

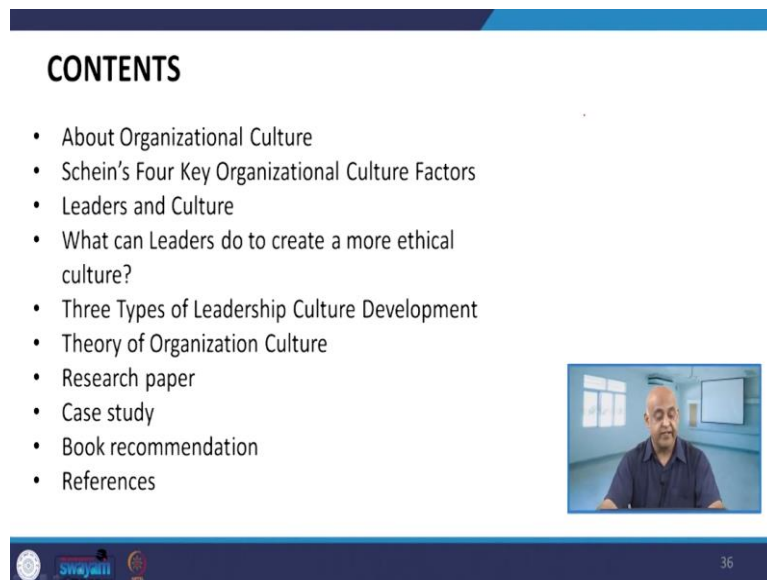
**Leadership and Team Effectiveness**  
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**Lecture – 31**  
**Culture and Leadership**

I have mentioned in my previous lecture that in a given situation a family culture, an organizational culture, a nation's culture that plays a very, very important the way leader reacts and responds and that has to be considered unless and until you do not consider the surrounding culture whether you are into a small group or into a large group then definitely there are the chances that leadership may not be effective.


So, therefore to make your leadership effective you have to concern with the culture and know the culture, what type of the culture and how to build the culture.




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**CONTENTS**

- About Organizational Culture
- Schein's Four Key Organizational Culture Factors
- Leaders and Culture
- What can Leaders do to create a more ethical culture?
- Three Types of Leadership Culture Development
- Theory of Organization Culture
- Research paper
- Case study
- Book recommendation
- References



   36

So, therefore in this particular session, we will talk about the organizational culture. Schein's four key organizational culture factors, leaders and culture, what can leaders do to create a more ethical culture. Three types of leadership culture development, theory of organization culture, research paper, case study, and book recommendations as usual.

**(Refer Slide Time: 01:26)**

A Leadership Culture is one where everyone thinks like an owner, a CEO or a managing director. It is one where everyone is entrepreneurial and proactive.

**-Robin Sharma**



Everyone thinks like an owner, a CEO, or a managing director it is one where everyone is entrepreneurial and proactive is there and therefore it is the collective wisdom of the organization. Culture means the collective wisdom of the organization.

**(Refer Slide Time: 01:46)**

### About Organizational Culture

Culture is the tacit social order of an organization: It shapes attitudes and behaviors in wide-ranging and durable ways. Cultural norms define what is encouraged, discouraged, accepted, or rejected within a group. When properly aligned with personal values, drives, and needs, culture can unleash tremendous amounts of energy toward a shared purpose and foster an organization's capacity to thrive.

**Seven primary** characteristics seem to capture the essence of an organization's culture:

1. Innovation and risk taking
2. Attention to detail
3. Outcome orientation
4. People orientation
5. Team orientation
6. Aggressiveness
7. Stability



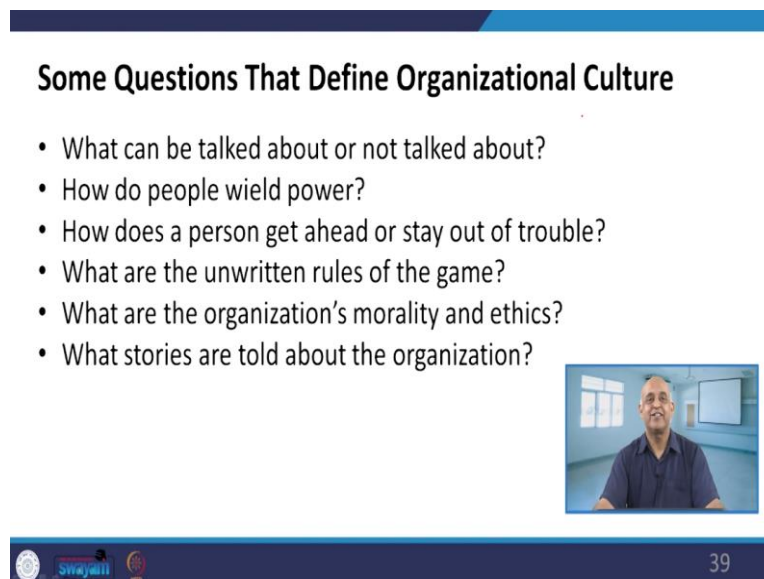
Culture is a tacit social order of an organization. It shapes the attitudes and behaviours in wide-ranging and durable ways is there. So, whenever we are talking about the PESTEL political, economical, social, technological, environmental, and legal. So, when we are talking about the social dimension then the culture is becoming part of that social dimensions.

So, these attitudes and behaviors are there will be the different ways as per the society norms. So, cultural norms define what is encouraged, discouraged, accepted or rejected within a group. So, those practices some people may admire your practices so you are encouraged and

some practices will be discouraged. So, therefore in that case it is the essence of an organization culture is innovation and risk checking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness and the stability is there.

