

Social Innovation in Industry 4.0
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Lecture 43
Foundations of Organizational Culture (Part-1)

Welcome to the next lecture on Foundations of Organizational Culture. When we do Social Innovation, we always look at the need from the customer, then start working on the idea make prototypes test, but after you test, the company has to produce the product, or the service, or process in a large scale.

They have to do scalability of their thought of their innovation. If that comes into existence, then you are going to work with a bigger set, a larger set of people, then comes the importance of organization. What should be the Organizational Culture such that my business is sustainable? The start input is going to be Social Innovation, after that it is organization which is going to take you to a higher levels.

The organization if it is good, the thought process of every individual who is there in the system, if they feel that it is my company, it is my product, it is my society I have to do good to it, then you do not have to push them to work at their excellence.

It now becomes part and parcel of their culture, it becomes part and parcel of their thought process and they start excelling. And, when they start excelling the organization also should make sure that they should not promote individuals, but promote the team, promote the organization itself. Many a times in many companies what happens is there are few excellent people, they keep excelling after some point of time they reach sky heights. The organization is way below their height, and rest of the community is also sitting in that height where organization is there.

So, they feel odd man out and they leave the organization that is not the culture. Let us grow, let us allow others to grow. So, that has to be brought in the Organizational Culture itself. So, that is the importance of this lecture.

Contents

- Definition and key elements of organizational culture
- Theoretical perspectives:
 - Symbolic-Interpretive
 - Functional and Postmodern
- Types of organizational cultures:
 - Clan
 - Adhocracy
 - Market
 - Hierarchy



In this lecture, we will try to understand the Definition and some of the Key Elements of Organizational Culture. Then, from the Theoretical Perspectives, we will try to see Symbolic-Interpretive and Functional and Postmodern. Then, we will try to see Types of Organizational Culture Clan, Adhocracy, the word came from that. So, Adhocracy, Market, Hierarchy and Purpose.

Introduction

Organizational culture is a fundamental aspect of studying and understanding how organizations function. It plays a crucial role in shaping

- Employee behavior
- Organizational performance
- Overall success.

Organizational culture refers to the shared

- values
- beliefs
- attitudes
- behaviors

that exist within an organization

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Organizational culture is the fundamental aspects of studying and understanding how organization functions. Let me tell you a Social Innovation which is happening in and around Kanpur city.

So, there is a MSME company, they try to make steel vessels and steel kitchenery items. So, here the owner is my good friend, he goes to the nearby villages, try to pick girl students who have crossed 18 years and who have passed 12th standard. He goes to their individual villages, talks to the village leader, identifies the girl students, and bring them to his organization, give them a 6 months training on various processes, and product packaging, quality improvement processes, all those things computer knowledge.

He tries to give 6 months orientation for all those girls and give them also stipend for 6 months, such that their livelihood at their home can be taken care. For example, 500 rupees a day, which boils down to 15000 rupees a month he gives every month to these girls as stipend.

After 6 months, he index them into their company and once he index, depending upon their choice, he puts them into the complete production line of their factory, let it be office, let it be this production, quality checking, packaging, customer satisfaction or service, whatever it is, he tries to understand their capability and places them there.

Then, these girls join their company and they work in their company for maybe 6 years, or 7 years, or 8 years. So, depending upon their time, they get ready for marriage till that

time they work in their organization, he treats them with respect, he gives them proper fooding, he gives them proper uniform, and proper salary takes care of their health. These girl children who are young youth, they do a fabulous job in producing best quality kitchen utensils for the company.

At the end of 6 years, when they are getting ready 6 years or 5 years, when they are ready to get married, he gives the girls a gift packet worth of all utensils, which is very much required to run their family.

The incentive for all these girls are safe-secured place, decent life, decent organization, and when they are getting ready, half of their, almost 100 percent of the utensils, which are required for running a family is gifted by the company. He has very well integrated their emotion into their company, they are very sincere, they work for the best of their company.

So, by doing so, he has done a Social Innovation, he has brought in all these peoples inside, and then he has also taken the traditional Indian kitchen utensils to rest of the world, and he also has made sure they grow along with the organization. The culture here is, every team member is important, every team members contribution is important for company success and everybody is happy and on top of it, if they still continue, he takes care of the child education also and he runs health care center, which is supported by government and he also takes care. So, both of them put, they give the best healthcare to the workers also.

So, by doing so, what has he done is, he has understood the emotions, he has understood the intellect level of the of the workers, and then he also tries to give it back to society through them. What he has done is, he has understand the fundamental aspects of studying and understanding the organization function. So, he has understood the organization function, he has mapped it properly with the girls, and then they both are looking for a bigger success. So, like this Social Innovation, many companies who start with a start up, and they keep growing up, grew when they grow they grow along with the staff members also. So, the organization and it is also important that these girls are made multifunctionary.

During the orientation, he teaches them everything, suppose, if there are a set of people are going, or leaving the company or they are taking leave for a particular day, the entire workforce will be redistributed and people, who work in the production line, will go, sit in front of a computer, and take care whatever it is.

