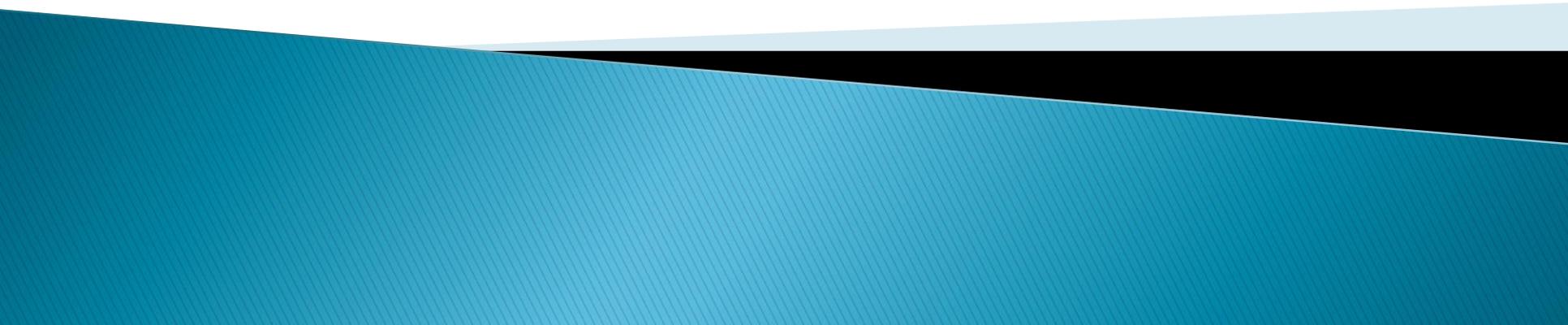


# Unit 3: Organisation and Behaviour

Lesson 1, Part 2

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# Learning Outcome 1

- ▶ Learning Objectives:
- ▶ Ac.1 LO1 Understand the relationship between organisational structure and culture:
  - Ac. 1.1: compare and contrast different organisational structures and culture
  - Ac. 1.2 explain how the relationship between an organisation's structure and culture can impact on the performance of the business
  - Ac. 1.3 discuss the factors which influence individual behaviour at work

# In This Session

- ▶ Ac. 1.1: compare and contrast different organisational structures and culture:
    - Different Organisational Culture
  - ▶ Assessment Criteria
  - ▶ Review Questions
  - ▶ References
- 

# What is Culture?

- ▶ The word culture has many different meanings. For some it refers to an appreciation of good literature, music, art, and food. From an anthropologists and other behavioural scientists, culture is the full range of learned human behaviour patterns. The term was first used in this way by the pioneer English Anthropologist Edward B. Tylor in his book, *Primitive Culture*, published in 1871. it is "that complex whole which includes knowledge, belief, art, law, morals, custom, and any other capabilities and habits acquired by man and woman as a member of society," Taylor cited in palomar.edu (2016).
- ▶ Culture is a powerful human tool for survival, but it is a fragile phenomenon. It is constantly changing and easily lost because it exists only in our minds. Our written languages, governments, buildings, and other man-made things are merely the products of culture. They are not culture in themselves.

# Organisational Culture?

- ▶ **Organizational culture is a set of shared values, the unwritten rules which are often taken for granted, that guide the employees towards acceptable and rewarding behaviour (Gupta, 2009).**
- ▶ Businessdictionary.com (2016) states that organizational culture includes an organization's expectations, experiences, philosophy, and values that hold it together, and is expressed in its self-image, inner workings, interactions with the outside world, and future expectations. It is based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid.
- ▶ Read more: <http://www.businessdictionary.com/definition/organizational-culture.html#ixzz3wUKqK9On>
- ▶ The organizational culture exists at two distinct levels, visible and hidden. The visible aspect of the organization is reflected in artifacts, symbols and visible behaviour of employees. The hidden aspect is related to underlying values and assumptions that employees make regarding the acceptable and unacceptable behaviours.

