

Organizational Culture



To understand the meaning of organizational culture, we must first understand the meaning of culture. “Culture is the set of important understandings that members of a community share in common.” It consists of a basic set of values, ideas, perceptions, preferences, concept of morality, code of conduct etc. which create distinctiveness among human groups.

When we talk about culture, we typically refer to the pattern of development reflected in a society’s system of knowledge, ideology, values, laws, social norms and day to day rituals. Depending upon the pattern and stage of development, culture differs from society to society. Moreover, culture is passed on from generation to generation.

In simple words we can say that “culture is a combination of factors that are learned through our interaction with the environment during our developmental and growth years.” After understanding the meaning of culture, we will now attempt to define organizational culture.

Organizational culture encompasses values and behaviors that contribute to the unique social and psychological environment of a business. The organizational culture influences the way people interact, the context within which knowledge is created, the resistance they will have towards certain changes, and ultimately the way they share (or the way they do not share) knowledge. Organizational culture represents the collective values, beliefs and principles of organizational members. It may also be influenced by factors such as history, type of product, market, technology, and strategy, type of employees, management style, and national culture. Culture includes the organization's vision, values, norms, systems, symbols, language, assumptions, environment, location, beliefs and habits.

Characteristics of Organizational Culture

The primary characteristics of an organizational culture are as follows:

- 1. Innovation and Risk Taking:** It can be described as the degree or extent to which employees are encouraged to take innovative steps and calculated risk.

2. **Attention to Detail:** It can be described as degree or extent to which employees are expected to pay attention to details.
3. **Outcome Orientation:** It can be described as the degree or extent to which management focuses outcome rather than on process to achieve outcome.
4. **People Orientation:** It can be described as the degree or extent to which management gives attention to effect of decisions on people working in the organization and on its shareholders.
5. **Team Orientation:** It can be described as the degree or extent to which works are organized around team rather than individuals.
6. **Aggressiveness:** It can be described as the degree or extent to which people are aggressive or competitive rather than unconcerned or relaxed.
7. **Stability:** It can be described as the degree or extent to which maintaining status quo is emphasized in contrast to growth.
8. **Individual Autonomy:** It can be described as the degree or extent of responsibility, independence, and opportunities for exercising initiative that individuals in an organization have.
9. **Structure:** It can be described as the degree or extent of rules and regulations and the amount of direct supervision that is used to supervise and control behavior.
10. **Support:** It can be described as the degree or extent of assistance and warmth managers provide for their subordinates.
11. **Identity:** It can be described as the degree or extent to which members identify with the organization as a whole rather than with their particular work group or field of professional expertise.
12. **Performance-Reward:** It can be described as the degree or extent to which reward in the organization are based on employee work performance.

Elements of Organizational Culture

1. Individual Autonomy

The degree of responsibility, freedom and opportunities of exercising initiative that individuals have in the organization.

2. Structure

The degree to which the organization creates clear objectives, performance expectations and authority relationships.

3. Management Support

The degree to which, managers provide clear communication, assistance; warmth and support to their subordinates.

4. Identity

The degree to which, members identify with the organization as a whole rather than with their particular work group or field of professional expertise.

5. Performance Reward System

The degree to which reward system in the organization like increase in salary, promotions etc. is based on employee performance rather than on seniority, favouritism and so on.

6. Risk Tolerance

The degree to which, employees are encouraged to be innovative, aggressive and risk taking.

7. Conflict Tolerance

The degree of conflict present in relationships between colleagues and work groups as well as the degree to which employees are encouraged to air conflict and criticisms openly.

8. Communication Patterns

The degree to which, organizational communications are restricted to the formal hierarchy of authority.

9. Outcome Orientation

The degree to which, management focuses on results or outcomes rather than on the techniques and processes used to achieve these outcomes.

10. People Orientation

The degree to which management decisions take into consideration the impact of outcomes on people within the organization.

Importance of Organizational Culture

- **The culture decides the way employees interact at their workplace.** A healthy culture encourages the employees to stay motivated and loyal towards the management.
- **The culture of the workplace also goes a long way in promoting healthy competition at the workplace.** Employees try their level best to perform better than their fellow workers

and earn recognition and appreciation of the superiors. It is the culture of the workplace which actually motivates the employees to perform.

- Every organization must have set guidelines for the employees to work accordingly. **The culture of an organization represents certain predefined policies which guide the employees and give them a sense of direction at the workplace.** Every individual is clear about his roles and responsibilities in the organization and know how to accomplish the tasks ahead of the deadlines.
- No two organizations can have the same work culture. It is the culture of an organization which makes it distinct from others. **The work culture goes a long way in creating the brand image of the organization.** The work culture gives an identity to the organization. In other words, an organization is known by its culture.
- **The organization culture brings all the employees on a common platform.** The employees must be treated equally and no one should feel neglected or left out at the workplace. It is essential for the employees to adjust well in the organization culture for them to deliver their level best.
- **The work culture unites the employees who are otherwise from different back grounds,** families and have varied attitudes and mentalities. The culture gives the employees a sense of unity at the workplace.

Certain organizations follow a culture where all the employees irrespective of their designations have to step into the office on time. Such a culture encourages the employees to be punctual which eventually benefits them in the long run. It is the culture of the organization which makes the individuals a successful professional.

- Every employee is clear with his roles and responsibilities and strives hard to accomplish the tasks within the desired time frame as per the set guidelines. Implementation of policies is never a problem in organizations where people follow a set culture. The new employees also try their level best to understand the work culture and make the organization a better place to work.
- **The work culture promotes healthy relationship amongst the employees.** No one treats work as a burden and moulds himself according to the culture.
- **It is the culture of the organization which extracts the best out of each team member.** In a culture where management is very particular about the reporting system, the employees however busy they are would send their reports by end of the day. No one has to force anyone to work. The culture develops a habit in the individuals which makes them successful at the workplace.