

Organizational Behaviour
Dr. M. P. Ganesh
Department of Liberal Arts
Indian Institute of Technology, Hyderabad

Lecture – 52
Organizational Culture - Part 2

Welcome to this lecture series on Organizational Behaviour, we are in this chapter Organization Culture; this is the second lecture in this chapter.

OUTLINE

Definition
Impact of culture on Individuals
Levels of culture
Organizational culture
Cultural dimensions
Dimensions of organizational culture
Strong culture
Dominant and Subcultures
Creating sustaining and transmitting culture
Expressions of organizational culture
● Changing organizational culture



I will quickly summarize what happened in the previous lecture, we defined culture, we also looked at how culture can influence individuals.

DEFINING CULTURE

The ways of thinking, behaving and believing that members of a social unit have in common.

The total of the inherited ideas, beliefs, values, and knowledge, which constitute the shared bases of social action.

The total range of activities and ideas of a group of people with shared traditions, which are transmitted and reinforced by members of the group.





IMPACT OF CULTURE ON INDIVIDUALS

Culture influences both conscious and unconscious level of the mind.

Cultural norms are very powerful in influencing our behaviour.

Culture influences our value system and how we see things.

Culture is learnt and reinforced by people around us.



LEVELS OF CULTURE

National/regional culture

Organizational culture

- The collective programming of the mind which distinguishes the members of one organisation from another (Hofstede 1991)

Professionalization

- Values we learn through the training for a functional specialization.



We also looked at different levels of culture and most specifically what does organization culture mean. We also looked at how certain professionals can have shared values within themselves; so there are cultural values which are specifically for certain professions.

We also looked at how different levels of culture and different layers of culture can influence an individual's behaviour in work place, we also looked at organizational culture.



ORGANIZATIONAL CULTURE

Personality of the organization

A system of shared meaning and beliefs within a organization that determines, in large degree, how employees act.

Culture is perceived and shared by employees



So, organizational culture is like personality of the organization; for individuals, personality is the core of the individual's behaviour. Similarly, for organizations culture is the core of the organizations behaviour; how an organization behaves depends on the culture of the organization.



Motives	Characteristic organization
Achievement	<i>Industrial organization</i>
Influence (expert power)	<i>Educational institutions, scientific organizations</i>
Control	<i>Bureaucracy</i>
Dependency	<i>Traditional or one-man organizations</i>
Extension	<i>Community service organizations</i>
Affiliation	<i>Clubs</i>



We also looked at how organizations belonging to different sector can have similar cultural practices depending on the motive which drives that sector.



CULTURAL DIMENSIONS

Power distance
Uncertainty avoidance
Individualism – Collectivism
Masculinity – Femininity
Long term orientation



So, this is how we stopped. So, we are going to look at a very interesting model on cultural dimensions or an interesting approach to understand organizational culture. This model is; proposed by Hofstede. It is a very popular model in organizational behaviour contexts to understand organizational culture.

So, according to Hofstede originally Hofstede suggested five dimensions which is found in any organization as a cultural dimension. So, these five dimensions are power distance, uncertainty avoidance, individualism-collectivism, masculinity-femininity and long term orientation.

So, I will explain each of those dimensions in detail; so these are values. These are values, cultural values each of these organizations will possess and it reflects the culture of the organization. So, the first dimension; power distance it means to what extent the members of the organization value power. When I say value power, it means to what extent power is considered to be an important quality or to what extent power is respected in the organization.

So, if someone has a lot of power in the organization or if someone is in a powerful position; what kind of respect people show to this person. So, it also reflects upon to what extent people seek power in the organization and this also denotes the inequality in terms of power which exist in the organization. When you say inequality of power, some people in the organization will have high levels of power some people will have very less power.

Vis-a-vis the organizations which have low power distance, power will be equally distributed. In other words, everybody will have more or less equal amount of say in decision making. On the other hand, when organizations have high levels of power distance; some people will have very less opportunities to be part of decision making situations, but some people will make will influence lot of decisions which affect many people in the organization.

So, some of the symptoms of power distance; high power distances like I mentioned people will value power in the organization, people will show lot of respect and fear to people with high levels of power. The second cultural dimension or the value system cultural value is uncertainty avoidance.

