

Organizational Culture and The Role of Leadership in The 21st Century Organizational Transformation: A Case Study

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ABSTRACT: The study examines the application of Competing Values Framework as a theoretical model towards understanding the importance of organizational culture and the role of leadership using Huawei company culture management as a case study. It explores the strategies used by leaders in organizational culture management. A descriptive analysis of Huawei company culture was conducted and the findings shows that adoption and effective management of market culture by the company's leadership was the bane of tremendous success experienced by the organization. The study analyzed the practical values of CVF towards achieving organizational change and growth. The work shows the importance of integrative leadership in culture management. The study recommended that modern day organizational leaders should employ this Integrative Dynamic Framework to enable them create strategic plans towards achieving organizational success and be able to navigate successfully in today's highly competitive world of market.

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INTRODUCTION

Organizational culture is pivotal to organizational success. Research has shown that organizational culture is indispensable to the growth of every organization. Understanding the role of organizational culture is essential for integrative leadership. It is based on this that this work is set to discuss and re-enact the inevitability of organizational culture and the role of leadership in the 21st century organizational transformation. In achieving this, the study would anchor its analysis using Competing Values Framework (CVF) as a psychological model. This theoretical framework would guide this study, and its efficacy would be discussed using a descriptive analysis of Huawei Company culture management as a case study. A critical assessment of Huawei company culture management would be discussed using this framework (CVF). The concept of organizational culture and its constituent elements will be defined. Cultural role in organizational life and its influence in major organizational variables will be examined. The processes of cultural dynamics and culture change would be discussed. A critical assessment of practical values of Competing Values Framework in organizational culture management will be presented. The role of socialization, emotional intelligence and stress management using integrative leadership in the context of integrative dynamic framework will be incorporated in the study with a final conclusion.

The concept of organizational culture

Research has revealed that organizational culture is invaluable towards achieving organizational success. The question here is how can organizational culture be managed to achieve organizational goals? Who is responsible for organizational culture management? Answers to these questions would be provided as we move forward. Scholars have viewed organizational culture from different perspectives, which has generated various definitions of organizational culture. Hofstede (1980) views organizational culture as "the collective programming of the mind that distinguishes the members of one organization from others". Schein (1990) stated that organizational culture is "a collection of various values and behaviors that may be considered as a guide to success". Forehand and vonGilmer (1964) defined organizational culture as a design or blueprint of various qualities that define an organization and distinguish the organization from others. Organizational culture is the aggregation of major presumptions mostly unseen or written that organizational members share in common (Muya & Wesonga, 2012).

One can state from these definitions that organizational culture is a set of values and beliefs that holds members of an organization together. It is obvious that the concept of organizational culture is so broad and has attracted numerous metaphorical

