

STUDY UNIT 10 ORGANISATIONAL CULTURE

OUTCOMES

- On successful completion of this study unit, students will be able to:
 - Describe institutionalisation and its relationship to organisational culture
 - Define the common characteristics of organisational culture
 - Contrast weak and strong cultures
 - Identify the functional and dysfunctional effects of organisational culture on people and the organisation
 - Explain the factors determining an organisation's culture
 - List the factors that maintain organisational culture
 - Clarify how culture is transmitted to employees
 - Outline the various socialisation alternatives available to management

INSTITUTIONALISATION

- Institutionalisation provides members with a common understanding of what is appropriate and fundamentally meaningful behaviour.
 - Thus, when an organisation takes on institutional permanence, acceptable modes of behaviour become largely self-evident to its members.
 - This is essentially the same for organisational culture

WHAT IS ORGANISATIONAL CULTURE?

Definition

- There seems to be a general agreement that organisational culture refers to a system of shared meaning held by members, distinguish the organisation from other organisations.
- Research suggests that there are seven primary characteristics that in aggregate capture the essence of an organisation's culture.
 - Innovation and risk-taking. The degree to which employees are encouraged to be innovative and take risks.
 - Attention to detail. The degree to which employees are expected to exhibit precision analysis and attention to detail.
 - Outcome orientation. The degree to which management focuses on results or outcomes rather than on the techniques and processes used to achieve these outcomes.
 - People orientation. The degree to which management decisions take into consideration the effect of outcomes on people within the organisation.
 - Team orientation. The degree to which work activities are organised around teams rather than individuals.
 - Aggressiveness. The degree to which people are aggressive and competitive rather than easy going.
 - Stability. The degree to which organisational activities emphasise maintaining the status quo in contrast to growth.

Culture is a descriptive term

- Organisational culture is concerned with how employees perceive the characteristics of an organisation's culture, not whether they like them.
 - Organisational culture is therefore descriptive, whereas job satisfaction is evaluative.

Do organisations have uniform cultures?

- A dominant culture expresses the core values that are shared by a majority of the organisation's members.
- Subcultures tend to develop in large organisations to reflect common problems, situations, or experiences that members face.

Strong vs. weak cultures

- In strong culture, the organisations core values are held strongly and shared widely.
 - The more the members accept the core values, and greater the commitment, the stronger the culture.
 - Consistent with the definition, a strong culture will have a great influence on the behaviour of the members because what they share and the intensity, create an internal climate of high behaviour control.
 - Strong cultures have a greater impact on employee behaviour and are more directly related to reduced turnover.

WHAT DO CULTURES DO?

Functions of culture

- The roles that functions serve include:
 - Boundary-defining in that it creates distinctions between organisations.
 - Conveying a sense of identity for members.
 - Facilitating commitment to something larger than self-interest.
 - Enhancing social system stability in that it defines standards of behaviour.

