Organizations and Behaviour

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Lesson 1
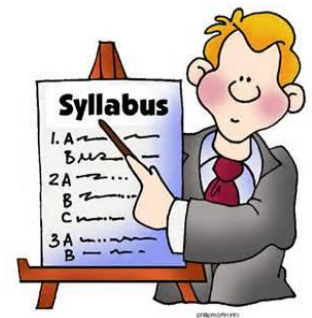
ORGANISATIONS AND BEHAVIOUR

LO I: Understand the relationship between organizational structure and culture

October – November 2014

The Basic Syllabus

- - Understand the relationship between organizational structure and culture

- - Understand different approached to management and leadership

- Understand ways of using motivational theories in organizations

- -Understand mechanisms for developing effective teamwork in organizations

LEARNING OBJECTIVES

- At the end of the class, students should be able to:

- Explain how the relationship between an organizations' structure and culture can impact on the performance of the business

OVERVIEW

- Organizational culture has been given a lot of attention in recent years. Culture consists of the shared values of an organization - the beliefs and norms that affect every aspect of work life, from how people greet each other to how major policy decisions are made. The strength of a culture determines how difficult or easy it is to know how to behave in the organization.

- There are five observable aspects of culture that can be identified (and memorized as CRABS).

- Customs

- Rituals

- Artefacts

- Beliefs and values

- Symbols

Power culture
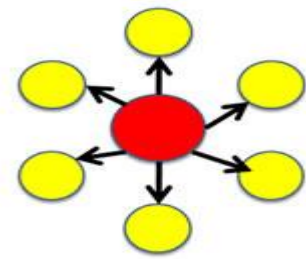
- Handy describes the power culture as a 'web'. He suggests that this reflects the concentration of power of a family-owned business, which can either be extremely large or small. The family operation with strict responsibilities going to family members responsibility given to personalities rather than 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.

Role culture – (Temple) Apollo

- This has been typified as a Greek temple and has often been stereotyped as portraying bureaucracy in its purest form. The apex of the temple is where the decision making takes place, the pillars of the temple reflect the functional units of the organization which have to implement the decisions from the apex. The strength of the culture lies in specialization within its pillars. Interaction takes place between the functional specialism by job descriptions, procedures, rules and systems. This is very much an organization culture run by a paper system. An authority is not based on personal initiative but is dictated by job descriptions.

- Co-ordination is by a narrow band of senior staff. This is the only coordination required as the system provides the necessary integration.

- Handy states that the job description is more important than the skills and abilities of those who people the culture. Performance beyond the role prescription is not required or encouraged.

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- The authority of position power is legitimate. Personal power is not. This reflects Weber's pure theory of bureaucracy. System effectiveness depends upon adherence to principles rather than personalities.

- Handy suggests that this culture is appropriate in organizations which are not subject to constant change. The culture functions well in a steady-state environment, but is insecure in times of change. The role culture is typified in government departments, local authorities, public utilities and the public sector in general. This sort of culture finds it extremely difficult to change rapidly. The role culture is typified by rationality and size. You will have experienced this culture if you have ever worked with a large, state enterprise

Task culture – (Net) – Athena
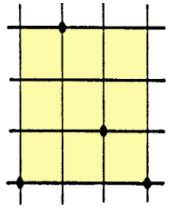
- This is characteristic of organizations which are involved in extensive research and development activities they are much more dynamic. They are constantly subject to change and have to create temporary task teams to meet their future needs. Information and expertise are the skills that are of value here. The culture is represented best by a net or lattice work. There is close liaison between departments, functions and specialties, liaison, communication and integration are the means whereby the organization can anticipate and adapt to change quickly.

- Influence in this team culture is based upon expertise and up-to-date information where the culture is most in tune with results. The dangers for this culture exist when there is a restriction in resources causing it to become more power' or 'role' orientated.

Person culture – (Cluster) – Dionysus

- This is characteristic of the consensus model of management, where the individuals within the structure determine collectively the path which the organization pursues. If there is a formalized structure, it tends to service the needs of the individuals within the structure. Organizations which portray this culture reject formal hierarchies for 'getting things done' and exist solely to meet the needs of their members. The rejection of formal 'management control' and 'reporting relationships' suggests that this may be a suitable culture for a self-help group or a commune, etc., but it is not appropriate for business organizations.

Cultural Symbols and Norms

- 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

Values and beliefs
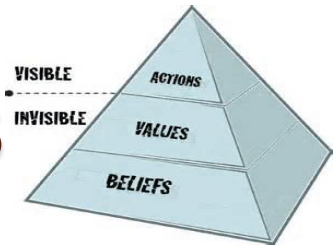
- According to modern philosophers, a belief is any thought that an individual holds to be true. Although they may not be an active part of an individual's decision-making process, beliefs often indirectly influence individual choices, judgments and behaviors. Many beliefs are commonplace and are the basic building blocks of our experience, such as the belief that we are living in the 21st century. However, other beliefs are more abstract and may not be shared between certain individuals or societies, such as the belief in a particular religion.

Development of Organizational Culture
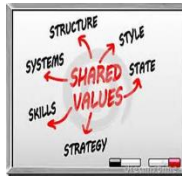
- An organizational culture often emerges at the early stages of a corporation's development. The management team involved with a business from the beginning has an opportunity to establish a culture, or set of standards, beliefs, and behaviors, that are acceptable. Subsequently, the personnel who are likely to be hired may be those with the potential to promote an employer's desired behaviors. 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.

Development of Organizational Culture

- Organizational culture develops across many different aspects of a company's operations, including social behaviors. 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 behaviors 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

REVIEW QUESTIONS

- 1. A role culture emphasizes the completion of a job or project. True or false?

- A True

- B False

- 2. Which of the following is not an observable aspect of culture?

- A Style

- B Beliefs and values

- C Customs

- D Rituals

REVIEW QUESTIONS

- 3.Review the following statements. Ascribe each of them to one of Handy's four corporate cultures.

- People are controlled and influenced by:

- (a) The personal exercise of rewards, punishments or charisma

- (b) Impersonal exercise of economic and political power to enforce procedures and standards of performance

- (c) Communication and discussion of task requirements leading to appropriate action motivated by personal commitment to goal achievement

- (d) Intrinsic interest and enjoyment in the activities to be done, and/or concern and caring for the needs of the other people involved

REVIEW QUESTIONS

- 4.What are the elements of culture?

- 5. 'Bureaucracy' is another name for a:

- A Power culture C Task culture

- B Role culture D Existential culture

- 6. A project team is most likely to be a role culture. True or false?

FURTHER READING

- Managing Change Toolkit – Lindsay Sherwin Robert Bierstadt Views on Culture

- What Are Morals, Values & Beliefs? By Lindsey Scott ACCA F1-BPP

- How Does Organizational Culture Develop? - Geri Terzo