UNIT 12   ORGANISATIONAL CULTURE

Objectives:

After going through this unit, you should be able to:

- comprehend the role of organizational culture in driving the business ethos;

- visualize the evolution of culture through different time periods; the innovations, and cultural shifts;

- traits of a great organizational culture

- establishment of a highly sustainable organizational culture

- future perspectives of work culture

Structure

12.1   INTRODUCTION

The people of the organization are responsible for helping strengthen the culture of their organization. They are responsible for strengthening the competencies and abilities. Every day we see a live demo of Peter Drucker's saying: "Culture eats strategy for breakfast" in some or the other context. We often hear- a management consultant, a new CEO, a journalist, and even employees discuss about an urgent need to alter the culture of their

organization. Each one of them want to make their culture a world class experience. Companies can tap their natural advantage when they focus on changing a few important behaviors, enlist informal leaders, and harness the power of employees' emotions.

12.2 CONCEPT OF ORGANISATIONAL CULTURE

Conceiving a concept is the most preliminary and the most difficult step of any initiation to change. The evolution of concept shows the progression of the think-tank with the passage of time. Let's internalize some of the classic definitions of organizational culture and embrace the word cloud of organizational culture (*Figure-1*).

Figure-1: Word cloud of Organisational culture

19122: Deal and Kennedy defined culture with a clear and simple definition by depicting it as- the way people do things in an organization.

19123: Smirich defined organization culture as an explicit and already-understood set of beliefs that decide the course of people to carry out their organizational life.

19124: Denison referred organizational culture armed up with the bunch of values, internal beliefs, and characteristic behaviour patterns to be the heart of an organization.

2002: Schrodt projected organization culture as the influencer of the level of self-identification with that of the organization.

2004: Needle included vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits as the inseparable part of any organization's culture.

2006: Ravasi& Schultz explained culture as a bouquet of shared assumptions that guides the day-to-day happenings within an organization carving a unique behaviour pattern for various situations.

2012: Cui & Hu, defines organizational culture as an undeniable investment to bring in productivity.

2015: Brown, Melian, Solow, Chheng& Parker, stated employee experience and the internal view-point to be the determiner of an organization's culture.

20112: Groysberg, Lee, Price & Cheng drew dotted lines in between inspiration intensity, commitment levels, and engagement state as the three manifestations of culture of any organization.

The concatenated definitions depict the progressive change in the thought process of conceptualising organization culture from mere the way of doing things to the driver of sustainable profitability to any organization irrespective of their size, stature, and arena of operations.Organizational culture is seen to touch the soft nodes of the psycho-social components of an employee influencing the entire process of perception.

Activity 1

1) Organizational culture should be *implicit or explicit to the employees?*

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Activity 2

2) *What would be an ideal definition of organizational culture according to you?*

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The right amount of the right ingredient at the right time although sounds simple, but in real situations it can be compared to the classic Sisyphean labour, where organizations try to roll an immense boulder of necessary ingredients (values, beliefs, perceptions, and attitude) up a hill only to roll down every time it nearly reaches the top, and continue repeating the process for eternity, i.e. till the company exists. The classic accounting concept of 'Going concern' seconds the comparison of organization culture building to that of Sisyphean task. The perfect recipe of organizational culture ideally requires the following ingredients.

1. The *goals, pedigree, philosophy, and ethos* of the organization accompanied with the futuristic foresight

2. The *values*- both expressed and unexpressed

3. The internal ecology of the workplace

4. The *interactive signature dealings* with the world

5. The organization's *shared beliefs, customs, and opinions*

6. The Laxman Rekha of *tolerance for* acceptable and unacceptable behaviours

Activity 3

"No matter how brilliant your mind or strategy, if you're playing a solo-game, you'll always loose out to a team." Reid Hoffman, Co-founder of LinkedIn

1) Do you agree to Reid?

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2) How culture of the organization catalyzes strategy formulation?

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12.3   KEY TERMS USED

The concept of organizational culture will impart use of certain words frequently, and hence need to be understood as the key terms of the unit. Let's enlist the important key terms and understand them briefly.

'*Culture*' is an umbrella encompassing beliefs, norms, customs, habits, social behaviours, and said-unsaid laws relating to the individuals in the group. It is acquired through a continuous learning of the environmental parameters, leading to an enculturation, finally converging to the mainstream of socialization.

'*Values*' describe the core ethics of an organization. An irrevocable set of principles constitute the body of values, inspiring the employees to meet the expectations with strict adherence despite of difficult or odd times.

'*Norms*' or *normative dimensions* are the set of specific rules laid for an organization. It connects the time-independent organizational relations to the standardized functioning of the organizational models. This set of social behaviour is expected at the workplace all the time.

'*Ethos*' is the said code of conduct and guidelines that influence and drive the

employee behaviour with the peer and the management in an organization.

