Social Innovation in Industry 4.0
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Lecture 44
Foundation of Organizational Culture (Part-2)

Welcome to the next lecture on Foundations of Organizational Culture.

So, when we are trying to talk about the Theoretical Perspectives on Organizational Culture, the first one is going to be the Symbolic-Interpretive Perspective. The Symbolic-Interpretive Perspectives is one of the three main theoretical perspectives of Organizational Culture. So, they are symbols, meanings and rituals. Symbolic-Interpretive Perspective offers insight into the understanding of Organizational Culture by focusing on symbols, meanings and rituals. What are symbols? Symbols are nothing, but logos, mission statements and physical artifacts.

So, symbols are very important, represent objects, actions or events that carry cultural meaning is symbols. So, the SI perspective offers insight into understanding of Organizational Culture by seeing by focusing on symbols that is why people spend lot of money in redefining logos. Mission statements very good companies, every 5 years or sometime, they keep redefining the mission statements , and then they try to have goals, they improvise their goals, because the company's mission statement also has to be dynamic, it cannot be static. And, today, if you see all the major companies have made Social Innovation as part of their mission statement, or giving back to society has been made or stopping the damage to society has been made as part of mission statements.

And, physical artifacts. This also plays a very very important role. So, everyday morning, if you look at a physical artifact, like a bird which struggles everyday morning

or you see a bird how does it build a nest. Then, that tries to give you a motivation how to work hard, how to look for excellence. Physical artifacts, meanings, meanings are nothing, but symbols acquire significant through shared interpretations among members.

So, here we talk about convey values, identity and norms. What are rituals? Rituals have been ceremonies, routines and tradition. These are the 3 major things symbol, meaning and ritual. Within the organization, tries to have an impact on the Organizational Culture. Symbolic, interpretive, perspective.

When we try to creation of shared interpretations, symbols and rituals create shared meanings and understanding. They communicate and embody the Organizational Culture, shared interpretations, foster belonging and reinforcement norms. This is why, creation of shared interpretation is very very important, very important. Reinforcement of cultural norms are also important. Here the symbols and rituals reinforce desired behavior.

So, it creates shared meaningful understanding, here reinforce desired behavior, you should have it, that is reinforcement. They provide guidelines and expectations for conduct and rituals transmit and socialize the culture. So, this falls under reinforcement of cultural norms.

Theoretical Perspectives on Organizational Culture(contd.)

The functional perspective on organizational culture views culture as a set of norms and values that help the organization achieve its goals.

This perspective argues that culture has four main functions in organizations:

- Social Integration and Cohesion:
  - Culture fosters social integration by providing a sense of identity and belonging.
  - It creates a shared sense of community among employees.
  - Cultural norms and values promote cooperation and collaboration.
- Sense-making and Shared Understanding:
  - Culture helps employees make sense of their work and the organization.
  - It provides a framework for interpreting and understanding organizational events.
  - Shared understanding facilitates coordination and alignment of actions.

Moving further down, the functional perspective on Organizational Culture views culture as a set of norms and values, that help the organization achieve its goal. This perspective argues that culture has 4 main functions in organization.

So, the first one is social integration and cohesion, integrating people together, then sense-making and shared understanding, then you will have employee motivation and commitment, and the fourth one is adaptation to external world. So, these are the 4 main functions in an organization. The first one is going to be social integration and cohesion. The culture fosters social integration by providing a sense of identity and belonging, this is very important. If people do not try to have the sense of belonging, then they do not perform.

For example, every member in a family, if they say this house belongs to me, and I am part of it, I will make sure I will keep my house spic and span, and make my house proud of me and make me proud of the house. So, here what do you do is, a sense of identity and belonging is there. It creates a shared sense of community among the employees sitting together, and having a meal, from the boss to the lowest person in the hierarchy of the company, whatever it is.

So, all of them sitting together and having a meal during the lunch time, it creates a shared sense of community among employees trying to have a same tank where they can have a drinking water, trying to have a shop where they go take a cup of tea. So, trying to have a feel where the parking lot is given for everybody.

So, any car comes the first car which comes occupies one parking lot. It is not air marked and say this car is for director, this car is for CEO, this car is for CFO, this car is for production manager, no. There are vacant slots, whenever there is a vacant slot, a car goes there, plunges it, and stands. All these things, it creates a shared sense of community among employees. Today, if I say that I am proud to be part of this

organization, I can go meet my boss as and when there is a need, or when there is a disturbed situation, I can meet my boss.

So, that is it creates a shared sense of community among employees. Then, cultural norms and value proportions cooperation and collaboration. Cooperation and collaboration is the myth is the word. I would say, it is a very powerful word, which tries to help in companies growth cooperation and collaboration. I cooperate with you in getting the goal, I collaborate, collaborate means is a much higher word.

 So, the next point is sense-making and shared understanding. The culture helps employee make sense of their work and organization. How important is their work in the company building? Even a security officer at the gate of an organization plays a very important role, because he or she tries to protect the IP of their company which is inside. A safety officer is very important, his role plays a very important role, whenever there is a major or fire hazard in the company. So, everyone has an importance and everyone's important is clearly drafted, and each and everybody respects each other importance.

