

AFTER MID 1 Organizational Culture

(13)

Date: 3/06/19

* The way people behave.

* Venture Capitalists:-

People invests in projects.

* What is culture?

→ Culture is all about office design.

→ Its alignment

→ Finding like minded employees

→ Screening of wrong people from the firm.

→ Its fun.

→ Its entertainment.

→ Its being cult like (Jim Collins)

Shock is the great way.

→ Its about how people do things within the organizations.

* Paradox: Culture doesn't make a company.

* MBWA: Management By Walking Around.
Managers give feedback.

* Significance of Culture:

① Culture matters to the extent that it can help you achieve organizational goals.

② As company grows culture can help you preserve your key values, make your company a better place to work and help it perform better in future.

③ It distinguishes a company from competitors.

④ It ensures that critical operating values persists such as



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delighting customers, and making beautiful products
Amazon → customer centric

Starbucks → employee centric

Starbucks → employee centric. It helps you identify

⑤ More fast & break things. It helps you identify employees who fit with your mission.

Strong Culture

① Values are widely shared
commitment, integrity, sincerity

② Culture conveys consistent messages about what is imp.

e.g. Punctuality

③ Most employee can tell

stories about company's history.

④ Strong connections between

⑤ Shared values and behaviours,

attitude.

⑥ Shared values and behaviours

⑦ Shared values and behaviours

⑧ Shared values and behaviours

⑨ Shared values and behaviours

⑩ Shared values and behaviours

⑪ Shared values and behaviours

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⑰ Shared values and behaviours

⑱ Shared values and behaviours

⑲ Shared values and behaviours

⑳ Shared values and behaviours

delighting customers, and making beautiful products
Amazon → customer centric

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Weak Culture

① Values are limited to few people (usually top management). Top

② Culture sends contradictory messages about what is important.

③ Employee have little knowledge about company's history.

④ Little connections between shared values , behaviours

⑤ Shared values and behaviours , attitude.

* Omnipotent View of Management :-

① Internal laws of control .

② Managers are directly responsible for success / failure .

③ Managers are directly responsible for success / failure .

* Symbolic View of Management :-

① External factors are affected -to their success and failures

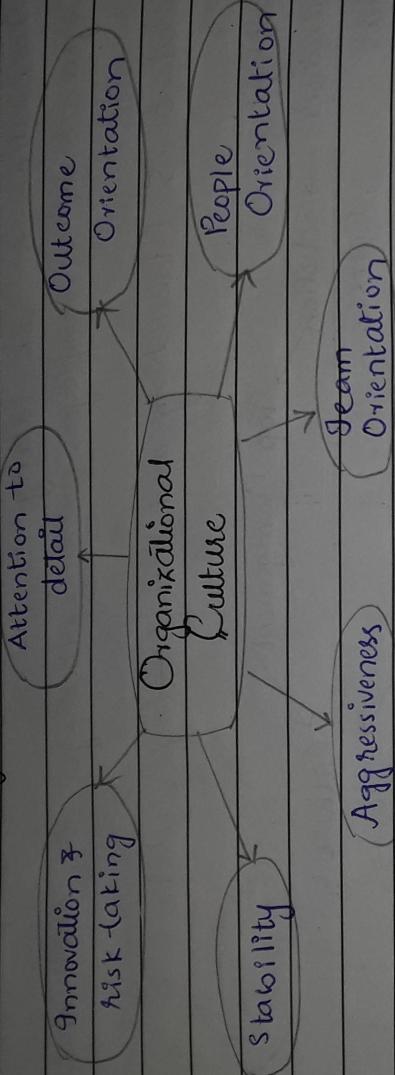
② Strong competitors

③ Owners / senior managers are responsible for culture .



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8 Oct 19 Organizational Culture Dimensions:



→ Attention to Detail :

Degree to which employees are expected to exhibit precision (accuracy), analysis, attention to dealing:

e.g.: Phone banking

→ Outcome Orientation :

Degree to which managers focus on results / outcomes
e.g.: Call centre

→ People Orientation : = (Loyon ka reaction) / survivor syndrome.

