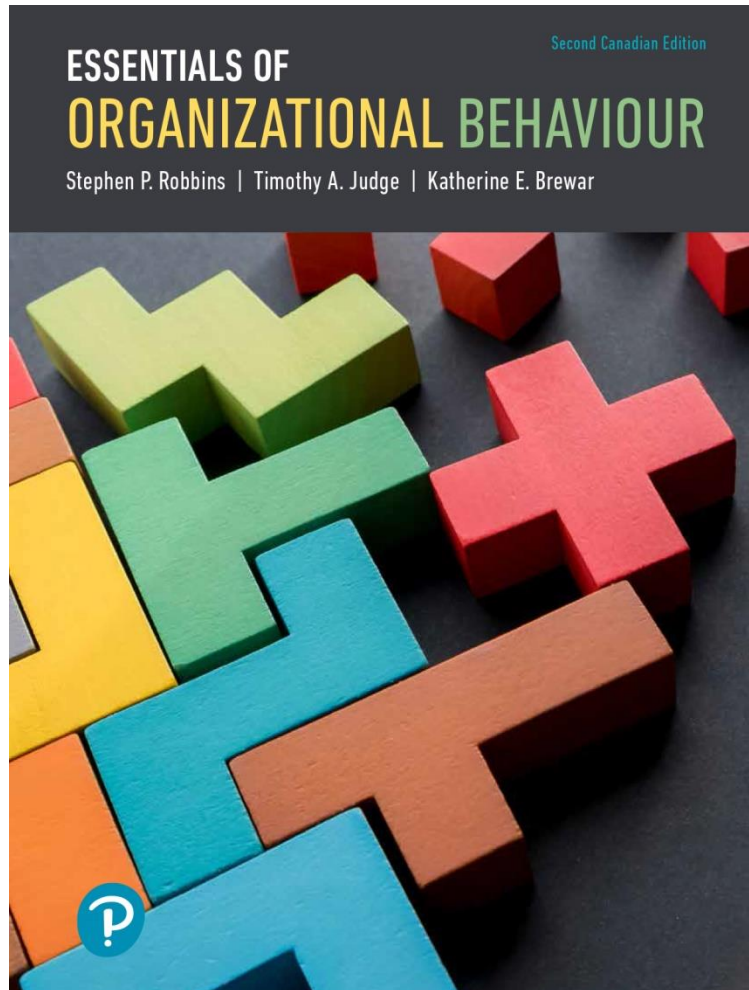


Essentials of Organizational Behaviour

Second Canadian Edition



Chapter 16

Organizational Culture

Learning Objectives

16.1 Describe the common characteristics of organizational culture.

16.2 Compare the functional and dysfunctional effects of organizational culture on people and the organization.

16.3 Identify the factors that create and sustain an organization's culture.

16.4 Explain how culture is transmitted to employees.

16.5 Demonstrate how an ethical culture can be encouraged and fostered.

16.6 Describe a positive organizational culture.

16.7 Show how national culture can affect the way organizational culture is interpreted.



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Organizational Culture

A system of shared meaning held by members that distinguishes the organization from other organizations.

Characteristics of Organizational Culture



Culture is a Descriptive Term

Culture

- Organizational culture is concerned with how employees perceive an organization's culture, not whether or not they like it
- Descriptive

Job Satisfaction

- Measures affective responses to the work environment: concerned with how employees feel about the organization
- Evaluative

Do Organizations Have Uniform Cultures?

1

The **dominant culture** expresses the **core values** that are shared by a majority of the organization's members


2

Subcultures tend to develop in large organizations to reflect common problems, situations, or experiences of members

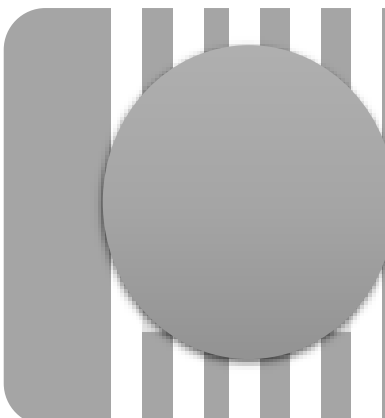
Strong Versus Weak Cultures

- In a **strong culture**, the organization's core values are both intensely held and widely shared
- Strong cultures will:
 - Have a great influence on the behaviour of members
 - Increase cohesiveness
 - Result in lower employee turnover

Culture versus Formalization



High formalization creates predictability, orderliness, and consistency



A strong culture achieves the same end without the need for written documentation