 The culture helps employees make sense of their work and their organization. It provides a framework for interpreting and understanding organizational events. The shared understanding facilitates coordination and alignment of action.

The next one is going to be employee motivation and commitment. The culture influences employee motivation and commitment.

It has to be a culture, then it shapes employees attitudes, values and belief towards their work commitment. A strong culture can enhance employees engagement and loyalty. Adoption to the external environment, culture assists organization in adapting to the

external environment. So, your organization, this is the rest of the world keeps on changing. If you are static, then you are no way there in the business.

So, you have to also become dynamic. Change, move along with them, if you do not move along with them, you are outdated, you are lost your business. So, culture assists organization in adopting to the external environment. External environment can be world changing or it can be the norms changing. It provides a collective identity and a basic for organizational decision-making.

The last one is going to be culture guides responses to changes and challenges in the external environment. So, the four most important functions in an organization is going to be social integration and cohesion, sense-making and shared understanding. Then, you have employee motivation and commitment, adoption to the external environment are the four major functions in the perspective argues that culture or are the four main functions of perspective Organizational Culture.

So, the second perspective is going to be the postmodern perspective. The postmodern perspective challenges traditional views of the organization culture in a number of ways.

This has been the past practice, my father did this, my mother did this, that has changed. For example, the postmodern perspective is reject the ideas of a single "true" culture, emphasize the role of power dynamics and discourse in shaping culture, challenge the idea that culture is static and unchanging entity. These are some of the examples. Reject idea of a single "true" culture, very interesting, or I will give you this assignment. What is single "true" culture and you will make a five page write up, how is that impacting the growth of a company, and what all company which did this single "true" culture have perished in the recent past.

So, I would have a little more explanation here. It talks about, instead of talking about reject the idea of single "true" culture, instead you can try to have, instead, it recognizes that there are multiple realities and interpretations of culture, you can do that. The next thing is, when we talk about challenges the idea that culture is static and unchanging entity, instead, it views culture as a complex and ever changing systems of meaning. Instead of this, you can try to think of instead, it recognizes that there are multiple realities, single "true" culture, multiple realities. Instead of a static and unchanging, it views culture as a complex and ever changing system. If you can think, these are all the thought process of postmodern perspective.

Influence of the postmodern perspective on organizational cultural research is emphasized on power dynamic and discourse. Postmodern perspective recognizes power dynamics in Organizational Culture, then the power influences cultural meanings, values, and practices. Discourse analysis examines language and communication roles in power. The recognition of multiple realities and interpretation, the postmodern perspective acknowledges diverse interpretation.

Then, different individuals and groups have constraining understanding, then emphasizes inclusivity and openness to diverse viewpoint. So, this is multiple reality and interpretation, openness and diverse, and then it is different individuals and groups have constraining understanding.

The cultural examination of dominant cultural narratives, postmodern perspective questions dominant culture narratives. It reflects on underlying assumptions and biases in culture. At last, it aims to uncover hidden power dynamics for more inclusive culture. So, these points are very important. Critical examination of dominant culture narratives.

Now, moving further, if we are trying to understand different Types of Organizational Cultures, there are several Organizational Cultures. So, we are seeing, only few of them which is very commonly practiced. Several types of Organizational Cultures, that can exist within an organization.

So, an organization culture 1, culture 2, culture 3, culture 4, this can be lab 1, 2, 3, 4, it can be here also lab 5, it can be like that. So, there are several types of Organizational Cultures, that can exist within an organization. Here are some commonly recognized types, one is Clan Culture, Adhocracy Culture, Market Culture and Hierarchy culture. It is important to note that organizations may exhibit a mix of these cultures, or have their own unique cultural change.

What is Clan Culture? A Clan Culture is a type of Organizational Culture, that is characterized by a collaborative and family-like environment.

It emphasizes teamwork, loyalty and employee development. The characteristics of Clan Culture is collaboration and teamwork, family -like environment, emphasis on employee development, strong internal communication happens as part of Clan Culture, which is one of the type in the Organizational Culture.

So, example of Organizational Clan Culture is companies which are following are Google, many companies follow, I am just putting the prominent ones, Zappos and Southwest Airlines. The relevant research findings and insights about the Clan Culture is research have shown that Clan Culture have been very effective in promoting employee satisfaction and productivity. However, Clan Culture can also be difficult to maintain, Clan Culture can also be slow to change. So, these are the recent research publications which has come out talking about Clan Culture.

The next one is going to be Adhocracy culture. Adhocracy culture is characterized by an innovative and entrepreneurial environment. Here, the emphasize is risk-taking, creativity and adaptability, adhocracy. Adaptability, creativity, risk-taking three keywords.

The characteristics of Adhocracy Culture is going to be innovation, experimentation, entrepreneurial mindset, flexibility and adaptability. What is entrepreneurial mindset? It is change and innovation, understanding more and more market, flexibility and adoption and flat organizational culture, no hierarchy. So, we have seen what is flat organizational culture earlier. So, flat organizational culture which is going to be adhocracy.

