

Organization Culture - Characteristics and Importance.

Understanding the Foundation of Workplace Behavior

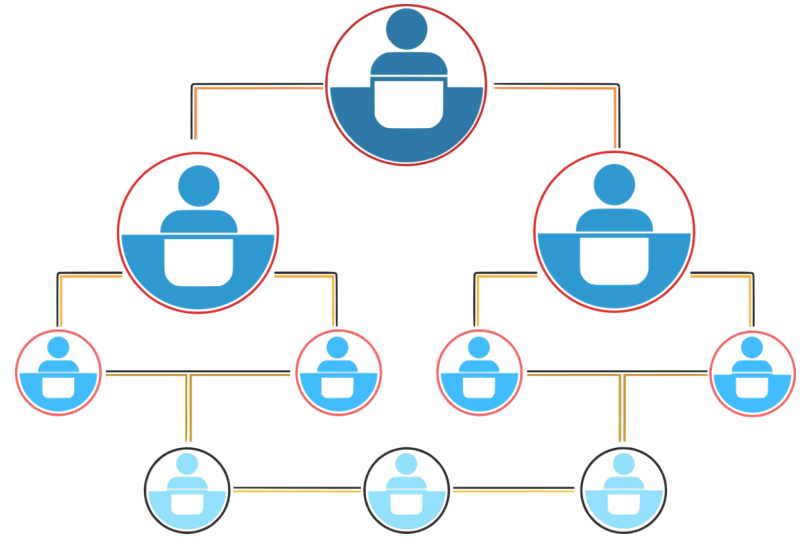
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Introduction



What is an Organization?

- Organization refers to a collection of people, who are involved in pursuing defined objectives.



Let's Think About This...



- What makes a company unique beyond its products or services?
- Why do some workplaces feel welcoming while others don't?
- Have you ever noticed a difference in work environment between two organizations?
- What does “culture” even mean in a corporate context?



Each of us has a unique personality—traits and characteristics that influence the way we act and interact with others. When we describe someone as warm, open, relaxed, shy, or aggressive, we’re describing personality traits.

An organization, too, has a personality, which we call its culture. And that culture influences the way employees act and interact with others




What is Organizational Culture?

Organizational culture has been described as the shared values, principles, traditions, and ways of doing things that influence the way organizational members act and that distinguish the organization from other organizations.

More About Organizational Culture

Our definition of culture implies three things.

- First, culture is a perception.
 - Second, organizational culture is descriptive.
 - Lastly, shared aspect of culture.
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Types of Cultures



- All organizations have cultures, but not all cultures equally influence employees' behaviors and actions.
- Strong cultures those in which the key values are deeply held and widely shared have a greater influence on employees than do weaker cultures

Example

- Organization A has a rigid, rule-bound culture. Managers avoid risk, prefer data over creativity, and fear failure due to criticism.
- Employees are strictly supervised and isolated within departments. Rewards are based more on seniority than performance.
- This leads to a weak culture in terms of innovation, adaptability, and employee morale, although it is strong in control and structure.

Example

- Organization B, on the other hand, has a flexible, innovation-driven culture.
- It encourages risk-taking, values both intuition and logic, and sees failure as a learning opportunity.
- Employees work in cross-functional teams, enjoy autonomy, and are rewarded based on outcomes. This reflects a strong, adaptive culture that promotes creativity, collaboration, and high morale.

We can say,

- Organization A: Structured but weak in adaptability and employee engagement.
- Organization B: Innovative and strong in cultural alignment and motivation.

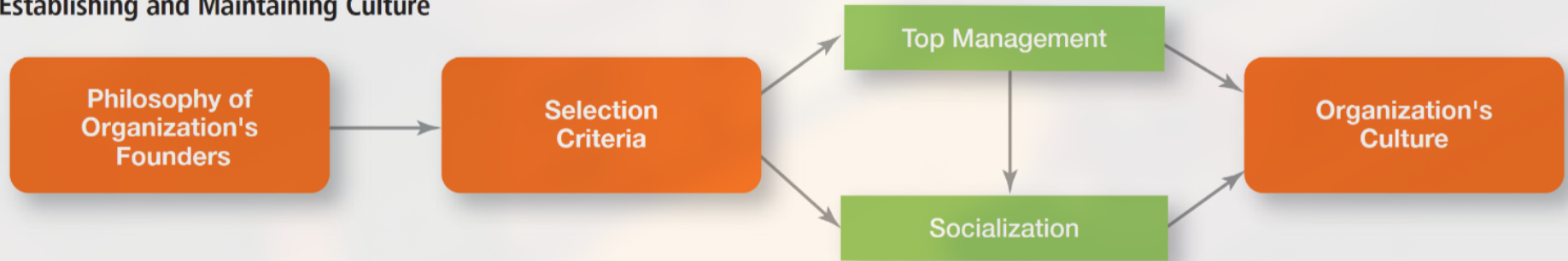
Building and Learning Organizational Culture



Where Culture Comes From and How It Continues

EXHIBIT 2-8

Establishing and Maintaining Culture



Where Culture Comes From

Founders Set the Foundation

- Culture begins with the vision and values of the founders.
- Founders like Bill Gore (W. L. Gore) shape culture by setting early standards and practices.
- Small organizational size makes it easier to spread this vision.



Where Culture Comes From

Top Managers Reinforce Culture

- Leaders influence culture through actions and decisions.
- Example: At Best Buy, tours of the "retail hospital" reinforced competitiveness.
- At IBM, CEO Sam Palmisano rewarded teamwork from his own bonus.

How Culture Continues



Employee Selection & Fit

- New hires are chosen not just for skills, but for cultural fit.
- Candidates also evaluate if the culture suits them.

How Culture Continues

Socialization Process

- New employees learn behaviors and values through onboarding.
- Example: Starbucks baristas undergo 24 hours of training in culture, language, and service.

How Do Employees Learn Organization Culture?

Employees “learn” an organization’s culture in a number of ways. The most common are stories, rituals, material symbols, and language.



STORIES

Employees learn culture through shared stories of success, failure, or heroism.

Eg. There's the story about the 3M scientist who spilled chemicals on her tennis shoe and came up with Scotchgard. Then, there's the story about Art Fry, a 3M researcher, who wanted a better way to mark the pages of his church hym-nal and invented the Post-It Note



RITUALS

Rituals reinforce core values through repeated activities.

Eg. At Mary Kay Cosmetics, an annual awards ceremony is held where top salespeople receive rewards like gold pins, diamond jewelry, and pink Cadillacs.

RITUALS

This ritual not only celebrates high performance but also reinforces the company's values of hard work, determination, and personal success



LANGUAGE

- Many organizations and units within organizations use language as a way to identify and unite members of a culture.
- By learning this language, members attest to their acceptance of the culture and their willingness to help preserve it.

LANGUAGE

For instance, at

- Cranium, a Seattle board game company, “chiff ” is used to remind employees of the need to be incessantly innovative in everything they do. “Chiff ” stands for “clever, high-quality, innovative, friendly, fun.”