

Organizational Culture

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 valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems

Organizational Culture

- The way things are around here is...
 - Edgar Schein, 1990

Culture-Free Approach

**Technology, policies, rules,
organizational structure, and
other variables that contribute
to efficiency and effectiveness
make national culture irrelevant
for management**

Do you agree?

Interaction between National and Organizational Culture

- National cultural values of employees may significantly impact their organizational performance
- Cultural values employees bring to workplace are not easily changed by organization

The Nature of Organizational Culture

- **Organizational culture:**
 - grows, emerges, organic, co-evolutionary until lock-in.
- **Organizational culture:** shared values, opinions and beliefs and sense-making mechanisms enabling members to understand their roles and norms of the organization, including:
 - Observed behavioral regularities, typified by common language, terminology, rituals
 - Norms, reflected by things such as amount of work to do, how to do it, and degree of cooperation between management and employees.
 - Dominant values organization advocates and expects participants to share (e.g., low absenteeism, high efficiency)

Organizational Culture (continued)

- Other values and beliefs:
 - Philosophy set forth regarding how to treat employees and customers
 - Rules dictating do's and don'ts of employee behavior pertaining to productivity and intergroup cooperation.
 - Organizational climate as reflected by way participants interact with each other, treat customers, and feel about how treated by senior level management.

Levels of Organizational Culture

- **Artifacts**
- **Espoused Values**
- **Actual Values**
- **Basic Underlying Assumption**

What Organizational Culture Does

FUNCTIONS

- Provides an external identity
- Sets expected levels of mutual dependency and reciprocation
- Acts as source of reliability
- Defines an interpretive scheme
- Acts as a social control mechanism

DYSFUNCTIONS

- *Can create barriers to change*
- *Can create conflict within the organization*
- *Subcultures can change at different rates than other units*

Some Underlying Dimensions of Organizational Culture

<i>Dimension (Schein 1990)</i>	<i>Questions to be answered</i>
1. The organization's relationship to its environment	Does the organization perceive itself to be dominant, submissive, harmonizing, searching out a niche?
2. The nature of human activity	Is the "correct" way for humans to behave to be dominant/proactive, harmonizing, or passive/fatalistic?
3. The nature of reality and truth	How do we define what is true and what is not true; and how is truth ultimately determined both in the physical and social world?

Some Underlying Dimensions of Organizational Culture (cont.)

Dimension

Questions to be answered

4. The nature of time

What is our basic orientation in terms of past, present, and future, and what kinds of time units are most relevant for the conduct of daily affairs?

5. The nature of human nature

Are humans basically good, neutral, or evil, and is human nature perfectible or fixed?

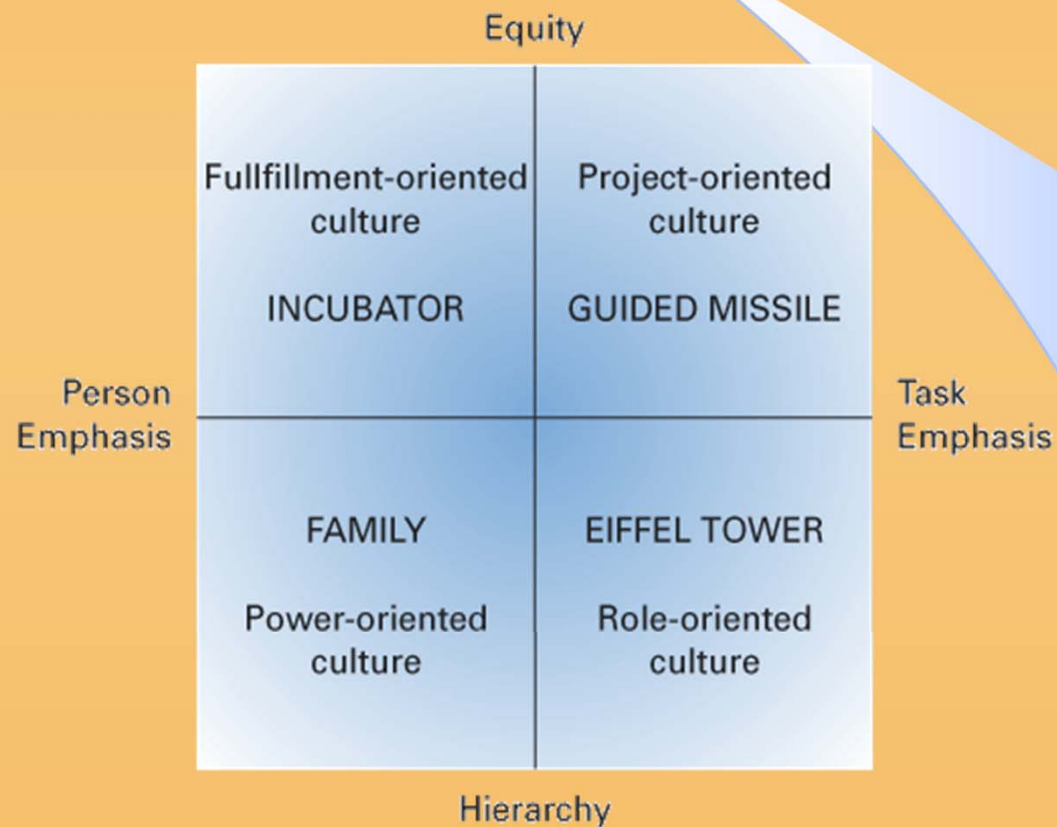
Some Underlying Dimensions of Organizational Culture (cont.)

