Organizational Design Change and Transformation
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Module - 07
Lecture - 33
Organizational Culture and Climate

Welcome to lecture 3 of week 7. This is the lecture number 33. And the previous lecture we discussed about organizational socialization process, where we talked about transmission of socialization process and you know stages of socialization process, how an outsider become socialized insider, what is the outcome of it. And we also discussed about how organizational culture is linked with the social responsibility and how it is being viewed as a value of an organization.

In this lecture we are going to discuss about next important aspect of an understanding organizational culture is that we are going to talking about organizational culture and climate. This is also very critical in an workplaces that how do you understand the organizational climate.

For in for example, people may be talking about communication climate, people may be talking about you know supportive climate, workplace climate and the you know peer support in climate. You know organization have various components of you know organizational climate. So, we are going to discuss about organizational climate in this lecture.
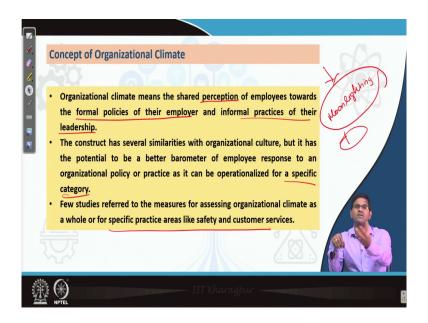
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And what are we going to specifically discuss in this lecture is that we are going to you know understand the concept of organizational climate meaning what is it organizational climate means. And we will also talk about how do we how does this actually you know how do we shape this organizational climate.

Then we will also discuss about different dimensions of organizational climate. And we will also spend time on understanding motivational framework for this organizational climate and you know organizational culture factors that are influencing the organizational climate. Now, we will also understand what are the culture factors organizational culture factors that will influence the organizational climate ok.

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Now, let us try to understand what is this organizational climate we are talking about. So, the organizational climate is nothing, but it is a shared perception. It is we are you know specifically if you look at this word it is a shared perception of employees towards maybe a formal policies of their employer and informal practices of their leadership.

Now, if you look at you know the formal policies now you can look at it as a shared perception you know the climate can also vary. For example, let us say recently company has come up with a certain policies. Then now employees will have a shared perception towards the particular policies this organization is talking about. Now, that will also it will tell you what is the climate that employees are experiencing in that instance.

Let us say very recently many corporates are talking about moonlight. So, moon lighting is talking about employees are you know parallelly working in the other organizations as well

right. So, now certain companies were very critical about employees going for moon lighting they said it is against the policies and it also amounts to you know ethical issues and all.

Now, once other companies are talking about ok as long as that does not disturb our work and do not you know as long as you do not share the our organizational aspects with the other employer we are we are fine. Now, this is we are talking about let us say now companies are come up with the certain policies and practices managing this moon lighting.

Now, now employees of these organizations might have their perception towards the policies of a company talking about a specific practice of a moon lighting. Now, that is what we are talking about how what is a shared perception of employees on a formal policies or may be an informal practices happening in an organization that is what essentially we are talking about an organizational climate.
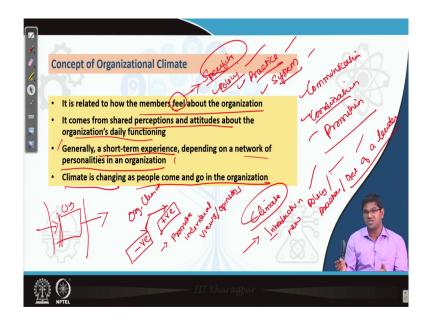
Now, now you will you will find out there are similarities between organizational culture and climate, but what is that you know potential differences are the better indicator of this you know climate there are more similarities, but what does it actually you know see as a climate it has more seen as a better indicator of an employee response to a specific organizational policy or practices you know it can be operation for a specific category.

Why because organizational culture may be sometime very larger whereas, in a climate you will be talking about specifically because of certain practices may be specific to a certain policies. My then these employees we have a certain perceptions about their organization that is what we are talking about you know that is why this has a certain specificity than the organizational culture.

