

Organizational Behaviour - II
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Lecture – 47
Organizational Culture

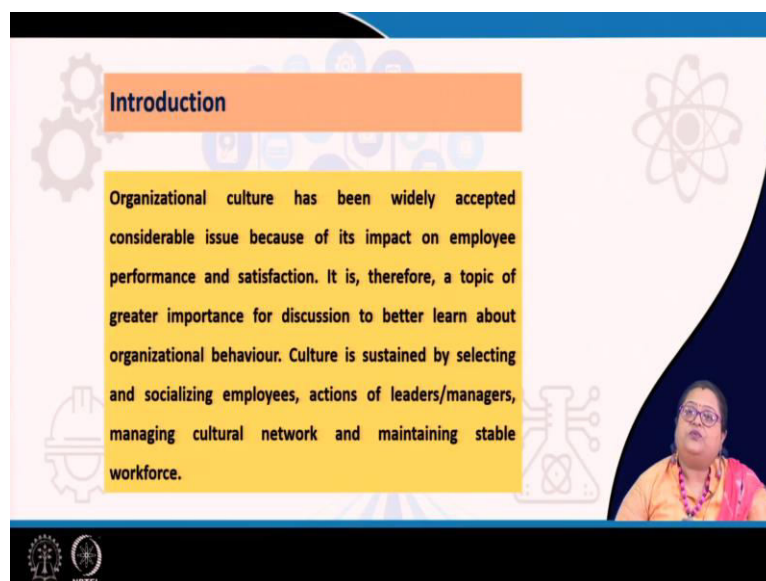
Welcome back, we have learned in the earlier session on teams and organization. In today's session we are going to learn on organizational culture.

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This part of the lecture session will be held on the organizational culture.

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The forth is an organizational culture. Organizational culture has been widely accepted considerable issue because of its impact on employee performance and satisfaction. It is therefore a topic of greater importance for discussion to better learn about organizational behavior. Culture is sustained by selecting and socializing employees, actions of leaders/managers, managing cultural network and maintaining stable workforce.

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Meaning of Culture

By the term, culture we mean that complex whole which includes knowledge, belief, art, morals, law, custom and other capabilities and habits acquired by man in the society.

In the historical term it may be stated that culture mores of a society are passed on from generation to generation

In term of shared phenomenon, cultural ethos are shared among the members of a society.

The slide features a diagram of a hierarchical structure with a red person at the top, three yellow people in the middle, and three green people at the bottom. The background includes faint icons of a gear, a hard hat, and a flask. The NPTEL logo is visible in the bottom left corner.

What is the meaning of culture? By the term culture we mean that complex whole which includes knowledge, belief, art, morals law, custom and other capabilities and habits acquired by man in the society. In the historical term, it may be stated that culture morals of a society are passed from one generation to the other generation. In terms of shared phenomenon, cultural ethos is shared amongst the members of a society.

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Defining Culture

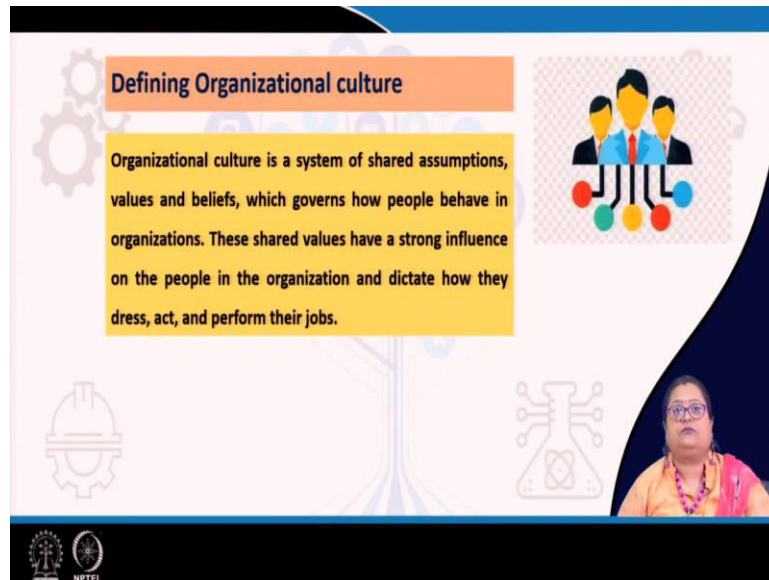
Culture is a set of values, understandings, assumptions and goals that are learned from earlier generations, imposed by present members of a society and passed on to succeeding generations.

