are less observable but accessible, are better studied using the qualitative method. In contrast, elements such as behavioural norms and artefacts that are more observable and available can be studied using quantitative methods. The advantage of using the quantitative method is that it allows cultures across organizations to be compared. Researchers as a practice have tended to focus their study of operant culture in organizations on only one of the levels, as reflected below.

➢ *Assessment of organization culture from shared value:*
Researchers like Uttal (1983) and O'Reilly, Chatman and Caldwell (1991) employed to study organisational culture from the values shared by the organisational workforce. Values are enduring fundamental beliefs in the preference for certain behaviours or end states and are relatively stable. The understanding is that the organizational culture of members of different firms can be distinguished by what they value. Members of one organization may value innovation and risk-taking, while another will value stability and control.

➢ *Assessment of Organization Culture on the expression of underlying values:*
Some researchers studied organisational culture, focusing on the expression of underlying values. Trice and Beyer's (1984) study of organization culture examined the organization's rites and rituals, while Ouchi (1981) examined the organization's set of symbols, ceremonies, and myths.

➢ *Assessment of Culture at the Level of Behavioural Norms:*
Other researchers study organizational culture at the level of behavioural norms. Culture was considered by O'Reilly (1989) *a*s the set of central norms that describe an organization and shape the behaviours of individuals and groups*.* Norms are more observable and available to be studied using quantitative methods including expectations, habits and rituals. A norm in the organization could be writing a call memo after customer visitation to document

discussion and action points or providing feedback within twenty-four hours of receipt of complaint or inquiry.

For the purpose of this paper, the last of these positions is adopted based on the arguments made by Cabrera & Bonache (1999).

- The study of Culture as behavioural norms has been supported empirically showing that 'firms from the same national culture differed more in the norms they followed than in the values they shared'[56].
- The study of culture as behavioural norms allows all organizations to have a culture. Organizational culture is categorized into four types: clan, hierarchical, adhocracy and market (Cameron & Quinn, 2011). Only clans will have an organizational culture if culture is considered shared values.
- The whole concept of human resource management rests on the assumption that management practices can drive human behaviour. Values acquired by a person have enduring characteristics, while behavioural norms are more malleable. Culture studied as behavioural norms allow for culture change.

- The current approach to studying organizational culture requires a culture to be studied across different organizations, thus requiring the study of observable, accessible elements of organizational culture. A quantitative methodology can be used to study behavioural norms because they are observable, available elements of culture.

Behavioural norms could emerge because of specific values shared by organizational members that cause them to have expectations regarding appropriate behaviours or determined by organizational rules and practices. Accordingly, cultural norms are determined by values and organizational practices (Cabrera & Bonache, 1999). Organizations can apply rules and practices to achieve desirable behaviour among employees. If the organizational norms are those required to compete in the organization's environment successfully, the stricter these norms are followed, the stronger the organization's competitive position.

➢ *Four Types of Organizational Culture:*
The generally accepted classification of types of organizational culture that business leaders should familiarize themselves with is the Competing Values Framework developed by Kim Cameron and Robert Quinn at the University of Michigan, which identified four distinct types of organizational culture. The Competing Values Framework has been satisfactorily validated by tons of research and aligns with the underlying dimensions that describe how people behave when organizing which Lawrence & Nohria (2002) described as the need to bond, learn, acquire, and defend.

The four organizational cultures Cameron and Quinn identified, shown graphically and described below, are: Clan, Hierarchy, Adhocracy, and Market oriented cultures.

A mix of these four organizational culture types is most likely to be found in every organization, with one dominant culture. Culture purity is found to decline as the organization enlarges, which may challenge the maintenance of cultural cohesion in regional and globally dispersed organizations (Gardner,2022).

Fig 1 Four Types Of Organizational Culture

➤ *Clan Culture:*

The primary focus of Clan culture is mentorship and teamwork, and it exists more in traditional organizations against digital ones. Clan culture is founded on a highly collaborative work environment paired with a horizontal structure to facilitate communication and break down barriers between C-suite and employees (Heinz, 2022). It is commonly observed in startups, small or family-owned businesses, operated to give employees family-like feelings and with a focus on nurturing employees through interpersonal connections or mentoring programs. The companies in this category are dynamic, highly flexible and embrace change readily. A significant advantage of clan culture is the high employee engagement which makes for excellent customer service. However, the disadvantage is that as the organization grows, it becomes tough to maintain this family-styled clan culture, and operations may lack focus and fluidity (Gardner,2022).