So, seven primary characteristics seem to capture an organization's culture is there. So, whenever you have to decide on the organization culture first find out these seven dimensions and then you will come to know that is whenever you are working what exactly the orientation is working. For example, in some organizations, it might be innovation and risk checking. So, that is creative organizations, knowledge-based organizations, and KPOs are there and if there is research then that will be working.

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**Some Questions That Define Organizational Culture**

- What can be talked about or not talked about?
- How do people wield power?
- How does a person get ahead or stay out of trouble?
- What are the unwritten rules of the game?
- What are the organization's morality and ethics?
- What stories are told about the organization?

39

Some question they defined the organizational culture is what can be talked about or not talked about. So, therefore in that case that is about your boss whether you are supposed to talk or you are not supposed to talk that is also a culture. So, if it is the culture is not talking about the boss, please follow that culture. How do people wield power? So, therefore those practices this secret of success that is to be identified.

How does the person get ahead or stay out of the trouble? So, therefore, for example, I always give the example of newly wedded daughter in law and when she enters the husband informs that is what get ahead or stay out of the trouble is there how to handle. So, what are the unwritten rules of the game? And therefore, everything is not the black and white they are between the lines and those unwritten rules of the game that has to be observed.

You have to be a keen observer and not only keen observer you should be adoptable and adoptive in your approach in nature. If you are not adoptive in your nature and approach believe me that is when it will be a very tough task to become leader. What are the organizations morality and ethics are there the practice is in the organizations, what stories are told about the organization is there?

So, like the unsung heroes are there the stories will be there and you are supposed to know about those particular stories.

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### Schein's Four Key Organizational Culture Factors

**Myths and stories** are the tales about the organization that are passed down over time and communicate a story of the organization's underlying values. Virtually any employee of Walmart can tell you stories about Sam Walton and his behavior—how he rode around in his pickup truck, how he greeted people in the stores, and how he tended to “just show up” at different times.

**Symbols and artifacts** are objects that can be seen and noticed and that describe various aspects of the culture. In almost any building, for example, symbols and artifacts provide information about the organization's culture.



Myths and stories are the tales about the organization that are passed down over time and communicate a story of the organization's underlying values. So, therefore from the mother-in-law and grandmother-in-law so that is over the time what has been communicated. So, therefore organization's underlying values you will be understanding because when they will say oh this was allowed, this was not allowed, there was a fight, there was a struggle.

And then we got it or we have not got it even after our struggle. So, therefore in that case it is a story of the organizations underlying values by your bosses and super bosses. Virtually any employee of Walmart can tell you stories about Sam Walton and his behaviour how he rode around in his pickup truck, how he greeted people in the stores and he attended to just showing up at different times.

So, symbols and artifacts are objects that can be seen and noticed and that describe various aspects of the culture. So, in almost any building for example symbols and artifacts provide


information about the organization's culture. So, here we have to see that is what are the symbols are there and what are the notices are written because that will create you an imagination that is in this organization with the help of symbols and artifacts you will reach to the new destination.

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**Schein's Four Key Organizational Culture Factors**

**Rituals** are recurring events or activities that reflect important aspects of the underlying culture. An organization may have spectacular sales meetings for its top performers and spouses every two years. This ritual would be an indication of the value placed on high sales and meeting high quotas. Another kind of ritual is the retirement ceremony. Elaborate or modest retirement ceremonies may signal the importance an organization places on its people.

**Language** concerns the jargon, or idiosyncratic terms, of an organization and can serve several different purposes relevant to culture. First, the mere fact that some know the language and some do not indicates who is in the culture and who is not. Second, language can also provide information about how people within a culture view others. Third, language can be used to help create a culture.



41

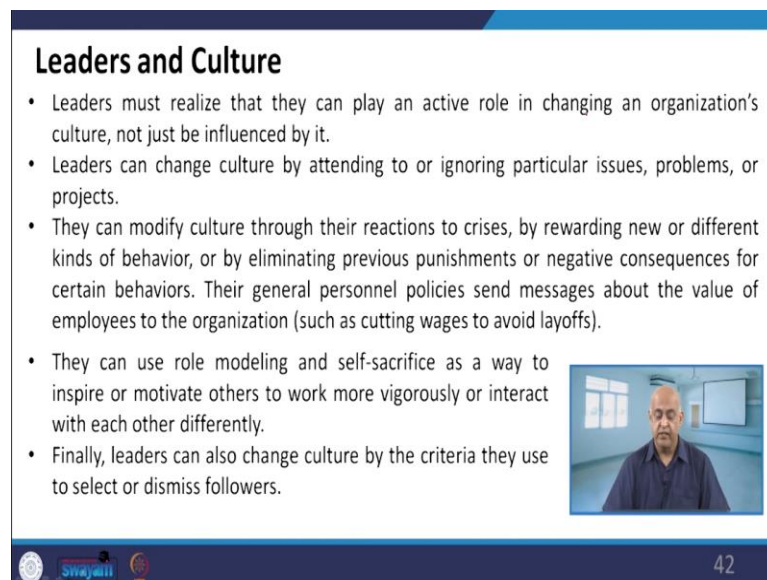
So, Schein's four key organizational culture factors. Rituals are recurring, events or activities that reflect important aspects of the underlying culture. An organization may have spectacular sales meetings for its top performers and spouses every two years. The ritual would be an indication of the value placed on high sales and meeting high quotas and another kind of ritual is the retirement ceremony.