'*Beliefs*' are the set of aspirational features that organizations set for themselves. It has a great influence in shaping the culture of the organization.

'*Philosophy*' of the organization is its unique personality. It shoulders the responsibility of meeting the long-term and short-term organizational goals. In other words, organizational philosophy is derived by the practical analysis of a societal concern and addresses to its effective redressal.

12.4 MEANING OF ORGANISATIONAL CULTURE

Organizational culture may be understood as a system within the organisation which fosters shared meaning by its members, differentiates it from the other organisations. The changing time has moved the expectation levels from desiring a good organizational culture to a great organizational culture. Typical features and characteristics of an organisation culture are:

- *Alignment:* Alignment of organizational values with employee motivation results in exceptional outcomes.

- *Innovation and risk taking:* Degree of innovation and creativity by the employees within organisation.

- *Precision:*Level of precision, analysis and attention to details expected from employees.

- *Outcome orientation:* Level of management focus on results and outcomes rather than techniques and process used by the organisation.

- *People orientation:* Consideration of effect of results on the people within the organisation.

- *Team Orientation:* Focus on development of task and activity for the group of people rather than individuals.

- *Aggressiveness:* Environment of being competitive and aggressive rather than easygoing.

- *Stability:* Ability of an organisation to maintain stability in contrast to growth.

- *Resilience:* Responding to change makes organization resilient displaying empathy during the times of disruption, re-establishing normalcy.Degree of above stated characteristics varies from low to high depending on the type of organisation and activities within it. Few authors have described the following characteristics of organisational culture:

- ✓ *Regularities in Behaviour:*Interactions among employees within organisation are done in common language, terminology and rituals.

- ✓ *Rules and regulations:*Each and every employee in organisation is bound to adhere to the rules laid down by the organisation.

✓ *Dominant values:* Most of the organisations have strong and dominant values to be followed by each employee. These dominant values can be high efficiency, low absenteeism, high product quality etc.

✓ *Philosophy:* Philosophy means beliefs and values of organisation which are in organisation's policy which may be regarding treatment of customers and employees.

✓ *Organisational climate:* Environment of trust and harmony among employees, interdependence and reciprocity and commitment. All these collectively develop organisational climate.

Activity 4

Go through few companies' website and find out their organizational culture. Briefly discuss your findings.

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12.5 ROLE OF CULTURE

Role of organization culture works wonders; three most important contributions are:

i.   Gives direction to the conduct of the business

ii. Redefine the intra-organizational line of communication, encouraging new idea development

iii. High employee engagement and healthy turnover intention, if at all it is inevitable

The strength of organizational culture determines the longevity of employee-employer relation. A Glassdoor study of 2021 unfolded two vital findings: i) 77% adults evaluate a company's culture before applying to its current opening and ii) 56% value culture over compensation. The compensation package offered by TISCO is relatively lower than many of its competitors. Despite of the difference in package, TISCO is preferred over others due to its tall time-tested commitments.

Customer satisfaction obsession is the culture of Amazon. Hence is preferred by the fast-paced, multi-talented, obsessive workers, as the dream of Bezos, founder of Amazon, is the dream, aspiration, and culture for all Amazonians.

Organizations strive to build strong and productive cultures. The benefits of it are as follows:

•   Better alignment of the company's vision, mission, and goals

•   High employee engagement and steadfast loyalty

- Enviable team cohesiveness inter-department and intra departments

- Consistency and coordination become well groomed, decreasing the exercise of control behaviour at workplace

- Happy employee brings in and/ or creates happy customers

12.6 DEVELOPING ORGANISATIONAL CULTURE

The development of organizational culture has seen many topsy-turvies. In 1970's it was an absolute *my way or highway*, the freedom of sharing of opinion was considered as a sin. Visionary leaders changed the way of perception after careful retrospection to the current stature of a nurturing organizational culture. The various ways in which this concept was formed are discussed below:

i. Leaders' behaviour in the past were studied and understood to develop a culture on the guidelines of the understandings

ii. Live lessons learnt from critical incidents, and a culture has been built to equip with better preparedness

iii. The need of maintaining an effective working nexus within the members thereby creating values and expectations

iv. External environment might have induced the need of an internal ecosystem, in turn establishing a culture for the organization

v. The passage of time has expedited the requirement in many unique ways, hence making a close-knit surrounding i.e., the culture.

