SOS POLITICAL SCIENCE & PUBLIC ADMINISTRATION JIWAJI UNIVERSITY, GWALIOR

MBA FA II SEM

PAPER: FA-205

SUBJECT: ORGANISATIONAL BEHAVIOUR

TOPIC:

ORGANISATIONAL CULTURE AND CLIMATE

Organizational culture and climate

What is culture?

Culture refers to the values, beliefs, traditions,

followed by group of people these result in activity and behavior.

Culture determines how we view the world around us

Culture includes the traditions we inherit and pass on to the next generation

Agile Culture







Espoused values:

Artifacts:







Underlying assumptions:

"Trust is good, control is better"

"You can't let the monkeys run the zoo"

"I won't pay anyone for slack"

CULTURE

- Culture means the way of life.
- It is shared values philosophies, ideologies, assumptions, beliefs, expectations, attitude and norms that knit a community together
- · We can say that culture is an Integration of
 - Human group ideas
 - Customs & Tradition
- In system

Institutionalization (Precursor to Culture)

 Creating an unique set of common, shared values which transcends and redefines the value of founder eg. EDS/Ross Perot, Sony, Eastman Kodak, J. N Tata etc.

 The Organization assumes a "personality" of its own which is as distinct as that of individuals.

 Organization creates its own code of accepted conduct and behaviour.

It is forerunner to what is now called an organizational culture.

Organization Culture

Definition: "A <u>belief</u> based on **common perception** by **individuals** in the **organization**, which constitute **common, shared values.**"

7 Constituents/Element of Organization culture:

- Risk taking by innovation experimentation
- Value for fundamental details
- Emphasis on result -vs- the process.
- Importance to people in the organization
- Focus on team working
- Value driven positive and assertive behaviour
- "Status Quo" Coefficient or stability syndrome

Organizational Culture

- A common perception held by the organization's members; <u>a system of shared meaning.</u>
- The shared knowledge within an organization regarding the rules, norms, and values that shape the attitudes and behaviors of its employees.
- Organizational Culture is the set of assumptions, beliefs, values and norms that are shared by an organizations members.

Belief, Values, Assumptions

- <u>Belief:</u> A belief is a proposition/plan/suggestion about how the world works, that the individual accept as true; it is a cognitive fact for the person.
- Values: values are beliefs about what is desirable or "good" & what is undesirable or "bad."
- Assumptions: Assumptions are beliefs that are regarded as so valuable and obviously correct that they are taken for granted and rarely examined or questioned.

Elements of Organizational Culture

2. Artifacts of Organizational Culture

Physical Structures
Rituals & Ceremonies
Stories
Language

1.Organizational Culture

Beliefs

Values

Assumptions

1.Elements of Organizational Culture

Assumptions

Deepest part of culture, unconscious

Beliefs

Perceptions of reality

Values

- Stable, long-lasting beliefs
 - Espoused(supportive)
 - Enacted(performance)

Elements of Organizational Culture Example

•Brown & Brown, Inc. --

an aggressive culture

Annual sales meeting, managers of poorly performing divisions are led to the podium by medieval executioners while a funeral dirge(song) plays.

2. Deciphering(Interpreted) Organizational Culture Through Artifacts

<u>Artifacts:</u> observable symbols & signs of an organization's culture

- i. Stories
- ii. Rituals and Ceremonies
- iii.Organizational Language
- iv.Physical Structures and Symbols

Contd...

i. Artifacts: Stories

- Social prescriptions of the way things should or should not be done
- Most effective stories:
 - Describe real people
 - Assumed to be true
 - Known throughout the organization

ii. Artifacts: Rituals and Ceremonies

Rituals

- Programmed routines of daily life
- How visitors are greeted
- How much time employees take for lunch

Ceremonies

- Planned activities for an audience
- Award ceremonies
- Public launch of new product

iii.Artifacts: Organizational Language

- How employees address co-workers, describe customers, express anger
- Leaders use phrases & metaphors or images as cultural symbols
- Language also found in subcultures

iv.Artifacts: Physical Structures and Symbols

Tiffanny protective and competitive culture is apparent in its building design. "We've always had a fortress mentality" Tiffanny executive.



Artifacts: Physical Structures and Symbols

"What we make is gold, and people will do anything to get it, so we protect it" Tiffanny executive.



Types of Culture

- Culture of the organization can be "seen" or "felt" by the employees.
- Do employees "See" the organization as fair in its dealing or the stakeholders, dynamic in its working and soon.
- Culture as seen by employees is "descriptive" as distinct from being judgemental or evaluative.
- Job satisfaction, however as "seen" and "felt" by the employees is definitely evaluative in respect of satisfaction or otherwise.

Types of Organizational Culture

Often in large Organizations there are several culture :

- A) Dominant and Subculture culture: Comprising of common shared values of the most of the members of the organization.
 - Subcultures: usually develop in different departments or units in different geographical location.
 - Subcultures usually include the dominant culture plus additional shared values unique to the member of the unit/Department.

Culture and subculture have significant influence in affecting the behaviour of the members.