# Foundations of Organisational Culture

1. **Anthropological:** It uses the physical artifacts like symbols, stories and values to study the cultural viewpoint of the employees who practice it, and how it adds meaning to their jobs (Gupta, 2009).
2. **Sociological:** It is a study of the different group behaviours in the organization, their causes and their consequences on its culture. The method of the study comprises of identifying certain key attributes and then quantifying them using questionnaires, surveys and interviews (Gupta, 2009).
3. **Psychological:** It is study of factors that influence the individual's behaviour. The key difference from sociology is that it is behavioural analysis at individual level rather than application of psychology on a social system. How a person behaves individually can be quite different from how he behaves in a group. As an example, humans by nature use statistical knowledge in making decisions, however they apply it rather poorly. The last positive or negative outcome influences our decision more than statistical average; such observations can be used effectively in growing a desired culture (Gupta, 2009).

# Manifestation

- ▶ Organisational Culture according to [businessdictionary.com](http://businessdictionary.com) (2016) is also called corporate culture, it's shown in:
  1. the ways the organization conducts its business, treats its employees, customers, and the wider community;
  2. the extent to which freedom is allowed in decision making, developing new ideas, and personal expression;
  3. how power and information flow through its hierarchy; and
  4. how committed employees are towards collective objectives.
- ▶ It affects the organization's productivity and performance, and provides guidelines on customer care and service, product quality and safety, attendance and punctuality, and concern for the environment.

# Types of Organizational Culture

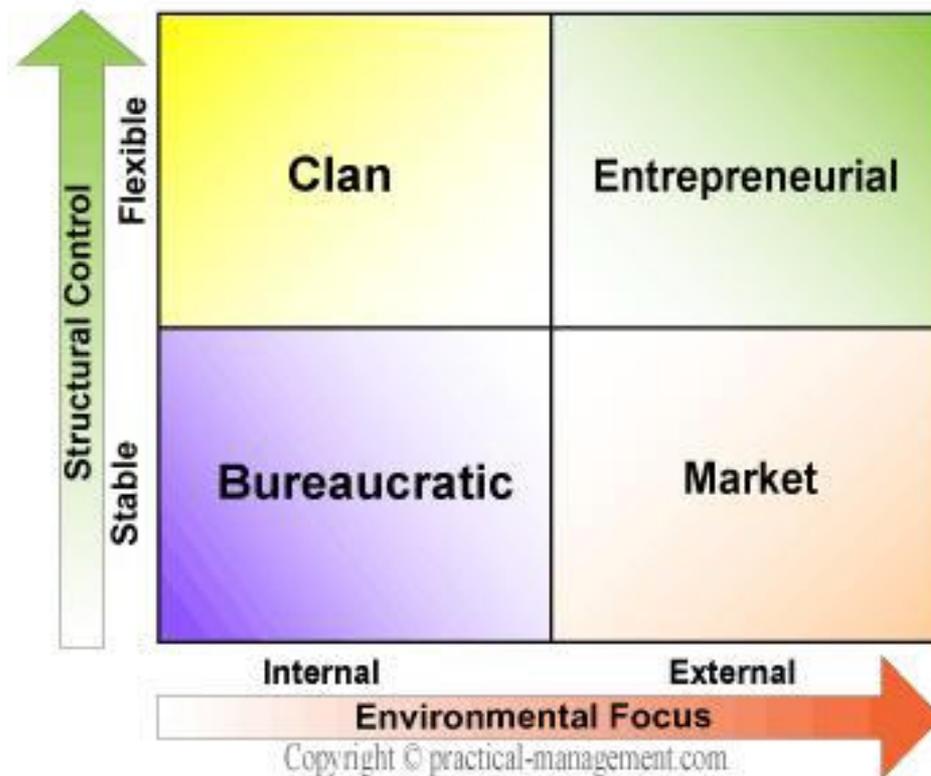
- ▶ There are four most common and identifiable types of organizational cultures (Gupta, 2009):
  - Entrepreneurial: The organization has purpose of differentiation, it strives for innovation and competition, it requires research & development and its size is rather small, its control structure is horizontal. The culture encourages risk taking, values new ideas, is quick to detect and react to external changes and rewards ingenuity.
  - Market: The organization has clear financial & sales goals and is focused on customer satisfaction. The external environment is not rapidly changing, is stable but demands efficiency, the control structural can be either horizontal & hierarchical. The organizational culture is competitive and demanding, success is measured by market share and penetration.