Degree to which management decisions take into account, the effects of people within the organization.
e.g.: promotions of people ; consequences of employee engagement

→ Team Orientation : = (Important in collectivist culture)

Team → The manager

Group →

→ Aggressiveness :

Degree to which employees are competitive, rather than cooperative

→ Stability :

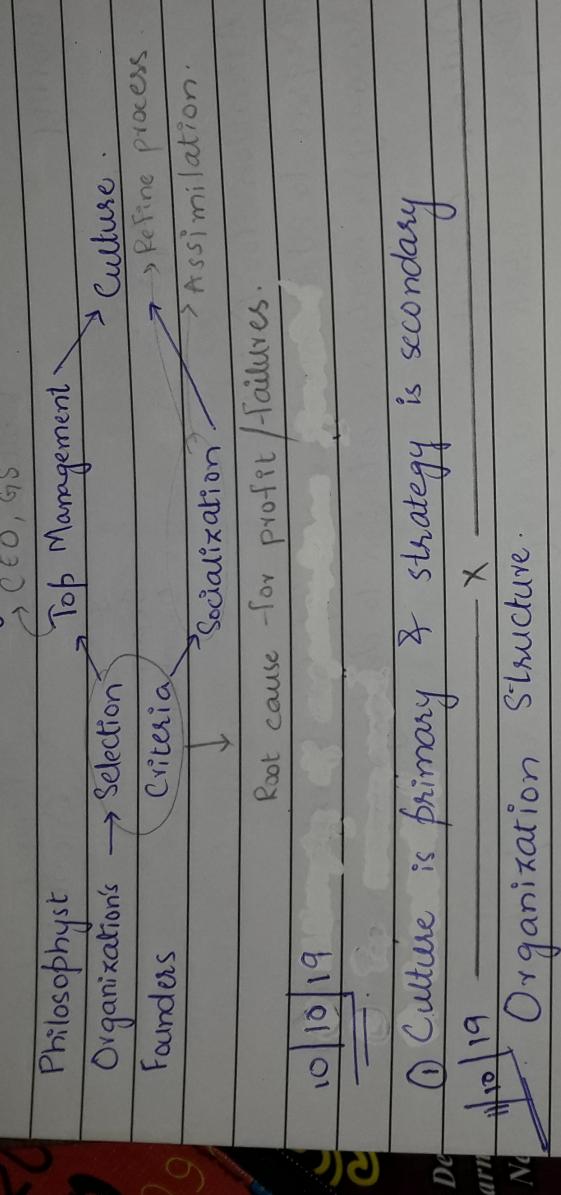
Degree to which organizational decisions and actions emphasize maintaining the status quo.

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- Innovation & risk-taking : =
Degree to which employees are encouraged to take risk.

Exhibit 3 - 5 Establishing and Maintaining culture.



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① Culture is primary & strategy is secondary

- ① Culture is primary & strategy is secondary
 - ② Organization Structure
- ① Functional Organizational Structure :-
- The functional organizational structure is represented by the traditional pyramid shape of organizational chart by which most people are familiar.
 - It's a hierarchical structure in which communication moves from the top down & bottom up.
 - These structures are more formal & rigid than some other structures.
 - Are appropriate for business with single product line where specialization is an advantage.
 - In this structure each functional area reports to CEO.
 - Functional Organizations are generally very centralized.

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② Product Based Organizational Structure:-

- It is also known as customer oriented structure.
- Organized by product line.
- It is appropriate when company has well-defined product lines.
- In this structure, each product line reports to CEO (rigid).
- Have either centralized or decentralized decision making process.

e.g.: Unilever → soap } each has own
 → surf } manager.
 → toothpaste

③ Geographic Structure:-

- In geographic organizational structure, executive of regional areas are responsible for all the business functions in their assigned regions.
- The region executive reports to CEO.
- Structuring in this way is appropriate when there are common requirements in the region that are different from the requirements in other regions. (Diff segments)
- Decentralized with most decisions.
- Autonomy is within the region (made at local level)
- Line manager is responsible for all recruitment.