Culture is a system of informal rules that spells out how people are to behave most of the time. (Deal and Kennedy)

The slide features a diagram of a hierarchical structure with an orange person at the top, and three people (purple, blue, green) at the bottom. The background includes faint icons of a gear, a hard hat, and a flask. The NPTEL logo is visible in the bottom left corner.

Now, how do we define culture? Culture is a set of values understandings, assumptions and goals that are learned from earlier generations, imposed by present members of the society and passed on to the succeeding generations. Culture is a system of informal rules that spells out how people are to behave most of the time.

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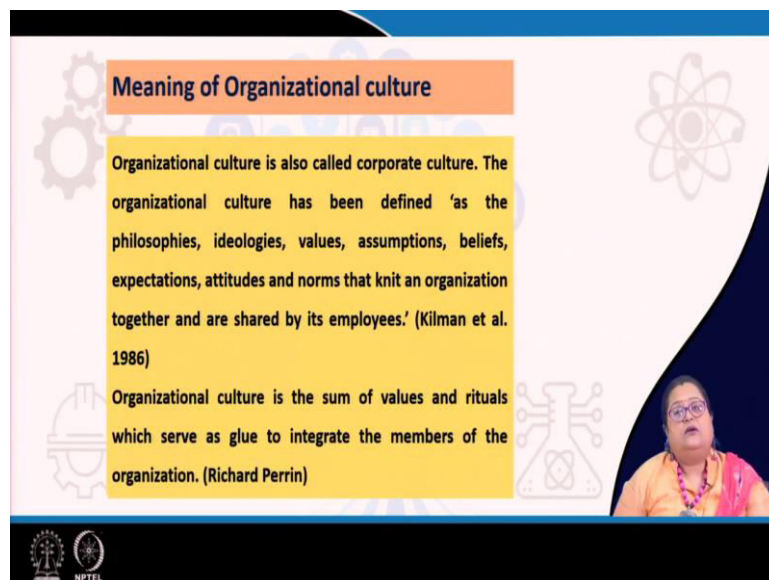
Defining Organizational culture

Organizational culture is a system of shared assumptions, values and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs.

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Organizational culture is a system of shared assumptions, values and beliefs, which governs how people behave in the organization. These shared values have a strong influence on the people in the organization and dictate how they dress, act and perform their jobs.

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Meaning of Organizational culture

Organizational culture is also called corporate culture. The organizational culture has been defined 'as the philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes and norms that knit an organization together and are shared by its employees.' (Kilman et al. 1986)

Organizational culture is the sum of values and rituals which serve as glue to integrate the members of the organization. (Richard Perrin)

The slide features a title box in orange, a main text box in yellow, and an illustration of an atom symbol. A video inset in the bottom right corner shows the same woman speaking. The NPTEL logo is visible in the bottom left corner.

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Characteristics of Culture

Aswathappa, K(2014). has pointed out ten important characteristics of culture, which are as follows:

- i) Individual initiative means the degree of freedom, responsibility and independence that individuals have.
- ii) Risk tolerance is that the degree of which employees encouraged to be aggressive, risk-taking and innovative.
- iii) Direction, the degree to which organization creates clear objectives and expectation of performance.
- iv) Integration, the degree to which units within organization are encouraged to operate in a coordinated manner.

NPTEL

Now, what are the characteristics of a culture? Aswathappa has pointed out 10 important characteristics of culture feature as follows. Individual initiative means the degree of freedom, responsibility and independence that the individuals have. Risk tolerance is that the degree of which employees are encouraged to be aggressive, risk-taking and innovative. Direction, the degree to which organization creates clear objectives and expectation of performance.

Integration, the degree to which units within organizations are encouraged to operate in a coordinated manner.