# Types of Organizational Culture

- **Clan:** It is aimed at efficiency and has internal focus, it encourages employee participation, and it values and often prides itself by taking exceptional care of its employees, just like a clan. It values employee empowerment by having a horizontal structure and creates a strong sense of identity in its employees. The clan leadership has strong concern for people, they value loyalty and traditions.
  - **Bureaucratic:** It operates in a stable environment and has a hierarchal control structure; the organization has a lot of processes, rules and policies that guide the day to day operations. The leadership is focused on efficiency, predictability and low cost.
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# Types of Organizational Culture

## CULTURE TYPES



# Charles Hardy Model of Org. Culture

- ▶ According to Charles Handy's model, there are four types of culture which the organizations follow

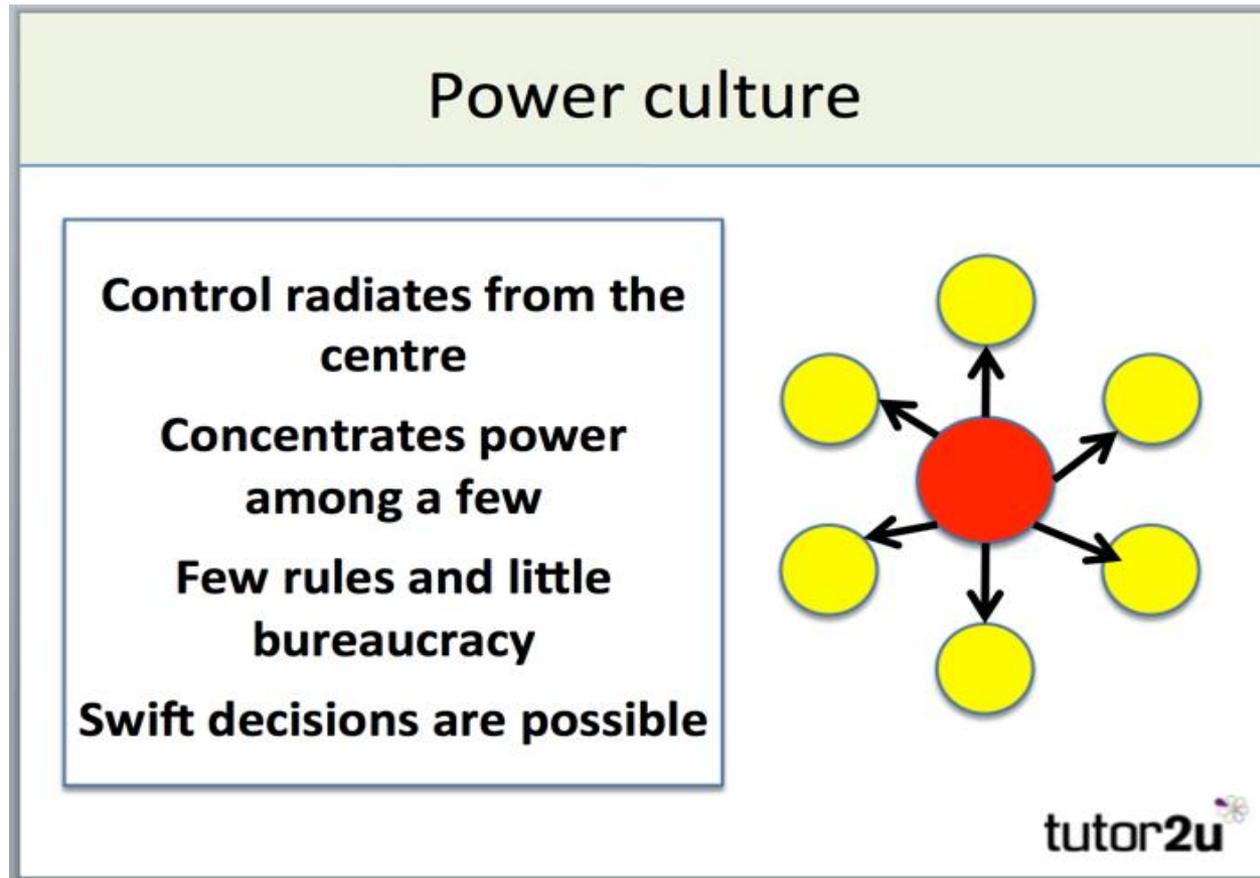
(managementstudyguide.com, 2016):

