
UNIT 17 NEW ORGANISATION CULTURE

Structure

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17.0 LEARNING OUTCOME

After studying this unit, you should be able to:

- know what is organisational culture;
- define organisational culture;
- discuss the functions of organisational culture;
- understand the stuff/components of organisational culture;
- identify the types of organisational culture; and
- explain new organisational culture.

17.1 INTRODUCITON

We live in a time of rapid change in a competitive world, in which organisations need to shift their functions constantly without warning and with no apparent reasons. Liberalisation, loosening of trade barriers, etc., increase in product diversity and volume of transactions, global competition, revolution in information technology, material sciences, genetic engineering, rise of consumerism, changes in sex roles, etc. are the major reasons resulting in shifts towards a market based economy. Many of the traditional, tested managerial and organisational solutions are increasingly becoming obsolete. It is imperative that organisations need to marshal their resources with lightening speed to respond to changing conditions, utilise and maximise the combined skills and wisdom of all the people on a sustainable path to success.

This complex unpredictable and interconnected environment of organisations the need for continuous revamping have resulted in growing popularity of the term the “Learning organisation” (Garret, 1987, Senge, 1990). The major feature underlying this concept is a vision of an organisation, which is capable of ‘self-reflection’ and of creating and utilising new knowledge. Prahalad and Hamel (1990) emphasise the need for a focus on developing “the core competencies which constitute the collective learning of the organisation. This makes it imperative for organisations to promote the development of new organisation culture and devise strategies for constant learning.

In this unit we will try to discuss, what organisational culture is, functions of organisational culture, types of organisational culture and creating new organisational culture.

17.2. WHAT IS ORGANISATION CULTURE?

Introduction

Each organisation is unique in its own way, with a distinct organisational culture. The cultural characteristics are relatively enduring over time and resist attempts to change. It can explain the dynamic nature of an organisation. Some uniformity in the behaviour of employees is demonstrated, i.e., the way they think, feel and behave in similar ways. It is this implicit agreement among employees that binds every organisation and creates its culture. In other words, employees are captive of the culture and also create the culture of organisation, which enables one to predict attitudes and behaviours of the people of organisation. Organisations have cultures that, influence employees' actions toward clients, competitors, superiors and subordinates.

Organisation Culture defined:

According to Pacanowsky and O'Donnell "A culture is not something an organisation has; a culture is something an organisation is. Thus organisation culture is described as:

- A concept created and resides in the minds of people.
- A submerged part of organisational iceberg.
- Pervasive, yet somewhat intangible.
- The personality of organisation - its overall orientation, values its unwritten codes and norms.
- Cannot be discovered and verified, rather only inferred, conjured and interpreted and defined.

Campbell *et al* (1970); describe five-characteristics which tap the essence of organisation culture:

- *Individual autonomy* - includes individual responsibility, independence, and opportunities for exercising individual initiative.
- *Structure* - degree of formalisation, centralisation, and direct supervision.
- *Reward orientation*-factors of reward, promotion-achievement orientation, and emphasis upon profits and sales.
- *Consideration* - warmth and support provided by superiors.
- *Conflict*-degree of conflict present in interpersonal relationships between peers, as well as the willingness to be honest and open about interpersonal differences.

There are several definitions of organisational culture (Sergiovanni and Corbally, 1984) define culture in the following words.

1. “Culture governs what is worth for a particular group and how group members should think, feel and behave. The stuff of culture includes customs and traditions, historical accounts be they mythical or actual, tacit understandings, habits, norms and expectations, common meanings associated with fixed objects and established rites, shared assumptions, and inter-subjective meanings.”.
2. Based on various definitions proposed by various management theorists Schein (1985) arrives at six meanings ascribed to organisation culture. They are noted below.
 - a) The dominant values which are espoused by the organisation (or by the dominant members of the organisation).
 - b) The philosophy that guides the decisions and policies of an organisation.
 - c) Observed behavioural regularities in the interactions, language and rituals of the organisational members.
 - d) The norms that evolve over a period of time in working groups.
 - e) The rules of the game (“the ropes”) one must learn in order to survive and be accepted in the organisation.
 - f) The feeling and climate that pervades and gets conveyed in the day-to-day functioning of the organisation.