Because it is only talking about to a certain activities or certain efforts of an organization in either way of a policy or a practices or a creation of a system then how does my employees have a perception towards my policies and perception that is talking about an organizational climate.

Now, you know many studies have referred to as measuring or assessing organizational climate as a whole or probably for a specific practices like you know specifically on a safety and customers you know climate can be studied in a overall level or maybe probably to a specific departments or divisions or maybe policy specific or a practice specific as well.

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Now, so, to further to understand more detail on this organizational climate it is related to how employees feel about their organization. It is not about you know shared values and beliefs about an organizational culture it is about how employees feel about an organization when you say feel about the organization where we can bring the specificity.

When I say specificity how employees feel about a specific policy, how employee feel about a specific practice, how employee feel about specific to a certain system recently created. So, now this feel about can be related to a specificity as well where we can be a policy, it can be

related to practice, it can be related to system or it can be related to communication system or it can be related to the coordination or it can be related to leadership or it can be related to promotion and policy can be anything.

So, now a employee will how do they feel about a specific aspect of it that will talking about an organizational climate. Now, it comes from a shared perceptions and attitudes about organization daily functioning. So, it can also further to understand the climate it is a shared perception and also attitude of an employees towards the organizations daily functioning how do they function you know how do they react and how do they respond right.

And generally, it is a short term experience depending on a network of personalities in an organization right. So, why do we say a short term experience? The climate is a short term experience the reason is that because this climate is been experienced due to maybe a introduction of a new policy or a practice or probably a certain you know certain act of a leader as well act of a leader as well.

So, it so, that is why they say it is a short term experience owing to some of these maybe introduction of a new policy or a practices or a some certain act of a leader in a certain incident is that. So, it also depends on a network of you know a personality of a (Refer Time: 07:46) because we say no its a shared perception of employees.
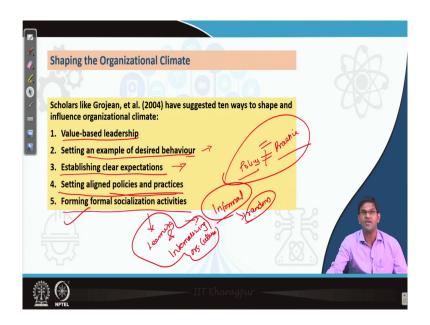
So, problem because of a group of employees will feel that no I do not really like it or probably they appreciate certain of things that gives a climate. Now, climate can be positive or negative its not that no negative orientation. So, climate can be both a positive climate and a negative climate.

Sometime for example, when I talk about you know organizational climate I can be as I was talking about positive or negative let us take a situation let us say company which are having a positive organizational climate might promote individual views, when individuals views are being promoted when the decision making happens. Maybe in a negative climate the

individual views are not appreciated. So, that is possible views or opinions are considered in a positive organizational climate.

Now, and you also have to understand climate will be changing continuously because people will always come and go in an organization as we seen in the previous lectures you know certain people will come certain people go out of the organization. So, the organizational climate will be constantly changing based on a certain instances or a situations are probably because of the people come and leave the company ok.

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Now, now as we understood what is the concept of climate now, we let us understand how do we shape this organizational climate now how do we you know create a shared perception about specific organizational climate. Now so, scholars like you know Grojean and their

colleagues they have suggested 10 ways to shape and influence the organizational climate one is value based leadership you create a value based leadership.

So, you know organizational employees will have a positive perception towards whatever the policies and practices are the way leadership are behaves. So, you will be able to create a very positive organizational climate. Setting an example of a desired behaviour you can it can be a role model set as say this is how this is what we expect from our employees.
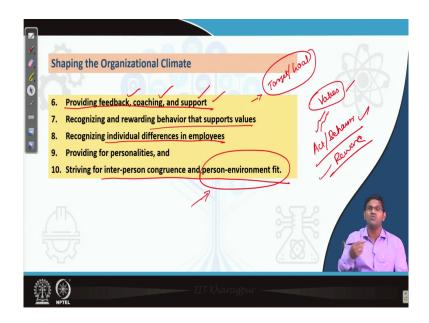
So, being a role model to show that show cars. So, what are these you know expected behaviour in a workplace and establishing a very clear expectations, you do not give an ambiguous goals or unclear goals or a targets. So, make it very clear expectations ok. This is what we expect from you and given that you also provided you know resources as well.