12.7 TYPES OF ORGANISATIONAL CULTURE

Defining the types of organizational culture is an exciting time-travel, as cultures are unique to every organization. The typology of Organizational culture has passed through many landmarks. A snapshot of the journey is given below:

Flamholtz and Randle's Strong and Weak culture

Flamholtz and Randle have given the simplest classification by categorising culture into two basic groups: strong culture and weak culture.
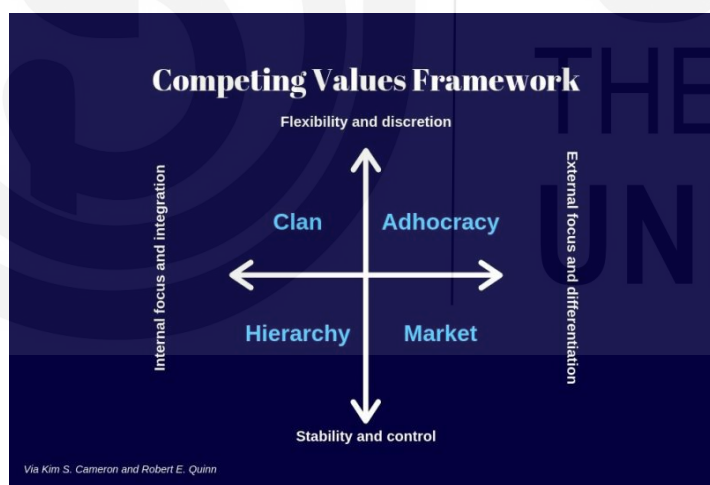
a. **Strong culture**:Here the employee responses are enviably aligned with that of the organizational values.Organizations with such culture enjoy a friction-free work environment. The high alignment enables the organization make substantial execution with some minor adjustments. Clear acceptance of culture beautifies the organization-aura and empowers the employees with crystal-clear vision.

b. **Weak culture**: Little or inappropriate alignment with the values, deliver a weak culture. Counter-productive friction is the obvious bottle-neck while encountering even the slightest change or challenge.

c. Weak culture often attracts increased requirement of control, making the entire journey highly strenuous.

Handy's four-fold typology

Handy (19125) has offered four distinguished types of organisational cultures after a careful analysis.

a. **The power culture**: An individual's power rules over the power of a committee, in this culture. Power is centrally placed, demanding an informal influence coupled with a submissive approach to get any work done.

b. **The role culture**: Well-laid formal rules and unambiguous roles are the characteristic feature of this culture. Individual security, stability, and predictability is ensured as a function of role-clarity.

c. **The task culture**: Efficiency is achieved by the effective utilization of organization's resources deeming to the completion of the assigned job-task, in this type of organizational culture. This is a change-driven culture.

d. **The person culture**: Individual plays the vital role in this culture. Here, organization works towards the development of its employees. Highly decentralized power play is delivered with a shared line-of-influence. Its existence in the real organizational context will definitely prove to be a phenomenal feature of the organizational culture.

Robert E. Quinn and Kim S. Cameron s four-pronged organizational cultures

Quinn and Cameron studied 32 different variables that may pose substantial impact in shaping the culture of any organization. The two researchers finally identified two key attributes: (1) internal focus and integration vs. external focus and differentiation, and (2) flexibility and discretion vs. stability and control.

The placement of the attributes resulted in four distinct cultures in from the matrix. They are:

1. **Clan culture**: Internal focus and integration of flexibility at workplace is the skeleton of the Clan culture. It is a people-focused culture. Its work

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ambience is highly collaborative, and horizontal in nature making the company work like a big happy family. It is action oriented and ultra-flexible in nature. Example- Tata steel

2. **Adhocracy culture**: Urge for differentiation coupled with an external focus when forged with flexibility results in an Adhocracy culture. Creating cutting-edge through continuous innovation is the salient feature of this culture. The go-getters and risk-takers find a good fit here. It contributes high profits as a result of relentless creativity, hence justifies professional growth opportunities. Example: Amazon

3. **Market culture**: Keeping an intact differentiation while ensuring a strong hold on stabilitygives rise to a Market culture. Result-oriented profitability driven mindset DNA is deep rooted in this culture. It stresses on the health of the bottom line through reaching targets and setting next higher targets. Creating differentiation is the unchallenged focus of this culture. Example: Apple Inc.

4. **Hierarchy culture**: Great internal focus and strong belief on control provides stability-stagnancy resulting in a Hierarchy culture. Maintaining of a clear line-of-command and adherence to the traditional corporate structure are the fortes of this culture. It gives ample amount of stability, but makes them frugal towards uncertainties and highly risk-averse. Rigidity of hierarchy often strangles creativity and time-bound innovative ideas.

Activity 5

1) What will be the most preferred culture as per you?

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Activity 6

2) Do you think Culture check is an important step that you would take before associating yourself with the company under consideration?

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Yet another typology of organization culture classified it into four types: autocratic or feudal, bureaucratic, technocratic, and entrepreneurial or democratic.

The nature and belief system of an organization makes them fall into any one of the four categories. With the globalization of businesses an organization may also contain different cultures under its aegis. The mosaic organizational culture provides flexibility and better work ethos to the organizations.

