



# Improving Business Results by Correctly Utilizing Business Culture

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## *Authors' contributions*

*This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.*

## *Article Information*

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## **ABSTRACT**

This article examines the strategic significance of corporate culture as a basic factor in improving organizational performance and achieving outstanding business results. This study employs a rigorous research methodology that thoroughly examines existing literature and conducts a detailed analysis of various case studies. The findings of this study demonstrate the potential of implementing business culture principles in a nuanced manner to foster innovation, improve employee engagement, and sustain a competitive advantage over time. The findings illuminate the tactics that companies can utilize to harness the intrinsic value of corporate culture in order to attain unmatched success.

*Keywords: Business culture; culture; performance; outcome.*

## **1. INTRODUCTION**

The interaction between technological advancement and globalization has led to an

organization's intangible assets, especially its culture, becoming precious strategic resources. The business culture is a construct that encompasses the shared values, beliefs, and

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practices inside an organization [1-4] It holds significant importance in shaping the corporation's identity and operational principles [5-8]. This article investigates that effectively utilizing business culture is crucial for driving improved business results.

## **2. THEORETICAL BACKGROUND**

### **2.1 Roots and Background**

The business culture of a nation is intricately intertwined with its cultural heritage, serving as a manifestation of the more comprehensive societal values, customs, and conventions prevalent within that particular country [9-12]. The cultural context plays a significant role in shaping the attitudes and behaviors shown inside businesses, influencing many aspects such as communication practices, decision-making procedures, leadership strategies, and employee interactions [13-16]. For example, a nation that places significant value on hierarchical systems and reverence for authority may observe that its enterprises tend to favour a top-down management and organizational structure approach. In contrast, societies that place a higher emphasis on individualism and innovation may foster a more egalitarian organizational structure and place significance on creativity and independence in their commercial operations [17-20]. Hence, comprehending the cultural milieu of a nation is crucial for effectively maneuvering its commercial landscape since these fundamental cultural principles directly influence how enterprises function and engage with their staff, clientele, and collaborators.

### **2.2 Well-known Author's Perspective**

Edgar Schein's essential work is crucial to comprehending business culture. He viewed culture as consisting of three levels: artifacts, stated values, and underlying assumptions. The aforementioned tripartite framework functions as a fundamental basis for analyzing the structure of business culture and its significant impact on the performance of organizations. Additional theoretical advancements suggest that aligning a clearly defined business culture and key organizational goals is a powerful catalyst for enhancing efficiency, fostering innovation, and enhancing competitiveness.

### **2.3 Definition**

The concept of business culture can be defined as the amalgamation of shared values, ideas,

and principles that govern the behaviors and engagements of a firm, both within its internal operations and in its contacts with external stakeholders. It has a pervasive impact on all facets of corporate existence, encompassing decision-making procedures, staff conduct, and customer interactions.

## **3. EXAMPLES OF UNIQUE BUSINESS CULTURES WORLDWIDE**

The business culture exhibits substantial global variation, shaped by distinct historical, social, and economic elements specific to each nation. Comprehending these subtleties is crucial for multinational corporations to navigate global markets effectively. This analysis examines many instances of business culture across different nations, emphasizing their unique practices and approaches.

### **3.1 Japan: Respect and Harmony**

#### **3.1.1 Consensus decision-making**

Group harmony and consensus in decision-making are highly valued in Japanese business culture. Instead of expediting decision-making, Japanese corporations frequently employ a protracted procedure known as "Nemawashi," wherein they actively solicit feedback from all relevant stakeholders in order to get a consensus-based decision.

#### **3.1.2 Seniority and respect**

The Japanese business culture places great importance on the principle of respecting seniority. The manner in which individuals are handled and addressed is substantially influenced by their age and position within the organizational hierarchy.

### **3.2 Germany: Precision and Structure**

#### **3.2.1 Efficiency and planning**

Efficiency, precision, and comprehensive preparation are highly valued in German business culture. Meetings are well organized, featuring a distinct agenda, and adherence to punctuality is anticipated.

#### **3.2.2 Direct communication**

In business contexts, Germans are renowned for their direct communication style. They prioritize

directness and lucidity, actively avoiding any form of vagueness in conversations and bargaining.

### **3.3 United Arab Emirates (UAE): Relationship Building**

#### **3.3.1 Personal relationships**

Personal relationships and trust play a fundamental role in business transactions within the United Arab Emirates (UAE). Business typically commences with cordial salutations and casual conversation, which are essential for establishing a positive relationship.

#### **3.3.2 Hierarchy and respect**

Like Japan, the business culture in the UAE values hierarchy. Typically, decisions are taken by the one with the highest position, and titles hold significance.

