



# THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(SET UP BY AN ACT OF PARLIAMENT)



## Organizational Culture

2023 DECEMBER

E-NEWSLETTER

**THRISSUR BRANCH (SIRC)**



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## INSIDE

03 *Editor's desk*

04 *Chairman's message*

05 *Silence problem or fearless culture:*

*What is your organisational culture?*

08 *Glimpses*

# EDITOR'S NOTE



Dear Readers,

As we usher in the November issue of our CA journal, we find ourselves in the wake of another tax audit season that recently concluded. This annual event is a testament to the diligence and expertise of Chartered Accountants across the country.

The tax audit season is a time when CAs play a pivotal role in ensuring compliance, accuracy, and transparency in financial reporting. It's a period marked by long hours, meticulous scrutiny, and the unwavering commitment of professionals who diligently review financial statements, verify compliance with tax laws, and provide valuable insights to their clients.

We applaud the dedication and hard work of our fellow CAs during this demanding season. Your role as trusted advisors to businesses and individuals is integral to maintaining the integrity of our financial systems.

As we reflect on the recently concluded tax audit season, let us also acknowledge the ever-evolving nature of our profession. The landscape of taxation and financial regulations is continuously changing, and as Chartered Accountants, we must remain adaptable and proactive in keeping ourselves updated and serving our clients with excellence.

We extend our gratitude to the entire CA community for your tireless efforts and your commitment to upholding the highest standards of our profession. Together, we continue to navigate the complexities of the financial world, providing invaluable support to individuals and businesses alike.

Thank you for your unwavering support of our journal, and we look forward to bringing you more enriching content in the months ahead.

Best regards,  
CA Ajith Kaimal R

# CHAIRMAN'S MESSAGE



Dear Esteemed Members,

I trust this message finds each one of you in good health and high spirits. As we reflect upon the enriching experiences of the past month, I am pleased to share highlights from our noteworthy programmes held in November.

21.11.2023 - CPE SEMINAR ON “RECENT DEVELOPMENTS IN CO-OPERATIVE SOCIETY TAXATION”

We commenced the month with a thought-provoking session led by the distinguished CA. Shajan T T from Thrissur. His expertise shed light on the "Recent Developments in Co-operative Society Taxation." Attendees were provided with invaluable insights into the intricacies of this dynamic field, equipping them with the knowledge to navigate the evolving tax landscape.

22.11.2023 - CPE SEMINAR ON “CODE OF ETHICS”

The following day, we had the privilege of hosting CA. Jomon K George, a Past SIRC Chairman, as the esteemed faculty for a seminar on the "Code of Ethics." CA. Jomon's vast experience and engaging presentation style made this session not only informative but also a forum for meaningful discussions on the ethical dimensions of our professional journey.

29.11.2023 - CPE SEMINAR ON “NEW INCOME TAX REASSESSMENT SCHEME SECTIONS 147-153 OF THE INCOME TAX ACT, 1961” (PART 2)

The month concluded with an insightful continuation by CA. Rajan C V from Thrissur, exploring the intricacies of the "New Income Tax Reassessment Scheme Sections 147-153 of the Income Tax Act, 1961." Participants gained a deeper understanding of the complexities involved, enhancing their proficiency in this critical area of taxation.

I extend my gratitude to the faculties, CA. Shajan T T, CA. Jomon K George, and CA. Rajan C V, for sharing their expertise and making these sessions both informative and engaging.

As we look forward to upcoming events, I encourage each member to continue actively participating in our knowledge-sharing initiatives. Your commitment to continuous learning is the cornerstone of our professional community's success.

Wishing you all continued success in your professional endeavors.

Best Regards,  
Jai Hind Jai ICAI

CA JEEN PAUL  
CHAIRMAN

# SILENCE PROBLEM OR FEARLESS CULTURE: WHAT IS YOUR ORGANISATIONAL CULTURE?



**MR. K A BABU**

If only three in ten employees strongly agree that their opinions count at work, your organization has a silence problem. When people speak up and their voices matter, your organisation has a fearless culture.

What is culture?

Culture means to cultivate. It nurtures and fosters growth. Culture manifests itself in arts, beliefs, ideas, customs and social behaviour. It is the culture of a society that defines its manners, dress, language, religion and rituals. Culture is basic assumptions and values, difficult to discern but exist at a subconscious level.

Each geographical region has its own unique culture. It passes down from generation to generation. Collectively, it is how the entire society live. Progress of a population depends upon the richness of its culture.

Organisational culture

Organisational culture is how leadership cultivates or guides and takes care of its business and stakeholders. It is the day-to-day behaviour of employees and leaders. Organisational culture refers to the rules, values, attitudes, beliefs, assumptions, philosophy and behaviours that dictate team behavior. This contributes to the unique social, emotional and psychological environment of an organisation.

Practically, it shows how decisions are made in an organisation – top-down or bottom-up. A good organisational culture positively responds to a straight and simple question: how confident are employees to express independent thoughts and take decisions without fear?

Organisational culture can manifest itself in leadership behaviours, communication styles, internally distributed messages and corporate celebrations. It is multi-dimensional. It responds to internal and external forces, develops and grows continuously. It is the cornerstone of enduring success.

Culture is distinctive

As each population has a culture, each organisation has a culture. It is developed both spontaneously and intentionally. The culture reflects how employees, customers, vendors, and stakeholders experience the organization and its brand. The role of a founder is important in developing a desirable culture for the organisation that will catalyst the journey towards its objectives.