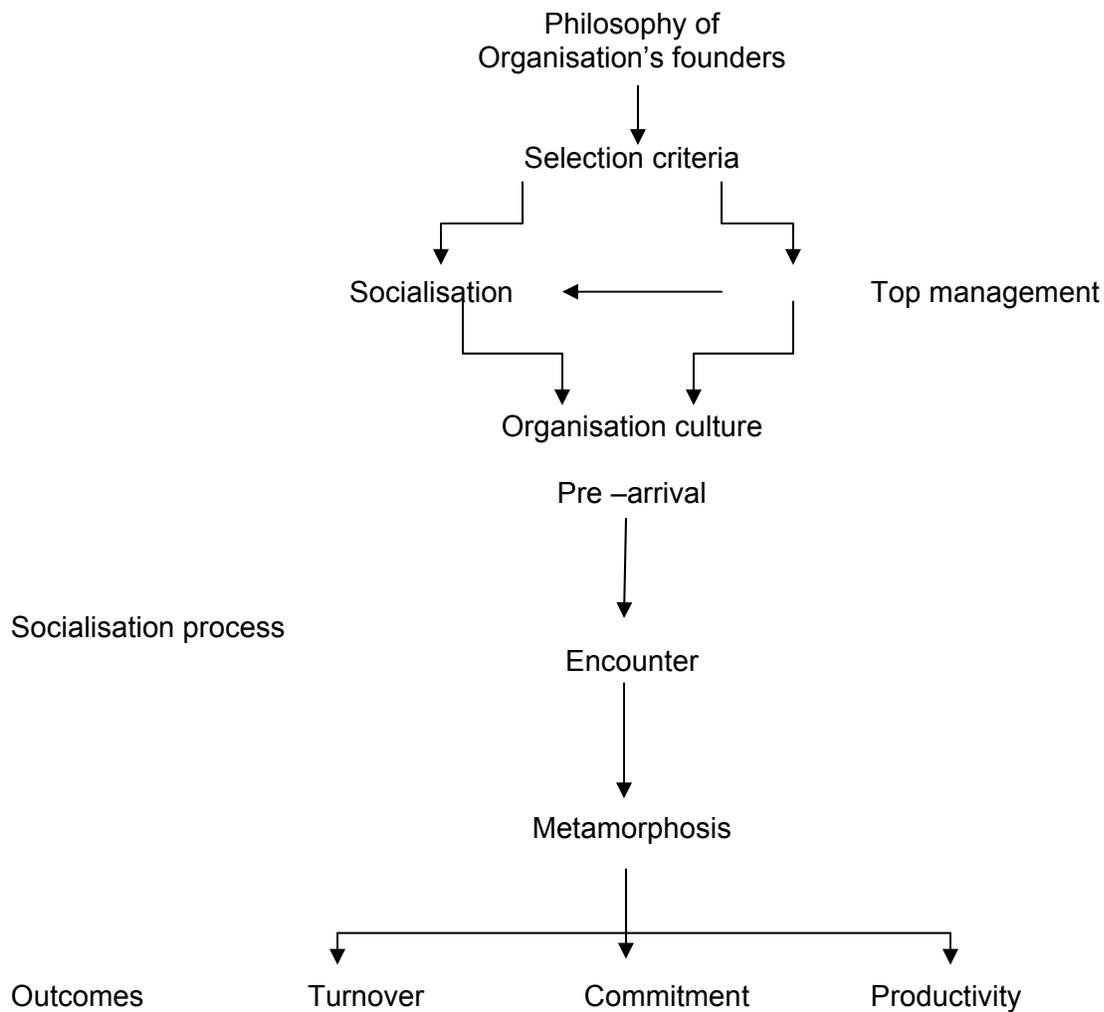
CREATING AND SUSTAINING CULTURE

How a culture begins

- The ultimate source of organisational culture is the organisation's founders and them imposing their vision of what the organisation should be.
 - Culture creation therefore occurs in three ways:
 - Founders appoint and keep employees who feel and think the way they do.
 - The founders then indoctrinate and socialise these employees to their way of thinking and feeling.
 - Finally the founders' own behaviour acts as a role model for employees to follow.

Keeping a culture alive

- Culture is kept alive by:
 - Selecting people with job competencies and who show organisational 'fit' get appointed.
 - What top management says and the way they behave.
 - Socialising employees in order to adapt them to the organisation's culture across the following stages:
 - The *pre-arrival* stage explicitly recognises that each individual arrives with a set of values, attitudes, and expectations.
 - These cover both the work to be done and the organisation.
 - The selection process is used in most organisations to inform prospective employees about the organisation as a whole.
 - When the new members enter the organisation, they move to the *encounter stage*.
 - Here the individual confronts the possible dichotomy between his or her expectations – about the job, co-workers, the boss, and the organisation in general – and reality.
 - If expectations prove to have been more or less accurate, the encounter stage merely provides a reaffirmation of the perceptions gained earlier.
 - Where expectations and reality differ, the new employee must undergo socialisation that will detach him or her from previous assumptions and replace these with another set that the organisation deems desirable.
 - At the extreme, a new member may become totally disillusioned with the realities of his or her job and resign.
 - Finally, the new member must work out any problems discovered during the encounter stage during the *metamorphosis stage*.
 - Note, for example, that the more management relies on socialisation programmes that are formal, collective, fixed, serial, and emphasise divestiture, the greater the likelihood that newcomers' differences and perspectives will be stripped away and replaced by standardised and predictable behaviours.
 - Many South African organisations use induction programmes to facilitate the process of socialisation.
 - The metamorphosis and the entry socialisation process are complete when the new member has become comfortable with the organisation and his or her job.



HOW EMPLOYEES LEARN CULTURE

- Culture is transmitted to employees in a number of forms, the most important being stories, rituals, material symbols, and language.

Stories

- Stories typically contain a narrative of events about the organisation's founders, rule breaking, rags-to-riches successes, reductions in the workforce, relocation of employees, reactions to past mistakes, and organisational coping.
- These stories anchor the present in the past and provide explanations and legitimacy for current practices.
- For the most part, these stories develop spontaneously but some organisations actually try to manage this element of culture learning.

Rituals

- Rituals are repetitive sequences of activities that express and reinforce the key values of the organisation, the goals that are most important, and the people who are important and expendable.

Material symbols

- The layout of corporate headquarters, the types of cars top executives are given, and the presence or absence of corporate aircraft are a few examples of material symbols.
- Others include the size of offices, the elegance of furnishings, executive perks, and dress attire.
- These material symbols convey to employees who is important, the degree of egalitarianism desired by top management, and the kinds of behaviour (for example risk-taking, conservative, authoritarian, participative, individualistic, social) that are appropriate.

Language

- Many organisations and units within organisations use language as a way to identify members of a culture or subculture.
- By learning this language, members attest to their acceptance of the culture and, in doing so, help to preserve it.

MATCHING PEOPLE WITH CULTURE

- Goffee and Jones argue that two dimensions underpin organisational culture:
 - Sociability, which is the measure of friendliness between people
 - Solidarity, which is the measure of task orientation
- These dimensions intersect to create four distinct culture types:
 - Networked culture, where employees are viewed as family and people like and know each other.
 - A negative here is that poor performance is often tolerated.
 - Mercenary culture, where the organisation is extremely goal-focussed, and things get done quickly with a powerful sense of purpose.
 - A negative is that people could be treated inhumanely.
 - Fragmented culture, where the organisation consists of individualists with little or no identification with the organisation.
 - A negative is that people constantly critique each others work.
 - Communal culture, where both friendship and performance are valued.
 - A negative is that a cult-like work climate can be created.