So, therefore in that case what type of the rituals are working that is from the top performers and the spouses every two years is there. So, this is where they will understand whether they will be able to follow the indication and adopt these signals. Language concerns the jargon on or idiosyncratic terms of an organization and can serve several different purposes relevant to the culture.

So, what language has been used and what jargons are used and then on basis of that you can find out that is the first the mere fact that some know the language and some do not indicate who is in the culture or who is not. So, therefore it is always told if you want to be a part of any place culture you know the first language. So, therefore it will be indicating that is who is a part of that culture and who is not part of that particular culture is there.

So, leaders and cultures must realize that can play an active role in changing in organization culture not just influenced by it. This is a very, very important point. So, when we are talking about the job and career. So, job is that whatever is there you observe and then you follow, but the career is that is you are not just influenced by it, but you make the correction in that also if that is required.

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**Leaders and Culture**

- Leaders must realize that they can play an active role in changing an organization's culture, not just be influenced by it.
- Leaders can change culture by attending to or ignoring particular issues, problems, or projects.
- They can modify culture through their reactions to crises, by rewarding new or different kinds of behavior, or by eliminating previous punishments or negative consequences for certain behaviors. Their general personnel policies send messages about the value of employees to the organization (such as cutting wages to avoid layoffs).
- They can use role modeling and self-sacrifice as a way to inspire or motivate others to work more vigorously or interact with each other differently.
- Finally, leaders can also change culture by the criteria they use to select or dismiss followers.

42

So, you play an active role whenever you play an active role in the leadership and the culture then definitely in changing the culture so then definitely you are going to be a successful leader in that organization. Leaders can change culture by attending it or ignoring particular issues, problems or projects are there. So, therefore the task basically how they are doing the task is there.

A positive and negative consequences of certain behaviour is their general personnel policies that send messages about the value of employees to the organization such as cutting wages to avoid layoffs. They can use role modeling and self-sacrifices as a way to inspire or motivate the others to work more vigorously or interact with each other differently is there. So that is a team-building culture.

Whenever we are talking about the team-building culture so it will be way whether they inspire or motivates to others. Finally, leaders can also change culture by critically they are analyzing the situation and working on that.

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## What can Leaders do to create a more ethical culture?

- **Be a visible role model:** Employees will look to the actions of top management as a benchmark for appropriate behavior. Send a positive message.
- **Communicate ethical expectations:** Minimize ethical ambiguities by sharing an organizational code of ethics that states the organization's primary values and ethical rules employees must follow.
- **Provide ethical training:** Set up seminars, workshops, and training programs to reinforce the organization's standards of conduct, clarify what practices are permissible, and address potential ethical dilemmas.



And what can leaders do to create a more critical ethical culture in the organization if they want to create be a visible role model. So, employees will look to the actions of top management a benchmark for appropriate behaviours send a positive message. Simple example is about the employee engagement and they find their leader is fully engaged in committed to the organization the culture flows from top to management and top management will become the benchmark for the engagement at the work and for the appropriate behaviour.

Communicate the ethical expectations. So as I mentioned that is the moral emotions so that will communicate the ethical expectations. So, an organizational code of ethics that states the organization's primary values and ethical rules employees must follow. So, provide the ethical training, setup the seminars, workshops and training program to reinforce the organization standard of conduct.

And that clarify what practices are permissible and address potential ethical dilemmas are there. So, here it is the ethical training is required. So, one is that is whatever the observation is there; one is the standard of conduct what practices are permissible. So, orientation programs basically. So, they are talking about the practices are permissible and whatever the potential is there to adopt a particular culture.

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## What can Leaders do to create a more ethical culture?

- **Visibly reward ethical acts and punish unethical ones:** Appraise managers on how their decisions measure up against the organization's code of ethics. Review the means as well as the ends. Visibly reward those who act ethically and conspicuously punish those who don't.
- **Provide protective mechanisms:** Provide formal mechanisms so employees can discuss ethical dilemmas and report unethical behavior without fear of reprimand. These might include ethical counselors, ombudsmen, or ethical officers.

How culture is created

Image Source: <https://www.funiteambuilding.com/wp-content/uploads/2015/07/corporate-culture.jpg>

So how they can create a more ethical culture? Visibly reward ethical acts and punish the unethical ones, appraise the managers on how their decisions measure up against the organization's code of ethics. So, review the means as well as the ends. Visible reward those who act ethically and conspicuously punish those whose do not. So, here how culture is created that is a leaders.

So, action and behaviour of the leaders what leaders pay attention to that is much details they go, what get rewarded and what get punished what is that they appreciate and what they do not and allocation of the attention and resources and whatever resources are allocated and as a result of which the person will be able to create that particular culture. Now provide the protective mechanism is there.

So, I can discuss ethical dilemmas and report unethical behaviour without fear of reprimand. So, therefore in that case that is a protective mechanism is important if somebody is saying that this is going wrong then in that case he should be protected. This might include ethical counselors; ombudsmen are the ethical officers are there and they have to know this that is to create that protective mechanism so openness is required at the workplace.

They have to these ethical counselors are there. So, ethical counselors will advice that is this thing is going wrong in long term this will create a negative impact so we should stop that.

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## Positive Organizational Culture

- A positive organizational culture emphasizes building on employee strengths, rewards more than it punishes, and emphasizes individual vitality and growth. Let's consider each of these areas.
- **Building on Employee Strengths** Although a positive organizational culture does not ignore problems, it does emphasize showing workers how they can capitalize on their strengths.
- **Rewarding More Than Punishing** Although most organizations are sufficiently focused on extrinsic rewards such as pay and promotions, they often forget about the power of smaller (and cheaper) rewards such as praise. Part of creating a positive organizational culture is "catching employees doing something right."