- Power Culture
  - Role Culture
  - Task Culture
  - Person Culture
- 

# Power culture

- ▶ According to Robb-Walters (2014) Handy describes the power culture as a 'web'. He suggests that this reflects the concentration of power of a family-owned business, which can either be extremely large or small. The family operation with strict responsibilities going to family members responsibility given to personalities rather than expertise creates the power structure of the 'web'.
  - ▶ The important point to note is that, because power and decision-making is concentrated in so few hands, the strategists and key family members create situations which others have to implement. It is difficult for others outside the 'family network' to influence events. ('Dallas', the long running TV soap displays this culture with the Ewing family.)
  - ▶ The ability of the power culture to adapt to changes in the environment is very much determined by the perception and ability of those who occupy the positions of power within it. The power culture has more faith in individuals than committees and can either change very rapidly and adapt or 'fail to see the need for change' and die.
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# Figure 1: Power Culture

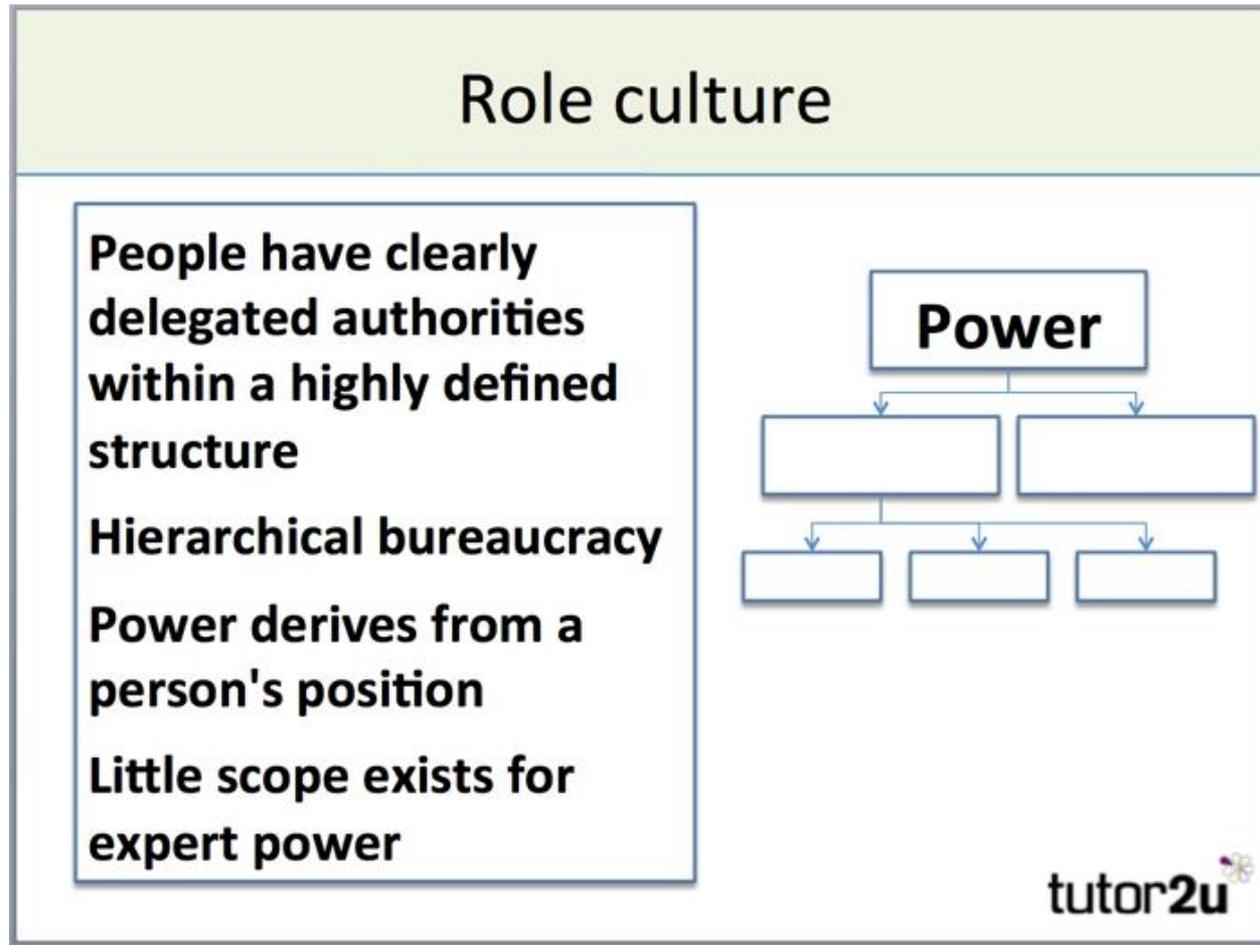


Source: tutor2u.net

# Role culture

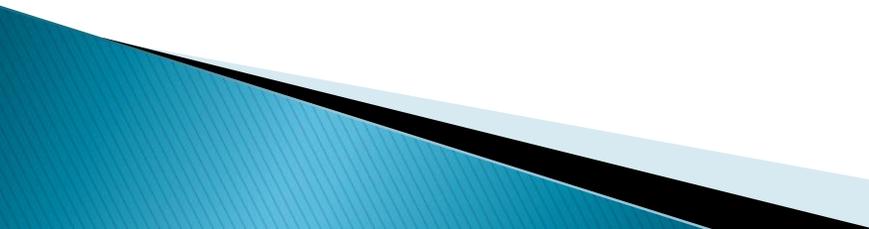
- ▶ According to Hardy cited in ([managementstudyguide.com](http://managementstudyguide.com), 2016) role culture is a culture where every employee is delegated roles and responsibilities according to his specialization, educational qualification and interest to extract the best out of him. In such a culture employees decide what best they can do and willingly accept the challenge.
  - ▶ Every individual is accountable for something or the other and has to take ownership of the work assigned to him. Power comes with responsibility in such a work culture.
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# Figure 2: Role Culture