Clan culture is rooted in collaboration, the most important quality for a team success. Members trust one another. Leaders are mentors. Commitment is the differentiator. Organisations value traditions. Energy and creativity are the leading lights of Adhocracy Culture. Leaders are innovators. Employees are encouraged to take risks. Emphasis is on individual ingenuity and freedom. In Market Culture, leaders are demanding. Tough to team with. Full focus is on beating the competition, achieving targets and succeed. Core values are market share and profit. When the organisation culture is founded on structure and control it is Hierarchy Culture. Processes and procedures are strict. Employees work in formal work environment. Leaders give thrust on co-ordination and monitoring. Organisation looks for efficiency and predictability.

Organisational cultures can be further dissected and described as purpose culture, learning culture, enjoyment culture, results culture, authority culture, safety culture, order culture and caring culture.

Within a company, there can be different team cultures. This is more prevalent when people are brought in from different organisations. Quite often it is harder for these teams to collaborate. People belong more to their group than to the organisation. It is important to respect these groups and cultures. At the same time, it is essential that a system is created which lets them connect one another and unite to the overall organisational culture.

## Culture reflects priorities

A company's priorities can be seen in its culture – its values and ethics. It works as a code of conduct for its employees. It unites the employees. Culture is all about behaviour. It can be witnessed in the way the team responds to a customer demand, grievance, the organisation reacts when their employees commit mistakes and corrects them. It shows how the senior team manage a crisis.

Organisation culture takes the professionals into confidence and convince them why should they do what. They make a good community, share principles, goals, values and develop desirable team cohesiveness.

## Communication is core

Effective communication is a pre-requisite for an organisation to grow. Free flow of communication, both horizontal and vertical, is essential. Top-down and Bottom-up communication to happen seamlessly without friction or block. Subject based discussions to be encouraged and appreciated irrespective of the hierarchy. Leaders in culturally dynamic organisations constantly push the mission, standards, community and processes. Organisational purpose is shared through effective communication which in turn ensures ownership and inspires and guides the team like a North star.

## HR – an incubator and a catalyst

Nature of the business, organisational goals, objectives, the strategies, procedures etc. affect employees' behaviour and thus organisational culture. Employees' attitudes, mentalities, interests, perception and thought process affect the culture. HR practices play crucial role in shaping and the success of an organisation's culture. Through proper orientation, training and performance management programme, HR reinforces the organisation's core values. HR needs to evaluate how culture impacts the bottom line and guide the business periodically as organisational culture is integral to the business. Good performance culture is a by-product of a good organisational culture. It is a culture of trust, appreciation, alignment, teamwork and resilience, integrity, innovation and psychological safety.

By building a strong and sustainable organisational culture, businesses can provide consistency and direction, guide decisions and actions, fuel the workforce and help reach their potential and keep and attract high-caliber talent. Workers check company culture before applying, stay back only when they are comfortable with the company culture and leave if not in terms with the company culture.

A high performing organisational culture can be built by excellence in recognition, enabling employee voice, converting the leaders to culture advocates, living by the values of the company, forging connections between team members, focussing on learning and development, always keeping culture in mind and personalising the employee experience.

An organisational culture manifests itself through the entire employee life cycle. It runs through the recruitment process, employee onboarding, performance management, skill development, employee discipline and employee engagement programmes.

HR shapes organisational culture by collecting and providing feedback, embracing diversity, inclusion & equity, being change champions and developing & applying policies. A positive company culture starts with happy employees.

Leadership plays a critical role in shaping organisational culture. Leaders develop and nurture good culture. For a visionary leader, organisational culture is not a chance, but a choice!

## Hire with care

Good people develop and nurture good culture and make good organisations. What is fundamental is hiring good people. Don't hire, based on academic qualifications and industry exposure alone. Check, are they a good fit? Will they align with the organisational values, ethics and goals and gel well with the team? Will they remain stick to the brand and the organisational values? Are they professionals who carry promoters' mentality? Will they own the company?

Recognising employees' achievements and contributions helps foster loyalty and stickiness. Get the employees involved in shaping the organisational culture. Organisational culture links the organisation's vision and values with employee engagement, happiness, productivity, retention rate and positive recruitment effects. It is as important as the business strategy. It decides the pace and passion with which the organisational travels. It can bolster the organisational objectives.

One challenge that any organisation may face is negative attitude. Employees with negative attitude is a threat to good organisational culture. Absence or inadequate inter-personal communication is another problem. Employees need to discuss about the work, the issues, the problems and together find out solutions.

Improve, not prove

A culture of accountability is a culture where people are intrinsically motivated to own the results of their actions and the outcomes of their goals. Positive transformation is a cultural role. Sathya Nadella prioritised organisational culture and asked the employees to improve themselves rather than proving themselves. This gave remarkable shift the way Microsoft compete with the giants and improve market share.

Good organisations create a culture of belongingness which in turn produce impressive outcomes.

Culture is dynamic

Organisational culture is not static. It is dynamic. Changing organisational culture helps a business stay competitive, fresh and relevant. It attracts new and top talent, brings out innovative products and services and creates a positive work place. Changing an organisation's culture is often challenging. It may even face employee resistance. Leaders must be mindful and sensitive. With impeccable character and absolute trust, a leader can lead the team through the cultural change with continued and effective communication. Eventually, employees adopt new behaviours, attitudes and work ethics.

Organisations with great culture, progress great

An organisation with a culture of collaboration and adaptability may embrace change. Less flexible, more bureaucratic culture may not respond well to transformation. Consistent positive workplace experience is a motivator for employees to stay with the organisation. Satisfied employees put more efforts, innovate more and bring in better results. Organisations with great culture, progress great.

Heart of workplace dynamics

Organisational culture impacts and plays pivotal role in shaping the identity and success of modern enterprises. It is an invisible force that drives an organisation's success by promoting engagement, innovation and collaboration where the employees thrive and the business flourishes.

It is no more a chance, but a choice!

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