The positive organizational culture; a positive organizational culture emphasizes building on employee strength, rewards more than punishes, and emphasizes individual vitality and growth. So, let us consider each of these areas. So, building on employee strengths. So, although a positive organizational culture does not ignore problems it does emphasize showing workers how they can capitalize on their strength is there.

So, therefore in that case that is the whenever we are talking about the performance of the employee so it does not ignore the problems that are there. It does emphasize to workers how they can capitalize on their strengths more than punishing. Now the culture is there that is the rewarding culture is there of course there will be punishment, but more is towards the rewarding is there.

Although most organizations are sufficiently focused on extrinsic rewards such as pay and promotions they often forget about the power of these smaller and cheaper rewards such as praise. Part of creating a positive organizational culture is catching the employee doing something right is there. So, therefore in that case they always when you are praising your employees those who are creating a positive organizational culture.

And always saying oh these are the employees because those who are doing something right and as a result of which our organization is sustainable. So, therefore that is appraising the employee that will create this type of appreciation positive culture.

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## Positive Organizational Culture

- **Emphasizing Vitality and Growth:** No organization will get the best from employees who see themselves as mere cogs in the machine. A positive culture recognizes the difference between a job and a career. It supports not only what the employee contributes to organizational effectiveness but also how the organization can make the employee more effective—personally and professionally.



Image Source: <https://blog.readytomanage.com/wp-content/uploads/2014/01/creating-a-positive-organizational-culture.jpg>



46

Emphasizing vitality and growth. So, no organization will get the best from their employees who see themselves as the mere cogs in the machining is there. So, therefore it always has emphasizing the importance of your employees. In a positive culture on the organization, there is a difference between a job and a career. If suppose not only what the employee contributes to the organizational effectiveness, but also how the organizations can make the employee more effective personally and professionally.

So, it is not like towards the one-sided direction a very good point is there. It is from the employee to the organizational effectiveness no. The organizations also can make the employees more effective personally and professionally by making how by appreciating them and giving them opportunity and training and development or the counseling is there or appraising the employees reward monetary and non monetary rewards also can be given.

And on the basis of the monetary and non monetary award this type of culture that can be developed into the organization. So, here if we talk about that is how the leaders has to create the culture.

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## Three Types of Leadership Culture Development

Leadership culture is the way things are done; it's the way people interact, make decisions, and influence others. Leaders' own conscious and unconscious beliefs drive decisions and behaviors, and repeated behaviors become leadership practices. Because these practices eventually become the patterns of leadership culture, leaders must understand their responsibility in creating or changing it.



So, three types of the leadership culture developments are there dependent, independent and interdependent the way things are done. It is the way people interacts, make decisions and influence others. Leaders own conscious and unconscious belief decisions and behaviours. As repeated behaviour becomes leadership practices because this practices eventually become the pattern of leadership culture and the leaders must understand that a responsibility is creating of changing it is there.

So, it is always the leaders their conscious behaviour that is how he is behaving at the workplace and when he repeats his behaviour and that is becoming the leadership practices and whenever these types of the practices are there so then this will create the pattern of the culture and the leaders must understand their responsibility in creating or changing it is there. So, therefore here you will find that it is becoming important that is whenever we are talking about the leadership culture development.

So, we can create those practices, practices in the organization and when these organizations are created then it becomes a leadership has become the flow as a form of a culture because as the seniors are doing the same will be followed by the followers and therefore in that case this whatever type of the conscious or the unconscious behaviour the practices which the leader follow and that will be making the sense at the workplace. The sense is rising to the employees.

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## Dependent leadership cultures

Organizations that emphasize top-down control and deference to authority. In general, you can think of dependent cultures as “conforming” cultures. Other characteristics often associated with dependent cultures include these:

- There may be a command and control mind-set.
- Seniority and position levels are important bases of respect.
- There’s great emphasis on keeping things running smoothly.
- Most people operate with the philosophy that it’s usually safest to check things out with one’s boss before taking a new direction.



Organization did emphasize top-down control and reference to authority in general you can think of the dependent culture as the confirming cultures and the other characteristics often associated with the dependent cultures and these type of, they may be a command-and-control mindset so there will be authority at the top they will be commanding. Seniority and position levels are important basis of respect.

So, therefore in that case because it is a top down is there and then here you will find that is the seniority and high position level before they are making the influence. There is great emphasis on keeping things running smoothly. So, therefore there is nothing to worry about the running things smoothly because already from the top to bottom there will be the directions.

Most people operate with the philosophy it is usually safest to check things out with one’s boss before taking a new direction is there because this is a culture from top to bottom. So, therefore in that case the middle level management or the junior management level of management if somebody is working then in that case definitely, he is supposed to take the senior into the confidence.

If he is taking the senior into the confidence then definitely, he will be able to lead the organization along with the culture of the organization.

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## Independent leadership cultures

There's great emphasis on individual responsibility; decentralized decision making; and the promotion of experts, professionals, and individual contributors into positions of authority. In general, you can think of independent cultures as "achievement-oriented" cultures. Other characteristics associated with independent cultures include these:

- The results that leaders achieve, whatever it takes, are an important basis of respect.
- Even during times of stress, there is great pressure not to let performance numbers go down.
- Bold and independent action that gets results is highly prized.
- The organization is successful because of its large number of highly competent and ambitious individuals.