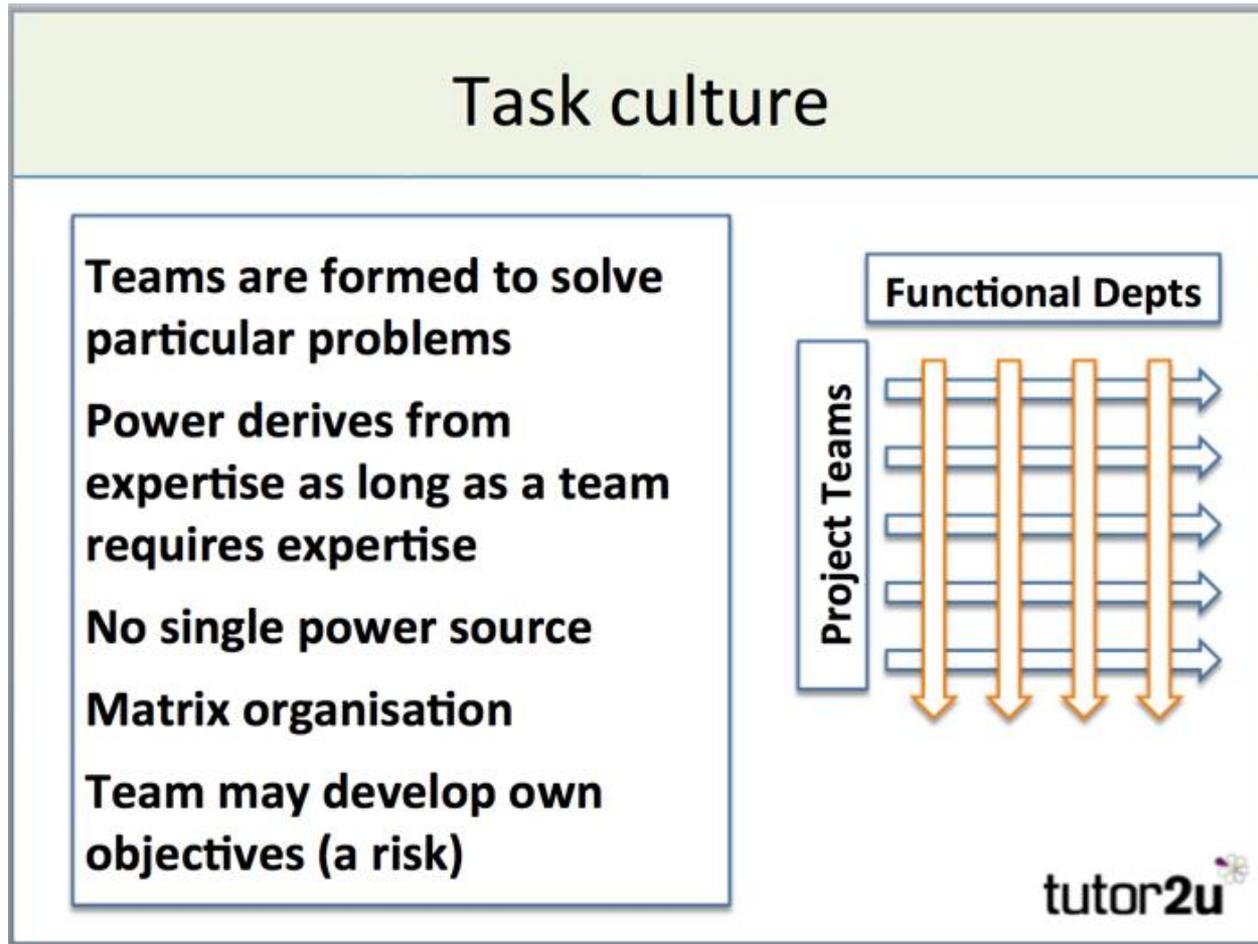


Source: [tutor2u.net](http://tutor2u.net)

# Task Culture

- ▶ According to Hardy cited in (managementstudyguide.com, 2016) organizations where teams are formed to achieve the targets or solve critical problems follow the task culture.
  - ▶ In such organizations individuals with common interests and specializations come together to form a team. There are generally four to five members in each team. In such a culture every team member has to contribute equally and accomplish tasks in the most innovative way.
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# Figure 3: Task Culture