④ Division Structure:-

- A division organizational structure has characteristics similar to that of the geographic structure but the divisions may be based on the criteria other than geography such as market or industry.
- Division structure are characterized by decentralized decision making.

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⑤ Matrix Structure :-

- In matrix structure , employees report to 2 managers .
- Generally , one manager is responsible for a product line & the other has functional responsibility .
- For example : The Vice President of the marketing & the production manager for a specific product could both supervise the marketing coordinator who is creating collateral for the product .
- Matrix organization is advantageous because it encourages communication & cooperation
- It requires a high level of trust and communication from employee at odd levels in order to ensure that contradictory instructions are minimized .

⑥ Seamless Organizational Structure :-

- It is the one in which traditional hierarchy doesn't exist .
- It is a horizontal organization connected by networks instead of separated by the boundaries .
- The purpose of this structure is to enhance communication and creativity .
- Seamless organizations could not be possible without technologies that allows employee to connect with each other via internet and email from anywhere in the world .
- This technologies enables employee to meet with co-worker who have specialized knowledge without the expense of travelling .

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• Frederick Herzberg Motivation / Hygiene Theory 1959.

* Extrinsinc in nature = Transactional.

- ① It is also known as two Factor theory.
- ② It began with a study of job attitude that he conducted in Pittsburgh (University).

③ In the year 1950, he began the study believing that the causes of job satisfaction would be the opposite of the causes of job dissatisfaction.
e.g: Working condition, allowances / bonuses / rewards / benefit, culture.

* Satisfiers → Motivators

* Dissatisfiers → Demotivators .

④ Infact the result of the theory was so vague that it was not possible to draw any conclusions .

⑤ They feel Herzberg to conduct a study in which he asked the participants to identify the work experiences that resulted in the positive feelings about the jobs & the ones that resulted in negative feelings .

* Intrinsic in nature = Transformational

- ① The satisfaction (motivation) factors motivate by changing the nature of the work so that the people are challenged to develop their talents and fulfill their potential.
- ② For instance adding responsibilities that provide learning abilities , assigning work assignment, job enrichment
- ③ The dissatisfaction (hygiene) practice motivate to the extent that they allow people to avoid unpleasant experiences .

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- ④ For example : Employee perform at an acceptable level and
= he receives a pay check
- Predisposition are aligned with the assignments which are being given with an organization's Inherent talent . Passion align with job

X

Michael Douglas McGregor Theory of X & Y (1960)

Theory of X :-

- ① Managers have world wide view of employees as lazy and uninterested in work and needing constant direction in completing their assignment.
- ② They do not want to take responsibility and are interested in job security.
- ③ Above all , theory X managers are autocratic , utilising a top down management style .
- ④ Centralized in nature .

Theory of Y :-

- ① Managers believe that , given the opportunity , people will seek out challenging work and additional responsibility if the work is satisfying .
- ② Managers are more likely to invite participation in decision making process from their subordinates .
- ③ Top down , down up approach .
- ④ Recruitment in procedure is very good so they can hire people according to theory Y .

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David Maclelland: Acquired Needs Theory (1961)

The premise of this theory is that experience acquire throughout life to motivate people in one of 3 areas:

① Achievement : Those motivated by achievement take moderate risks to achieve their goals, respond to frequent feedback and generally prefer to work as sole contributors or with others to achieve goals at the same level.

② Affiliated : Individuals who need affiliation seek acceptance in the work group and need regular interactions with their coworkers or customers.

③ Power : These individuals are looking for either institutional power or personal power.

* Institutional Power: (Extrinsic)
Power related to position in organization.

* Personal Power: (Intrinsic)
Personal qualities for example : humor or intellectual.