Then setting an aligned policies and practice then make sure that you know we what is the challenge you know why organizational climate sometimes become negative is that you will have a policy, but it is not equal to your practice you will have a something on your document and you do something else. So, that is what you know it is very important to shape up your organizational climate to make sure that there is an alignment for your policy and practices.

What is there in the document has to be reflected in a practice as well. Then forming a formal socialization activities as we are talking about a formal socialization activities will always allow an employee to you know understand learn the values and internalize the organizational value system not do not allow to go for an informal method which because it has more of a random it will not allow all new employees to go through the sequential process to learn the organizational culture.

So, it is very important that you know you promote a formal socialization process that lead to you know learning and internalizing the culture internalizing organizational culture which will give a better climate in an organizational setup ok.

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Then comes providing feedback, coaching and support it is very very critical in an organizational setup because you might expect an employee to deliver certain deliverables. Probably there can be you know sometimes some employees could not achieve or even if they achieved not as expected then it is very important that organization provides feedback, provide coaching to employees and also provide a necessary support to make sure that they are able to achieve the target or a goal at and are given to them or assigned to them.

So, this will also create a better organizational climate then comes recognize and reward behavior that support values that is very important. Organization you have a values. Now, what you have to do? If some employees engage in a behavior or do an act or a behavior that is aligned with the values then what you have to do you have to recognize the act or a behavior of an employee and provide reward to them that is very important.

So, that people will feel that ok that is what my organization value is when I reflect or do those values are aligning with the values my company will recognize my effort and they will reward me. So, that will create a better organizational climate and recognize individual differences in employees.
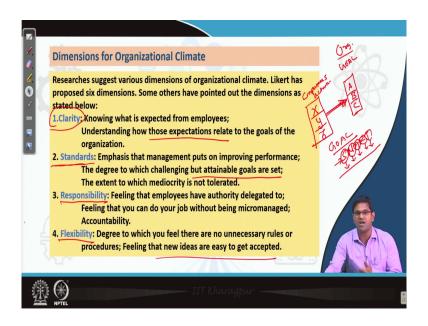
So, what is very important is that organization has you know large number of employees individuals are different there are individual differences in terms of personality, in terms of gender, in terms of ethnicity, in terms of religion, in terms of race can be many factors.

So, organization has to you know recognize individual differences in employees otherwise what will happen you know employees might feel like you know they arise a discrimination or they may be feeling that you know that the diversity is not appreciated individual differences are not you know taken into consideration.

Organization has to always recognize individual differences that will create a better climate then provide a striving for a inter-person congruence and person environment fit. So, make sure that you know as an organizations you know able to create and you know striving for inter-person congruence you know you create a better environment or a better interaction pattern between the employees within the same group and person environment fit.

Meaning that know you are able to create a better environment where an employees are able to fit into the environment these are all the ways in which you will be able to shape the organizational climate ok.

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Now, now we are going to discuss about you know various dimensions of organizational climate. What are that you know dimensions we part of the organizational climate? So, you know Likert has proposed six dimensions we are going to discuss about those six dimensions the first dimension of the organizational climate is clarity. So, knowing what is expected from employees.

So, now, what is that you know it is we clearly understand what are those expectations relate to the goals of the organization. Let us say what is expected from employees? Employees are expected to do xyz now to need to see they wanted to see how this xyz is aligned with the companys organizational goal let us say ABC is the goal of an organization now they wanted to see how somebody you know employee is expectation ok employees activities.

Now employees activities are xyz how this xyz will be connected to the organizational goal that clarity should be clearly given. So, now xyz probably leading to certain outcome of achieving the organizational goal that clarity has to be provided. Then come standards. So, the emphasis that management puts on improving the performance ok. So, degree to which challenging, but attainable goals are being set you know what type of a standard you are sitting.

You know you are talking about a goal. So, we are talking about a goal now how does the goal being set whether goal is you know we talked about a smart goal ok, specific measurable attainable realistic and timely you know timeliness ok.