Importance of Understanding Organizational Culture



Understanding organizational culture is crucial as it-

- Impacts employee behavior
 - Influence on employee motivation, engagement, and job satisfaction
 - Understanding factors that drive employee behavior within the organization
 - Enhancing productivity and overall performance
- Shapes organizational identity
 - Defining the organization's unique identity, values, and goals
 - Contributing to organizational success and competitive advantage
 - Aligning culture with strategic objectives for long-term success
- Influences change dynamics
 - Effective management of organizational change
 - Recognizing the impact of culture on employees' reactions and resistance to change
 - Aligning culture with market dynamics and fostering innovation

So, the organizational culture comes from understanding the organization function. It plays a crucial role in shaping employee behavior. So, the orientation, whatever is given, tries to shape their behavior, they try to take the responsibility, each product is important, each activity they do is important. How are they supposed to include the team members and become a team leader, or work as a team member with a team leader? So, employee behavior.

So, here he teaches them how to accept the society and he goes and picks those girl children who are below the poverty line, he does not pick rich people or middle class people, he goes pick them, so that their livelihood can be changed, their family attitude and aptitude can be changed. Employee behavior, then organizational performance. He has company performance, and then he has organizational performance. So, what he does is, he tries to map both, and then try to evaluate the performance, and then give incentive for them, then it is overall success. The overall success should not be seen only from finance, it has to be seen from the Social Innovation perspective, or it has to be seen from the society impact.

The overall success of an organization depends on how the product, or the industry does by taking care of the society also. If you ask me, that should be prime important without damaging mother earth, by giving lot of livelihood for many people, I also make my money, that is good. If I say, I make my money and I also make sure the earth is done. Then, you put the earth in the last priority, please take care of that. Next is organizational culture, whatever we are trying to talk about this culture, refers to shared values, beliefs, attitudes and behavior.

Values are important, we now across the globe are looking forward, how to give value education to public, value education. Values, beliefs, you should have a belief on you, you should have a belief on the organization. Attitudes, hard working, understanding people, accepting people, producing products without doing damage to the society, trustworthy, all are attitudes, then behavior that exist within an organization. So, there are two things, this is organization value and this is individual value. If these two are different for example, value can be here, belief can be here, attitude can be here, behavior can be here.

Again value can be here belief, attitude and behavior. If we try to overlap these two it is wonderful, understanding the individual, understanding organization trying to overlap. If you make it one on one, so then it is a perfect success for you. So, when we are understanding organizational culture is crucial, why, it is like this impact employee behavior. It influence on employee motivation, engagement and job satisfaction.

Job satisfaction is very important. Salary is a second part of it, job satisfaction. Today's world is, the youth is, not looking for money. Yes, they look for money, but what they look forward is respect. When they look for respect, they always look for job satisfaction.

So, the way you treat them, the way company treats them is job satisfaction. The influence on behavior, employee behavior impacts is, it influence on employee motivation, engagement and job satisfaction. Many a times people will ask, why are you doing this job, what fun you get from this, but you should understand, if that is part and parcel of their individuals thought process, then you do not have to motivate him, he does it of his own, engagement. Next is understanding factors that drive employee behavior within the organization. The uniform what you give, apparels whatever you give, it all drives the employee behavior within the organization.

When you give them a clean cloth and you tell in the production run, please maintain cleanliness, or please maintain hygiene, it is done. Today, lot and lot and more companies are getting into food industry. So, in food industry, the basic hygiene is very important, until and unless the utensils, the ambience is clean, you cannot integrate that behavior into the individuals. So, understanding factors that drive employee behavior within the organization. Enhancing productivity and the overall performance is going to be the impact of employee behavior.

Employee behavior and overall performance is very important. Whatever you do in your organization have a system in place. If there is some misbehavior done by an employee have noted down, if there is a quality problem in your process noted down, document it, then call all the people, sit together, and then involve each individuals, then make sure

that it is not getting repeated. So, when there is some performance enhancement has happened in the company. Celebrate the joy along with the employees.

When there is a downfall, share what is the problem, and why did we have a downfall. So, make them feel that they are part of the team. So, the productivity can be enhanced and the overall performance can be enhanced by the employer behavior. So, the impacts of employee behavior goes to employee motivation, engagement, job satisfaction. There are several ways of evaluating job satisfaction, that we will not go through.

Understanding factors that drive employees behavior within the organization, and enhance productivity and overall performance. The shapes organizational identity defining the organizations unique identity, values, and goals. So, here some of the companies have unique identity, they say let us grow together. So, that is the unique identity of some of the startups today. I will grow, you will also grow, I will make money, you will also make money, when my company makes a growth, I will give you share in the company, whatever it is.

Unique identity is how are you treating your employees and how are you taking them in their growth process. So, that is unique identity. Integrating people along, you can say, my company is inclusive we look for inclusive growth, unique identity. When you look at many of the national institutes which were started in the country, they said, that we will try to have a mixed culture amongst our Indian youth, or engineering graduates, or maybe design graduates, we try to mix. So, what they said, they said from the home state they will take 50 percent of the seeds, and rest of the country they take 50 percent of the seeds.