Cultural Dimensions Theory

Geert Hofstede developed a framework, which was widely used to acknowledge the cross-cultural communication. This framework describes relationship between society's culture and its effect on values of members of society. Originally, he started with four dimensions. They were; Individualism-collectivism; uncertainty avoidance; power distance and masculinity-femininity. Later fifth dimension "long term orientation" was added. In 2010 Hofstede added a sixth and last dimension "Indulgence vs. self- restraint".

- *Individualism vs. collectivism (IDV)*: The extent to which people in a society are integrated into groups. Individualism describes loose knitted social system where every individual is concerned for himself or nearest family member. On the other hand, collectivism is tightly knitted social system where people are concerned not only for themselves but also for the other member of the group which they belong and even protect them.

- *Uncertainty avoidance index (UAI)*: This index defines society's tolerance of ambiguity, where people accept or reject an event of something which is not known, not expected or away from status quo. Higher degree of uncertainty avoidance index represent society opting for strict codes for guidelines, behaviour, laws and generally relies on absolute truth and beliefs. A lower degree of index describes more acceptances of differing thoughts/ ideas. With lower degree of index, society is equipped with fewer regulations, more ambiguity and free flowing environment.

- *Masculinity vs. femininity (MAS)*: masculinity means society's preferences for achievement, heroism, assertiveness and material reward. Feminism represents cooperation, Modesty, concern for weak and quality of life. Women in feminine society are equally caring and modest towards men. In masculine society women are more ardent and competitive but less ardent than men. This type of dimension is considered taboo in a highly masculine society.

- *Long-term orientation vs. short-term orientation (LTO)*: The dimension explains linkages of the past with the recent and future challenges. Short term orientation or lower degree of index means traditions are followed, and steadfastness is valued. Society with long term orientation or high degree of index supports practicality of the things and adaptation.

- Country with short term orientation realise little or no economic development unlike country with long term orientation.

- *Indulgence vs. restraint (IND)*: This dimension is essentially a measure of happiness; whether or not simple joys are fulfilled. Indulgence is defined as "a society that allows relatively free gratification of basic and natural human desires related to enjoying life and having fun." Its counterpart is defined as "a society that controls gratification of needs and regulates it by means of strict social norms." Indulgent societies believe themselves to be in control of their own life and emotions; restrained societies believe other factors dictate their life and emotions.

12.8 TRAITS OF A GREAT ORGANIZATIONAL CULTURE

The changing time has moved the expectation levels from desiring a *good* organizational culture to a *great* organizational culture. Hence, it is highly essential for us to understand the dynamism of different traits which drive the construction of a great organizational culture.

Let's discuss nine most important traits of a great organizational culture:

i. *Alignment*: Alignment of organizational values with employee motivation results in exceptional outcomes.Employee motivation is the most volatile asset. The inner drive of an employee pushes him to continue experimenting with the available resources of the company hence climbing up the ladder of experience and reaping in profitability as a by-product. This magical journey is possible only when values of the organization are synced in totality by the employees.

ii. *Appreciation*: Public use of golden words: thank you, please, well done, bravo; bring in culture of appreciation. It grooms a strongly felt dignity of work which subsequently attracts great business profits.Respect and acknowledgement of the work done are the major drivers of workplace satisfaction and in turn the productivity. Low dignity of labour has manifold implications by incinerating a weak psychosomatic state, decline in the efficiency of the employee, and impact on the bottom line of the business.

iii. *Trust*: Trust amongst employee and employer foster sturdy relation, contributing to the bottom line even during oddities. Organizations often have to meet with situations of turmoil, uncertainties, and critical time-tests. The employees quickly shift to a mode of disconnection and disruption as a result of the uncertain situations. They look for an ally in an employer. Unshakable trust on the employee may smoothly wade away through the whirlpool of turmoil.

iv. *Performance*: The key to success is performance. This nexus motivates team members to work towards reaching excellence, not mere short term target achievements.Relating performance to success makes the process of selection fair and fairly understandable. Quantifiable results and rewards motivate employees to dive deep into the achievement of improved performance by creating a better form of themselves.

v. ***Resilience***: Change being the only constant, resilience makes the journey easy and effective. Responding to change with ease makes the company react productively during times of uncertainties.Organizational resilience displays clear empathy during the times of disruption in the normalcy. The commitment of organization at the odd times makes them go through the time-test and the successful companies gain the impeccable loyalty of the employees.

vi. ***Teamwork***: Togetherness is felt with a culture of teamwork in the company. It makes the company enjoy the synergistic outcome of the varied strengths of the employees.Teamwork dilutes the mental blocks empowering the forte of an individual to contribute immensely to the group performance. This fosters division of labour to reach to the multiplication of desirable results.