Uncertainty avoidance means to what extent people are very uncomfortable with uncertainty. When I say uncomfortable with uncertainty, it denotes to what extent people expect precision and planning in whatever they do.

So, in cultures or in organizations which have high levels of uncertainty avoidance; they will have clear cut rules in terms of how things has to be done, what procedures to be followed, how processes should be defined, how jobs should be prescribed or how job characteristics should be clearly defined. So, all these; you know clear cut rules and regulations denote that the organization does not prefer uncertainty.

So, only when someone avoids uncertainty; they will look for rules and procedures which will avoid uncertainty which will reduce uncertainty. Cultures which are very high in uncertainty or very less in uncertainty avoidance, they tend to have very few rules; they will they will be no clear cut prescription in terms of what is correct, what is not, what; how things have to be done and things like that.

For example, eastern cultures are considered to be low in uncertainty avoidance like country like India; we are with uncertainty; you know we are with chaos. But certain cultures western cultures like some European countries like Germany; they prefer everything to be clearly written down and everything to be very certain.

For example, you know the trains are like very precise in terms of their running time; they follow very strict punctual schedule for everything. For example, Japanese are

supposed to be very high in uncertainty avoidance which means everything is like very precise, they are very particular about punctuality.

So, all these management ideas; Japanese management ideas like just in time; just in time means even going early is not correct. You know if you are if you have committed yourself to be in a place at let us say 5 pm, you have to be there at 5 pm; not 4:40 or 4:50 or not 5:10 or 5:15 ok. So, that denotes they do not like deviation or they do not they do not like uncertainty.

So, there are advantages in both sides. So, cultures which are very low in uncertainty avoidance, they are with chaos and they are very good in creative task because they are with working in tasks which are not clearly defined.

On the other hand, for processes which has to be very clearly defined, especially quality related aspects, quality related dimensions; you need very precise prescription of what is allowed and what is not allowed. So, for that you need very high levels of uncertainty avoidance.

So, some culture, some organizations they have high uncertainty avoidance; some cultures they have low some organizations have low uncertainty avoidance. So, again these are like continuum even power distance, low power distance, high power distance; so it is like a scale, organizations can fall anywhere in between the scale.

The third dimension is individualism-collectivism which means individualism means to what extent the particular group values individual rights. To what extent it values the choices made by individuals and individual decision making. On the other hand, organizations or societies which prefer collectivism are those organizations prefer or they favor decisions made as groups and more than individuals the group welfare is considered to be more important.

So, in extreme cases it also means individual should forgo their rights in order to help the larger group to prosper. So, for example, Japanese culture is found to be very high in terms of collectivism, US culture is found to be very low in collectivism or in they are very high in individualism.

So, some organizations; it is to how individualistic cultures especially when the organizations, the employees have to work in as individuals and also it is or if you need to encourage competition between individuals, then individualistic kind of culture will work better. On the other hand, if the organization requires collaborative work processes; it requires members or employees to help each other and work in a collaborative manner, then collectivism will fit into the organization culture better.

Masculinity-femininity means masculinity dimension or masculinity value insist upon strength and achievement. On the other hand, femininity value insists upon collectivism or you know nurturing everyone in the group, working together as a group you know preferring compassion more than competitiveness.

So, some organizations which are very achievement oriented they reflect masculinity value dimension. Organizations which reflect nurturing their employees, working together as a group, helping each other those kind of organizations denote femininity kind of cultures. Again which value whether masculinity or femininity will suit a particular organization depends upon the nature of the business they are in, the nature of the processes which they handle.

Long term orientation means the focus whether the focus of the group is on long term benefits or short term benefits. Some organizations or some social groups, they prefer long term benefits over short term benefits. So, they are with for going short term benefits for the sake of long term benefits.

So, this is like postponing your immediate gratification for the sake of long term sustainable profits. Organizations or groups which are very high in or very low in long term orientation, they prefer short term benefits rather than long term benefits. Again, which one is more successful depends on the context, the processes which are involved in the organization and things like that.

But from a sustainability point of view, long term orientation is considered to be more preferable. So, how are these dimensions reflected in day to day work behaviour? For example, in if organization is very high in power distance; the employees are encouraged to value power and they are their respect towards seniors is reinforced or sometimes fear towards seniors or people who are at higher positions is reinforced.