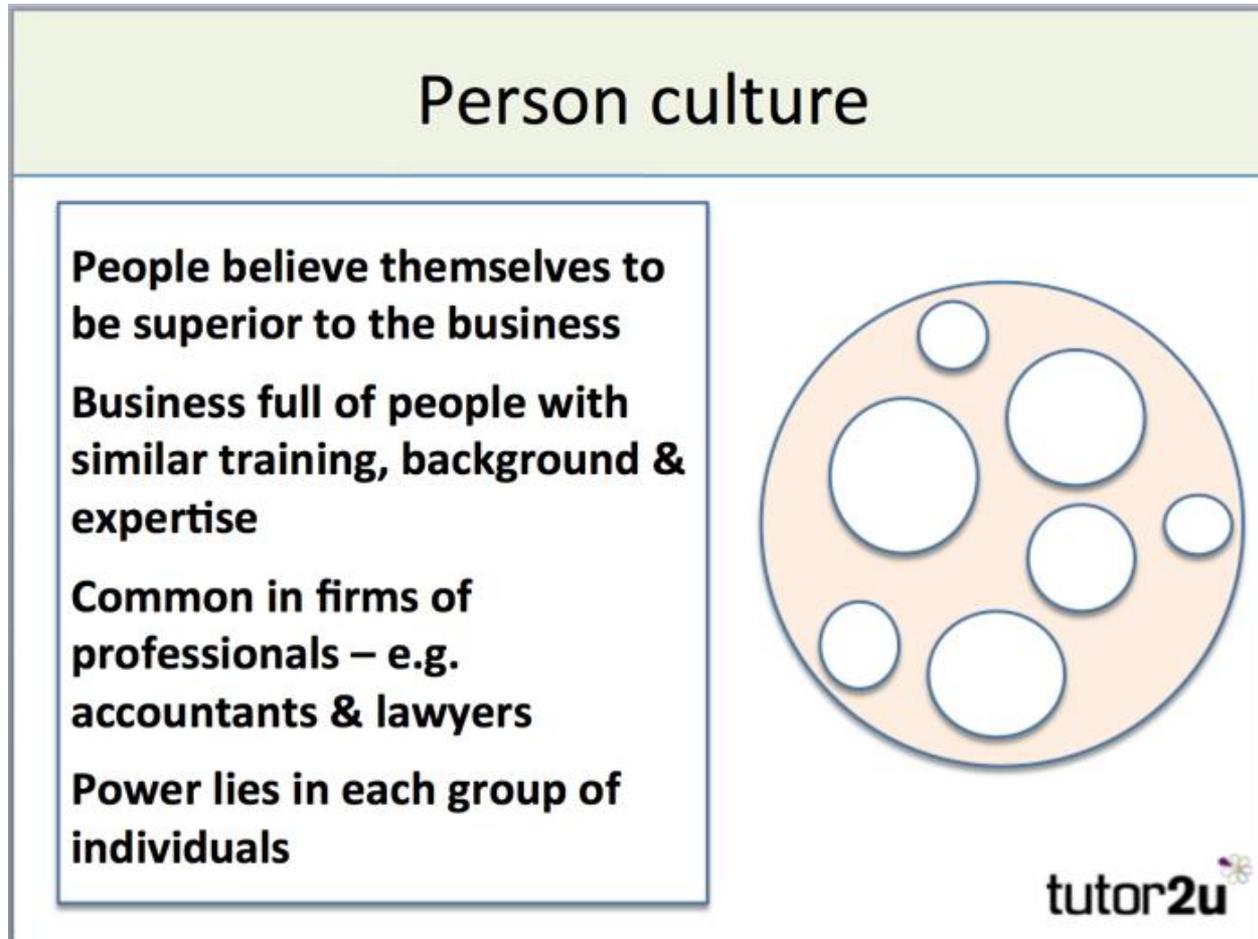


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# Person Culture

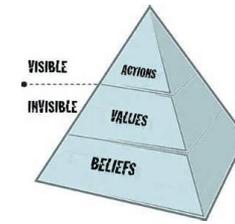
- ▶ There are certain organizations where the employees feel that they are more important than their organization. Such organizations follow a culture known as person culture. In a person culture, individuals are more concerned about their own self rather than the organization.
  - ▶ The organization in such a culture takes a back seat and eventually suffers. Employees just come to the office for the sake of money and never get attached to it. They are seldom loyal towards the management and never decide in favour of the organization. One should always remember that organization comes first and everything else later.
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# Figure 4: Person Culture



Source: [tutor2u.net](http://tutor2u.net)

# Values and Belief



- ▶ **Values:** These are conscious and affective desires of the organization, the kind of behavior it wants to promote and reward (Gupta, 2009). Usually every organization sells its cultural values through some artifacts like written symbols or slogans and publishes them in various mediums. However, *the true values can only be tested within the organization, through the employees, based on their collective opinion about the experience of the values.*