➤ *Adhocracy Culture:*

The primary focus of Adhocracy culture is risk-taking and innovation, and it exists more in startups and organizations that are on the cutting-edge of their industry, such as tech companies like Apple, Google, and Facebook. Organizations driven by adhocratic culture are flexible, un-inhibited by bureaucratic procedures and policies and strongly emphasize constant innovation and improvements (Gardner, 2022). Individuality is valued to give employees the flexibility of thought for creative thinking for new ideas generation. Adhocracy culture keeps employees motivated and engaged and contributes to high-profit margins. On the downside, it fosters competition between employees instead of collaboration due to pressure to generate new ideas. Like in Clan culture, when startups become large organizations, adhocratic culture will become less feasible throughout the entire organization.

➤ *Hierarchy Culture:*

The primary focus of hierarchy culture is stability and structures with the maxim get it done right and are prevalent in the traditional corporate structure such as in the financial institutions, health insurance organizations, and oil and gas companies. Hierarchy culture is defined by organization structure, established policies and procedures, and levels of authority. Hierarchy culture has multiple management tiers, clearly defined duties, streamlined operations and a clear chain of command that separates employees from leadership (Heinz, 2022) and as such, employees know where they fit in the chain of command.

This culture facilitates stability, clear direction, better management of risks and operational efficiency. On the downside, the culture's rigidity discourages creative thinking, hinders innovation, agility and responsiveness to changes in the market place and thus may lack the flexibility required to meet the demands of today's and future markets (Gardner, 2022).

➤ *Market culture:*

The primary focus of the Market Culture is competition and growth grounded in the maxim "we are in it to win it" and is common in intensely competitive and results-oriented companies like Tesla, Amazon, and General Electric. Above other considerations, Market culture's primary focus is profitability evaluating everything else with the bottom line in mind putting stress on the importance of meeting quotas, reaching targets and getting results (Garner,2022). Market culture value internal competition and reward winners with significant financial rewards or promotion opportunities (Mahmutovic, 2021).

Since Market culture is geared towards having market success, creativity and innovativeness are highly encouraged

to develop new or improved top-notch products or services ahead of their competitors. While an organization is successful in the marketplace, employees may suffer burnout from high expectations and pressure to deliver.

➤ *Strong Culture and its Development:*
The characteristic manner things are done in an organization has been generally accepted as organizational culture (Uttal,1983). If the manner things are generally done in the organization leads to success, the culture will be regarded as an asset, and contra is the reverse. The degree at which employees' values align with that of the organization typically determines the strength of the organizational culture. A strong culture is one in which the values and beliefs of the organization are widely shared and deeply held sufficiently to influence the behaviour of people on the job. It can influence and inspire the workforce to act in the desired manner and build consensus regarding the importance of organizational values (Schein, 2004).

A strong culture will be defined by the amount of approval associated with the norms (intensity) and the degree of consistency the norms hold within different parts of the organization (Crystallization). O'Reilly succinctly captured strong culture as existing, judging by the intensity and crystallization of its norms. For the two elements of intensity and crystallization of norms to reside in an organization's culture, Cabrera & Bonache (1999) observed that the following are required:

- The messages communicated in the HR practices must be clear regarding behaviours expected of employees and be able to establish the desirable behavioural norms for achieving strategic business objectives.
- The employee selection process must seek congruence between employees' values and values supporting the organization's norms.

The above two steps are important in the creation of a strong culture. Since the shared information within the organization and employees' experiences are the means through which behavioural norms are established, the HR practices in the organization provide information that shapes the behaviour and experiences of employees (Cabrera & Bonache, 1999), thereby becoming how cultures are created and sustained.

A strong culture impacts the values and norms of an organization, provides consistency and direction, guides decisions and actions and motivates the workforce to reach their potential. A strong culture facilitates the creation of clear and coherent values employees must imbibe, even if core values emphasize dissent and creativity (Chatman & Flynn, 2001). Strong culture has enabled many organizations to attain strategic advantages, such as Southwest Airlines, which has leveraged its strong culture to perform better than its competitors and keep customers happy. A strong culture has been linked to a 20-30% difference in performance improvement in organizations compared with culturally unremarkable competitors (Coleman, 2013).