So, what has happened is, there is a unique cultural mix happening in a country like India, or many developing countries or underdeveloped countries accepting people is a biggest challenge. When we talk about integrating all of them youth together through some educational media. So, then that is a unique identity. Trying to promote Social Innovation in Indian education after 18 is unique identity. Now, a national education policy pushes every college to have a unique identity, such that every student feels proud to be part of that unique identity.

It is like giving an uniform, it is like giving a scooter a different colored scooter, only for their employees, unique identity. Then, values and goals. So, the defining the organization unique identity values and goals, they try to shape the organization identity. Next is contribution to organizational success and competitive advantage. Trying to tell them who are all the competitors, what are their performance, how are they behaving and how should we behave, or you try to ask them how should we behave.

Next is aligning culture with strategic objectives for long-term success. So, we will try to

say, strategic objective is today we have started a startup company in this location x, tomorrow, whatever is this, I am going to scale it up, and then go. For example, Aravind High Hospital, Aravind High Hospital is a very successful Op-TAL clinic, which is established and which they are doing it at one place.

Now, can they scale it up to all other places across the country, and then give the benefit to the Indian society by giving them wonderful Op-To care. They are trying to do, their strategy is let us try to disperse the idea all across the country, but they have their own technical issues or administrative issues.

So, they are getting prime focused at two or three locations only. Same with Narendra Hirdalaya's healthcare, that is heart care. So, they are also trying to spread their model all across the country. Many governments are trying to do it. So, the strategic objective is spreading the good practices across.

Now, when you try the shapes organizational identity should align with the culture, with strategic objectives for long-term success. The next one is going to be influences change dynamics. So, effective management of an organizational keeps on changing with the dynamic requirement.

For example, if you would had a good practice in those days, like having a stenographer, or a secretary before you when the employee comes and meets you, he has to get an appointment from the secretary, and then the secretary tries to give a slot, so that you can meet the director or the owner of the company, that was a past culture. Today, what is happening, the director's time is put in a public domain, Google calendar, or some calendar, it is displayed or some software calendar.

The employee looks at the calendar and there the boss puts a time saying that this is a time where I meet my employees. The employees line up and align themselves towards it. So, now digitization has improvised and it has reduced manpower. Now, effective management change. Effective management of organizational change has to happen, if you have to change which is dynamic.

Then, recognizing the impact of culture of employees reaction and resist to change should be avoided. Then, the last one is aligning culture with market dynamics and fostering innovation is very important. So, the most important thing in all the industry is going to be fostering innovation. If you are trying to understand organization culture, it is important and why is understanding organizational culture is crucial, that is what we have explained through these points.

Definition of Organizational Culture

Organizational culture refers to the shared:

- Values
 - Core principles and fundamental beliefs held by members of the organization. (Guides employee behaviour and decision-making)
- Beliefs
 - Collective understandings and convictions about what is important, true, and meaningful. (Shapes the mindset & performance of employees)
- Assumptions
 - Underlying assumptions and taken-for-granted beliefs. (Influences organizational practices, policies & behaviour)
- Attitudes
 - Influences employees' attitudes and emotional responses.
- Behaviors
 - Reflects patterns of behavior within the organization. (Sets the tone for the work environment) (Influences employee interactions, communication and collaboration)

Organizational culture refers to the shared values. So, values are core principles and fundamental beliefs held by members of the organization, like guide, employee behavior and decision-making. How will the employee be part of decision-making, how will the employee behavior look at when they meet a customer. There can be employee behavior of upfront rejection whatever the customer comes and says.

There can be a problem-solving skills which is integrated into the employee behavior, such that he looks at a problem says that ok, sir I understand your problem, I will get back to you, I will go back to my organization, discuss it and come back. The core principles and fundamental beliefs held by members of the organization is very important this is the values.

What is belief? Belief is collective understanding and convictions about what is important, true and meaningful, that is what is belief. So, what here, it shapes the mindset and performance of employee, that is belief. So, collective understanding and convictions about what is important true and meaningful. Assumptions, underlining assumptions and taken-for-granted belief. This tries to influence organizational practices, policies and behavior.

So, now almost all the government organizations PSUs (Public Sector Units) in India are trying to get reformed, and they are all getting converted into industry like pattern. So, the practice, whatever was influence organizational, practice was in the older time, that is been getting removed and the underlining assumptions and taken-for-granted belief are removed. This has a major influence on the organizational culture. Values, beliefs, assumption. Assumption is one which will always hinder the organizational growth.

So, then attitudes influence employees attitude and emotional response. So, it sets the

tone for the work environment. So, the influences employees attitudes and emotional responses sets the tone for work environment. And, the last one is behavior. So, behavior talks about reflects pattern of behavior within the organization.

So, it influences employee interaction, communication and collaboration. So, the organization culture refers to the shared values, beliefs, assumption, attitudes and behavior. So, we have seen them in detail. How is values going to influence or what is the principle.

Belief, collective understanding. Assumption, underlining assumptions, and then attitude is influences employees attitude. And behavior, how does it reflect patterns and behaviors within the organization. I would like to thank you for your patient listening.

Thank you.