

Organizational Culture and Environment

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LEARNING OUTLINES

- **The Manager: Omnipotent or Symbolic**

Contrast the action of manager according to the omnipotent and symbolic views.

- **The Environment**

- **Define Environment**
- **What is External Environment?**
- **Describe Components of External environment**

- **Identify the most common organizational stakeholders.**
- **Why important to manage Stakeholders relationship?**

■ **The Organization's Culture**

- **Define Organization Culture?**
- **Describe Strong and Weak organizational culture**
- **Strong Culture Vs Weak culture**

❑ The Manager: Omnipotent or Symbolic?

- Omnipotent View of Management

- Managers are directly responsible for an organization's success or failure.
- The quality of the organization is determined by the quality of its managers.
- Managers are held accountable for an organization's performance ...

For Example: Coaches are considered the “managers” of their teams. Coaches who lose more games than they win are usually fired and replaced by new coaches who are expected to correct the poor.

- **Symbolic View of Management**

- Much of an organization's success or failure is due to external forces outside of managers' control.
- Performances of management influenced by external factors over which managers have little control such as:
The economy, customers, governmental policies, competitors, industry conditions, technology, and the actions of previous managers
- However, the actual part that managers play in organizational success or failure is limited according to this view.

□ The Environment

An organizational environment is composed of forces or institutions surrounding an organization that affect performance, operations, and resources.

External Environment:

- Refers to factors and forces outside the organization that affect its performance and operations.

Components Of External Environment:

- I. **Specific Environment**
- II. **General Environment**

The External Environment



Specific Environment refers to external factors and forces that have a direct and immediate impact on the organization.

Specific factors Include :

Customers, Suppliers, Competitors ,Public pressure groups

General Environment refers to the non-specific elements of an organization's surrounding that might affect the organization indirectly..

General forces may includes :

Economic , demographic , Global , political and legal ,
Sociocultural and Technological ..

Stakeholders

- A person, group or organization in the organization's environment that are affected by the organization's decisions and actions .
- *For example* by the decisions and actions of Starbucks,, groups that might be affected _coffee bean farmers, employees, specialty coffee competitors, local communities, and so forth.
- ***Why important to Manage Stakeholder Relationships?***
 - It can lead to improved organizational performance.
 - It's the “right” thing to do given the interdependence of the organization and its external stakeholders.

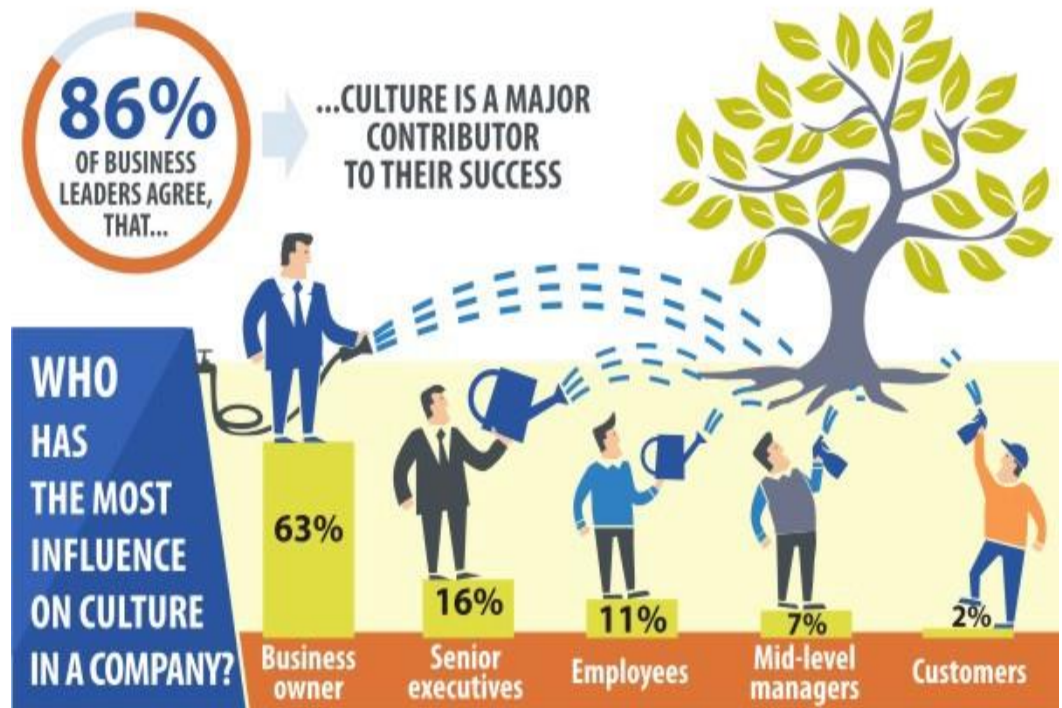
Common Stakeholders of Organizations



❑ The Organization's Culture

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

- Strong Culture
- Weak Culture



Strong Culture :

Strong cultures are those in which organizational values and beliefs are widely shared and significantly influence people's behavior on the job.

- Management encourages and rewards risk taking and change.
- Managers or employees who have a good idea are encouraged to *“run with it,”* and failures are treated as *“learning experiences.”*
- There are few rules and regulations for employees to follow supervision is loose because management believes that its employees are hardworking and trustworthy.
- Management is concerned with high productivity but believes that this comes through treating its people right.
- Job activities are designed around work teams, and team members are encouraged to interact with people across functions and authority levels.
- Employees talk positively about the competition between teams. Individuals and teams have goals, and bonuses are based on achievement of outcomes.

Weak Culture:

A culture in which its beliefs, behavioral rules, traditions, and rituals are not shared to its members

- Creative decisions that incur significant change or risk are not encouraged. Because managers of failed projects are openly criticized and penalized,
- Employees are required to follow extensive rules and regulations in this firm.
- Limited contact to other employee
- Management is concerned with high productivity, regardless of the impact on employee morale or turnover.
- employees are expected to minimize formal contact with other employees outside their functional area or line of command.

Strong versus Weak Organizational Cultures

Strong Cultures

Values widely shared

Culture conveys consistent messages about what's important

Most employees can tell stories about company history/heroes

Employees strongly identify with culture

Strong connection between shared values and behaviors

Weak Cultures

Values limited to a few people—usually top management

Culture sends contradictory messages about what's important

Employees have little knowledge of company history or heroes

Employees have little identification with culture

Little connection between shared values and behaviors

Key Terms

Omnipotent view of
management

Symbolic view of management

External Environment

Specific Environment

General Environment

Organizational Culture

Weak organizational Culture

Strong organizational Culture

Stakeholders

External Environment

The End