

Chapter 8, Organizational Culture

❖ Definition:

“Organizational culture can be defined as the philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes and norms that knit an organization together and are shared by its employees.”

“According to Edgar Schein, “Organizational culture can be defined as a pattern of basic assumptions-invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration-that has worked well enough to be considered valuable and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.”

❖ **Characteristics of Organizational Culture:**

The following characteristics help us to understand the nature of organizational culture better.

When we mix and match these characteristics, we get to the basis of culture:

1. Individual Autonomy:

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

2. Structure:

The degree to which the organisation creates clear objectives and performance expectations. It also includes the degree of direct supervision that is used to control employee behaviour.

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, favoritism and so on.

6. 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.

7. Risk Tolerance:

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

8. Communication Patterns:

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

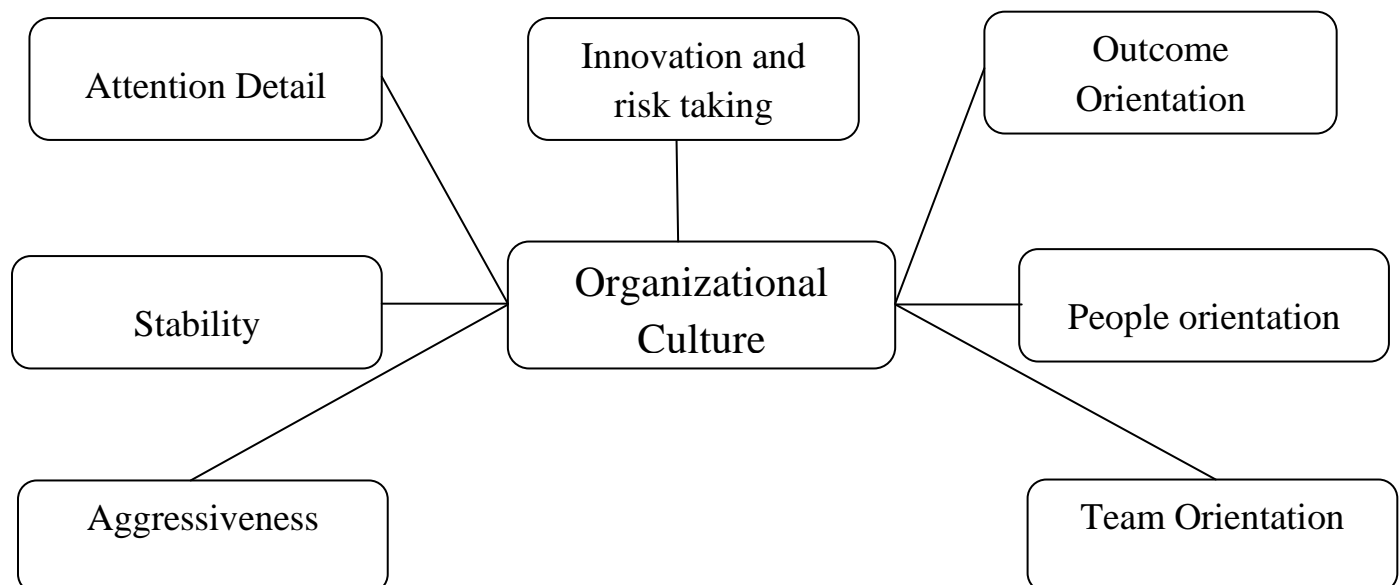
9. Outcome Orientation:

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. When we appraise the organization on the basis of the above characteristics, we get a complete picture of the organization's culture. This picture becomes the basis of shared norms, beliefs and understanding that members have about the organization, how things are done in it and how the members are supposed to behave.