Functions of Organisational culture

According to Ott (1989) organisation culture serves the following functions:

1. It provides shared patterns of cognitive interpretations or perceptions, thus, communicating to the organisational members how they are expected to think and behave.
2. It provides shared patterns of feelings, i.e., an emotional sense of involvement and commitment to organisational values and moral codes of things worth working for, or believing in, so that the organisational members know what they are expected to value and how they are expected to feel.
3. It defines and maintains boundaries, allowing identification of members and non-members.
4. It functions as an implicit organisational control system, prescribing and prohibiting certain behaviours.

Thus, essentially organisational culture can be seen as an integrative mechanism, which serves to tie up the diversity of organisational experiences into a meaningful whole.

17.3. COMPONENTS OF ORGANISATIONAL CULTURE

The expression of organisational culture can be manifested, and studied, in a variety of ways and at many different conscious or subconscious levels.

Understanding of these different manifestations is crucial for managing cultural change. It perpetuates itself through these manifestations and gets transmitted to new employees.

The following are some of the common expressions of organisational culture.

Physical Artefacts

These are the most tangible and visible manifestations of organisational culture: Physical layout and décor; nature, availability and use of facilities; Centralisation or dispersion of common utilities. They represent symbolic expression of an underlying meaning, value or belief, which is shared by the people in the organisation.

Cultural artefacts

These are recurring themes, manifested in the behaviour of organisation members and what they talk and how they do things. Cultural artefacts are symbolic in nature. Their values lie not in what they are, but in what they mean to people.

Examples:

- a. Work in Maruti Udyog starts every morning with all employees assembling and doing yoga.
- b. TISCO encourages its employees to go for mountain trekking in groups.
- c. In the annual conference of the branch and depot managers of Transport Corporation of India, the high performing managers are often gifted a suit-length material by the CEO.

Language, Jargon and Metaphors

Most organisations use unique terminologies, phrases, acronyms as a means of universal communication. Such linguistic symbols distinguish between members and non-members and reinforce cultural identity.

Examples:

- a. In one organisation, members of the corporate office are referred to as *nawabs*.
- b. In another organisation, the acronym J.I.T. (Just-in-Time) was jokingly used to describe all badly planned fire-fighting jobs.
- c. In a secretariat office, the absence or non-availability of an employee is not communicated directly to visitors. They would simply say: he/she had gone out for tea or went to some other office.

Stories, Myths and Legends

Important cultural assumptions, beliefs, values and norms are communicated through stories, myths and legends to the new members. These are more clearly remembered, believed and followed.

Ceremonies and Celebrations

These are consciously enacted collective behaviours that helps in reinforcing an organisation's cultural values and assumptions.

Examples:

- a. Every year the Indian Institute of Public Administration (IIPA) celebrates Founder's Day, to commemorate and reiterate its adherence to the original values.
- b. Senior managers of several organisations are arranged brainstorming sessions at holiday resorts to which their family members are also invited, all at the organisation's expense.
- c. Each year several Universities have an Alumnus Day intended to reinforce the identity and collective pride of the old boys with the institution.

Routines, Rites and Rituals

Organisations carry out repetitively, many routines activities, without giving them a second thought, such as: staff meetings, training programmes; rituals of filling out performance appraisal forms, superiors' annual visits, etc., which often acquire a life of their own. Such rituals serve the purpose of providing a sense of security and personal identity, giving meaning to members' actions, and serving as mechanisms of control.

Behavioural Norms

Behavioural norms evolved over a period of time in the groups' functioning, describe the nature of expectations which impinge on the members' behaviour. According to Schmuck, they are strong stabilisers of organisational behaviour and are transmitted to new members through a process of socialisation.

Shared Beliefs and Values

These are mental pictures about organisational reality, and are fundamental for justifying a member's behaviour as right or wrong. For example, if the organisation believes that customers' satisfaction is essential for success, any behaviour which meets this criteria is acceptable, even if it violates established rules and procedures.

Basic Assumptions

These are unconscious values and beliefs held by the members of the organisations. These are expressed through repeated occurrence of certain events, situations and behaviours. If one finds repeatedly that competent professionals do not remain for a

long time in the organisation it implies that competent people are not valued in the organisation.