➤ *Establishing 'Appropriate' Strong Culture*
Organizational culture should be dynamic and responsive to changing business dynamics to be successful. There is no one best way things can be done. Organizations need to determine culture that will lead to success considering their resources and capabilities. The resources and capabilities in organizations vary. Thus, a specific culture may lead to success in one organization but fatal to another, particularly if the culture is strong. Cabrera & Bonache, (1999) described the experiences of IBM, an excellent company that experienced great difficulties in the years following that were exacerbated by its strong organizational culture, the same factor for its initial success. It is, therefore, important in a dynamic environment to ensure that the strong culture fuelling the organization's competitive advantage is the appropriate culture.

➤ *Benefits of a Strong Culture:*
A strong organizational culture that is 'appropriate' is invaluable and makes a 'winning' corporate culture. While the winning elements in the culture of successful organizations vary, having a strong culture helps to establish corporate brand identity, unite employees, improve employee engagement and enhance leaders' focus and drive. Heinz (2022) described some ways a strong culture benefits an organization.

➤ *Increases Employee Engagement:*
Strong winning culture provides employees with a purpose to passionately pursue and rally around, and the intrinsic motivation evokes employee inspiration to engage deeply with their work. A strong winning culture has been observed to encourage employee bonding and collaboration, which enhances work experience and increases engagement. A strong winning culture in organizations has an employee engagement level that is 72 per cent higher than organizations with weak cultures, influences the employee experience of 49 per cent of workers and generates a 22 per cent increase in profitability (Heinz, 2022).

➤ *Decrease Turnover:*
65 per cent of employees opined that organizational culture is a key deciding factor in staying at their job. Highly engaging employees who have the best time at work are unlikely to want to leave. Appropriate strong organizational culture firmly aligned with employees' core values will keep employees engaged.

➤ *Improve Recruitment Efforts:*
It has been observed that the quality of hires of companies able to create a positive experience for job candidate improves by 70 per cent, and 35 per cent of employees in the U.S. are willing to forgo their ideal job if unimpressed by organizational culture.

➤ *Increase Productivity:*
Employees' productivity level increases with satisfaction with the workplace, staff treatment, and benefits packages. It has been observed that the productivity level of satisfied employees improved by 12 per cent while that of dissatisfied employees reduced by 10 per cent.

➢ *Eight Distinct Culture Styles:*

In order to provide a better understanding of culture's power and dynamics and how specific behavioural norms positively influence strategy outcomes, Grovsberg et al. (2018) published the result of a review of works of literature for commonalities and central concepts in organizational culture conducted by organizational development experts who identified two concepts that underlie a company's culture: people interactions and response to change.

➢ *People Interactions:*

The interaction of people can range from highly independent -where competition is fostered, and more excellent value is placed on individuals thriving on their own to highly interdependent cultures – where collaboration is encouraged, and success is judged through group effectiveness.

➢ *Response to change:*

The response to change can range from stability – favouring adherence to rules and hierarchy- to flexibility – favouring innovation and diversity.

The researchers used the two dimensions of people interaction and response to change to identify eight styles applicable to both organizational cultures and individual leaders' which drive what unites employees, the type of person that typically does well in that type of organization, and what company leaders tend to focus on (Pratini, 2018). Below are the eight cultural styles and their unique characteristics defined by the work environment, employee unifier, and leader drive.

➢ *Caring Cultural Style (Relationships and Mutual Trust):*

- Work environments: warm, collaborative, and welcoming places where people help and support one another.
- Employees Unifier: loyalty;
- Leaders' driver: sincerity, teamwork, and positive relationships.

➢ *Purpose Cultural Style (Idealism and Altruism):*

- Work environments: tolerant, compassionate places where people try to do good for the world's long-term future.
- Employees Unifier: Focus on sustainability and global communities;
- Leaders' driver: shared ideals and contributing to a greater cause.