So, the examples of organization with Adhocracy Culture is going to be Netflix, SpaceX and IDEO. Some of them there are many more, but I am just putting prominent ones. Research finding and insight about this Adhocracy Culture is associated with increased innovation and adaptability. The employee in adhocratic culture tend to demonstrate

higher level of creativity. The organizational agility and ability to respond to market change are the strength of Adhocracy Culture. So, this is more important than clan, but clan has its own advantage.

The next one is Market Culture. Market Culture is characterized by a competitive and a result-oriented environment. It is always go getting, winning. Emphasis goal achievement, customer focus, and efficiency. The characteristics of Market Culture is going to be result-oriented, customer-centric, competitive environment, and emphasis on efficiency. So, this is Market Culture.

The companies which are working on Market Culture are going to be Amazon, Wall Street firms and Coca-Cola. The Market Culture is associated with a strong focus on achieving business goals. The research finding and insight also says that customer satisfaction and market performance are key drivers in Market Culture. The organization with a Market Culture tend to excel in efficiency. These are the research findings and insights for Market Culture.

Then, Hierarchical Culture. Hierarchical Culture is characterized by a formal and a structured environment. Emphasizes stability, rules, and efficiency. Conservative thought, but it is also followed very. There are lot of companies who show success through Hierarchical Culture. The characteristics of Hierarchical Culture are formal and structured environment, emphasis on stability, adhere to rules and procedures and efficiency.

The companies or organizations, examples, government organization, traditional corporate organization and military institutions follow Hierarchical Culture. So, here they do not change, it is a service industry. So, they do not change and it has to be structured because there has to be rules and they are trying to cater to a larger community of people. Here, majority of the time there is nothing called profit, they are nothing called as efficiency and all. They are talking about how to maintain, sustain and do a good job.

Here of course, efficiency is how transparent you are, how productive you are in meeting out and reaching out to your customers and doing their requirements. The research finding and insight are Hierarchy Culture provides stability and clear role expectations. Say for example, today I join at this position A.

I know when will I go to position B. when I know C, D. So, A what is my jury of work, what is my jury of work, what is my jury of work, what is my jury of work, what is my power and how many people report to me, what is my typical working hours, everything is done here. So, it is more of planned like. It ensures adherence to rules and prompts efficient operation. However, excessive bureaucracy in Hierarchy Culture can hinder adaptability and innovation, that is the other side of the Hierarchical Culture.

So, Purpose Culture, it is characterized by a values-driven and social responsible environment. It emphasize making a positive impact and aligning with the broader mission, that is Purpose Culture. The characteristics of Purpose Culture are going to be value-driven environment, social responsibility, alignment with the broader mission and employee engagement. These are some of the characteristics of Purpose Culture.

Purpose Culture

Examples of Organizations with Purpose Culture:
- Patagonia
- TOMS
- Whole Foods Market

Research Findings and Insights:
- Purpose culture fosters employee engagement, satisfaction, and motivation.
- Organizations with a strong purpose culture often attract purpose-driven individuals.
- Purpose-driven companies may experience improved financial performance and stakeholder relationships.

So, some of the examples or organizations which use Purpose Culture are Patagonia and then you have TOMS, then you have Whole Foods Market.

So, they all follow the Purpose Culture. What are their research findings and insights? The research finding and insights are the Purpose Culture fosters employee engagement, satisfaction and motivation. It also makes sure the organizations with a stronger Purpose Culture often attracts purpose-driven individuals. that means, to say it is conditional support, conditional working attracts purpose-driven individuals. Purpose-driven companies may experience improved financial performance and stakeholder relationship. This is the advantage of Purpose Culture.

Summary

- Organizational culture guides behavior and shapes the work environment.
- Symbolic-interpretive perspective focuses on symbols and shared interpretations.
- Functionalist perspective emphasizes culture's functions.
- Postmodern perspective examines power dynamics and narratives.
- Types of cultures: clan, adhocracy, market, hierarchy, purpose.
- Each type has unique characteristics and impacts on organizations.

To Summarize this lecture, in this lecture we saw Organizational Culture guides behavior and shapes the work environment. Symbolic-Interpretive Perspective focuses on symbols and shape interpretation. Functionality perspective emphasizes cultures function.

Postmodern perspective examines power dynamics and narratives. Types of culture are Clan, Adhocracy, Market, Hierarchy and Purpose.

Each type has unique characteristics and impact on organization. When you are trying to establish a company, you can have few things, which follow Clan, Adhocracy, Market, Hierarchy and Purpose, and then you can have mixture of these two hybrids also, you can try to have. Depending upon your requirements, you try to redraft your organizational culture. And as far as assignment, I have already given you what is single "true" culture. Please do that so that you understand and appreciate the entire lecture.

These are some of the references which we have used in bringing out this lecture. I would like to thank you for your patient listening.

Thank you.