And these kind of organizations are like very tall structures. So, there are there will be very few people at the top and there are more people at the bottom. Similarly, uncertainty avoidance; these kind of organizations employees if they are low levels of uncertainty avoidance, people will be very creative; creativity will be encouraged. On the other hand, when the high levels of uncertainty avoidance; people at a very high levels people will be asked to wear uniforms or they will be a very strict dress code and things like that.

In organizations which have high levels of individualism; rewards will be given to people for individual achievement. On the other hand, organizations which are high in collectivism; group rewards will be preferred more than individual rewards. And team players will be considered to be bet good employees rather than individual achievers.

Organizations where femininity is encouraged; the organization will ensure all the employees are taken, their welfare is taken care of, their individual skills are nurtured, their families are also; there will be policies which will be very family friendly.

On the other hand, masculinity kind of or the value system related to masculinity, if it is high in organizations those organizations will insist on achievement and they will they will have policies like hire and fire. So, if you do not perform; you will be fired and aggressive behaviour will also be encouraged.

Organizations which focus on long term orientation; they prefer their employees to stay there in the organization for very long years. So, your membership your duration of membership in the organization will be valued more than your immediate performance. Similarly, the other way around when long term orientation is low; these kind of organizations prefer employees to perform from day one.

So, they do not; they do not worry if you are there for 10 years or 15 years, if you do not perform; you are out of the organization. So, these are some ways in which cultural dimensions get reflected in day to day practices of the organization.



DIMENSIONS OF ORGANIZATIONAL CULTURE

Attention to detail
Outcome orientation
People orientation
Team orientation
Aggressiveness
Stability
Innovation and risk taking



So, in terms of organizational culture apart from these dimensions; there are other dimensions which are also found in organizations and it reflect and they reflect the organizational culture; attention to detail. So, again attention to detail is similar to uncertainty avoidance, outcome orientation which is similar to masculinity or individual individualism.

People orientation is similar to collectivism and femininity; team orientation is again similar to collectivism or femininity. Aggressiveness is similar to masculinity, stability is similar to long term orientation, innovation and risk taking is similar to uncertainty avoidance. So, organization which are low in uncertainty avoidance; they take more risks and they encourage innovation.



STRONG CULTURES

Organizations in which the key values are intensely held and widely shared.

Strong cultures influence managers strongly

Factors:

- Organizational size
- Tenure
- Employee turnover
- Leadership



So, there are different approaches to understand organizational culture; so Hofstede's model is one such framework, there are also other frameworks which are available, but Hofstede's model is more preferred and mostly used by many studies on organizational culture. So, there is another way to look at organizational culture is strong culture versus weak culture.

So, when you say strong culture; organizations which have strong cultures are characteristic; characteristics by group members being very cohesive and all the group members strongly believe in the cultural values. So, you know let us say a group or an organization which has strong culture, then all the members will strictly reinforce these cultural values on each other.

And everybody will believe that this particular belief system, this particular value system of their organization or the social group is very valuable. And also they will feel it is the truth or this value system is the only thing which is correct.

In other words, they will be more dogmatic also in a very extreme level when there is strong culture within the organization; there will be less deviation in the group and they might also have very strong resistance to change. So, in organization which have strong culture; there will be a lot of pressure on people to comply to the cultural values, even the slightest deviation will not be accepted.

And strong culture influences managers strongly; so, when the organization's culture is very strong, managers will feel a lot of pressure to comply to those cultural values and also reinforce them on their employees. So, it will be they will have pressure from both ways; one they have to follow all these cultural values and they should also reinforce it on the employees strongly.

So, what leads to strong culture? Organizational size; especially when the organization is very big, there will be subcultures; so subcultures means there will be different types of cultures among the subgroups of the organization. So, we look at subculture in the next slide, but broadly it means if there are many subgroups in the organization and each group has different cultures; unique culture of their own, it will reduce the larger organizational strength of the culture or the larger organization's culture strength.

So, size; if the organization has very large, there are more chances subgroups will be form and that will lead to subgroup formation and thus the larger organization culture will lose its strength. Tenure of the organization; if the organization is there for very long time and if the employee turnover is less, if the members of the organization stay in the organization for very long years and also if the organization is there for many years; then the culture will be strong.