vii. ***Integrity***: Lifespan of a partnership is a direct function of the integrity, honesty, and commitment of the team members towards the organization. High integrity ensures long partnership.Truthfulness and honesty are the abstract yet highly sensitive traits that every organization long for. It distances fabrication of result or productivity, hence enabling true growth over a fake state.

viii. ***Innovation***: Newness through innovation breaks the monotony and ropes in vigour and agility to the organization. Innovating cultural initiatives can also energize workplace exponentially.Change being the only constant, innovation is the hero of the order. Establishing betterment in terms of efficiency, product, and principle sweeps in improvement in experience, productivity, efficiency, and profitability.

ix. ***Psychological safety***: The feeling of safety reduces workplace anxiety and increase concentration, hence better employee engagement. Provider of psychological safety often earns lifetime commitment and loyalty of the team members.

Activity 6

1) What is Organization culture?

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2) Do we really care about it? Why or why not? Pick the desired ingredients for the dream organization culture at your current workplace. Compare alignment of your answer with the framed definition as per the above frame work.

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3) Check, to what extent the both are converging.

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12.9 TOWARDS BUILDING A SUSTAINABLE ORGANIZATIONAL CULTURE

The world-famous Spanish painter Pablo Picasso once said- "Our goals can only be reached through a vehicle of a plan, in which we must fervently believe, and upon which we must vigorously act. There is no other route to success." This reiterates the importance of planning in making a success story. Hence, we are on the path of understanding the clear line-of-action in building an organizational culture with built-in self-repair and auto-upgradation modes.

Depiction of the route-map is distributed into 9 landmarking steps. They are:

i.   *Shine in recognition:*Recognition is a great lure for improvement. In an era, where around 76% employees don't feel that they are recognised and acknowledged for their contributions; a personalized message to the employees can make remarkable business impact. Social recognition when bundled with monetary reward makes the firm move with an irresistible force.

ii.   *Gift voice to the employees:*Expression of ideas, feelings, and opinions often emerges as the feedback-pool. The various kinds of listening tools may ease the process of feedback collection.

iii. **Human intervention:** To analyse the results, paying minute attention to the subtle expressions will make the nonverbal channel of communication create visible organizational strength. Gallup world poll has showed that the managers who get constant feedback bring in 9% more profitability as compared with managers who do not receive any feedback or suggestions on their strengths. In today's context where gig economy, and hybrid work culture is at an all-time peak, gifting freedom of coercion-free expression will boost the strength of remote working

iv.   *Redefine culture advocates to be the leaders:* Acknowledgement is the simplest yet the most effective tool of motivation. The path of culture advocacy is hard to walk. Benchmarking culture advocates as leaders creates significant amount of influence on the mind of the team of workers. Such a practice begins the root-level correction at the tender minds of new employees. Studies have shown that, when leaders follow the values of the company, others to follow the suit. Building a culture where every aspect of the values of the company are valued and prioritized at every aspect of the work life is the need of the hour.

v. ***Outlive organizational values:***Values are the unique identification set of traits of an organization. Delivering to meet the values enables growth of an enriched culture and improved identity of the employee as *a man of values.* Projecting such employees boost the motivation of the others, hence creating a value-pull. Volunteering such actions leaves impactful impressions, and future course of action.

vi. ***Forge teams:*** Teams are the pool of different sets of strengths. The unique strength of one when forged with another unique trait gives rise to invincible organization traits. This helps the firm to cross the just notifiable difference (JND) seamlessly creating competitive advantage to reap tall profits.

vii. ***Focus on the holistic development:*** The modern era of development has widened the employer's perspective. Offering employees various skill upgradation courses motivates the employee to contribute to the growth of the parent company. This has a dual impact on the company: first, it ensures enrichment of the human capital and second, curbs the turnover intention.Focus on the holistic development flaunts a culture of learning in the organization. Soft-skill development is deeply respected in the business fraternity. Companies with a constantly fuelled learning and development budget are likely to grow much faster than the ones who do not invest on training.

viii. ***Culture- as an irrevocable intangible:***Company's culture being the valued-most intangible need to be nurtured with utmost care. Finding culture-fit through focussed questions at the very stage of hiring eliminate the inclusion of employees who either possess a culture-mis-fit or culture-poor-fit. Misalignment of employee's expectation with that of the organization's expectation results in high turnover ratio. Culturally aligned employees not only stay for a long-time but also enjoy their work tenure.

ix. ***Tailor-made employee experience:*** With the liberalization, world has become a global village. Companies are able to attract talent from every nook and corner, hence also attracting their pre-existing cultures. Using the power of experience, the organization needs to mindfully align the culture of individual employee to that of the corporate. Creation of tailor-made highly personalized employee experience generates great amount of trust on the culture of the parent organization.

x. ***Showing proactive allyship:*** The employees feel powerless at the encounter of unfortunate situations. Companies may plunge to protect their interests even at the cost of the firm's financial profit, so as to depict the *'we care for you'* in practice, hence acting as an ally. The allyship strengthens the bond between the employee and the organizational culture.