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Characteristics of Culture

- v) Management support, the degree to which managers provide clear communication, assistance and support to their subordinates.
- vi) Control, the number of rules and regulation and the extent of direct supervision.
- vii) Identity, the degree to which members' identify with the organization as a whole rather than with their particular work groups.
- viii) Reward system, the degree to which reward allocations are based on employee performance criteria in contrast to seniority, favoritism and so on.

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Characteristics of Culture

- ix) Conflict tolerance, the degree to which employees are encouraged to air conflicts and criticisms openly.
- x) Communication pattern, the degree to which organizational communication are restricted to the formal hierarchy of authority

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Dimension of Culture

According to Hofstede (1980, 1997), cultures can be compared and classified on the basis of five different dimensions that affect behaviour, organization practices and social practices:

- Individualism – collectivism
- Power distance
- Uncertainty avoidance
- Masculinity – femininity
- Short term – long term orientation.

The forth are the dimensions of culture. According to Hofstede, cultures can be compared and classified on the basis of 5 different dimensions that affect behavior, organizational practices and social practices. Individualism - collectivism, power distance, uncertainty avoidance, masculinity - femininity, short term and long-term orientation.

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Where Does an Organizational Culture Come from

K. Aswathappa (2014)

Where does an organizational culture come from? The culture formation around the critical incidents, identification with the leaders, property rights system all contribute towards confirmation of organizational culture. Also, the structure of the organization, the ethics of the organization and characteristics of employee contribute to the formation of organizational culture.

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Importance of Organizational Culture

The importance of organizational culture are as follows;

- It brings all employees at a common platform
- Culture decides the way employees interact at their workplaces.
- It extracts the best out of each team member
- Culture represents the predefined policies which guide the employees and give them a sense of direction at the workplace

What are the importances of organizational culture? Organizational culture is very important for the organization. It brings all employees to a common platform. The culture decides the way employees interact at their workplaces. It extracts the best out of each team member. Culture represents the predefined policies which guide the employees and give them a sense of direction at the workplace.

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Types of Organizational Culture

There are four basic types of culture, such as:

- Bureaucratic
- Clan
- Market
- Entrepreneurial

Now, what are the different types of organizational culture? According to the competing value framework, there are 4 basic types of organizational culture. Bureaucratic culture, clan culture, market culture and entrepreneurial culture. Let us visit them one by one.

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Types of Organizational Culture

Bureaucratic Culture:

- ❖ In this type of culture the behaviour of employees is governed by formal rules and standard operating procedures.
- ❖ Such a culture perpetuates stability.
- ❖ Organizations with bureaucratic culture tend to produce standardized goods and services, examples:
 - Government ministries
 - Fast food establishments

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Types of Organizational Culture

Clan Culture:

- ❖ In a clan culture the behaviour of individuals are shaped by tradition, loyalty, personal commitment, extensive socialization and self-management.
- ❖ A clan culture achieve unity through socialization.
- ❖ Long-term employees serve as mentors
- ❖ Members are aware of the organization's history and have an understanding of the expected manner of conduct and organizational style.
- ❖ Members share feelings of pride in membership.
- ❖ Peer pressure to adhere to important norms is strong

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Members share feelings of pride in membership. Peer pressure to adhere to important norm is very strong.

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Market Culture:

- ❖ In a market culture, the values and norms reflect the significance of achieving measurable and demanding goals mainly concerning those that are financial and market based.
- ❖ Companies with a market culture tend to focus on:
 - Sales growth
 - Profitability
 - Market share
- ❖ Individuals are responsible for their performance; whereas the organization promises specific rewards for levels of performance.
- ❖ Managers are not judge on their effectiveness as role models or mentors; but on monthly, quarterly, and annual performance goals based on profit.