Independent leadership cultures are there on individual responsibility, decentralized decision making and the promotion of experts, professionals and individual contributors into the positions of authority. In general, you can think of the independent cultures as the achievement-oriented culture is there and other characteristics associated with the independent culture include this.

So, therefore whenever you are talking about the independent leadership culture is there so then here it is the achievement-oriented culture is there because the person who wants to prove himself then leaders achieve whatever it takes are an important basis of respect. Even during the times of stress there is a great pressure not to let performance numbers go down. Bold and independent actions that get result is highly priced.

The organization is successfully because of its large number of highly competent and ambitious individuals are there and every individual is the self dependent and therefore he is the unit of the organization. He himself is in unit and whatever the situation will arise in a given situation he will take the decision of his own. He will not make the responsible to the top management or he will not blame to the lower management rather than he will be doing everything with the confidence of himself.

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## Interdependent leadership cultures

There's widespread use of dialogue, collaboration, horizontal networks, valuing of differences, and a focus on learning. In general, you can think of interdependent cultures as "collaborative" cultures. Other characteristics associated with interdependent cultures include these:

- Many people wear several hats at once, and roles change frequently as the organization continually adapts to changing circumstances.
- People believe it's important to let everyone learn from your experience, even your mistakes.
- There's a widely shared commitment to doing what it takes to make the entire organization be successful, not just one's own group.
- Openness, candor, and building trust across departments are valued.



The third one is about the interdependent leadership cultures. So, there is the widespread use of dialogue, collaboration, horizontal network, valuing of the differences, and the focus on learning. In general, we can think of interdependent cultures as the collaborative cultures and other characteristics associated with the independent cultures so therefore interdependent cultures are there in this case.

So, in interdependent cultures there is a dependent culture, there is an independent culture, and when we talk about the interdependent culture so both cultures or the employees are having the practices which are having the collaborative practices. So, many people have several heads at once and roles change frequently as the organization continually adapts to changing circumstances.

So, people believe it is important to let everyone learn from your experience even your mistakes. So, we have to learn from our mistakes also. So, there is a widely shared commitment to doing what it takes to make the entire organization be successful not just once own group rather than complete so not the department or not section rather than the whole organization openness, candor, and building trust across departments are valued are there.

So, therefore in that case whenever they are interacting from one department to another department, they are having the openness and the culture of building the trust is created. So, therefore when there is a trust among these all the employees or the leaders in the organization you can imagine that how progressive will be the organization is there.

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## Leadership Culture Development

	DIRECTION <small>How do we achieve agreement on direction?</small>	ALIGNMENT <small>How do we coordinate our work so that all fits together?</small>	COMMITMENT <small>How do we maintain commitment to the collective?</small>
 <b>Interdependent</b>	Agreement on direction is the result of <b>shared exploration</b> and the emergence of new perspectives.	Alignment results from ongoing <b>mutual adjustment</b> among system-responsible people.	Commitment results from <b>engagement in a developing community</b> .
 <b>Independent</b>	Agreement on direction is the result of <b>discussion, mutual influence, and compromise</b> .	Alignment results from <b>negotiation among self-responsible people</b> .	Commitment results from <b>evaluation of the benefits for self while benefitting the larger community</b> .
 <b>Dependent</b>	Agreement on direction is the result of <b>willing compliance</b> with an authority.	Alignment results from <b>fitting into the expectations of the larger system</b> .	Commitment results from <b>loyalty to the source of authority or to the community itself</b> .



Image Source: <https://www.ccl.org/wp-content/uploads/2020/11/direction-alignment-commitment-organizational-leadership-culture-center-for-creative-leadership.png>

So, leadership culture development, interdependent, independent and dependent is there. So, how do we achieve the agreement on direction? So, on direction is a result of shared exploration and the emergence of new perspectives in the interdependent. Agreement and direction of the result of the discussion, mutual influence and compromise. Agreement and direction of the results of the willingness, and compliance with authority is there.

So, that is what is the dependent is there. Similarly, the alignment of how do we coordinate our work so that all fits together and the alignment results from the ongoing mutual adjustment among the system responsible people are there and the alignment in the case of the independent results from the negotiation among the self-responsible people and when dependent is there from the fitting into the expectations of the larger system.

So, therefore that is from the external to internal is there whenever we are talking about the dependent is there. So, here it is the expectation of the larger system that will be fulfilled, and as far as the commitment is concerned, maintain the commitment to the collective, commitment is just from the engagement in a developing community, commitment is just from the evaluation of the benefits of for self while benefitting the larger community is there.

And the commitment results from the loyalty to the sources of authority or to the community itself is there. So, therefore whenever we are talking about the dependent is there so it is a loyalty to the source of authority is there like in the case, we have seen that is direction alignment and commitment. So, in a development community there will be more and more

interdependent so collaborative approach. So, many times the collaborative approach they become the better approach.

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### Theory of Organizational Culture

- **Competing Values Framework:** It derives its name from the fact that the values depicted on opposite ends of each axis are inherently in tension with each other.
- They represent competing assumptions about the desired state of affairs in the organization. The core values at one end of each axis or continuum are opposed to the core values at the opposite end.
- Thus it's impossible that an organization could be both extremely flexible and extremely stable all the time. An organization's culture represents a balance or trade-off between these competing values that tends to work for that organization in its particular competitive environment.
- The Competing Values Framework was designed to help organizations be more deliberate in identifying a culture more likely to be successful given their respective situations, and in transitioning to it.



Now we will take the theory of organizational culture that is competing values framework. It is name from the fact that the values depicted on opposite ends of each axis are inherently in tension with each other is there. So, they represent the competing assumptions about the desired state of affairs in the organization. The core values at once end of each axis or continuum are opposed to the core values at the opposite ends are there.