01

Defines
boundaries

02

Conveys a
sense of
identity

03

Generates
commitment
beyond oneself

04

Enhances
social stability

05

Sense-making
and control
mechanism

The Functions of Culture

Culture Creates Climate

- **Organizational climate:**
The shared perceptions that organizational members have about their organization and work environment
 - Positive climate is linked to higher customer satisfaction and financial performance

Culture as a Liability



Institutionalization - Behaviours and habits go unquestioned



Barriers to change - Culture is slow to change



Barriers to diversity - Culture seeks to minimize diversity



Barriers to acquisitions and mergers



Cultural incompatibility can be a problem

How a Culture Begins

Ultimate source of an organization's culture is its founders



Founders create culture in three ways

Hiring and keeping those
who think and feel the same
way they do

Indoctrinating and socializing
those employees to their way
of thinking and feeling

Acting as a role model and
encouraging employees to
identify with them

Keeping a Culture Alive

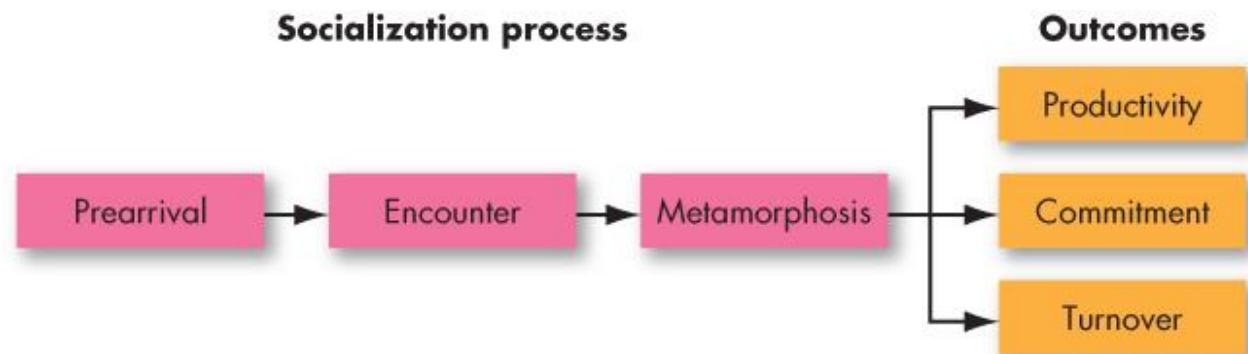
Selection: seek out those who fit in

Top management: establish norms of behaviour by their actions

Socialization: help new employees adapt to the existing culture

A Socialization Model

EXHIBIT 16-1 A
Socialization Model



- **Pre-arrival:** initial knowledge about the organization and own unique ideas
- **Encounter:** exposed to the organization
- **Metamorphosis:** member changed to fit within the organization

Entry Socialization Options

Formal: new workers separated for training

- Collective: group basis
- Fixed: planned activities
- Serial: role models used
- Divestiture: strip away characteristics to build up new ones

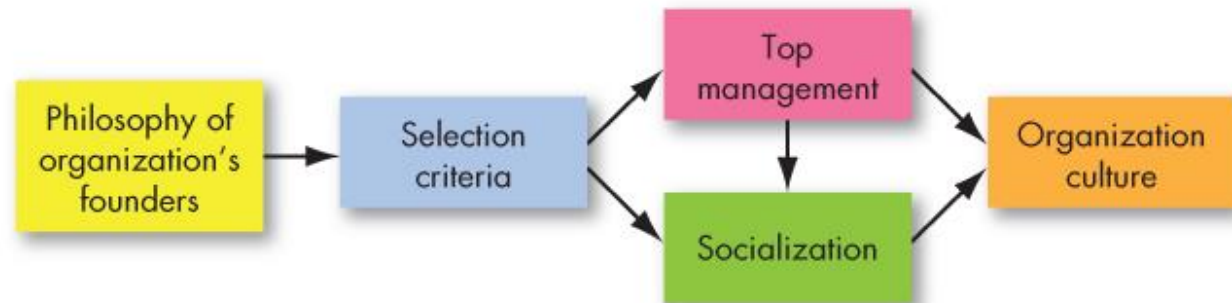
Informal: new workers immediately put to work

- Individual: one-on-one
- Variable: no timetables
- Random: on your own
- Investiture: accepts and confirms existing characteristics



Summary: How Cultures Form

EXHIBIT 16-3 How Organization Cultures Form



Success in employee socialization depends on management's selection of socialization methods and the closeness of new employees' values to those of the organization

How Employees Learn Culture

Culture is transmitted to employees through:

- ***Stories***: provide explanations
- ***Rituals***: reinforce key values
- ***Material Symbols***: convey importance, degree of egalitarianism desired, and appropriate behaviours
- ***Language***: identify and segregate members

Creating an Ethical Organizational Culture

A strong culture with high risk tolerance, low-to-moderate aggressiveness, and a focus on means and outcomes is most likely to shape high ethical standards

- Managers must be visible role models
- Communicate ethical expectations
- Provide ethical training
- Visibly reward ethical acts and punish unethical ones
- Provide protective mechanisms

Creating a Positive Organizational Culture

Positive organizational culture

- Building on employee strengths
- Rewarding more than punishing
- Emphasizing vitality and growth of the employee

Limits to positive culture

- Be objective and do not pursue it past the point of effectiveness

Global Implications

- Organizational culture can reflect national culture and it can transcend national boundaries
 - Managers need to be culturally sensitive:
 - Talk in a low tone
 - Speak slowly
 - Listen more
 - Avoid discussing religion and politics
- Ethical decision making can be culture-bound

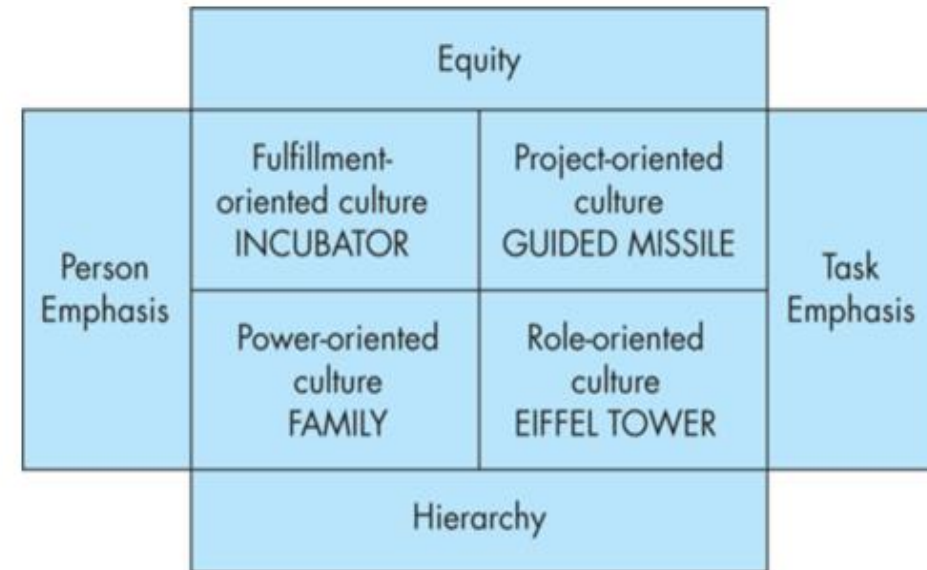


Exhibit 16-4 Trompenaars's Four Types of Organizational Cultures

Implications for Managers

An organization's culture is relatively fixed in the short term. To effect change, involve top management and strategize a long-term plan.

Hire individuals whose values align with those of the organization.

Employees' performance and socialization depend to a considerable degree on their knowing what to do and not do.

You can shape the culture of your work environment, sometimes as much as it shapes you.

Your company's organizational culture may not be transportable to other countries.

Keep in Mind...

Organizational culture develops over time and reflects deeply held values to which employees are strongly committed.



Ethical and positive organizational cultures can be created – methods differ.



National culture influences organizational culture.

Summary

1. Described the common characteristics of organizational culture.
2. Compared the functional and dysfunctional effects of organizational culture on people and the organization.
3. Identified the factors that create and sustain an organization's culture.
4. Showed how culture is transmitted to employees.
5. Demonstrated how an ethical culture can be created.
6. Described a positive organizational culture.
7. Showed how national culture may affect the way organizational culture is interpreted in a different country.

Mini Case: Developing and Maintaining a Safety Culture

Discussion Questions

1. Why have Sanjay and Sophia failed to foster a safety culture in their workplace? What specifically acts to undermine that change?
2. Will their new strategy (putting up posters) work? If yes, why? If no, why not?
3. What would they have to do to institute meaningful change in the safety culture at this organization?

Mini Case: Culture Change at the RCMP

Discussion Questions

1. Why do you think the culture within the RCMP is so strong and deeply rooted? Does the nature of the job itself impact the strength of the culture? Why or why not?
2. What specific steps and policies might help encourage a more ethical and equitable organizational culture?
3. Discuss the role a leader plays in organizational culture maintenance and change. Was the change in leadership necessary in this situation? Why or why not?