❖ Components of organizational culture



- 1. Attention Detail:** It is degree to which employees are expected to exhibit precision, analysis and attention detail.
- 2. Outcome Orientation:** It is degree to which manager focus on results or outcomes rather than on how these outcomes are achieved.
- 3. People Orientation:** It shows degree to which management decision take into account the effects on people in organization.
- 4. Team orientation:** it indicates degree to which work is organized around.
- 5. Aggressiveness:** It defines degree to which employees are aggressive and competitive rather than cooperative.
- 6. Stability:** it states degree to which organizational decision and actions emphasize maintains the status quo.
- 7. Innovation and risk taking:** It is degree to which employees are encouraged to be innovation and to take risk.

❖ **Strong V/S weak Culture**

❖ **Strong Culture**

Organizational culture in a smaller scale refers to the basic values, beliefs and the thought process of a set of people/groups within an organization. It also symbolizes the functioning and behavior of the organization itself on a broader perspective.

It is very essential to understand the culture of an organization in order for each individual and the company to have a healthy progression.

At the onset, the organizational culture can be broadly classified into a Strong Culture or a Weak Culture. Here it is important to note that strong does not signify “preferred” and weak to be the bad option. In fact both these cultures have its share of pros and cons.

A strong organizational culture refers to an organization which has the majority of people holding the same set of core beliefs and is tightly coupled with the procedures and norms followed at an organizational level. Here people tend to align their individual goals and are usually seen following these procedures and norms stated within the organization without much qualms.

➤ **Key advantages of a strong organizational culture:**

- It becomes very easy to deliver as a team.
- Team conflicts are minimal and can also increase efficiency and productivity
- People find it very easy to fit in and follow all of the organizational procedures set

→ Communication becomes simple and straight forward

➤ **While this seems to be a good fit, there are some inherent disadvantages with this style**

→ People become resistant to change

→ Improvement and innovation has very little scope, since there is no room for free thinking

→ Any new member to this type of organization, having a different set of beliefs will find it very tough to fit into this world.

❖ **Weak Culture:**

A weak organizational culture on the other hand refers to a freestyle form. Here people are defined with their own individual values and beliefs which are loosely coupled with the organizational values and are different across different individuals.

Here people are motivated to think differently and bring in new ideas which can prove to be a great asset for any organization.

➤ **Key advantages of weak organizational culture:**

→ This is the way to be, for innovation. If you have great thinkers and not necessarily bound by a single style of thinking, huge advancements can be achieved at an organizational level.

→ This style is also easy for different people from various cultural backgrounds to settle down quickly, as weak organizational culture does not demand too much of a change when it comes to individual values and beliefs.

→ If the people in this kind of an organization can at least target to achieve the same organizational goal, then this team can do wonders in terms of planning a great future for the organization.

→

➤ **But then, this too has its own share of disadvantages:**

→ People here sometimes become too individualistic. This can easily lead to conflicts.

→ It becomes difficult to achieve the organizational goal, when there are too many people aligned to their own individual beliefs and values. The uniformity is lost.

→ Communication can become a big challenge. Ego may play a role and this may lead to many difficult conversations.

→ Meaningful conversations becoming very difficult, can still shun the company's growth, even though it has plenty of innovation.

❖ **How employees learn the culture?**

1. Rituals and Ceremonies

Rituals and ceremonies refer to repetitive sequences which emphasize an organization's values and core practices. Repeatedly enacting these events is essential for the embedment of what is important into the mindsets of employees, reflecting the type of work culture the organization withholds.

2. Material and Cultural Symbols

Symbols serve as a representation of an organization's culture, further instilling a sense of identity and drive in employees. They traditionally communicate with those in the organization through unspoken messages.

3. Organizational Heroes

Organizational heroes refer to those in the organization who perform in an exemplary manner, of which other employees should follow suit. Having these figures as role models in an organization is important for the continual guidance of employees in a positive direction.

4. Language

Language is often used by organizations as a way to characterize a particular culture and identify those within it. Having a specific language preserves the particular culture and allows employees to feel more included and surrounded with support.

5. Stories

Organizational stories are beneficial to building the culture in a workplace as they foster a stronger connection between the employee and the organization. These stories can include narratives or events relating to founders, conquers, successes and failures. Values are reinforced through the re-telling of stories, as is what employees should and should not do.