Activity 7

1) "Culture is the organization's immune system." Find two practical implications of the statement.

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2) Critically evaluate the nine landmarks and try to include a tenth one, keeping in mind the perspective of pandemic-induced change.

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3) Who is an ally? Why are they important?

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12.10 CULTURE BY CHOICE V/S CULTURE BY CHANCE

The work in itself is the mother of a working culture, creating an aura around it. This development is a complete natural phenomenon. Culture by chance is definitely a time-tested outcome. The bendability and attributes however remain under criticism of the possibility of not finding a good-fit in the long run.
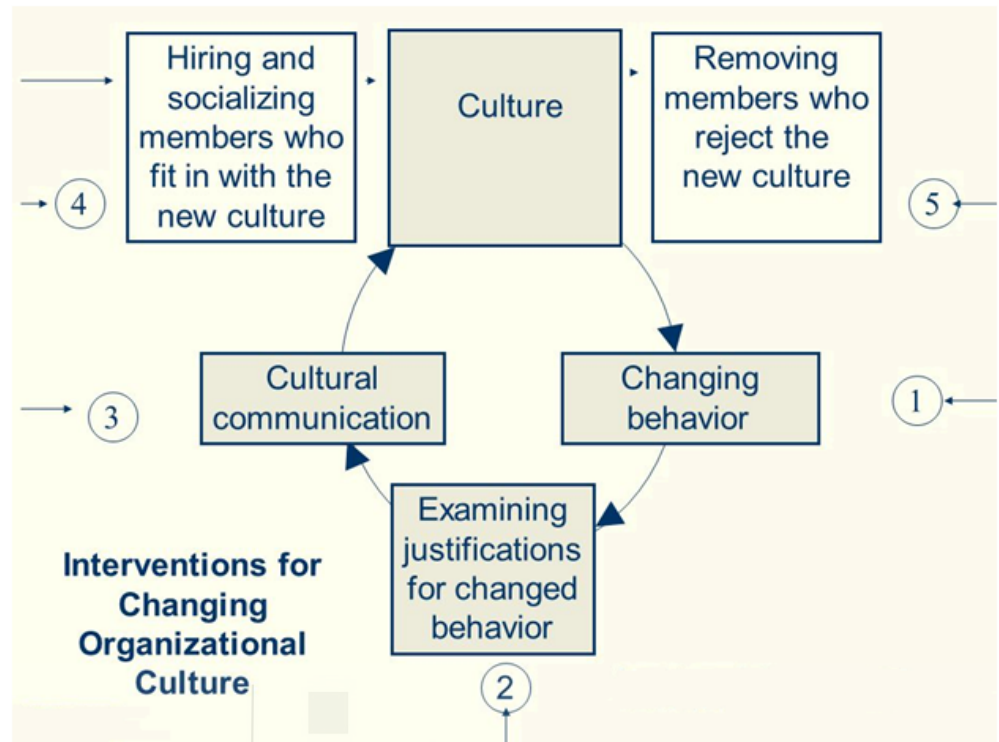
Culture by choice empowers us with the freedom of choice, selection of traits to be considered; enabling the organization with the prowess to carve its niche. Organizations highly value the linkages and cross-linkages of culture with that of employee satisfaction, employee engagement, low turnover intention, knowledge sharing behaviour, and human capital enrichment. Because of the availability of choice of traits, it is preferred over the culture by chance.

12.11 CREATION OF ETHICAL ORGANISATIONAL CULTURE

Employees with high-risk appetite, moderate aggressiveness, having a great focus on methods and results display high ethical standards; their shape is a function of the organizational culture. This ethical organizational culture has long term perspective and maintains a balance between various stakeholders of the organization be it employees, shareholders, and the community. Managers are encouraged to take risk, for being innovative, display substantial resistance to succumb to competition and to be supportive for not only result but also methods to achieve them. Positive impact can be seen on employee's behaviour, if the culture is strong, close knitted and supports high ethical standards. The negative impact of loose ethical culture may have diverse ramifications. The systematic culture of unethical behaviour can result into customer boycott, fines, lawsuits, and governmental regulations and interventions. The following principles demonstrate how an ethical culture can be created by manager;

✓ *Be a role model and be visible:* Actions and behaviour of top management are benchmark for employees. Appropriate behaviour of managers is imitated by the lower-level managers. When senior management is observed by their subordinates to take the ethical highway, it sends a subtle message to all the employees.