Timely whether able to approach you know are we specific setting a specific goals is it a measurable whether the goal is measurable and whether the goal is attainable itself whether it is a realistic or are you giving an unrealistic target which is cannot be achieved or is it time-bound whether it is able to achieve in a given time period.

So, kind of a standards we were talking about and we have to talk about now how we are going to appreciate the better performance do not you know talk about the mediacrats then comes a responsibility next dimension of a climate is a responsibility. So, now, the feeling its a responsibility you know feeling that an employees have authority delegated to it.
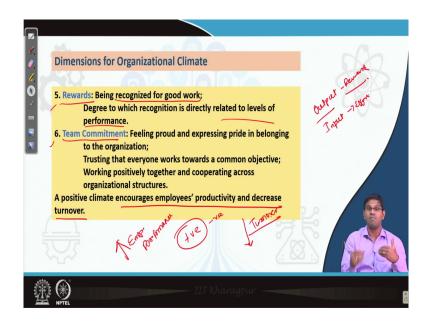
When you feeling that you know I employ has to feel that you know you are not being micromanaged you know you are given a certain authority and responsibilities assigned to you that you are given certain autonomy to do your work right and you are not being micromanaged and you are given more interested more accountability towards the job you are being doing the responsibility.

Then comes a flexibility. Degree to which an employee feels that there are no unnecessary rules or procedures because you have to provide certain flexibility that you know. So, that you know they will have a feeling that you know new ideas will get accepted because there is no

rigid way of you know rules or you know activities or a policy which do not allow me to think out of boxes right.

So, now you know one of the important dimensions is I am talking about flexibility that is also one of the important dimensions in a climate.
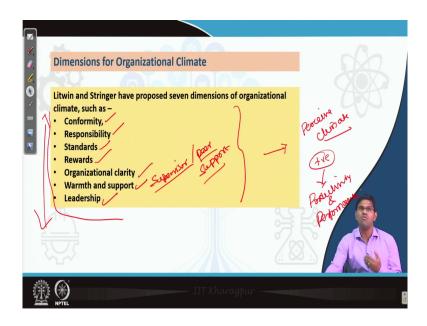
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Next is about rewards. So, now, comes a reward as we are earlier also talked about how do we shape the organization element rewards is very important you need to be recognized for the good work you do right. So, this recognition should be directly related to the level of performance how much you performed and now what is the corresponding reward that you have been receiving right you there should be a more parity on the input on output.

So, input is the effort and output is ok. So, input is effort output is a reward there should be a perfect ratio of input and output ok. Then comes team commitment you know feeling proud or you know expressing pride in belonging to the organizations you need to create more team commitment you know you need to create a trust among the team members that they should feel that I am part of this group.

So, that is very important. See the now having discussing about all these dimensions what does it actually lead to the positive organizational climate will encourage employees productivity and decrease turnover. As I was earlier talking about positive or negative you know climate.

So, when you talk about a positive climate it will also increase the employee performance, employee performance will go up and turnover will come down meaning that employee leaving the company will come down whenever better organizational climate ok.

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Now, we are also going to talk about other dimensions from the other authors Litwin and Stringer also discussed about you know other dimensions of an organizational climate. If you look at you know the dimensional is about conformity how far you agree to the larger organizational values or goals of an organizations and of course, a responsibility is very similar to what the LACRID was talking about then of course, standards what type of a standards you have been setting.
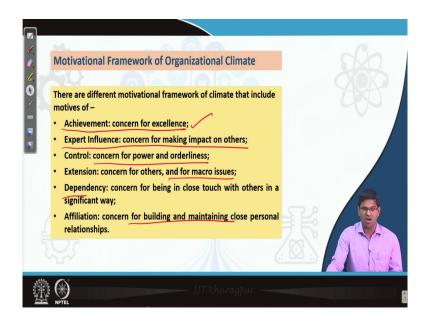
So, I mean talking about a goals, how do you fix the goals then of course, the rewards are you going to reward people for the amount of effort they put in or the performance they show by way of delivering the expected targets.