Those looking / interested for institutional power are often

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effective manager, who are motivated by coordinating groups.

X

J. Stacey Adams Equity Theory (1963) :-

People are constantly measuring what they put into work against what they get from work. If people perceive that it is a fair trade, they continue contributing at the same level. If they think there is an imbalance then they are demotivated. e.g: If a person completes task but receives no appraisal so he is demotivated.

Expectancy Theory by Victor Vroom (1964) :-

Handout Assignment

Date: _____
② Out with motivation , in the engagement ??

① Alfie Kohn :
Rewards kill interest . People know instinctively that if they are rewarded for doing something , the action in question is not worth doing on its own merit .

② Rosabeth Moss Kanter :
Offered a "new motivational toolbox" for management structures whose hierarchy and power had been eroded . The new tools included mission , stressing the importance of the work ; agenda control -to allow people greater influence over their work lives ; sharing in value creation ; ongoing learning by both the individual and the group ; and reputation , which is crucial for professionals .

③ Michael McNamee :
Defines engagement as consisting of the relationships and process of communication that engage -he intentions of other in absence of coercion

④ Thomas Davenport :
Uses sliding scale of engagement with info , from the passive (seeing & hearing) -to discussing , presenting , or -teaching , -to using in practice .

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⑤ Sigmund Freud :
Worked with an image of human kind that assumed strong biological essence that evolved from lower animals.

⑥ B.F. Skinner :
Stimulus response theories based on study of rats and pigeons carried the influence of behaviourism well past the middle of the century.

⑦ J.B. Watson :
Role of appetites instincts frustration inspiring extensive research on these methods.

ERG Theory : = Clagdon Elderer (1969).

① Existence :

This theory relates to Maslow's definition of physiological and safety needs as those that are required to maintain basic life needs.

This theory is also based on Maslow's work as well it consist of 3 factors

Basic = Food, shelter, clothes

Corporate needs = Salary, fund, bonus

②

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② Relatedness Social Needs :
It is similar to Maslow's law of social needs and
the self esteem we find from others
Belongings, Friendship, intrinsic motivation?

③ Growth :
This is based on self esteem & self actualization
concept.
Challenging assignment for extreme learning person.

X X (This type of questions will be included in mid 2).

Q1 Which of the following organizational structure is
more effective for sales .

- ① Product base
- ② Functional
- ③ Division ✓
- ④ Matrix.

Q2 A department manager advises the line manager
that the productivity of his data entry operators
is unsatisfactory & ask you to develop a training program
to improve their skills, what would be the first step?

- ① Conduct a need assessment.
- ② Develop a lesson plan.
- ③ Select a training method.



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Q3 Maslow's law of needs, doesn't include which of these?

Social, safety growth
Self actualization.

Q4 X Y Z ↑ not working properly even after warning,
= them what should be done of the following?
(Action taken by manager against employee)

Coaching

Mentor

Verbal Warning

Written discussion

Q5 Within following departments what are -the communication barriers in perfect department.

- ① Functional
- ② Matrix
- ③ Division
- ④ Product based

Q6 What are -the purpose of diversity initiative?

Q7 What are skills of employee in an organization?

① Organizational Culture
group out with motivation, in with engagement.
your =

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Mid 2 Outline .

- ① Culture
 - Organizational Culture
 - Significance of Culture
 - Strong & Weak Culture.
- ② Organizational Culture Dimensions.
 - ③ Organizational Structures.
- ④ Frederick Herzberg Motivation / Hygiene Theory (1959).
- ⑤ Michael Douglas McGregor Theory X & Y. (1960)
- ⑥ David Maclelland . Acquired Needs Theory . (1961)
- ⑦ J Stacey Adams Equity Theory (1963)
- ⑧ ERG Theory : Clagton Elderer (1969) .

Handouts: ① Organizational Culture

- ② 7 skills leadership
- ③ Out with motivation , in with engagement.

Mid 2: MCQs , short questions , scenario