Types of Organizational Culture

- B) Strong -vs- Weak culture: In strong culture the organization's common shared values are not only widely shared, but also held with high intensity.
 - Strong culture have a high degree of influence on behavior of the members.
 - One direct manifestation of strong culture can be reduced employee turnover.
 - The culture of organisation is influenced by:
 - Social Environment
 - Mission and Vision Statements
 - Senior Management
 - Ethical Code of Conduct

Culture Shape Employee Behaviour

- Within a strong organizational culture the behaviour of employee are more consistent with the culture norms.
- Therefore, in a sense these norms are substitutes for formal rules and regulations.

Hence in strong culture there is less need for establishing the formalization process.

National cultures transcend organizational cultures.

Function of Of Organisation Culture

- Boundary-defining roles: that Differentiates between organization.
- 2. Organization member are given a sense of identity
- It helps people in the organization develop a commitment to the organization which is larger and more noble than simply one's self interest
- It provides the implicit "dos" and "don'ts" to the employes which increases social system stability.
- It gives meaning to the appropriate behavior by shaping the attributes of the people.
- 6. Objective Setting & Work Ethic
- Motivational Pattern

Ultimately the culture dictates what is **appropriate behaviour** and common employee goal - sometimes more powerfully than the declared policies of the managements.

Culture as a Liability



- 1.Barrier to change: It prevents attempts to change entrenched culture behaviour even when required critically to cope and successfully adapt to business/social political changes which are necessary for the well being of the. Organization.
- 2.Barrier to diversity: Makes for "regimentation" and "cloning" forces people to conform to its implicit norms of behaviours.
- 3.Strive for employee -organization fit(even when harmful to the organization) to perpetuate its norms.
- 4.sometimes strong culture which are different in two merging organization destroy successful change of mergers.

Creating and Sustaining culture

Process of Creation of OC

 Establishing Values→ Creating Vision→ Operationalizing values and vision→ Socialisation of employee

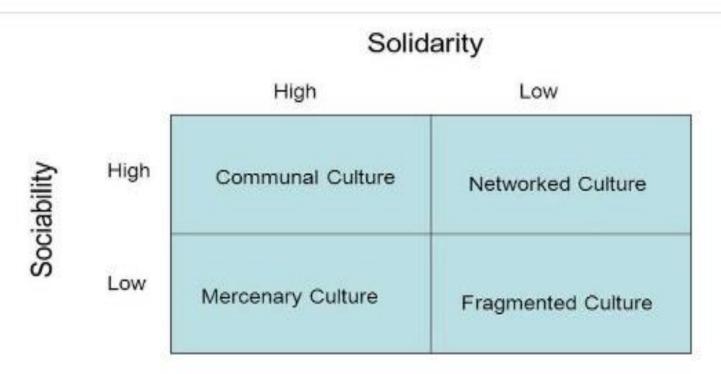
Socialisation Process stages

Pre-arrival→ Encounter→ Metamorphosis → Outcomes(Commitment + Productivity)

- The organization's founders play the major role in creating the culture. They impose their vision on all members.
- Thereafter, they perpetuate and sustain the vision by hiring like minded people and indoctrinating
 and socializing them to the "desired" way of thinking and behaving, and acting as their role model.
- The organization's success in seen as an outcome of the founder's vision which further reinforces the culture.
- Thereafter the selection/promotion practices and founder's behaviour is substituted by the top management's behaviour.

Stories, ritual and symbol also act powerful perception of established culture.

Culture type by Gaffee and Jones



- Sociability measure for friendliness high sociability people orientation, team orientation and process focus
- Solidarity measure for task orientation high solidarity people work well together toward common goals despite personal conflicts

Organizational Climate defined

 The practices, policies, and procedures, that are expected, encouraged, and rewarded with regard to something.

Organizational Culture Vs Org.Climate

ORGANIZATIONAL CULTURE	ORGANIZATIONAL CLIMATE
Based on anthropology and sociology	Based on psychology
Members learn and communicate what is acceptable or unacceptable in the organization	It does not deal with values & norms, it is concerned with the current atmosphere in the organization.
It is long lasting	It is developed through the managerial prescriptions

THE UNDERLYING ORGANIZATIONAL VALUES WHICH ARE THE CORE OF A FIRM'S CULTURE

- 1. Trust & respect individuals
- 2. Focus on a high level of achievement and contribution
- 3. Conduct business with integrity.
- 4. Achieve common objectives through team work
- 5. Encourage flexibility and innovation.

Developing and Maintaining an Organizational Culture

Attraction-Selection-Attrition (ASA) Model

- Peoples <u>are attracted</u> to organizations that perceive fit in.
- Organizations are more likely to select individuals that fit.
- Individuals who <u>no longer fit</u> are likely to leave or be terminated.
 - As J.Cochrane said, "If the person don't fit, s/he must attrit."

Socialization

 The <u>primary process</u> by which employees learn the <u>social</u> knowledge that enables them to understand and adapt to the organization's culture.

Changing and Strengthening Organizational Culture