### **3.4 United States: Individualism and Innovation**

#### **3.4.1 Entrepreneurial spirit**

America is renowned for its entrepreneurial culture, which places great importance on invention, taking risks, and individual accomplishment. This phenomenon is readily apparent within the vibrant startup environment, namely in the area of Silicon Valley.

#### **3.4.2 Informality and efficiency**

The business culture in the United States exhibits a greater degree of informality compared to numerous other nations. Nevertheless, there exists a notable emphasis on efficiency, prioritizing the expeditious attainment of outcomes.

### **3.5 India: Flexibility and Adaptability**

#### **3.5.1 Jugaad (frugal innovation)**

The notion of "Jugaad," which pertains to an innovative solution or a straightforward work-around employed to address a complicated challenge, has gained popularity within Indian business culture. This exemplifies the adaptability and ingenuity in Indian business methodologies.

#### **3.5.2 Hierarchical yet personal**

Indian businesses exhibit a hierarchical structure, however they place considerable importance on

cultivating interpersonal connections. While decision-making processes often follow a top-down approach, encounters frequently involve personal conversations and acts of hospitality.

### **3.6 China: Guanxi and Long-term Orientation**

#### **3.6.1 Guanxi (relationships)**

Guanxi, or relationships, are of utmost importance in achieving commercial success in China. The establishment of robust personal and professional networks is crucial for effectively navigating the complex commercial environment.

#### **3.6.2 Long-term vision**

Chinese business culture is distinguished by its inclination towards adopting a long-term perspective when it comes to commercial partnerships and investments. The virtue of patience in cultivating relationships and negotiating commercial deals is greatly esteemed.

### **3.7 Brazil: Personalism and Flexibility**

#### **3.7.1 Personal connections**

The business culture in Brazil lays significant importance on interpersonal interactions. Business transactions are frequently facilitated through interpersonal trust rather than formal contractual agreements.

#### **3.7.2 Flexibility in time**

In contrast to the high value placed on timeliness in nations such as Germany, Brazilian business culture exhibits greater flexibility in terms of time management. Meetings have the potential to commence tardily, and timelines may be perceived as more flexible.

### **3.8 Sweden: Consensus and Equality**

#### **3.8.1 Flat hierarchies and consensus**

A prominent characteristic of Swedish business culture is its flat organizational structures, which prioritize agreement and collaborative decision-making.

#### **3.8.2 Work-life Balance**

It is common practice in Sweden to have flexible working hours and generous parental leave

regulations. This is because Sweden places a high priority on maintaining a healthy work-life balance.

Comprehending these cultural subtleties is crucial for firms that operate on a worldwide scale, as it allows them to cultivate stronger connections, communicate with more efficiency, and manage the intricacies of foreign marketplaces.

#### **4. IMPORTANCE OF BUSINESS CULTURE IN BUSINESS SETTING**

It is crucial to emphasize the significance of business culture in attaining superior business outcomes. A robust and favorable business culture plays a pivotal role in the foundation of a prosperous corporation, exerting influence over almost all facets of its functioning, including staff involvement and contentment, client interactions, and innovation. The imperceptible influence moulds habits, directs decision-making and establishes the atmosphere for how workers engage with one another and with external stakeholders. An effectively developed corporate culture follows the organization's strategic objectives, cultivates a feeling of inclusiveness and direction among staff members, and improves overall organizational effectiveness.

The prioritization of organizational culture yields advantages such as enhanced teamwork, heightened efficiency, and a competitive advantage within the industry. Furthermore, in the current global market, where firms are required to traverse through many cultural environments, it is crucial to comprehend and adjust to multiple business cultures to achieve worldwide success. In essence, a robust company culture not only enhances the dynamism and innovation of the work environment but also fosters superior business results by creating a conducive setting where individuals flourish and corporate objectives are achieved with exceptional quality.

Business culture could also be categorized based on its utilization:

##### **4.1 Innovation and Creativity**

Business cultures that place a high value on innovation and creativity foster an environment that motivates people to engage in unconventional thinking and actively offer pioneering ideas. This cultural paradigm is

demonstrated by prominent technology companies like as Google and Apple, wherein a strong focus on creativity and invention has resulted in the creation of groundbreaking products and services that have revolutionized the industry.

One example of a company that uses the "20% time" strategy is Google. This policy grants employees the opportunity to allocate one-fifth of their working hours towards initiatives that align with their personal interests, therefore promoting creativity.

##### **4.2 Accountability and Integrity**

Organizations that foster a culture characterized by responsibility and integrity are able to establish a sense of trust among their workers, stakeholders, and consumers. This setting fosters a sense of personal responsibility and promotes adherence to the ideals of the company. Patagonia, a corporation specializing in outdoor gear, exemplifies its dedication to environmental sustainability and ethical business methods, consequently establishing a commendable standing for its devotion to integrity and responsibility.