Dimension

Questions to be answered

- | | |
|---|--|
| 6. The nature of human relationships | What is the “correct” way for people to relate to each other, to distribute power and affection? Is life competitive or cooperative? Is the best way to organize society on the basis of individualism or collectivism? Is the best authority system autocratic/paternalistic or collegial/participative? |
| 7. Homogeneity versus diversity | Is the group best off if it is highly diverse or if it is highly homogeneous, and should individuals in a group be encouraged to innovate or conform? |

Four Cultural Types



Source: Adapted from Fons Trompenaars, *Riding the Waves of Culture: Understanding Diversity in Global Business* (Burr Ridge, IL: Irwin, 1994), p. 154.

Four Cultural Types

1. **Family Culture:**

- Strong emphasis on hierarchy and orientation to persons
- Power oriented
- Leader regarded as caring parent
 - Management takes care of employees, ensures they're treated well, and have continued employment
- Either catalyze and multiply energies, trust and loyalties of personnel or end up supporting leader who is ineffective and drains energy and loyalties

Four Cultural Types

2. Eiffel Tower:

- Strong emphasis on hierarchy and orientation to task
- Jobs well defined; coordination from top
- Culture narrow at top; broad at base
- Relationships are specific, status stays with job.
- Transactional, task-oriented relationships.
- Few off-the-job relationships between manager and employee
- Formal hierarchy is impersonal and efficient

Four Cultural Types

3. **Guided Missile:**

- Stronger emphasis on equality vs equity in workplace. “All jobs/tasks are important.”
 - Interdependent task-driven organizational culture
- Culture oriented to work and the mission. It is the goal that matters.
- Work undertaken by teams or project groups
- All team members equal
- Treat each other with respect

Four Cultural Types

4. **Incubator Culture:**

- Strong emphasis on equity and personal orientation
- Organization as incubator for self-expression and self-fulfillment
- Little formal structure
- Participants confirm, criticize, develop, find resources for, or help complete development of innovative product or service

National Patterns of Corporate Culture

Figure 6-3
National Patterns of Corporate Culture



Source: Adapted from Fons Trompenaars and Charles Hampden-Turner, *Riding the Waves of Culture: Understanding Diversity in Global Business*, 2nd ed. (New York: McGraw-Hill, 1998), p. 184.

Chatman and Jehn's Seven Dimensions of Org. Culture

- Innovation
- Stability
- Respect for people
- Outcome orientation
- Detail Orientation
- Team Orientation
- Aggressiveness

Findings: Org. cultures vary more across industries than within industries. Since org. cultures within an industry tend to be similar, it is hard to argue that org. culture can be used as a competitive advantage.

Smith and Peterson's “Sources of Meaning”

- Manager as mediator of alternative meanings
- Depending upon the organization, particular sources tend to be used to make sense of different categories of events.
 - In some organizations, members look to superiors to give an event meaning, in other organizations members might tend look to their colleagues to make sense of that same kind of event.

Common Sources of Meaning

- Rules and procedure
- Superiors
- Colleagues
- Subordinates
- Self
- Customers
- Professional Training/Associations

Managing Org. Culture

- **Treat as Complex and Not Chaotic**
 - Limited predictability of long run impact of changes.
Multi-Finality and Equi-finality
- **Add Network Theory Perspective**
 - Org. culture emerges from the mix of people, norms and resources (Meckler, 2010)
 - Efficient cultures evolve into scale free small world form
 - Culture driven by few dominant socio-technical hubs.
 - “a cultural hub could just as well be a nonphysical entity such as a dominant logic, a schema, or a social norm as it could be a physical entity such as a person, an office, or a building.”
 - **Organizational cultures are resilient.**
 - Generally unchanged unless critical hub is removed.⁸⁻¹³

What can Management Do?

- **Elements of Leaders Can Change**
 - Employee selection criteria
 - Socialization of new members
 - Protect or Crash the cultural “hubs.”
 - Change interface between subcultures
 - Demographic Subcultures
 - Department Type Sub Cultures
 - Professional Cultures
 - Meaning of work
 - Artifacts/surface manifestations of culture

Implications for Managers

- **Analyze organizational sub-cultures to coordinate activities or change them**
- **Understand the time it takes to influence organizational cultures**
- **Know how organizational culture can influence a manager**