Org Culture And Climate

Notes

Organization Culture and Climate.

Organization Culture

- An Organization, has a personality, which we call its Culture. The effectiveness of an organization is influenced by the organization culture.
- A set of important assumption about the organization & its goals and practices that members of the company share.

Ex.

Planning & Decision-Making

Autocratic,
Centralized decision-making

Participation
Decentralized decisionmaking

Organizing.

Authority is centralized
Authority is narrowly defined

Authority is decentralized
Authority is broadly defined.

Staffing.

People are selected on the basis of friendship
Training in a narrowly defined speciality

selection on the basis of performance criteria
Training is in many functional areas

Leading.

Directive leadership
Communication flow is primarily top-down.

Participative leadership
Top-down, bottom-up, horizontal and diagonal.

Controlling.

Superiors exercise strict control
Focus is on financial criteria

Individuals exercise a great deal of self control
Focus is on multiple criteria.

Organization Culture :- The general pattern of behaviour, shared beliefs, and values that organization members have in common that determines in large degree, how employees act.

Dimensions of organizational culture.

Strong Cultures: organizations in which the key value are intensely held and widely shared.

Socialization: An organization must help employees adopt to its culture through a process called Socialization.
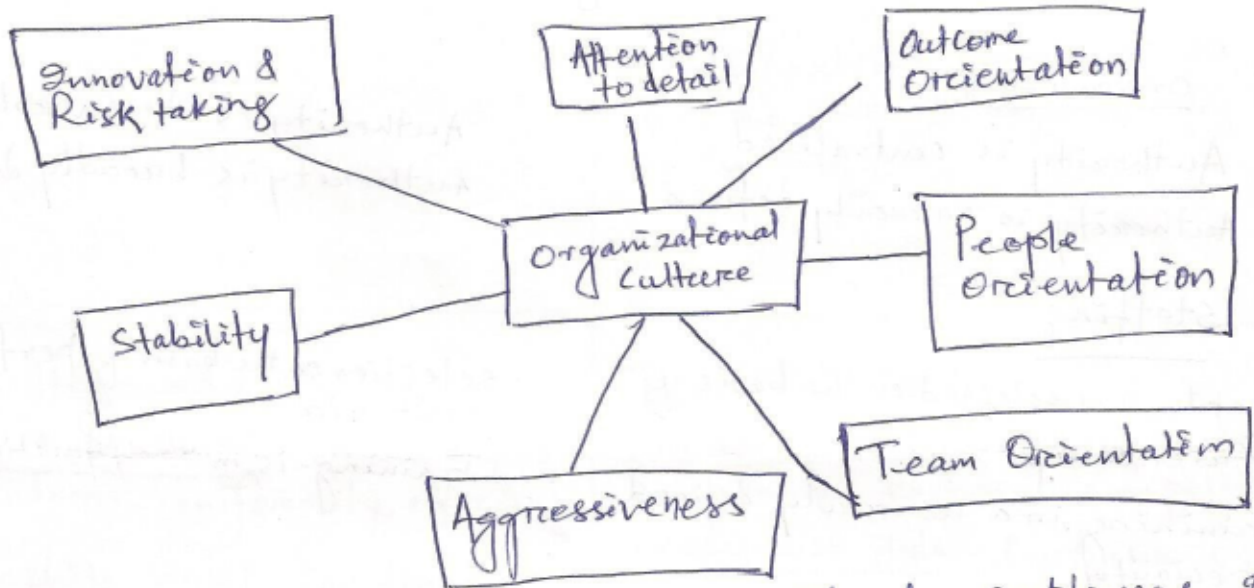
Innovation & Risk taking – Degree to which employees are encouraged to be innovative and to take risks.

Attention to detail – Degree to which employees are expected to exhibit precision, analysis and attention to detail.

Outcome orientation – Degree to which managers focus on results or outcomes rather than on how these outcomes are achieved.

People orientation – Degree to which mgt. decisions take into account the effects on people in the organization.

Team Orientation – Degree to which work is organized around teams rather than individuals.

Aggressiveness – Degree to which employees are aggressive and competitive rather than cooperative

Stability – Degree to which organizational decisions and actions emphasize maintaining the status quo.

The Source of Culture:

An organization's current customs, traditions and general way of doing things are largely due to what it has done before and the degree of success it has had with those endeavors. The original source of an organization's culture usually reflects the vision or mission of the organization's founders.

How Employees Learn Culture

a) Stories (organization's founders, rule breaking, reactions to past mistakes, etc)

b) Rituals (repetitive sequences of activities that express and reinforce the values of the organization, what goals are most important and which people are important)

c) Material Symbols (The lay-out of an organization's facilities, how employees dress, facilities provided, etc.)

d) language.