Because the same kind of people who are there for very long years many years; they tend to withhold their organization cultural values; they will not allow the newcomers to change the value system ok. And also leadership; especially the leadership is very strong on the leadership is therefore, the same leader there for many years the culture of the organization will be very strong.

And the problems with strong organization culture is like I said earlier; they will be a lot of resistance to change and they will be less creativity in the group and also slightest deviation in the group will be treated with lot of force. They will be lot of pressure on people to not deviate from the organizational culture.

But the advantage of strong culture is the group will be very cohesive, they will be very focused, they will be, they will cooperate with each other better, they will show respect to each other in the group; if the culture is strong.



Dominant culture: expresses the core values that are shared by a majority of the organization's members.

Subcultures: tend to develop in large organizations to reflect common problems, situations, or experiences that members face. These can form vertically or horizontally. It would include the core values of the dominant culture plus additional values unique to members of the particular department.



Apart from strong culture-weak culture there is another classification dominant culture and sub culture. So, if the organization is very big and there are many subgroups in the organization; they will be two levels of culture, one they will be dominant culture.

Dominant culture means there are certain value systems the entire organization will share and also there are some subgroup or subculture values which is shared only among the smaller groups within the organization.

So, the smaller groups can be in terms of horizontal groups which means different departments or different work units or it can be vertical groups which means levels. So, let us say in a very tall kind of an organization which is very large; depending on the level of the organization, the cultural values may change.

For example, at a very bottom level; they will be very low uncertainty avoidance or sorry they will be very high uncertainty avoidance. At low levels people may avoid taking risk, but high levels like top level management; people will be encouraged to be more creative and take more risk.

Similarly, vertically also some departments will be encouraged to take more risk; for example, sales and advertisement or sales and marketing department, they will be encouraged to be very creative; so the uncertainty avoidance will be very low.

On the other hand, manufacturing units of the same organization; they need more quality control and more precision. So, there probably they will be very high levels of uncertainty avoidance. But throughout the organization there will be some values everyone will share; for example, in a country like India; there are some values, some cultural beliefs throughout India we all share as Indians.

At the same time, each state also has its own unique cultural values which is subculture. So, when there are too many subcultures and the sub cultural values tend to overpower the dominant culture; then they will be less cohesiveness in the group.

But if the dominant culture is very strong, then it can also lead to problems because the subcultures will feel that there is no freedom for them to adapt or there is no freedom for them to behave in their own culture. Or in other words, they may feel they have a certain


unique culture because of that particular social group which belongs to a larger social group.

So, if the larger social group insist upon the insists its values on the smaller social group, the small social group will feel we do not have freedom or we are losing our identity; so that can also lead to conflict. So, there should always be a balance between the dominant; the impact of dominant culture and the resistance from the subculture. So, it is a very dynamic process.



CREATING, SUSTAINING AND TRANSMITTING CULTURE

- **Source: founders' vision / mission / attitudes**
- **Keeping a culture alive:**
 1. **Organization's selection practices**
 - ✓ For proper 'fit'
 2. **Actions of top management**
 - ✓ Sends signals to the employees
 3. **Organization's socialization methods**
- **How employees learn culture:**
 - Through common expressions of culture





So, how to create sustain and transmit culture? So, any organization culture is formed by the founder's vision, mission and attitudes. So, if the organization is new; whatever is whatever the founder founding members, their you know priorities, their dream for the organization that becomes the culture of the organization in long run.

So, if the founder wants; wants an organization to be a very creative very egalitarian kind of an organization, very equality driven organization. Then over a period of time, the organization will also be a very flat, very creative driven or equality driven kind of an organization.

It can be other way around also, if the founder wants everything under his or her control, he or she wants more power, power inequality will be more in the organization that will lead to high power distance in the organization. So, culture of an organization starts with the founder's vision, mission and attitudes and even after the leader leaves the organization; the culture stays alive. So, how does it stay alive?

It stays alive through certain practices; mainly recruitment practices. When organizations recruit people, they try to ensure that the newcomers fit into the culture of the organization. Let us say if the organization respects equality and femininity kind of culture, but the candidate looks very aggressive and very competitive.

He or she is not a team player; he may not be or she may not get recruited or other way around organization looks for competitiveness and aggressiveness, but the candidate is like very compassionate, looks like a very you know soft, gentle kind of a person; very compassionate person; he or she may not be selected in the organization.