17.4. TYPES OF ORGANISATION CULTURE

Types of Organisation Cultures

There are four different types of organisation cultures. They are presented below:

Rational Culture

Rational cultures focus on tasks and strategically planned organisation objectives/performance, productivity and efficiency. Employees need goal-relevant competencies and skills; and they influence organisational decision-making processes.

Organisations which face competitive environment such as those dealing with consumer products, Banking and financial services, etc. often have a 'rational culture.'

Developmental Culture

Development cultures have innovative environments with a futuristic orientation and emphasise growth and development of people, ideas and society. Organisations encourage people to be creative, develop multiple perspectives and to take risks in all job situations. Creative advertising firms, software organisations and Research & Development departments are more conducive for nurturing developmental cultures.

Consensual Culture

These are highly team-oriented cultures. Members are open, spontaneous, and informal and build and maintain effective relationships. Supportive and Participative leadership is required for managing this culture. Achievement of objectives in a set time limit is perceived as less important than to maintain a stable and harmonious system. Organisations such as small sized project teams, workshops, and educational institutions often have this culture.

Hierarchical Culture

This culture has a static and non-changing environment, where tasks are achieved through established rules, procedures and standard operating techniques. The leaders follow bureaucratic, cautious and rule-bound approach and exert greater power and influence. Risk-taking is not encouraged in this culture.

17.5. NEW ORGANISATION CULTURE

Introduction

Drawing upon the current business scenario, emphases in public organisations has also shifted to developing a learning organisation which demands a performance-oriented work culture with commitment to continuous learning for improvement.

Senge (1990) describes a learning organisation as a place where “people continuously expand their capacity to create the results they desire, where new patterns of thinking are nurtured, where collective aspiration is set free and where people are continuously learning how to learn together.” Having worked in hundreds of organisations and learning from the experiences of many leaders, Miller (1995) identifies the key characteristics of a high performance work culture.

Characteristics of high Performance Work Culture

Aligned and Focused Organisation

Miller (1995) observes that in the contemporary world, organisations need to manage their resources with lightening speed to respond to changing conditions. This calls for alignment of all-important elements of an organisation. Such an organisation provides a road map to a high performance work culture.

The aligned and focused organisation integrates its strategic initiatives to its mission, vision, external environment, human resource systems, management practices and culture. All these elements are consistently directed towards supporting the organisation mission. The focus and alignment create synergy with a much more productive system than the sum of its individual parts.

Although every employee has to play his/her part in the change process, the support of union leaders and other informal leaders is critical. Resolution of conflicts through open, honest communication would help to promote organisational change

17.6. CREATING NEW ORGANISATION CULTURE

Cultural change, like social change, is rather a slow process. Planned cultural change requires conscious, sustained continuous efforts of all members in organisations. The following efforts will go a long way in developing new organisation culture.

Developing ‘Aligned and Focused Organisation’

It has been established that change efforts that are not aligned with an organisation’s mission, vision and strategy usually fail. Hence, achieving an aligned and focused organisation is a prerequisite for developing new organisation culture.

The following are the interventions to manage the ten elements of Aligned, focused organisation model mentioned earlier.

External Environment

Managing the external environment is of prime importance in the model. The organisation needs to be exposed to new information gathered through surveys on specific aspects such as client/customer satisfactions, their perceptions and suggestions

about performance and impediments to it. Surveys conducted by state-run transport organisations are an example of getting feedback on various aspects from the passengers. Airlines conduct similar surveys from air travellers.

Mission

Organisation's 'mission' is the concern stone of the organisation, which inspires commitment and enables employees to connect their contributions to its success' essential for developing a performing work culture. It should relevant to organisation's day-to-day operations.

The mission of the organisation should clarify the goals and evaluate every action or task by considering how it relates to the mission. The mission should also encourage and facilitate processes, which enable employees to question and review the existing norms and practices. Further, as Shukla notes, the organisation should develop capabilities of self-reflection and problem solving. Governments have been going through elaborate exercises targeted at the above.

Public systems should be able to identify and prioritise the values provide clarity of coleus and connect them to the mission of the organisation.