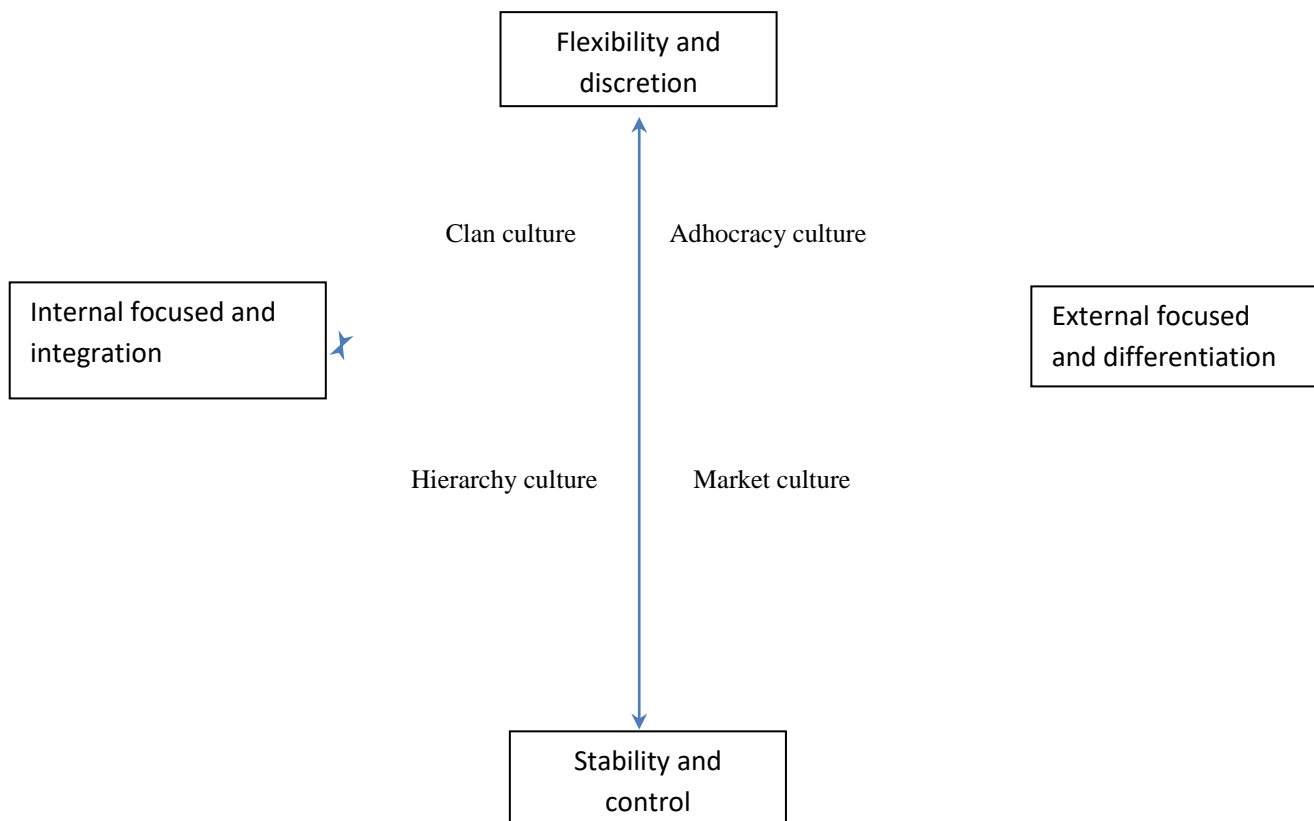
interpretations from various scholars. There is no agreement among scholars on a collectively accepted definition of culture. Consequently, this paper adopted a functional definition of organizational culture which presents organizational culture as: “the collective programming of the mind that distinguishes the members of one group or category of people from others based on shared values, beliefs and assumptions about how to behave, interact, perform, lead and make decisions” (PSY 704: Organizational Culture management).

This definition presents us with the constituent elements of organizational culture such as; values, beliefs, assumptions and programming of the mind which influences organizational behavior. It entails that culture is an integral part of an organization and would lead to organizational growth if it is effectively managed. Let us look at organizational culture from a psychological approach using Competing Values Framework (CVF).

THEORETICAL FRAMEWORK

Studying organizational culture from a psychological approach using Competing Values Framework will provide us with the knowledge of how organizational cultural elements such as values, beliefs, norms and assumptions are shared by members of the organization. It will elucidate the ways these elements are transmitted to organizational members. Competing Values Framework (CVF) was developed by Cameron and Quinn in 1983. For a long time now this framework has become very influential in organizational culture study. The framework is an assessment tool for workplace culture and transformation management. The tool is presented in figure 1 below.

Figure 1. The competing values framework as presented in Aktas, Cicek and Mithat (2011).



The framework describes how organizational culture is internally or externally focused and also explains if the culture is flexible or controlled. These core basic quadrants will help us to understand the four culture types operating in the organization.

Clan culture is based on collaboration of organizational members towards achieving organizational goals. Active participation of team members is highly required for increased productivity. Here leaders freely communicate with employees. Such relationships create motivation among employees. Employee emotions are respected as well as their pursuit for personal development. Leadership style in this culture is flexible. Friendly relationships between employees and organizational leaders serves as a motivational force. This form of culture promotes commitment and dedication to work.