So, when organization is found by the founding members, they will ensure that they will recruit people at the next level based on their value system, they want the organization to follow. Similarly, the level next to it also recruited by these people who represent the leader; so it continues over a period of time and also actions from the top management; what is rewarded in the organization.

You know what kind of behaviors are rewarded do you reward you know tenure of an employee or do you reward performance of an employee or is there a balance. Do you reward team players or do you reward individual achievers? So, all those things send signals to the employees. And thirdly socialization method, where a new joiner enters into the organization for him or her to learn what is expected out of him; he understands it he or she understands it from what people do around her.


So, if people around her behave in a way which represent a certain culture; the new comer also believes that this is what is expected from her also. For example, power distance; how do you address which is represented by how do you address to your supervisor or senior members.

So, if you address your senior numbers like Sir, Ma'am; you know that you know this is there is high power distance; you know that you know people are valued based on their hierarchy. On the other hand, if everybody calls each other by their first name; then you know that this organization is very equal equality oriented.

So, this is how new comers learn culture by interacting with other; so, this is what is called socialization. If you remember, in personality chapter also we spoke about socialization.



So, employees learn through socialization; new employees, they also learn through other expressions of culture which means there are certain cues they get from the organization. Sometimes these cues can be physical also; for example, what kind of seating people get. For example, if everybody gets similar furniture; then it means the organization is equality oriented.


But some organization you will see based on your level, you will get a better room or better furniture, better facilities; then it means this organization value hierarchy or power. So, these are some of the symbols people unknowingly, unconsciously capture and then they will understand what is valued in the organization.


NPTEL

COMMON EXPRESSIONS OF ORGANIZATIONAL CULTURE

1. **Physical artifacts:** *layout, décor, availability of facilities, office stationary, 'symbols'*
2. **Language, jargons and metaphors:** *unique jargons, terminologies, phrases, acronyms.*
3. **Stories, myths and legends**
4. **Ceremonies and celebrations**
5. **Routines, rites and rituals:** *staff meetings, training programs, appraisal forms, superiors' annual visits, picnics.*
6. **Behavioral norms:** *towards seniors, colleagues, in meetings, during breaks.*
✓ These norms transmitted to new members through socialization
7. **Shared beliefs and values:** *ethical / moral codes or ideologies....consciously held, mental pictures of the nature of organizational reality, what is considered right or wrong etc.*
8. **Basic assumptions:** *unconscious values, beliefs held by organization's members.*



So, these are some of the common expressions of organizational culture or this is how culture is represented in organization. At a very evident level, it can be physical artifacts; so once you enter into organization for the first time, what kind of things are there in the organization. For example, let us say if there is a painting about war or if there is a painting on or if there is a huge you know picture of race car or a military equipment or the kind of music they play in the organization.

So, all those things show what is valued in the organization; at a very physical level ok. Things like what kind of furniture; are there differences in terms of furniture, even if the simplest thing like; are they are they using cubicles as office space or office facility or are they using independent rooms. So, all these things denote the value system of the organization.

Similarly, language and jargons used; so, the first expression which is physical artifacts, you do not need to interact with anyone; just by looking at it you will know. The second level is you talk to people; what jargons they use, what terminology they use, how do they address seniors, how do they; what are their job titles called.

For example, some job titles; in some organizations you know there are titles which are like very sensitive to gender differences. So, instead of chairman; they will use chair person. So, which means there is some thought process on gender equality; the equality within gender is respecter ok; the kind of languages they use and also the kind of stories and myths and legends which is there in the organization.

So, for this; you need to stay in the organization for a little more time ok. The first level; you do not need to talk to people you are; just looking at things, you will you will understand certain things. Second level language jargons you have talk to people.

Third level, you need to be there for some time; you know the kind of gossips which go in the organization, the kind of stories they talk. So, the kind of myths which is shared; so for example, in one organization, I have heard that the CEO knows the birthdays of the most almost all employees of the organization, personally he knows ok.

So, it can be a myth also; it can be not true also ok, some organizations the you know this is personally I have encountered the CEO of the organization sends mail to each of the employee on their birthday or their family members birthday. So, it shows the CEO or the person at the top is concerned about the welfare of the employee and also welfare of the family of the employee.