Organisation needs a definition of what success means for long term and short term as well as an image of success. Determining how closely the organisation approaches that image requires precise measuring tools. The success metrics measure the organisation success and identify milestones. Metrics are an essential part of implementation. They provide individual the ability to chart their programmes and be accountable for their part of the success of future to accomplish the mission and strategy of organisation.

Identify compelling reasons to change

The ideal condition conducive for changing culture is the one when change becomes almost inevitable. New leadership at the top of organisation also provides reason to change. Davis (1984) contended that dominant, charismatic and visionary CEOs can act as the primary sources, transmitters, and maintainers of organisational cultures.

Example

- Organisations like MMTC, SAIL and ACC, saw major changes occurring after new CEOs took over.

Develop a core of Internal change Agents

Intervention: a) efforts include identification of leaders from all levels who feel the need for change; b) develop the competencies and build their level of commitment through coaching, education, networking and mentoring; c) develop teams that are committed to cultural change; d) develop task competencies; e) equip the terms with resources; and f) allow the teams to prove their success and enable them to become core of internal change agents as well as role models; and provide coaching to leaders by skilled and experienced people so that organisational leaders can lead the change efforts.

Greater union - management cooperation and conducive management policies

Management and trade unions need to resolve their differences and work together to develop a positive work culture. Appropriate managerial Policies toward employees and a nurturing managerial style are essential for a positive work culture, for which the onus is directly on management. Sharma (1990) identifies four organisational characteristics as the most important determinants of congenial work culture, viz. 1) grievance handling, 2) recognition and 3) appreciation at work, 4) participative management and 5) scope for advancement.

Other Suggestions

There are a number of things which Chief Executives can do to facilitate cultural change. Some of the specific suggestions of Shukla (1996) are noted below:

- a) develop a committed work force with individuals motivation to perform
- b) the Chief Executives should act as positive role models for conveying the cultural values.
- c) new symbols and rituals can replace (but should not contradict) the earlier ones.
- d) Incentives/rewards be arranged to encourage the acceptance of new set of values. Employees espousing and practising new values must be identified, supported and rewarded. For instance, if the new values emphasise team spirit, the performance system must reinforce group efforts, rather than individual achievement only.
- e) Since the major resistance to cultural change comes from the subcultures, the efforts of the Chief Executive must focus on diluting their influence in the organisation.
- f) Most importantly, do not forget that culture is something that is shared and not imposed. Employee acceptance must be solicited through participation around the new values.

17.7. CONCLUSION

The current environment of public organisations demands change in the organisation culture with emphasis on constant learning. An attempt has been made in this unit to describe the concept and characteristics of new organisation culture and suggestions for interventions for developing the same.

Organisation culture is an integrative mechanism, with an implicit organisational control system prescribing and prohibiting certain behaviours. The organisation culture is manifested at different conscious and unconscious levels and gets transmitted to new employees.

Common expressions are: Physical Artefacts; Cultural Artefacts; Language, Jargon and Metaphors; Stories, Myths and Legends; Ceremonies and Celebrations; Routines, Rites and Rituals; Behavioural Norms and Shared Beliefs and Values.

The new organisation culture is characterised as Aligned and focused organisation, with the involvement of formal and informal leaders in the change process.

Developing new work culture requires planned, conscious and sustained continuous efforts of all people in organisations. Many highly successful organisations throughout the world have integrated these characteristics and are working towards the rest.

17.8 KEY CONCEPTS

Artefact: It is also spelled Artifact. An Artefact is a object that is made by a person, for example a tool or an ornament.

Inter-organisational Networks: Patterns of relationships within and among various groups and organisations working in a single policy area.

Strategic Management: A systems-based approach to management that seeks clarity with respect to goals and objectives, strategies to achieve those goals and objectives, and processes of evaluation to measure accomplishments.

Third Sector: All those organisations that fit neither in the public sector (government) nor the private sector (business); a generic phrase for the collectivity of non-profit organisations, or organisations that institutionalise activism to deal with issues and problems that are being ignored by the public and private sectors.

17.9 REFERENCES AND FURTHER READING

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17.10 ACTIVITIES

1. What it is organisation culture? Identify its functions.
2. Discuss the types of organisation culture and characteristics of high performance work culture.
3. Explain what efforts should be taken in developing new organisational culture.