➢ *Learning Cultural Style (Exploration, Expansiveness, and Creativity):*
- Work environments: inventive and open-minded places where people spark new ideas and explore alternatives.
- Employees Unifier: curiosity;

- Leaders' driver: innovation, knowledge, and adventure.

➢ *Enjoyment Cultural Style (Fun and Excitement):*
- Work environments: light-hearted places where people tend to do what makes them happy.
- Employees Unifier: playfulness and stimulation;
- Leaders' driver: spontaneity and a sense of humour

➢ *Results Cultural Style (Achievement and Winning)*
- Work environments: outcome-oriented and merit-based places where people aspire to achieve top performance.
- Employees Unifier: drive for capability and success;
- Leaders' driver: goal accomplishment.

➢ *Authority Cultural Style (Strength, Decisiveness, and Boldness):*
- Work environments: competitive places where people strive to gain personal advantage.
- Employees Unifier: strong control;
- Leaders' driver: confidence and dominance.

➢ *Safety Cultural Style (Planning, Caution, and Preparedness):*
- Work environments: predictable places where people are risk-conscious and think things through carefully.
- Employees Unifier: the desire to feel protected and anticipate change;
- Leaders' driver: pragmatism and planning.

➢ *Order Cultural Style (Respect, Structure, and Shared Norms):*
- Work environments: methodical places where people tend to play by the rules and want to fit in.
- Employees Unifier: cooperation;
- Leaders' driver: shared procedures and time-honoured customs.

V. INTEGRATED CULTURE FRAMEWORK

The integrated culture framework shown below, developed by the researchers, emphasizes the importance of understanding the spatial relationships of the eight styles to know styles that have congruence and thus could be found together. The framework also reveals that misaligned styles will require more organizational efforts to maintain if found together. As shown by the framework, proximate styles, such as purpose and caring, or results and authority, will coexist more easily than styles that are far apart on the chart, such as authority and purpose, or results and order. None of the style is flawless or inherently better than the other; each style has its pluses and minuses. However, the relative salience of these eight styles differs across organizations, though nearly all are strongly characterized by results and caring (Grovsberg et al., 2018).
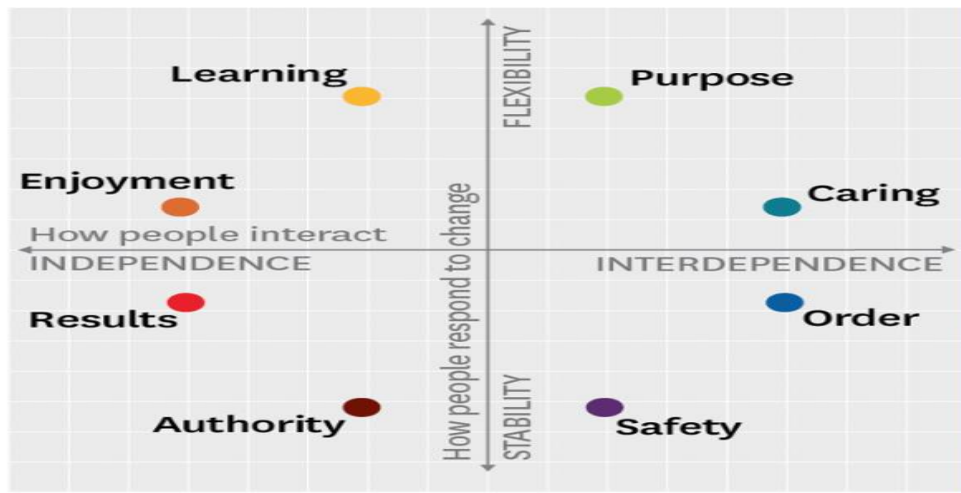
Fig 1 Integrated Culture Framework

The authors explored the strengths and weaknesses and disadvantages of the eight cultural styles and the result is shown below.

THE PROS AND CONS OF CULTURE STYLES

Every culture style has strengths and weaknesses. The table below summarizes the advantages and disadvantages of each style and how frequently it appears as a defining culture characteristic among the companies in our study.