So, kind of a feminist feministic kind of a culture collectivistic culture. And also what kind of ceremonies and celebrations are conducted. So, some organizations; they will be like celebration is which value you know the founder's birthday or the or birthday parties; so what kind of ceremonies are celebrated; birthday party of all the employees.

For example, some organizations every month one day they will celebrate the birthday parties of all the employees who were born on that month. So, it says we value each one of the employees and then they can be routines rituals and rights which means rituals are symbolic things.

For what purpose staff meetings are held; for in some organization even for simple decisions, there will be meetings which means the organization respects the voice of each and every employee. How training programs are given? In your appraisal form, what are the questions which are there.

So, for example, if the question in the appraisal form asks about how long are you here in the organization? Then it means unique values your stay in the organization. These are we how much did you perform or what is your level of performance; all those things. And also annual visits, picnics all those things denote the cultural values of the organization.

Behavioral norms mean what is right, what is wrong, what is allowed and what is not. So, all these things you will understand only when you stay there in the organization for long. For example, do they have common mess or common place where everybody can eat or do they have separate eating places for people of different levels, separate parking spaces or for different levels.

So, all these things denote you know what is valued in the organization or do you have to get up when your boss enters your office or you know what kind of dress code is there; all those things are behavioral norms which requires some time for the employee to understand.

Finally, shared beliefs and values; this is like very core of the culture of the organization which takes a lot of time for a person to understand. It is kind of a perceived understanding of the culture of the organization; this is not written anywhere but these shared beliefs and values gets reflected in many of these other expressions like behavioral norms, routines, stories, language used, physical artifacts and things like that.

And finally, basic assumptions you know even more underlying factors. So, like I said earlier; basic assumptions are like the core and above that there are shared values beliefs and then above that behavioral norms, above that routines and rights and then finally, physical artifacts.

MANAGING (CHANGING) ORGANIZATIONAL CULTURE



The case for

- Adapting to changing conditions / demands

The case against

- Difficult for employees to unlearn years of shared values and beliefs

Situational factors under which OC can be changed

- A dramatic crisis
- Leadership turnover
- Life-cycle stage
- Age of organization
- Size of organization
- Strength of current culture
- Absence of subcultures



So, how will you change an organizations culture or do you have to change? Sometimes, when the organization is you know is there for very long years; it can lead to a very closed kind of a culture, especially if this culture is very strong; it can be suffocating for new employees or if the environmental conditions change, you also; you should also change.

For example, if you are a very feministic kind of culture, but the environment demands you to be very aggressive, you have to change. Similarly, you know your organization which has which is very individualistic, but the newer generation expects very collectivistic or uncertain; low uncertainty avoidance, as an organization you should also change.

So, how will you; how should one change the organizational culture? So, if you want to adapt to organization environmental changes; you need to change. At the same time, it takes a lot of time for people to adapt to new culture; changing a culture is not that easy ok.

So, there are cases for and against changing organizational culture; changing is good because if the environment changes, you have to change. Changing is difficult; so you cannot every time change the culture whenever you feel like because unlearning something takes a lot of time. So, when will organizational culture change or when should organizational culture change?

One if there is a dramatic crisis, you know if the organization is undergoing a very major change like merger and acquisition or turnaround; turnaround mean there making a lot of loss, a new leader comes and tries to change things; so, leadership turn over; new leader comes. Life cycle stage, if you want a certain life cycle; if you have small organization till that point, but now you are going to you are going in a very fast pace.

So, you cannot be; you cannot have the same kind of cultural values like that of a small organization because you are growing fast, you need to change your cultural values also. Similarly, age of the organization; you know especially if they are there for very long years, it becomes very long the organizations become very complacent; so, to break the complacency you need to change the culture.

Size of the organization; the size of the organization is very large, suddenly if the organization grows many folds; then they will be subculture if there are many sub culture; obviously, the current culture, the dominant culture will be threatened or it will change. And strength of the current culture, if the current culture is weak; then it can it is very easy to change the current culture, but on the other hand if the current culture is very strong, it is difficult to do that.

Absence of sub cultures; like I said earlier if there are very few subcultures, you can easily you cannot easily change the culture. If there are many subcultures, then you can change the culture because there is no dominant culture as such. So, this is the end of the chapter; so we will look at organizational change as a chapter in the next lecture.

Till then take care, we will meet in the next lecture.