Adhocracy culture stands for temporal arrangement which involves shared values and beliefs that does not last for long. It is open to innovation and promotes creativity. Leadership style here is also flexible. Employee’s emotions or feelings are given attention by managers. Personal development is supported by organizational leaders. This in turn produces positive emotions

among employees. Organizational effectiveness is assured because of the leader style of culture management. The underlying idea is to achieve organizational goals under a stable condition by creating a free atmosphere that allows employees to develop themselves and at the same time be committed towards achieving organizational objectives.

Market culture is characterized by competition. This form of culture is based on a leadership style that thrives on a competitive market. The value placed on competition influences organizational productivity. Employees' hard work is rewarded in this culture. These rewards are given to motivate the individuals to put more energy in their job. Employees in market culture are likely to develop a sense of pride in their job because they are given all the necessary support for personal development. Leaders here value employee's emotions in order to enhance commitment and creativity.

Hierarchy culture is characterized by rules and regulations that control work procedures. Work is highly structured in a way that is clear to employees. Employees understand their duty and rules that guide them. High value is placed on respect for organizational rules and regulations. This culture does not create room for employee emotional feelings expression, rather the idea is to perform your job accordingly and get paid. Leadership style is based on strict supervision of employees as they perform their job. This culture is not easily open to culture change. One could see that each quadrant in this framework is distinct and unique in its application. Every organization adopts a culture that is suitable for its style of operation. This takes us to the Huawei company's successful record of organizational culture management and to investigate the type of organizational culture and leadership that led to such tremendous growth.

Huawei company cultural changes

Huawei Technologies Incorporated is among the dominant information and communications technology (ICT) service providers in the world. Available reports show that Huawei has overtaken Sweden's Ericsson according to the company annual income (The Economist, 2012 as cited in Zhu & Jones, 2014). The Huawei Company has greatly transformed over the years. The company was founded in 1987 as a Private Branch Exchange (PBE). The company designed and developed its own digital PBX through a Research and Development team built by the founder in 1993. Huawei started penetrating the international market in 1995. Currently it's well over 25 years since the company started. Evidence shows that Huawei has made profit of \$35.35 billion, with over 150,000 employees around the globe. According to Huawei (2013 as cited in Zhu & Jones, 2014), their product is sold in over 140 countries in the world. The above information has shown how one man's business idea has transformed into a global company. This is a great achievement. Huawei has become a known giant in telecommunications equipment today. It is obvious that the company is an embodiment of change. Considering the modern global economic environment and the highly competitive nature of the market in the world today, one can say that this company has tremendously progressed.

The first question is what type of culture that propelled such change in the company? The second question is what leadership style drove that change? The third question is does the company still need any form of change, given that it has continuously progressed over the years. In answering these questions, we must understand that an integrative dynamic framework has provided us with the knowledge that organizational culture is the powerhouse of organizational change. Changes and successes seen in Huawei Company are as a result of effective culture management. A critical look at the company's successful history shows that market culture is the dominant existing culture in the company. The company management adopted an integrative leadership style in organizational culture management. If you look at the company's growth rate, one would see that Huawei Company is a risk taker. This can be observed when the company developed mobile phones to support its infrastructure which is not their area of business. The company is not afraid of embarking on a project and this is as a result of transformational leadership style. There is always technological advancement in the company's products. This is because market culture encourages innovation, employee motivation and creativity. The flexibility of market culture allows changes and innovative ideas which have positively reflected in the company's productivity and quality of service delivery. This is also showcased in the company's annual report (2009 as cited in Zhu & Jones, 2014) on how it became the first company in the world that produced and delivered LTE (Long Term Evolution) network; and later produced smart phone series for sale. This level of advancement explained the high level of energy in the company production force. This drive for new technologies is anchored on market culture and integrative leadership style. We should also note that the company is also influenced by external forces such as market demands, customer feelings and competitive market environment.

Let us not deny the existence of traces of other cultures in the company. This could be seen in its earlier development as one man business on a low scale; before it was blown into a world class organization. During that period, clan culture was the dominant culture in the company. Its operation was based on collaborative effort towards achieving the set goals. As a result of research, the company adopted a new culture that will enhance productivity and growth. The stability and control maintained by the company shows there are rules and regulations that control employee behavior. This is why we can say that some element of hierarchy culture can be found in the company. However, we must understand that market culture is the dominant culture in the organization.