- ▶ **Ethics:** It is the code of moral principals and values that distinguishes the right behaviour from wrong. Ethical values are different from rule of law which is dictated by the legal system of the country and have to be followed anyway.

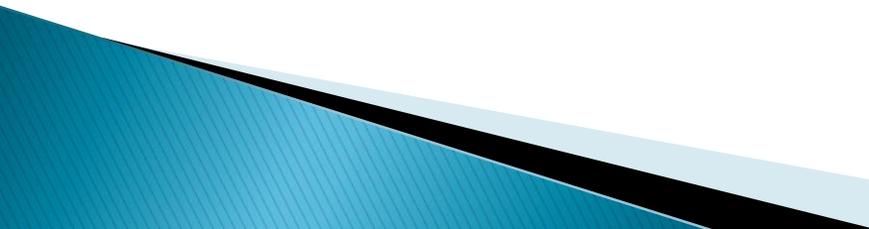
# Cultural Norms and Symbol

- ▶ All cultures include symbols which confer meanings to things and events.
- ▶ These symbols are expressed through what we call language. Language conveys the beliefs and values of a culture.
- ▶ Values are ideas. These ideas are translated into norms which give us in concrete terms how we should behave. Let's take an example: One of the values of a culture might be "Thou shalt not kill". This value can shape our behaviour in a number of ways. We can have norms condemning euthanasia, dangerous driving or abortion. Hence the idea of not killing guides our behaviour in a number of different circumstances.
- ▶ Symbols & Slogans: These are high level abstraction of the culture; they effectively summarize organization's intrinsic behaviour. Symbols are rituals, awards or incentives that symbolize preferred behaviour; "employee of the month" is one such example of a symbol. Slogans are linguistic phrases that are intended for the same reason, "customer first" is an example of corporate Slogan (Gupta, 2009).

