

Chapter XX

The Role of Organizational Culture to the Management of Telecommunication Companies: II. Applications and Case Studies

Antonios D. Kargas

University of Athens, Athens, Greece

Dimitris Varoutas¹

University of Athens, Athens, Greece

ABSTRACT

This chapter analyzes the importance of organizational culture through a set of strategies and enterprising practices in order to emphasize the culture's necessity for the effective management of any organization and especially for the management of telecommunication companies. Moreover, the way culture affects the success and failure of a series of enterprising practices, such as mergers, acquisitions, strategic alliances and joint ventures is presented. All these create a rather interesting framework in which organizational managers should cultivate and implement the appropriate organizational culture in order to keep their organization competitive and well managed. Finally, case studies from the telecommunications industry will be presented, a field where culture plays a dominant role in either changing procedure or in developing new enterprising practices.

1.0 INTRODUCTION

In the previous chapter, the motivation for examining culture has been discussed. The direct

and indirect relationship between culture and organizational performance and efficiency has been studied in order to understand its importance to the overall organizational management and to the decision making process

Performance is an important element for the organizational survival and growth but it is not the only one. The organizational efforts for improving financial performance can lead to the increase of short-term outputs but may also undermine the organizational capability for creation of future economic value (Kaplan & Norton, 1996). Only a healthy and balanced way of achievement of profits can help organization to maintain its competitive advantage and its financial performance for a long period.

Moreover, organizations are faced with great changes that have occurred in many areas of organizational operation and in many enterprising practices. Globalization of economies, liberalization of markets and the privatization of many state-owned companies has changed dramatically the way many organizations operate and compete with each other. New enterprise practices such as mergers, acquisitions and joint ventures have begun to be considered by the dominant companies or to take place already (Jackson, 2002).

In this environment a growing interest for the role of organizational culture has been established. Researchers have presented a link of culture with many aspects of organizational life other than performance. In an environment where risks are growing, well-prepared strategic plans can help every organization to avoid dangers to survive and compete. Moreover, the decision making process, which is related to the organizational strategy, affects the overall organizational performance and operation.

Secondly, organizations have adapted a new series of enterprising practices in order to compete successfully in the new globalized environment. These practices, particularly appropriate in the telecommunication industry, have led to new enterprising opportunities but also to new challenges. Implementing these practices may provide competitive advantage against any competitor.

After reviewing these organizational variables and practices and their relation to culture, the importance of culture for the overall management

of any organization will be clear. However, there are only a few studies which investigated in which way organizational culture affects the telecommunication companies' management and their strategies. Considering this, it is interesting and challenging to study how organizational culture has affected telecommunication industry.

The rest of the chapter is structured as follows. In Section 2 the influence of culture on the formulation and adaptation of organizational strategy is studied, while in Section 3 its effect on a series of enterprise practices, applied particularly in the telecommunication industry such as organizational change, mergers and joint ventures, are analyzed. In Section 4 the role of organizational culture to telecommunication industry is discussed. Finally, in Section 5 the conclusions of this chapter and some trends for future research are presented.

2.0 ORGANIZATIONAL STRATEGY

Despite the disagreements about the definition and the context of organizational culture, many researchers suggest that its management is crucial for the decision making process and the formation of organizational strategy (Lee, 2004). In this section the culture's influence on strategy and decision making processes will be studied.

Pool (2000) and Daft (2001) consider culture to be a basic structural component of the organizational management system, while Valentine (2000) recognizes its importance for a set of organizational actions and for the organizational structure and the management philosophy. These researchers have been influenced by Deshpande & Webster (1989), who suggest that culture can be handled as any other organizational variable, in order to coordinate the decision making process and to diffuse the organizational strategy. Just like structure, strategy and technology, organizational culture can be managed so that higher levels of financial profits can be achieved.

12 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/role-organizational-culture-management-telecommunication/21673

Related Content

Modeling and Simulation of Traffic with Integrated Services at Media Getaway Nodes in Next Generation Networks

Izabella Lokshina (2011). *International Journal of Interdisciplinary Telecommunications and Networking* (pp. 1-14).

www.irma-international.org/article/modeling-simulation-traffic-integrated-services/58651

Throughput-Efficient Spectrum Access in Cognitive Radio Networks: A Coalitional Game Theoretic Approach

Raza Umarand Wessam Mesbah (2015). *Handbook of Research on Software-Defined and Cognitive Radio Technologies for Dynamic Spectrum Management* (pp. 454-477).

www.irma-international.org/chapter/throughput-efficient-spectrum-access-in-cognitive-radio-networks/123576

A Distributed and Local-World Topology Evolution Model for Wireless Sensor Network

Changlun Zhang, Chao Liand Haibing Mu (2015). *International Journal of Interdisciplinary Telecommunications and Networking* (pp. 45-55).

www.irma-international.org/article/a-distributed-and-local-world-topology-evolution-model-for-wireless-sensor-network/132673

Developments in Efficient Antenna Designs Using EBG Structures

Naveen Jaglan, Samir Dev Gupta, Binod Kumar Kanaujiaand Shweta Srivastava (2017). *Handbook of Research on Advanced Trends in Microwave and Communication Engineering* (pp. 34-84).

www.irma-international.org/chapter/developments-in-efficient-antenna-designs-using-ebg-structures/164159

Evaluating Wireless Network Accessibility Performance via Clustering-Based Model: An Analytic Methodology

Yan Wangand Zhensen Wu (2017). *Big Data Applications in the Telecommunications Industry* (pp. 15-30).

www.irma-international.org/chapter/evaluating-wireless-network-accessibility-performance-via-clustering-based-model/174273