The company also experienced some problems which occurred during global financial crises in 2007-2008. Since Europe is the company's major market, the economic crises forced the company to adjust in some areas like postponing investment in order to save cost. Another challenge experienced by the company was the production of computing hardware which becomes antiquated within 18 months; and to sustain such production risk, the company needs to create a good production plan that will ensure the availability of newer products for competitive reasons. Another threat is the acquisition of their competitors by bigger companies. This type of merger is capable of exerting pressure on the company, and may threaten their competitive ability in the market. This is why integrative leadership and effective culture management is required in order to withstand such occurrences. It is important to note that organizational challenges do not always bring the downfall of an organization; rather it creates room for changes. This is why in-depth knowledge of organizational culture and integrative dynamic framework is required for effective organizational management.

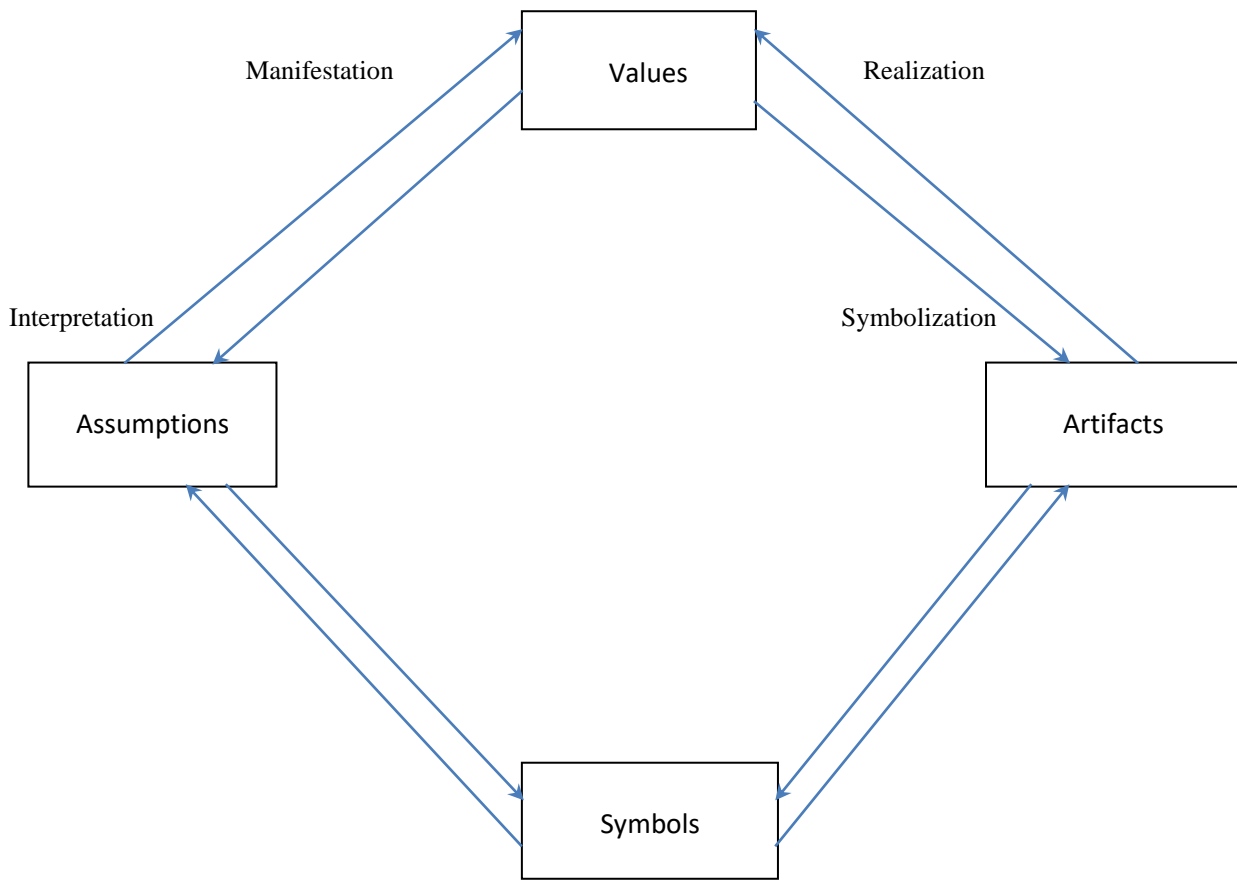
The role of culture in organizational life