Thus, it is impossible that an organization could be both extremely flexible and extremely stable all the time. So, at the same time that is extremely flexible also and extremely stable also. A culture represents the balance or the tradeoff between those competing values that tend to work for that organization in its particular competitive environment is there. So, always whenever there will be a challenging of any particular situation now it will depend on that is what culture is there and how the culture respond to that particular challenge.

The competing values are designed to help organizations to be more deliberate in identifying a culture more likely to be successful given their respective situations and in the transitioning to it. So, therefore whenever we are talking about the competing values framework that is the values are to towards the means and the ends.

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So, theory of organization culture let us talk about the clan, the adhocracy, the hierarchy and the market is there. So, therefore that is the control incremental is there, so do the things right, do things fast, compete that is the focus, breakthrough that is create to do the things first and collaborate is there do the things together. So, that is about the interdependent is there.

So, here you find the collaboration is done in the long-term development is there and whenever we talk about the compete that is in the short-term performance this will be the strategy will be there. So, it has to be the focused and flexible is there and there will be the internal factors and there will be the external factors will be there. So, on the basis of this the competing values framework that can be decided.

And whenever we are having the flexible and internal then definitely will have the collaborative. What I feel is that is the yes, any given situation definitely leadership will work from top to bottom so it can be direct or it can be indirect also, but whenever we are talking about the flexible and internal is there. So, organization is required to be flexible. Sometimes organizations are focus also.

So, when organization is very much focus then the internal people and the control incremental control so therefore do the things right when we are working. So, it is not always that is we are going for the breakthrough and create and do the things first and do the things together. So, therefore in that case it is becoming better that is we are doing the things right.

If we are doing the things right then the competing value of the framework that will be achieved.

Now here you see that is the four dimensions whenever we are talking about. So, it is becoming the adhocracy market, hierarchy and the clan is there and whenever we are having the clan, hierarchy and adhocracy then definitely in that case we will be able to collaborate, to create, to compete and to control is there and this will be decided for the purpose, practice and people.

So, what is our purpose is there. So, purpose is to be flexible, what is our practice is there to collaborate, create, compete and control is there and what is our approach is there that is about the internal and the external is there. Whenever we are focused about this particular structure then definitely, we will be able to get the long term development, breakthrough that is if any new innovations, new intervention is to be developed by the organization then there will be the breakthrough also in this organization.

And in the case of this short-term performances then naturally our purpose, practice and the focus by the people that will change and whenever we want to give the increment. Now, I would like to mention that is the incremental is becoming like, for example, the hierarchy is concerned and that is always have been preferred by the organization. More and more reward towards the incremental in the organization better and better you will find that is you are able to develop.

However, these four dimensions that is about the clan, adhocracy and market is concerned then definitely for developing this competing value framework it is becoming necessary that is we consider all the four parameters and when we consider all the four parameters and the strategies, I am sure that is that particular organization culture which we want to create that will be becoming successful.

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## Hierarchy culture.

- Organizations that emphasize stability and control, and also focus their attention inward (on how people within the organization interact with each other, on whether internal operating procedures are followed, and so forth), have a **hierarchy culture**.
- Organizations with a hierarchy culture tend to have formalized rules and procedures; they tend to be highly structured places to work.
- Following standard operating procedures, or SOPs, is the rule of the day. The emphasis is on ensuring continuing efficiency, smooth functioning, and dependable operations. **Examples of hierarchy cultures** are government agencies, fast-food chains, and traditional large manufacturing companies



So, that emphasize stability and control and also focus their intention inward. So as a hierarchy culture, formalize rules and procedure that tend to be highly structured places to work and always have the example of the hierarchy cultures is there. So, normally in the government agencies you will find that is the example, hierarchy cultures are government agency, fast food chains and traditional large manufacturing companies are there where the organizations are emphasizing their attention inward and then have a hierarchy to formalize rules and procedures are there.

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## Market Culture

- Organizations that, like hierarchy cultures, emphasize stability and control but focus their attention primarily on the external environment (outside the organization itself) are called **market cultures**.
- Their interest is more on interactions with external constituencies like customers and suppliers. Market cultures are competitive and results-oriented, and the results that count most are typically financial measures of success such as profit.
- To ensure discipline in achieving these ends, there is great emphasis on achieving measurable goals and targets.
- Fundamentally, what characterizes market cultures is a pervasive emphasis on winning, often defined simply as beating the competition.

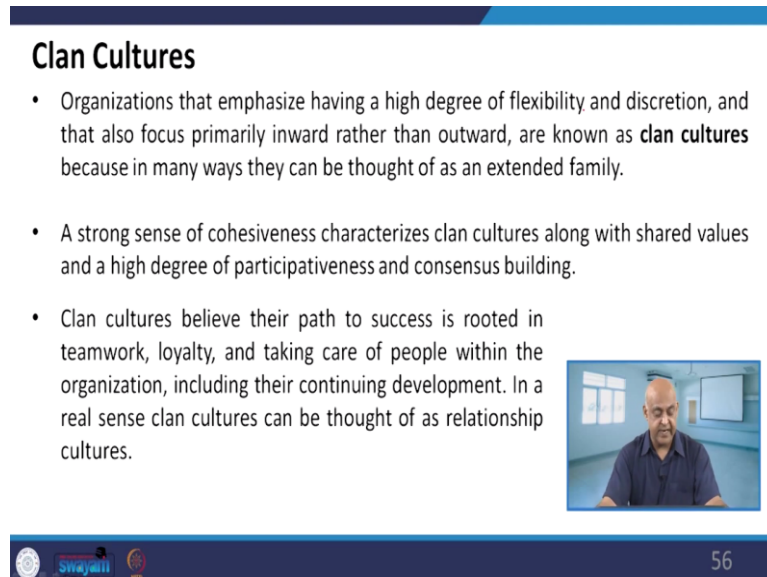


Whenever we are having the market culture is there then hierarchy culture emphasize stability and control, but focus their attention primarily on the external environment outside the organization itself across the market culture is there and their interest is more on interaction with external constituencies like customers and suppliers. So, that market culture

is the competitive and result oriented and the result that count most are typically financially measures of the success such as profit.