Then organizational clarity are you giving a very more clarity on the role clarity and also the resources and information clarity, then are you providing a warmth and support whether you

are able to provide a better you know supervisor support supervisor or peer support right how is the support you expect in an organizational setup, are they being warmth, are they being appreciative, are they being you know considering the other employees as well then the leadership how is the leadership is exist these are also certain dimensions of an organizational climate.

By observing all this aspect of it you know employee will perceive the climate right. So, when you are able to have a better aspect on all these and employee will perceive a positive organizational climate which will lead to a productivity and performance that is why we have to concerned about you know climate organizational climate. Now we discussed about dimensions.
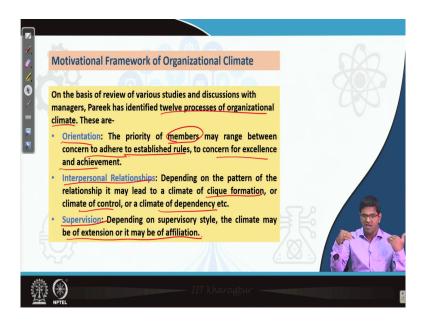
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We are going to discuss about motivational framework of organizational climate. So, why we are talking about an organizational climate? So, there are different motivational framework of organizational climate which includes you are talking about achievement.

So, why are we talking about organizational climate is an achievement you know concern for excellence you wanted to create an organizational culture which are talking about creating a better achievement you know expert influence concern for making impact on others.

Then control concern for power and orderliness right and extension concern for others and for a macro uses a larger level uses issues then dependency concern for being in close touch with others in a significant way and of course, affiliation concern for building and maintaining a close personal relationship. So, these are the motivational framework behind this organizational you know climate.

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So, now what are we going to talk about is that we are going to discuss about the process of organizational climate ok. So, there are lot of reviews been conducted to understand what are the process that are influencing or creating this organizational climate one is orientation.

So, the orientation is talking about the priority of the member when we the refer to members we are referring to employees might may range between you know concern to adhere to just an established rules where we are talking about just being compliant to existing established you know adhere you know when we are talking about compliance.

I am just trying to comply with the adhere rules or to concern for excellence and achievements you know what type of an orientations you have the process is that what type of

an orientation you have is it an orientation just towards meeting the minimum or is it something you know wanted to achieve excellent or maximum achievement.
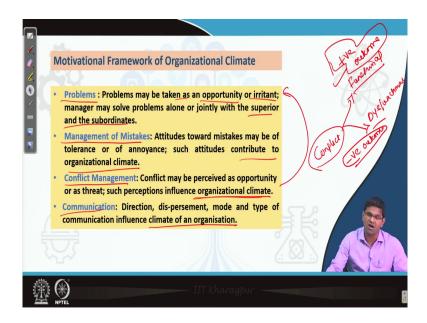
So, that orientation will also be part of an organizational climate right. So, your are you a company where always concerned about meeting the bad minimum are you are talking about you know going beyond and showing the excellence right. Then comes interpersonal relationship.

So, now, depending on the pattern of relationship pattern of relationship we are talking about within the employees in an organization instead of within the employee within the members of the group or within the members of an organizations it will may talk about a climate may have a click formations maybe some group or maybe it might create a climate of control somebody will be you know creating a climate of control somebody holds the control or maybe it will create a climate of dependency.

So, people are dependent inter-dependent with each other. So, interrelationship will also determine what type of a you know relationship climate we have is it a dependent inter dependency climate or a climate of control or a climate of click formation there are different subgroups or a clans being formed. So, that is also one of the important process in an organizational climate then comes a supervision.

Depending on a type of a supervisory style now how your boss is treating you or how your boss handling a certain style which will create a climate may be an extension or it may be an affiliation. So, based on a supervisory style we will be able to you know understand the climate.

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Then comes the problems. So, now, how does a problems been viewed in an organizational setup is the problems been seen as an opportunity or is it been seen as an you know obstacle right. So, now that will actually you know create a way of a kind of a climate.

So, manager may solve the problem as all alone all the time or probably manager may wanted to involve people both you know bosses and subordinates to together to address the problem that will also create a that will also engage in a process of creating a climate right. So, now, two aspects in a problem one is that as an organization how do they see the problem are they seeing a problem as an opportunity are they seeing a problem as an obstacle and then comes ok.