✓ *Communicate ethical expectations:* Organizational codes of ethics must be shared properly stating primary values of the organizational and ethical rules to be followed by employees. There must be minimal ambiguity related to organizational ethics. Code of ethics will stand worthless, if the top management fails to model ethical behaviours.

✓ *Ethical training:* Trainings, seminars and workshops can reinforce the organization's code of conduct, clarity of practices intra-organization and removal of potential ethical dilemmas.

✓ *Visibly reward ethical acts and punish unethical ones:* We may also call it as the carrot and stick approach i.e., rewarding ethical acts and punishing unethical ones, can build strong ethical culture within organization enabling each and every stakeholder to flourish. Review of means as well as ends are necessary for this. Appraising managers on how their decision will be measured against organization's code of ethics gives clarity for their future behaviour.

✓ *Provide protective mechanism:* structured and formal mechanism within organization provides opportunity to employees to discuss ethical dilemmas and report unethical behaviour without fear of reprimand. Ombudsman, ethical counsellors or ethical officers can perform suitable functions to develop such mechanism.

Setting up of positive ethical climate must have a top-down approach. When top management emphasizes strong ethical values, ethical leadership will be practiced by supervisors. Positive ethical attitudes are transferred down to the line employees, who show lower levels of deviant behaviour and higher level of cooperation and assistance.

Managers seeking to create cultural change must intervene at these points

12.12 CHANGING ORGANISATIONAL CULTURE

With globalisation and liberalization, a rapid change in workforce diversity, technical innovation was observed. The basic rules and values that gives shape to organization demanded alteration, modification, and amendment. Accommodating change in organizational culture is difficult because of various reasons such as; the strong culture of an organisation is unconscious, often non confrontable and non- debatable. Another reason can be, culture is deeply ingrained and behavioural norms and rewards are well learned. i.e., to learn new norms the old norms must be unlearned by employees. Managers seeking to bring change in culture must first find the ways to maintain it.

Researches have shown that a collaborative culture accepts change whereas an autocratic culture oppose or resist to change. The following model (figure below) suggests the interventions used by the managers to change organisational culture. Here numbers represent interventions used by the managers. The basic structure to change organisational culture are: (1) introduction of new set of values for current members (Action 1, 2, and 3), (2) introduction of new members and socializing them into organisation and removing current member as inappropriate. (Action 4 and 5).

Action 1 Changing behaviour of an organisation. Behaviour is the artifact of culture. An individual's behaviour might be changed but values that drive it cannot be changed. They may rationalize, saying "I'm doing just because my manager wants me to."Therefore, *action 2* must be used by the managers, i.e., examination and analysis of justification for changing behaviour. Are employees buying into the new set of values or are they simply complying.*Third action* of cultural communication is a very significant

artefact of culture (i.e., personal enactment, rites and ceremonies, rituals, stories and symbols). It must send consistent message about new values and belief acquired. Communication is not only important but crucial too. Managers need to live the new values not mere talk about them. Social informal structure must be enhanced in organization. Informal communication network with employee's belief and values can make a change successful.The last *two actions (4 and 5)* indicate the necessity of moulding the workforce so as to fit into the intended culture.*Fourth;*selection strategies of an organisation must be revised to reflect new culture.*Fifth;* The identification of individuals who are reluctant to change and no longer comfortable with new acquired values of an organisation.

Workforce reshaping must be done in a gradual and subtle step with considerable time. Changing personnel as per new values and culture of an organisation is a complex and long-term process. It cannot be achieved within a compressed span of time.

Activity 8

"No matter how brilliant your mind or strategy, if you're playing a solo-game, you'll always loose out to a team." Reid Hoffman, Co-founder of LinkedIn

1. Do you agree to Reid?

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2. How culture of the organization catalyzes strategy formulation?

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12.13 SPIRITUALITY AND ORGANISATIONAL CULTURE

Work spirituality is not about religious practices or chanting and making prayers at work place. Spirituality is not linked solely with God or theology. Workplace spirituality recognises that people have an inner life that nourishes and is nourished by meaningful work in the context of community (Ashmos and Duchon, 2000). Organisation with spiritual culture recognizes the need of

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a community, understand that people try to connect with other human being to find meaning and purpose in their work. The traditional assumption that well -run organisation does not consider feelings. Perfectly rational model of an organisation which is not associated with the inner life of employees finds no place in the twenty first century. Study of emotions improves our understanding of organisational behaviour and thus assimilation of spirituality helps in understanding employee's behaviour.

Following are the reasons for growing interest in spirituality:

✓ Maintain balance of stress and pressure in life. Contemporary lifestyle of nuclear family, single parents, and geographical mobility for jobs creates immense pressure, stress and seclusion.

✓ Job demands have made the workplace dominant in many people's lives; therefore, a true meaning of work may be derived by depicting workplace spirituality.