We have said in the beginning of this study that culture is an important instrument of organizational growth. A reference to CVF has shown different types of culture with their weaknesses and strengths. Clan culture shows that there is employee commitment to work when members help each other to achieve organizational goals. Meyer and Allen (n.d as cited in Bulent & Adnau, 2009) states that employee shows commitment to the organization at varying degrees such as normative, affective and continuance sense. An organizational culture that accommodates employee emotions tends to create a positive mood and influences performance. Such feelings elicit commitment and dedication to work. It is always important to adopt a culture that cares for employee emotions and needs in order to encourage commitment to work and organizational effectiveness. Hierarchy culture on the other hand is designed for increased productivity but due to rigid rules and regulations, employee emotions are not taken care of and as a result, dedication to work, job satisfaction and motivation are negatively affected. Adhocracy culture according to CVF is centered on promoting organizational values and beliefs that are short lived. However, this culture creates an enabling environment for innovation and employee development due to its flexibility. Management cares for employee emotions and this in turn positively affects organizational effectiveness. It is important for leaders to create strong cultures that promote employee performance. Robbins (2002 as cited in Sengottuvel & Syed, 2016) states that "the stronger the culture, greater is its impact on organizational perception and performance". Market culture as we have described in this paper is centered on competition. This culture is result oriented. It involves using a stable and controlled environment to achieve organizational goals by motivating employees through friendly relationships and rewarding individual achievement. Taking ourselves back to Huawei company success, we would observe that there is a strong market culture and leadership style that promoted successful culture changes in the company.

Cultural dynamic process and organizational culture change

Due to the dynamic nature of culture, it is expected that changes will always occur in the organization. In order to improve and adapt to environmental changes, organizations will always experience change. According to Darlington (2014 as cited in Suwaryo, Daryanto & Maulana 2015) global dynamic environment forces changes in organization in order to comply with modern technological development and firm acquisition. According to the organizational culture model developed by Schein, culture simultaneously exists in three categories. At the first stage is an artifact which is on the surface level; the second stage are values and at the bottom lies basic assumptions. Artifact is described as the tangible and audible materials that identify an organization such as color, logo, design, table, chairs, etc. Values are seen as the belief of the organization. An example of organizational value could be quality service delivery. An organization may place high value on the quality of their product and excellent delivery. Assumptions are the guiding principle of the organization. Schein believes that a new culture must pass through these processes for general acceptance. In another development, Hatch (1993) introduced symbols in the Schein model as a new element. According to Hatch, symbols brought in interpretative meaning to the Schein model by lessening attention given to cultural elements and placing attention on how these elements are interrelated. What this means is that there is a shift from static to dynamic cultural process. Hatch transformed the Schein model to a process of interrelationships of cultural elements.

Figure 2. Cultural dynamic model presented in Hatch (1993)



This model describes how new culture passes through the symbolization process in the organization. We have to note that a new culture stands the chance of being accepted or rejected by the organization which is called the trading off process. This model provides a framework for organizational change which transformational leaders should employ during culture change for a successful transformation.