Once you see either as an obstacle or you know an opportunity now comes how the manager addresses this problem is manager always wanted to be alone in trying to address these

challenges or a problems or is manager going for a participative approach wherein bringing people together maybe subordinates and peers and you know superiors together in addressing the challenges that will also create a kind of a climate.

Then comes management of mistakes. So, how what is an attitude towards the mistake maybe is it about tolerance or annoyance you know how do you see you know are you allowing employees to commit mistake which are not intentional maybe unintentional errors and how what is an attitude that an organization exists you know how do they see the mistakes.

Because you know you see that you know especially in a technology or maybe innovation based organizations and organization always allow you to make mistakes because that is where you will be able to come up on more innovative ideas and new ideas and new way of looking at things.

So, now that you know how the mistakes has been viewed the attitude towards the mistakes is it being tolerated or is it being seen as an annoyance such attitude will also of course, contribute towards an organizational climate right. So, when you are there is a tolerance of mistakes then you might be have a promotive you know organizational climate if you are there is an annoyance you nobody is permitted to make mistakes probably there are more of a strict climate you will employees will perceive.

Then comes conflict management. So, again very similar to a problem this conflict maybe viewed as an opportunity or probably seen as a threat because that perception will influence the organizational climate, but not all the time conflict is you know threat if you look at you know conflict can be both functional and dysfunctional. So, what we are talking about functional.

So, the conflict can provide a positive outcome. So, that is why we are talking about a conflict as a functional conflict. Now, when a conflict can lead to a negative outcome is a dysfunctional conflict. So, how organization views and perceives that might also create an
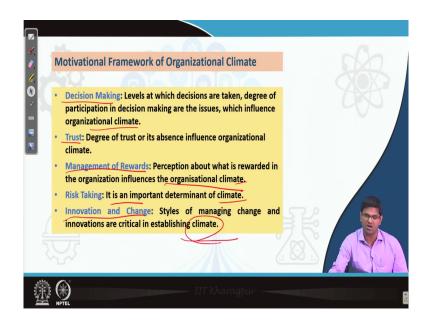
organizational climate you know conflict not always a negative it can also provide a positive outcome.

Let us say talk about a group of people you know debating about decision making you know they are talking about choices. And somebody saying no this might go in wrong way another might say no I do not I support this decisions that may you know create a better decision making chances that will actually support a create you know allow an organization to explore all alternatives and picking a best decision which is more you know goal oriented for a company. So, that conflict is actually good.

So, now that how do they manage the country it will also create a certain organizational climate then comes a communication this is about a direction of the communication, mode and types of communication happens that will also influence an organizational climate because communication is a very very critical component we talk about you know formal communication, informal communication, grapevine communication.

This communication most of the time varies very very critical in an organizational setup what type of a communication has been allowed what type of a technology being used mode of communication is happening that is because the organization knowledge is transferred through a communication may be a formal written channel, may be a through a you know technology based communication whatever it is communication is very critical component that will also you know influence the organizational climate ok.

Then comes decision making. Decision making talking about levels at which the decisions are taken. So, you know degree which do which the decision makings are the issues influence the organizational climate. So, decision making will also influence the organizational climate then comes trust. So, trust of course, a very critical aspect of it you know in absence of a trust will also create a negative climate.

So, all employees might expect a trust. So, now, what type of a you know trust climate is exist in an organization will also influence the organizational climate. Then management of rewards. So, the perception to towards what is rewarded in an organization influence the organizational climate.

For example, somebody who does you know aligning with an organizational values and goals that is rewarded then organization there will be a different climate and something may be very

a basic activities have been rewarded then people may not appreciate doing something extraordinary thing right.

Because so that will also create a kind of an organizational climate then risk taking. Risk taking also important determinant of an organizational climate. So, whether organization allows employees to take risk or not risk aversive or risk promoting. So, that will also influence the organizational climate then innovation and change you know how do they manage you know styles of managing the change innovations are; obviously, very very important factor in establishing the climate in an organizational setup.