CULTURE STYLE	ADVANTAGES	DISADVANTAGES	RANKED 1ST OR 2ND
CARING Warm, sincere, relational	Improved teamwork, engagement, communication, trust, and sense of belonging	Overemphasis on consensus building may reduce exploration of options, stifle competitiveness, and slow decision making	63%
PURPOSE Purpose driven, idealistic, tolerant	Improved appreciation for diversity, sustainability, and social responsibility	Overemphasis on a long-term purpose and ideals may get in the way of practical and immediate concerns	9%
LEARNING Open, inventive, exploring	Improved innovation, agility, and organizational learning	Overemphasis on exploration may lead to a lack of focus and an inability to exploit existing advantages	7%
ENJOYMENT Playful, instinctive, fun loving	Improved employee morale, engagement, and creativity	Overemphasis on autonomy and engagement may lead to a lack of discipline and create possible compliance or governance issues	2%
RESULTS Achievement driven, goal focused	Improved execution, external focus, capability building, and goal achievement	Overemphasis on achieving results may lead to communication and collaboration breakdowns and higher levels of stress and anxiety	89%
AUTHORITY Bold, decisive, dominant	Improved speed of decision making and responsiveness to threats or crises	Overemphasis on strong authority and bold decision making may lead to politics, conflict, and a psychologically unsafe work environment	4%
SAFETY Realistic, careful, prepared	Improved risk management, stability, and business continuity	Overemphasis on standardization and formalization may lead to bureaucracy, inflexibility, and dehumanization of the work environment	8%
ORDER Rule abiding, respectful, cooperative	Improved operational efficiency, reduced conflict, and greater civic-mindedness	Overemphasis on rules and traditions may reduce individualism, stifle creativity, and limit organizational agility	15%

Fig 2 The Pros and Cons of Culture Style

➢ *How to Align Organizational Culture to Strategy:*
We propose three complementary procedures that Leaders must integrate in the quest to align the organizational culture to strategy and the three procedures are explained below.

- *Behavioral Norms Through HR Practices:*

Organizational cultures can be created and sustained through carefully designed HR practices by which information is provided, and the behaviour and experiences of employees are shaped (Cabrera & Bonache, 1999). After an organizational strategy has been determined, the HR practices are carefully designed and communicated to facilitate the creation of behavioural norms that support the determined business strategy. The messages communicated in the HR practices must be clear regarding behaviours expected of employees and be able to establish the desirable behavioural norms for achieving strategic business objectives.

- *Behavioral Norms Through Values:*

Organizations will be challenged to change the values of their members because, as already discussed, culture is a stable and enduring belief and, therefore, not susceptible to normative changes. Leaders can secure compliance with directives from employees but cannot compel employees' optimism, trust, creativity or engagement. Leaders can therefore not achieve culture change through a top-down mandate as culture is a widely shared and deeply held belief within an organization. Cabrera & Bonache (1999) correctly observed that hiring individuals that share the same values with the organizational culture required to support its strategy is the best way to align organizational culture with the formulated competitive strategy. The recruitment procedure of individuals based on the congruence of their values with organizational strategy incorporate person-organization (P-O) fit, which assesses values compatibility between employees and the organization. Recruiting people who 'fit' the organizational culture would lead to more favourable employee attitudes and behaviour and help reinforce the organizational culture.

- *Behavioral Norms Through Modelling:*

The ability of an organization to implement strategy successfully is influenced by changes effected to applicable organizational culture elements. The cultural orientations of the firm have been shown to affect the effectiveness of human resources and, therefore, must be aligned with the competitive strategy formulated (Bennet III, Fadil & Greenwood,1994). To ensure organizational objectives are achieved in a dynamic market environment, desired human behaviours can be modelled by managers through rules, norms and values.

We have shown that norms as a variable element of culture provide managers with the tool to influence personnel behaviours to transform them into change agents at both individual and group levels. Also, the organizational environment influenced by the managers' style of leadership "contributes to the formation of an organizational culture based on explicit (formal) and tacit (informal) values that can also guide the organization and its agents to a rationality organization in the organizational context" (De Almeida, Caetano & Duarte, 2018).