##### **4.3 Employee Well-being and Satisfaction**

A business culture that prioritizes the well-being and contentment of its employees typically exhibits elevated levels of employee engagement, reduced rates of employee turnover, and enhanced productivity.

Salesforce is renowned for its employee focused organizational culture, which encompasses various initiatives like as health programs, ample parental leave, and adaptable working arrangements. Salesforce's emphasis on employee satisfaction has led to its frequent high rankings on lists of the top workplaces.

##### **4.4 Customer Focused**

A culture that is centered around the customer places utmost importance on the requirements and experiences of the customer. Implementing this strategy can result in increased client happiness, loyalty, and eventually, the achievement of commercial success.

The leadership philosophy of "Customer Obsession" at Amazon serves as a driving force behind its operational strategies, as the firm

consistently engages in innovation to enhance the whole customer experience, including many aspects such as one-click buying and same-day delivery services.

#### **4.5 Agility and Flexibility**

In the current dynamic and rapidly evolving business landscape, firms that embrace agility and flexibility are able to swiftly adjust to market fluctuations and capitalize on emerging prospects.

Netflix fosters a corporate environment that promotes both freedom and responsibility, granting its workers the authority to use their judgment and undertake actions that they perceive as advantageous for the organization. The adaptability exhibited by Netflix has facilitated its transition from a DVD rental service to a prominent worldwide streaming entity.

### **5. THE IMPACT OF BUSINESS CULTURE ON BUSINESS PERFORMANCE**

#### **5.1 Organizational Performance**

The strategic implementation of business culture plays a crucial role in facilitating improved business results. The complex nature of this process requires a leadership approach characterized by a steadfast dedication to cultivating a culture that aligns with the firm's strategic goals. The function of leadership extends beyond mere advocacy, requiring the embodiment of cultural values and the creation of an atmosphere in which these values are actively practiced and embraced at all levels of the company. Moreover, attaining strategic congruence necessitates a thorough synchronization of the business's culture with its strategic objectives, guaranteeing that the culture functions as a facilitator rather than an impediment to realizing these goals. Alignment plays a crucial role in facilitating the mobilization of a workforce that is not only dynamic and actively involved, but also closely intertwined with the vision and strategy of the business.

A actively involved and committed workforce is distinguished by elevated levels of motivation, creativity, and dedication, all of which are crucial for fostering innovation and maintaining a competitive edge. Organizations that effectively manage the challenges of developing a favorable business culture, aligning it with strategic goals, and promoting a motivated workforce are more

likely to achieve exceptional success and long-term viability in today's business environment. The interdependent connection between an adaptable corporate culture and strategic implementation cultivates an organization that is flexible and resilient, enabling it to seize opportunities and adeptly handle setbacks effectively.

#### **5.2 Employee Engagement and Retention**

Business performance is heavily influenced by work settings that promote good cultural qualities since these environments are crucial in creating heightened employee engagement. Employees who are engaged, characterized by their elevated levels of passion, dedication, and drive towards their job, make a substantial contribution to increased productivity and the generation of products of higher quality. The observed levels of engagement suggest that employees are not simply content but have a sincere commitment to the well-being and prosperity of the firm. Furthermore, the establishment of a healthy business culture serves as a deterrent to the occurrence of high attrition rates, reducing the significant expenses often incurred in recruiting and training new employees. The decrease in employee turnover is financially advantageous and essential for preserving a steady and skilled staff.

The correlation between a favorable business culture and employee engagement transcends just immediate productivity improvements. It is the foundation for a resilient internal community distinguished by powerful interpersonal connections, shared principles, and a unified dedication to attaining organizational goals. Community strength cultivates a conducive atmosphere for the flourishing of creativity, the unrestricted sharing of information, and the empowerment of employees to assume initiative and leadership within their respective positions. The corporate atmosphere that emerges is characterized by the prevalence of trust, transparency, and cooperation, which serves to strengthen employee engagement and loyalty.

Consequently, a working environment of this nature becomes a valuable resource, providing a competitive advantage in recruiting and maintaining highly skilled individuals. The congruence between a favorable business culture and the enterprise's strategic goals amplifies the organization's standing, both inside its workforce and on the broader market and

industry. The organization's reputation for cultivating a pleasant and engaging business culture is crucial in attracting individuals who share similar values and are more likely to excel and contribute to the organization's continued success.

### **5.3 Brand Reputation and Customer Loyalty**

The perception of a business's culture by external stakeholders is of paramount importance in influencing its brand reputation and cultivating customer loyalty. Consumers in the current market are becoming more selective, frequently deciding to buy products based on their beliefs and impressions of a brand's ethical obligations, exceptional customer service, and the quality of its workplace. Organizations that are widely recognized for adhering to elevated ethical principles, delivering great customer service, and fostering a good and conducive work environment not only enhance their brand image but also foster stronger consumer loyalty.