So, whether organization is promotive about bringing in a very changes are they all the time you know appreciate introducing new changes are they be resisting towards a change that will also talk about you know influence the climate in an organizational setup ok.
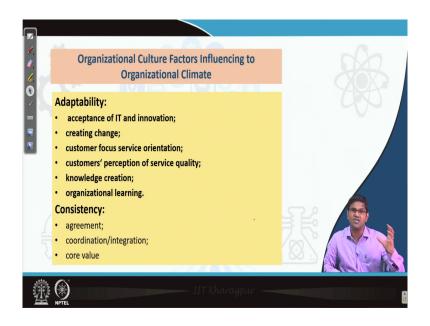
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Now, now we are going to discuss about before we conclude this lecture, we are going to discuss about the factors organizational cultural factors you know as we are talked about the climate when in the beginning of the lecture we discussed about there are similarities between organizational culture and climate.

Whereas we said climate has a better indicator towards is how employees feel towards these specific organizational practices. Now what are those cultural factors which will influence these organizational climate. So, one is adaptability, consistency, employee satisfaction, involvement and mission these cultural factors will have an influence on organizational climate.
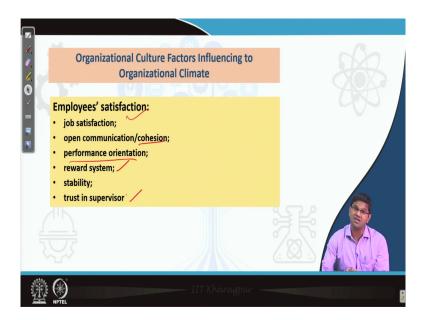
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I will quickly very briefly discuss about all of these factors one is a adaptability. So, adaptability we are talking about how adaptive the organization is about now for example,

acceptance of a new IT system or a tool or a technology maybe you know changing customer focus orientations coming up with a new product and development how adaptable as an organizations that organizational culture will of course, impact the organizational climate. Then comes consistency.

How consistent are they in terms of agreement, coordination, you know considering the core values that will of course, will influence the organizational climate.
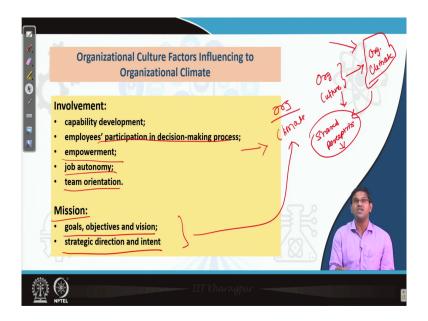
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Then comes employees satisfaction we are talking about how employees you know see their job satisfaction, their open commission, communication and cohesiveness are they really you know being together, they wanted to you know they try together wanted to stay together, whether there is a cohesiveness existing and do these employees have a better performance

orientations than the reward system and trust with the supervisor all this factor will definitely influence the organizational climate. This comes from a culture perspective right.

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Then comes involvement. So, the involvement talking about you know employees participation in a decision making process. So, the culture might allow you that all employees will be participating in the decision making process that will influence the organizational climate similarly the culture on you know empowerment providing more autonomy and team orientation this will; obviously, will have a lot of impact on organizational climate.

Then comes the mission of an organization what is the goal objective and vision of a company and of course, a strategic direction and intent with which they carry this will also will have an impact on the organizational climate. So, what is important to understand here is that you see that there is a relationship of organizational culture impact of organizational

culture on organizational climate there are organizational culture factors will have lot of impact on organizational climate.

Meaning that how the employees shared perception of employees on certain policies and practices or can be an anything. So, now, shared perceptions can be influenced by the organizational culture it can be on employee satisfaction it can be an adaptability, it can be on involvement empowerment and mission vision which will all have a direct impact on the organizational climate ok.

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In today's lecture we discussed about the you know understanding the concept of organizational climate and we also discussed about you know various dimensions of a climate. And also, we discussed about process of organizational climate and then we also discussed on how the factors of organizational culture is related to organizational climate.

So, in the subsequent lectures we are going to discuss further you know how do we develop the organizational culture in the subsequent lectures.

See you in the next lecture.

Thank you.