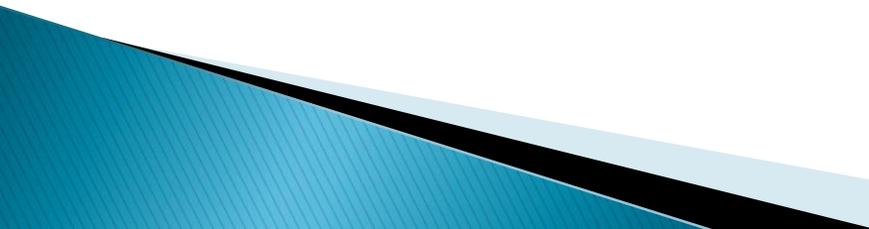
# Development of Organisational Culture

- ▶ Gupta (2009) explains that the culture is influenced by the other entire contextual dimensions; purpose, environment, technology & size. Thus it is futile to expect or create a culture that is not aligned to these factors.
- ▶ Many studies on organizational culture have been wrongly focused only on analyzing the organization behaviour and its contributions to organization's effectiveness. However, the culture is not a separate, self sufficient entity in itself, but rather one part of a whole.

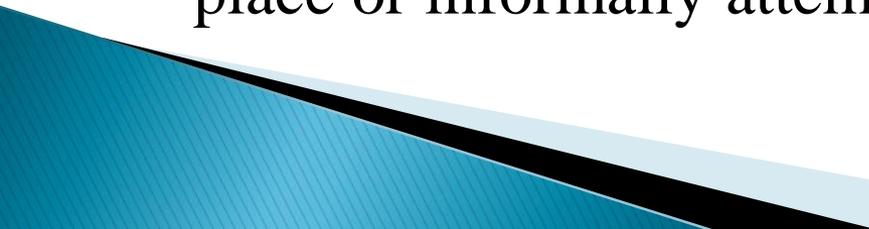
# Development of Organisational Culture

- ▶ Organisational culture is therefore needed to (Gupta, 2009):
    1. **Common Identity:** The culture gives a sense of collective identity to all the employees in the organization, it creates values and beliefs that go beyond the personal aspirations of the employees.
    2. **Guidance:** The culture creates good working relationships and promotes ethical communication between employees. It also helps employees in making decisions in the situations where there are no formal rules or policies, situations that haven't been experienced yet.
    3. **Justification of actions:** The culture evolves from prior precedence, when employee behaviour and decisions are guided by the culture, their actions are better understood by the management.
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# Development of Organisational Culture

- ▶ An organizational culture often emerges at the early stages of a corporation's development. The management team involved with a business from the beginning has an opportunity to establish a culture, or set of standards, beliefs, and behaviours, that are acceptable. Subsequently, the personnel who are likely to be hired may be those with the potential to promote an employer's desired behaviours. Of course, an organizational culture can evolve over time with new personnel and management regimes.
  - ▶ A culture may take time to develop, but it is incorporated through the consistent example and expectation set forth from the top executives to the staff.
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# Development of Organisational Culture

- ▶ Organizational culture develops across many different aspects of a company's operations, including social behaviours. The social culture may involve the way that employees interact with one another throughout the course of the work day. For instance, there may be a common area that is acceptable for conversation on topics outside of work and a protocol for inviting employees out for a social gathering after hours.
  - ▶ This type of culture is largely developed by the employees themselves who set and practice behaviours that are acceptable to one another. As new employees are hired, these individuals either adapt to the standards already in place or informally attempt to introduce a different style
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# THE END



# Review Questions

1. Explain the differences between any two models of organisational culture?
  2. **True or false:** An organisational culture always remain the same from the start up to the life of the organisation.
  3. Discuss how an organisation culture is develop.
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# Further Reading

- ▶ <http://practical-management.com/Organization-Development/Organization-Culture.html>

# References

- ▶ Antro.palomar.edu (2016) “What is Culture” retrieved from [http://anthro.palomar.edu/culture/culture\\_1.htm](http://anthro.palomar.edu/culture/culture_1.htm)
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- ▶ Robb-Walters, Judith (2014) Organisation and Behaviour Lecture Notes September – November, Colbourne College.
- ▶ Tutor2u.net (2016) Models of Organisational Culture - Hardy retrieved from <http://www.tutor2u.net/business/reference/models-of-organisational-culture-hardy>