The four levers for evolving culture -articulation of the aspiration, leadership alignment, organizational conversation, and organizational design- suggested by Grovsberg et al. (2018) offer a practical guide for cultivating a change in organizational culture for alignment with new company strategy. After a new strategy has been defined, the first step for leaders is to articulate the aspiration. This entails carrying out a cultural audit –

- ✓ Analysis of the current organizational culture,
- ✓ Determination of the culture that will support the new strategy using the integrated culture framework model,
- ✓ Gap analysis to understand level of culture misalignment and unveil the missing cultural elements and finally,
- ✓ Define an aspiration target culture framing the desired change as real and present business challenges, opportunities or aspirations (Grovsberg et al., 2018) to stir emotion and incite action.

The second step is to select and develop culture change champions to lead the change. The evaluation of the candidates must be based on their alignment with the target culture. The congruence of leadership styles of the selected leaders will aid their role as a change catalyst and encourage the desired changes at all levels of the firm. Leaders must be seen to walk their talks.

The third step is to use conversations about culture to underscore the importance of change in the organization. Colleagues are encouraged to freely talk to one another through the change to achieve a shift of the shared beliefs, norms and implicit understanding within the organization.

Lastly, the desired change must be reinforced through organizational design. The organizational structure and other design feature heavily influence how people think and behave within an organization. In order to support aspirational culture and strategy, the organizational structures, systems and processes must be made to align. This can be achieved through the use of performance management to encourage employee buy-in, training practices to reinforce aspirational culture and even recalibration of hierarchical levels in the organizational structure to reinforce behaviours inherent in the new culture.

VI. CONCLUSION

This paper has attempted to promote an understanding of organizational culture and demonstrated how the operating cultures of organizations could be aligned to their business strategies to achieve competitive advantage and stimulate higher performance. We have been able to connect strategy and culture through the goals of the organization. Strategy refers to how a company plans to create value and provides a formal logic for the organization's goals, and orients people around them. However, organizational culture is the basic assumptions and beliefs (paradigm) shared by an organization's members that operate unconsciously, express strategic goals through values and beliefs, and guide activity through shared assumptions and group norms.

Culture directly affects performance outcomes. It affects employee recruitment and retention, organizational reputation, and customer satisfaction, all of which determine the bottom line performance of any company. A strong culture drives positive organizational outcomes when aligned with strategy and leadership, impacts the values and norms of an organization, provides consistency and direction, guides decisions and actions and motivates the workforce to reach their potential. It was observed that a strong culture is linked to a 20-30% difference in performance improvement in organizations compared with culturally unremarkable competitors (Coleman, 2013).

Organizations need to determine culture that will lead to success considering their resources and capabilities. The resources and capabilities in organizations vary. Thus, a specific culture may lead to success in one organization but fatal to another, particularly if the culture is strong. It is, therefore, important to ensure that the strong culture powering the organization's competitive advantage is the appropriate culture. The interactions of the two dimensions of *people interaction and response to change* were used to identify eight cultural styles applicable to both organizational cultures and individual leaders' which drive what unites employees, the type of person that typically does well in that type of organization, and what company leaders tend to focus on

The creation of norms to support an organization's business strategy depends on carefully designing the organization's HR practices. Since the shared information within the organization and employees' experiences are the means through which behavioural norms are established, the HR practices in the organization provide information that shapes the behaviour and experiences of employees, thereby becoming how cultures are created and sustained. The messages communicated in the HR practices must, however, be clear regarding behaviours expected of employees and be able to establish the desirable behavioural norms for achieving strategic business objectives.

Finally, we have demonstrated the complementary procedures for aligning the organization's culture with the aspirational strategy. Organizational cultures can be created and sustained through carefully designed HR practices by which information is provided, and the behaviour and experiences of employees are shaped. Since personal values are not amenable to environmental changes, the recruitment of individuals that share the same values with the organizational culture required to support its strategy is the best way to align organizational culture with the formulated competitive strategy.

Behavioural norms can be modelled to help achieve organizational objectives in a dynamic market environment. Managers can model desired human behaviours through rules, norms and values. We also showed that the organizational environment influenced by the managers' leadership style contributes to forming an organizational culture based on explicit (formal) and tacit (informal) values. A practical guide involving articulation of the aspiration, leadership alignment, organizational conversation, and organizational design suggested in Grovsberg et al. (2018)'s 'the *four levers for evolving culture'* was explored for the nurturing of a change in organizational culture for alignment with new company strategy.

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