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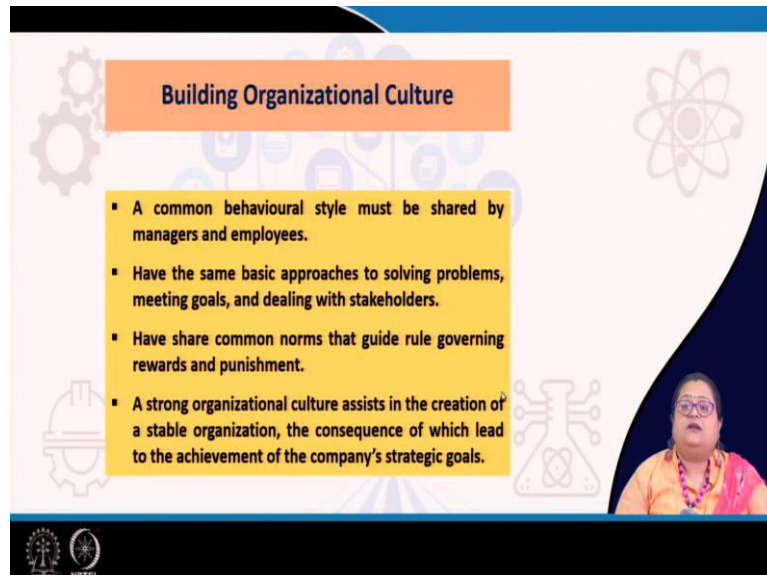
Entrepreneurial Culture:

- ❖ Organizations existing in the context of an entrepreneurial culture are characterized by high levels of risk taking and creativity.
- ❖ There is a commitment to experimentation, innovation and being accustomed with entrepreneurial culture.

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Entrepreneurial culture, organizations existing in context of an entrepreneurial culture are characterized by high levels of risk taking and creativity. There is a commitment to experimentation, innovation and be accustomed with an entrepreneurial culture.

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The slide is titled "Building Organizational Culture" in an orange box at the top. Below the title is a yellow box containing four bullet points. The background of the slide is light blue with faint icons of gears, a lightbulb, and a network diagram. In the bottom right corner, there is a video inset showing a woman with glasses and a colorful top. At the bottom left, there are logos for IIT Bombay and NPTEL.

- A common behavioural style must be shared by managers and employees.
- Have the same basic approaches to solving problems, meeting goals, and dealing with stakeholders.
- Have share common norms that guide rule governing rewards and punishment.
- A strong organizational culture assists in the creation of a stable organization, the consequence of which lead to the achievement of the company's strategic goals.

Now, how can we build an organizational culture? An organizational culture can be built by a common behavioral style which must be adapted which must be shared by managers and employees. They have the same basic approaches to solving the problems, meeting goals and dealing with stakeholders. Have shared common norms that guide rule governing rewards and punishment.

A strong organizational culture assists in the creation of a stable organization, the consequence of which lead to the achievement of the company's strategic goals.

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Steps of Building Organizational Culture

There are seven steps of building culture in organization:

- Step-1: Careful selection.
- Step-2: Challenging early work assignments.
- Step-3: Training to develop capabilities with culture
- Step-4: Reward and sustain culture
- Step-5: Adoption of cultural value policies
- Step-6: Reinforce culture with ritual, stories, rites
- Step-7: Role model to sustain culture

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There are 7 steps of building culture in organization. Careful selection step 1. Step 2 is Challenging early work assignments. Step 3, Training to develop capabilities with culture. Step 4, Reward and sustain culture. Step 5, Adoption of cultural value policies. Step 6 Reinforced culture with ritual stories rites and Step 7, Role model to sustain culture.

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Relationship between Culture and Organizational Performance

- Organizational culture has the potential to enhance organizational performance, individual satisfaction, the sense of certainty about how problems are to be handled.
- Culture serves as a control mechanism to channel behaviour towards desired behaviours and to prevent undesired behaviours.

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There is a very intricate relationship between culture and organizational performance. The organizational culture has the potential to enhance organizational performance, individual satisfaction, the sense of certainty about how problems are to be handled. Culture serves as a strong control mechanism to channel behavior towards desired behaviors and to prevent undesired behaviors.

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These are the references that we have used for these slides for this lecture.

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CONCLUSION

This part of lecture session has given clear picture on the culture, organizational culture, types and importance of culture with an aim to make aware all learners about it and enhance their level of thinking and perception on all these aspects of organizational culture.



So, this part of the lecture session has given a clear picture on the culture, organizational culture types and importance of culture with an aim to make them the learners aware about it and enhance the level of thinking and perception on all these aspects of organizational culture. Thank you for now, meeting you next in the next session with more discussions on organizational culture.