✓ There is strong need for integration of professional and personal life.

Features of spiritual organisation

- *Benevolence:* spiritually inclined organisation supports kindness towards others and welfare for employees as well as related stakeholders.

- *Strong sense of purpose:* Purpose has a strong meaning in spiritual organisation. Profits are not paramount for such organisation.

- *Trust and respect:* Mutual trust, honesty and openness are the features of a spiritual organisation. There is esteem values, dignity and respect for individual.

- *Open mindedness:* flexible thinking and creativity among employees are supported in spiritual organisation.

12.14 SUMMARY

Organizational culture is the sum total of the deep-rooted beliefs, values and assumptions held by its members. With the changing time it took its course as corporate culture. The very term induces a feeling of possessiveness to the cognitive set of behavioural norms, and shared expectations. It serves as a plugging mechanism by providing members with a sense of identity, generating irrevocable commitment to the organisation's DNA, and adhering to the reinforced standards of behaviour. Developing corporate DNA is a unique one-time exercise, which can neither be duplicated nor can be replicated. It carefully encapsulates the company's goals and predominant ideologies, to accomplish desired goals and objectives.

12.15 SELF-ASSESSMENT QUESTIONS

Part A: Case analysis of Aetna Inc.

Williams' case study begins in 2001, when he arrived to find a corporation (Aetna) in need of change having lost $2120 million in the past year. He

diagnosed key areas of failure and opportunity in Aetna's vast enterprise: orchestrating medical, dental and other health and insurance benefits in a network of 1243 thousand health care professionals with 37 million members. Williams shaped a path to recovery, focusing on a better understanding of Aetna's current customers, from small employers to the largest corporations, and concentrated on the best way of expanding into new markets such as retailers, banks and law firms. To do this, Aetna needed to build products and services suited for those groups, and Williams' strategy involved developing integrated information systems for both employers and consumers, to ensure cost effective and high-quality health care delivery.

Williams repeatedly made the case for this new strategy directly with Aetna's staff. He pressed the issue of values: integrity, employee engagement, excellent service and high-quality healthcare, and implemented employee surveys and biannual performance reviews. Employees were invited to answer whether they believed their supervisors held true to Aetna's values and whether they were proud to be working with the company. Williams has noted a marked improvement in responses over just a few years. External benchmarks reflect positive growth as well: Aetna has reached the number one spot as Fortune Magazine's most admired health care company, after occupying the bottom position. Williams invested a great deal in technology he believes will "shape the future of health care." He describes a Care Engine, containing an individual member's personal health record and upto–the minute journal information and health guidelines that are "converted into computer algorithms." This system can detect and fill gaps in care for patients conditions that go undetected, tests that should be administered, medicine that should not be prescribed. Williams has also given consumers the ability to find and compare the costs of tests and doctor visits. He believes we can check the trillions of dollars in health care spending through smart technology. For him, health care reform means we "get and keep everyone covered; maintain the employer based system… reorient the system toward prevention, value, and quality of care; and use market incentives to improve coverage, drive down costs and make the system more consumer oriented."

1. LEVELS OF ORGANISATIONAL CULTURE

   Drawing upon information from the text and your wider experiences; discuss what is meant by organisational culture. In your discussion, you should identify the common aspects of the many definitions of organisational culture and comment upon levels of culture.

   Which level of culture is mentioned most frequently?

2. VALUES

   Distinguish between values, espoused values, enacted values and assumptions; list the Aetna, Inc core (espoused values) and discuss how they were created.

3. SURVIVAL IN COMPETITIVE AND TURBULENT
   ENVIRONMENTS: FUNCTIONS OF ORGANIZATIONAL
   CULTURE.

   Peters and Waterman has argued 'the stronger the culture and the more it

was directed toward the marketplace, the less need was there for policy manuals, organization charts, or detailed procedures and rules.' What is meant by a strong culture and how might such a culture impact upon organisational performance (you should consider both positive and negative consequences)?

4. ORGANISATIONAL PERFORMANCE

Consider the role of culture in relation to organisational performance; explain what is meant by the "Fit" and the "adaptation" perspective and evaluate these concepts in relation to Aetna, Inc.

5. THE ROLE OF THE LEADER IN SHAPING AND REINFORCING CULTURE

Evaluate the leader's role (for example that of Ron Williams) in shaping and reinforcing culture.

6. MANAGING CULTURE

Discuss whether culture can be managed and suggested approaches used to manage culture if you believe that it can be managed.

Evaluate why Aetna, Inc soared to develop a culture of empowerment and quality amongst other things.

Part B: Answer the following questions

1. What is Organizational culture?

2. Draw the progression path of the organization culture showing the major changes during the course of formation.

3. What are the salient features of building a great organizational culture?

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