To ensure disciplines in achieving these ends there is a great emphasize on achieving the measurable goals and the targets is there. So, what characterizes market culture is a pervasive emphasis on winning often defined simply as beating the competition is there.

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**Clan Cultures**

- Organizations that emphasize having a high degree of flexibility and discretion, and that also focus primarily inward rather than outward, are known as **clan cultures** because in many ways they can be thought of as an extended family.
- A strong sense of cohesiveness characterizes clan cultures along with shared values and a high degree of participativeness and consensus building.
- Clan cultures believe their path to success is rooted in teamwork, loyalty, and taking care of people within the organization, including their continuing development. In a real sense clan cultures can be thought of as relationship cultures.



56

The clan cultures; so, organization that emphasize having a high degree of flexibility and discretion and that also focus primarily inward rather than outward are known as the clan cultures are there because in many ways they can be thought of as an extended family. A strong sense of cohesiveness characterizes clan cultures along with the shared values and a high degree of participativeness and consensus building is there.

Rooted in the teamwork, loyalty and taking care of people within the organization including their continuing development in a real sense. Clan cultures can be thought of as a relationship culture is there.

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## Adhocracy Cultures

- Finally, organizations that emphasize having a high degree of flexibility and discretion, and that focus primarily on the environment outside the organization, are called **adhocracy cultures**.
- In many ways adhocracy cultures represent an adaptation to the transition from the industrial age to the information age. Organizational culture is most responsive to the turbulent and rapidly changing conditions of the present age.
- The name adhocracy has roots in the phrase ad hoc, which means temporary or specialized. Adhocracy cultures are by nature dynamic and changing so as to best foster creativity, entrepreneurship, and staying on the cutting edge. This requires a culture that emphasizes individual initiative and freedom.



Adhocracy culture finally organization that emphasizes having in high degree of flexibility and discretion that focuses primarily on the environment outside the organization that is called the adhocracy culture is there. So, in many ways adhocracy cultures represent adaptation to the transitions from the industrial age to the information age is there. So, organizational culture is most responsive to the turbulent and rapidly changing conditions of the present age and therefore in that case we are moving towards the information age.

The name adhocracy has roots in the phrase ad hoc which means temporary or specialized. So, adhocracy culture is by the nature dynamic and changing so best foster creativity, entrepreneurship and staying on the cutting edge. This requires a culture that emphasizes individual initiative and the freedom is there.

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## Summary of Theory of Organizational Culture

- The complexities and necessities of organizational life and survival inevitably require that all cultures include elements from all four of the cultures (that is, all cultures put some value on all the competing values). What differentiates one culture from another, then, is the relative predominance of one culture type over the others.
- Nonetheless, it should be apparent that quite different approaches to leadership are called for based on which of these four distinctive cultures dominates any organization.
- Leadership in hierarchy cultures, for example, emphasizes careful management of information, monitoring detailed aspects of operations, and assuring operational dependability and reliability.

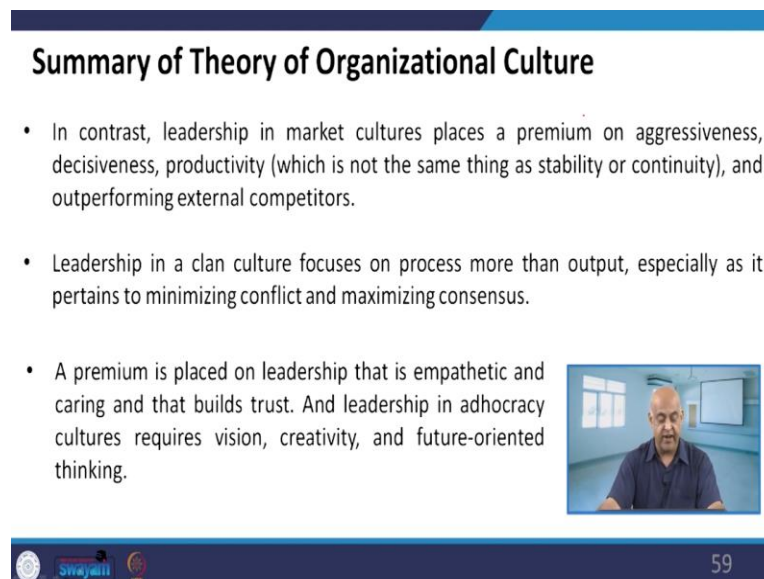


So, in the summary what we can say the complexities and necessities of the organizational life and survival inevitably require all cultures. So, it is not like these that is the organization may work into any single culture. It includes the elements from all four of the cultures. All cultures put some value on the competing values are there. So, what differentiates one culture from another is relative predominance of one culture type over the other is there.