Practical values of integrative dynamic framework

CVF has provided a lucid description of organizational culture complexities (Gray & Densten, 2005). This framework has conceptualized organizational culture as a process of interaction of different cultural elements towards achieving organizational effectiveness. CVF provided the context through which culture is shared among organizational members. CVF application shows how the competing values are managed by organizational leaders towards achieving organizational effectiveness. Integrative dynamic framework provides organizational leaders with the knowledge of human interaction and process of socialization in culture sharing. Hierarchy culture shows how a clearly defined job that is guided by rules and regulations under formal organizational relationship will lead to organizational effectiveness. Leaders that operate under hierarchy culture are expected to get the best of it by applying its guiding principles in order to achieve organizational goals. Clan culture in the CVF is based on collaboration of members towards achieving objectives of the organization. Leaders here are relational in their management style. This type of informal relationship enhances culture sharing among members and influences organizational effectiveness. Adhocracy culture is open to innovation and creativity. Though this culture serves a purpose and lasts for a while. Its flexibility promotes culture change. Leaders in this culture are supportive to employees through emotional encouragement and this influences employee performance and organization effectiveness. Market culture is based on high productivity and competitiveness that promotes organizational accomplishment. Its flexibility encourages innovation and employee performance, thereby positively influencing organizational outcome. In addition, we have to understand the importance of socialization to organizational effectiveness.

Socialization plays a vital role in transmitting organizational values, beliefs and norms. It is through socialization that employees acquire the necessary organizational values and roles required for optimal performance in the organization (Ratkovic & Kostic, 2014). The existing knowledge and skills are learned in the process of socialization. Therefore organizational leaders must provide strategies for new employees to acquire the needed knowledge to ensure organization success. Effective socialization process

promotes employee commitment and effective performance. This shows the importance of leadership roles in organizational culture management.

Leadership role in organizational culture management

If we take our mind back to Huawei company's successful growth, we would observe that leadership played a vital role in their achieved success. "Recognizing the importance of culture, competence, and sensitivity to culture are obviously desirable qualities in a leader" (Marshall, 2010). Organizational leaders are the promoters of organizational culture. If we refresh our mind back again on the question, who is responsible for organizational culture management? And the question on how organizational culture can be managed to achieve organizational goals? The answer to these questions is simply provided as "organizational leaders". This is supported by Gundling, Caldwell and Cvitkovich (2015) in their statement that "leaders must constantly access economic, geopolitical, and technological changes as new and old powers compete in a rapidly transforming world". Organizations need a strategic leader who understands the dynamic nature of culture and its importance to organizational change (Dimitrios & Athanasios, 2014). Integrative dynamic framework has provided different styles of leadership, organizational management and its outcome. Integrative leadership using CVF as a model in organizational culture management will increase organizational effectiveness. In addition, it is highly recommended that organizational leaders should employ emotional intelligence in organizational culture and stress management. Emotionally intelligent leader is capable of controlling his emotions as well as others for organizational stability. This approach was developed by Salovey and Mayer (1990 as cited in Atika, 2008) as an individual's ability to understand his/her emotions and others in order to correctly appraise and access thoughts and feelings for mental growth. Being able to understand other peoples' emotions helps an emotionally intelligent leader to manage employee well-being. Emotionally intelligent leaders inspire and motivate employees through participation in the decision making process and support them in their personal decisions (Nielsen, Randall, Yarker & Brenner, 2008). Let us state at this juncture that transformational leaders who possess emotional intelligence are the brain behind tremendous success in Huawei Company. Having examined organizational culture using CVF, we, therefore, recommend the adoption of an integrative dynamic framework by organizational leadership in order to achieve successful organizational culture change. Mierke and Williamson (2016) in their study titled "a framework for achieving organizational culture change" listed six strategies leaders can adopt for effective culture change and organizational effectiveness. The recommended strategies are:

Leaders must identify the catalyst for change; they must strategically plan for successful change; they should engage and empower organizational members. Organizational managers must cultivate leaders at all levels; their leadership style must foster innovation, creativity and risk taken. They have to monitor progress, measure success, and celebrate along the way (Mierke & Williamson, 2016).

CONCLUSION

In conclusion, integrative leadership is imperative for organizational culture management. Psychological approach to organizational culture provided competing values framework for a comprehensive understanding of organizational culture. Huawei organizational culture change was critically studied using an integrative dynamic framework. Market culture was observed as the dominant culture in the company. Studies have shown the importance of culture in organizational life. The dynamic process of culture shows the interrelationships of cultural elements and how they facilitate change. Integrative dynamic framework provided us with the knowledge on how to manage organizational culture in order to promote organizational effectiveness. Socialization identifies the importance of assimilating organizational culture by new members. In general, it is the responsibility of an emotionally intelligent leader to transform an organization to a successful end.

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