The correlation between the cultural perception of a company and customer behavior is supported by the increasing consumer inclination towards companies that exhibit social responsibility, transparency, and authentic dedication to the welfare of their employees and communities. Ethical and socially responsible corporate practices foster trust and respect among customers, which are essential for establishing and sustaining robust customer relationships. Moreover, exceptional customer service, which frequently mirrors a company's business culture, improves the client experience, resulting in heightened satisfaction and loyalty.

Additionally, a conducive work environment that places emphasis on the well-being and growth of its workforce has a tendency to have a beneficial impact on the caliber of products and services provided, hence strengthening consumer views of the brand's worth and ethical standards. The interplay between employee happiness and customer satisfaction serves to enhance the brand's reputation, rendering it more appealing not just to prospective consumers but also to highly skilled individuals who are motivated to join an organization that places importance on its personnel.

Essentially, the outside perception of a business's culture significantly influences its brand reputation and client loyalty. Companies

that allocate resources towards fostering a culture marked by ethical conduct, outstanding customer service, and a nurturing work atmosphere are expected to see a substantial benefit in the form of improved brand reputation, customer loyalty, and overall competitive edge. The establishment of a strategic alignment between corporate values and outward perception serves as a robust basis for long-term growth and achievement in the marketplace.

## **6. STRATEGIES FOR UTILIZING BUSINESS CULTURE**

### **6.1 Alignment with Strategic Goals**

The heart of capturing business culture is in the synchronization of cultural values with the dominant strategic objectives of the corporation. This alignment not only fosters a culture that is focused on achieving high performance, but also integrates a feeling of purpose and direction into the structure of the business.

### **6.2 Leadership Commitment**

The significance of leadership in influencing, fostering, and sustaining business culture can't be overemphasized. Leaders who demonstrate the cultural ethos of the business by their actions and decisions play a significant role in facilitating the integration and reinforcement of cultural values across the organization.

### **6.3 Employee Engagement**

A staff that is actively involved and driven plays a crucial role in embodying and spreading business culture. By cultivating an inclusive atmosphere that promotes a sense of worth and integration of employees into the cultural narrative, companies may effectively facilitate a more profound and widespread embrace of their cultural ideology.

### **6.4 Continuous Learning and Adaptation**

Organizations that prioritize adaptation and continual learning are more likely to successfully traverse hurdles and capitalize on chances for development and innovation, given the constant market dynamics and technology advancements.

## **7. DISCUSSION**

The present article comprehensively analyses the complex interplay between business culture

and organizational performance, emphasizing the diverse obstacles and potential advantages associated with aligning culture with strategic goals. This statement suggests that a carefully selected business culture may provide significant strategic benefits, but inconsistencies between culture and strategy can weaken the firm's effectiveness.

## 8. CONCLUSION

The continuous and dynamic process of strategically leveraging business culture is crucial for organizational success and long-term viability. The successful implementation of this approach necessitates a steadfast dedication from leadership, guaranteeing that the cultural values and practices are not just declared, but also actively exemplified and strengthened throughout all tiers of the business. Moreover, it is crucial to have strategic congruence, which means that the values and methods of the business culture align with the organization's long-term objectives and strategy. This alignment promotes a cohesive trajectory, allowing workers to comprehend and exemplify the principles that propel the organization's progress.

Furthermore, the efficacy of this procedure is greatly enhanced by the existence of a dynamic and actively involved labor force. In the present context, employee engagement is a complex phenomenon that encompasses several dimensions, including emotional, intellectual, and social involvement with the aims and values of the firm. An engaged workforce is defined by individuals who demonstrate dedication to their specific responsibilities and a solid commitment to the firm's overall success. They are more likely to engage in innovation, exceed expectations, and contribute to a favorable and efficient work atmosphere.

Companies that effectively manage the intricacies of cultivating and sustaining a business culture closely coherent with their strategic objectives are at the forefront of attaining extraordinary success. There are several advantages associated with strategic alignment, such as increased levels of employee satisfaction and retention, improved customer service, and a more robust competitive stance within the market. In the dynamic and ever-changing modern company environment, where adaptability is essential, efficiently utilizing corporate culture as a strategic advantage becomes a vital factor in ensuring long-term viability and achievement.

In summary, the strategic implementation of business culture encompasses a holistic approach beyond the mere uptake of values and behaviors. Leadership must exert significant and continuous effort to cultivate a culture that aligns with the organization's strategic goals and connects with a committed and involved workforce. Organizations that successfully achieve this alignment are strategically positioned to effectively negotiate the complexities and potential advantages of the contemporary business landscape, attaining exceptional outcomes and establishing a sustainable heritage.

## COMPETING INTERESTS

Authors have declared that no competing interests exist.

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