So, nonetheless it would be apparent from the quite different approaches to leadership are called for based on which of these four distinctive cultures and dominates any organization, but please keep in mind that is the leadership in hierarchy culture for example emphasizes careful management of information, monitoring detail aspect of operations and assuring operational dependability and reliability is there.


While in the case of when we are talking about the combination of all the four cultures then definitely in that case that will be the collective wisdom as I have mentioned.


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**Summary of Theory of Organizational Culture**

- In contrast, leadership in market cultures places a premium on aggressiveness, decisiveness, productivity (which is not the same thing as stability or continuity), and outperforming external competitors.
- Leadership in a clan culture focuses on process more than output, especially as it pertains to minimizing conflict and maximizing consensus.
- A premium is placed on leadership that is empathetic and caring and that builds trust. And leadership in adhocracy cultures requires vision, creativity, and future-oriented thinking.




 59

In contrast leadership in market cultures places a premium on aggressiveness, decisiveness, productivity which is not the same thing as stability or continuity and the outperforming external competitors. So, leadership in a clan culture focuses on process more than output especially as it pertains to minimizing conflict and maximizing the consensus are there. A premium is placed on leadership that is empathetic and caring that builds trust.

And leadership in adhocracy cultures requires vision and creativity and the future oriented thinking is there.

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**RESEARCH PAPER** Leadership vision, organizational culture, and support for innovation in not-for-profit and for-profit organizations


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**Purpose**  
The purpose of this paper is to investigate the relationships among leadership vision, organizational culture, and support for innovation in not-for-profit (NFP) and FP (For Profit) organizations. It hypothesizes that in NFPs, a socially responsible cultural orientation mediates the relationship between leadership vision and organizational support for innovation, whereas in FPs, a competitive cultural orientation mediates this relationship..







So, as usual this is the research paper which is suggested and found to be relevant, leadership vision, organizational culture and support for the innovation in not for profit and for-profit organizations is there so Cooper and Santora.

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**Design/methodology/approach**  
This is an empirical study that draws upon a large survey of 1,448 managers and senior executives who are members of the Australian Institute of Management.

**Findings**  
Path analytic modelling provides partial support for the hypotheses. Although the predicted mediation effects occurred in NFPs and FPs, the strength of relationship between leadership vision and the two dimensions of organizational culture did not differ between the sectors. This was despite the observation that NFPs scored higher on a socially responsible cultural orientation than FPs, whereas FPs scored higher on a competitive cultural orientation.





And this particular paper which is for the path analytic and modeling provides partial support for the hypothesis.

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## Practical Implications

- The implications of these findings are significant in the development of leaders responsible for sustaining organizational growth and competitiveness during times of substantial social and economic turmoil. When times are problematic and workers feel their job security threatened, transformational leaders able to articulate vision and engage workers in that vision also help build strong, creative, and competitive businesses, regardless of the organizational sector.
- The findings of the study suggest that helping leaders better articulate their organizational visions is a worthwhile endeavour, because these leaders engage their workers in the strategic orientation of their organizations and build innovative and creative enterprises as a result.



And these finding of the study suggest that helping leaders better articulate their organizational visions is a worthwhile endeavor because these leaders engage their workers in the strategic orientation of their organization and build innovative and creative enterprise as a result which is the innovative organization.

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## Case Study: Did Toyota's Culture Cause Its Problems?

- You may be familiar with the problems that have recently plagued Toyota. However, you may not know the whole story. First the facts. In 2010 Toyota issued a series of recalls for various models. The most serious was for a defect called "unintended acceleration," which occurs when a car accelerates with no apparent input from the driver. Investigations revealed that unintended acceleration in Toyota cars has been the cause of 37 deaths since 2000. When the problems first surfaced, however, Toyota denied it was the cause. Eventually, Toyota apologized and recalled more than 9 million cars.
- To many, the root cause of Toyota's problems was its insular, arrogant culture. Fortune argued: "Like GM before it, Toyota has gotten smug. It believes the Toyota Way is the only way." Time reported "a Toyota management team-



This is the case study of the Toyota the Toyota's culture cause its problem that is if this is the culture how they have taken care of.

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## Case Study (Cont.)

- Probably. But it's been that way for a long time, and it's far from clear that the culture, or even the company's cars, is responsible for the sudden acceleration problems.

### Questions

1. If you were the Leader/CEO of Toyota when the story was first publicized, how would you have reacted?
2. Is it possible to have a strong—even arrogant—culture and still produce safe and high-quality vehicles?



And there you will find that is the only if you are the leader CEO of the Toyota when the story was first publicized how would you have reacted. If it is possible to have a strong even arrogant culture and still produce safe and high-quality vehicles. So, does it work and does it require. So, you can answer these questions.

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## BOOK RECOMMENDATION:

### Organizational Culture and Leadership (The Jossey-Bass Business & Management Series)

- **Authors:** Edgar H. Schein
- **Publisher:** John Wiley & Sons; 4th edition (27 August 2010)
- **Language:** English
- **Paperback:** 464 Pages
- **ISBN:** 0470190604

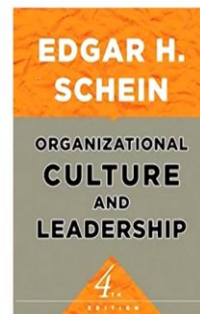


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As usual this is the book organizational culture and the leadership and that is by the Jossey Bass Business and Management Series author is the Edgar H. Schein is there please read this book and therefore you will get the role of the culture is there.

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These are the references which have been suggested and taken and this material from this books and issues. I am sure it is creating a vision and developing a culture in the organization first identifying the culture and then building the culture that you will be enough capable as a leader. Thank you.