Culture could be defined as the interactive aggregate of common characteristics that influence a human group's response to its environment. Culture determines the identity of a human group in the same way as personality determines the identity of an individual.

Why for Culture?

a) No organization can operate in isolation to its cultural environment. In other words, organizations are social systems that must inevitably operate to survive within the framework of a larger cultural system.

b) People in organizations come from different cultural backgrounds. They have different beliefs, customs, understandings, preferences, etc.

Ex. Success of Japanese mgt. (life time employment, respect for seniority, collective decision making, concern for employees)

Characteristics of organization Culture.

(i) Individual autonomy

(ii) Structure (rules & regulations, supervisions, control of employee behaviours.)

(iii) Support.

(iv) Identity

(v) Performance reward

(vi) Conflict tolerance

(vii) Risk tolerance.

Present Organizational Culture Issues

1. Creating an Ethical Culture
2. Creating an Innovative Culture.
   - Challenge & involvement
   - Freedom
   - Trust and openness
   - Idea time (development of new ideas)
   - Playfulness (comfortableness)
   - Conflict resolution (organization versus personal interest)
   - Debates
   - Risk - taking

3. Creating Customer - responsive Culture.
4. Promoting workplace Spirituality.
   - Strong sense of purpose
   - Focus on individual development
   - Trust and openness
   - Employee empowerment
   - Toleration of employee expression.

Organizational Climate.

Joe kelly :- Climate may be thought of as the perception of the characteristics of an organization. Organizational climate conveys the impressions people have of the organizational internal environment within which they work.

(6)

Forehand and Gilmer have defined organizational Climate as a set of characteristics that describe a organization and that

a) distinguish one organization from another
b) are relatively enduring over a period of time
c) influence the behaviour of people in the organization.

Characteristics of organizational Climate.

(1) General Perception.
(2) Qualitative Concept
(3) Distinct Identity
(4) Enduring Quality
(5) Multidimensional Concept (individual autonomy, authority structure, leadership style, pattern of Communication, degree of Conflicts & Cooperation)

Components of Organizational Climate.

1. Structure of authority (interpersonal relations between Superior & Subordinates)

2. Individual freedom

3. Degree of Control (rigid or flexible)

4. Reward System

5. Task Orientation

6. Relations Orientation

7. Job Satisfaction (The workers feel happy if the jobs are designed to allow the workers to use their innovative skills)

8. Morale. —(feelings, attitudes & sentiments of organizational members)

Factors Influencing Organizational Climate & Culture

1. Organizational Context - Mission, goals & Objectives, function, etc.

2. Organization Structure - Size, degree of centralization & operating procedures.

3. Leadership process - leadership styles, communication, decision-making and related processes

4. Physical environment - employee safety, environmental stress & physical space characteristics.

5. Organizational values and norms - Conformity, loyalty, impersonality & reciprocity.

Role of Managers & Employees in Influencing Climate.

1) Climate of Cooperation
2) Climate of Accommodation (Mutual recognition)
3) Climate of Conflict. (Win-Win Strategy)

Improving organization Climate & morale.
Techniques employed by the Management.

1) Open Communication
2) Concern for people
3) Participative decision-making.
4) Change in policies
5) Technological Changes

Diagnosing Culture.

- Corporate mission statements & official goals
- Business practices can be observed
  * responds to problems, makes strategic decisions, & treats employees & customers.

Ex. <u>Vision of NALCO</u>

To be reputed global company in the metals & energy sector.

<u>Mission of NALCO</u>

* To achieve Sustainable growth in business through diversification, innovation and global competitive edge.
* To satisfy the customers and shareholders, employees and all other stake holders.

- Symbols, rites & Ceremonies
- The stories people tell

Types of Culture.

Based on → flexibility versus Control
         ↘ whether their focus is internal or external to the organization.

a - Group Culture
b - Hierarchical culture
c - Rational Culture
d - Adhocracy

Competing-Values Model of Culture (Kim S. Cameron and Robert E. Quinn, 1988)

Flexible Processes

Internal Maintenance ————————————— **External Positioning**

Control-Oriented Processes

Type: Group

Dominant Attribute: Cohesiveness, participation, sense of family

Leadership style: Mentor, facilitator, parent figure

Bonding: Loyalty, tradition, interpersonal Cohesion

Strategic Emphasis: Delopment of human resources, Commitment, & Morale.

Type: Adhocracy

Dominant Attribute: Entrepreneurship, creativity, adaptability, dynamism

Leadership Style: Innovator, entrepreneur, risk taker

Bonding: Flexibility, risk, entrepreneur

Strategic Emphasis: Toward innovation, growth, new resources

(Organizational members are motivated by the importance or ideological appeal of the task)

Type: Hierarchy

Dominant Attribute: Order, rules & regulations, uniformity, efficiency

Leadership Style: Coordinator, organizer, administrator

Bonding: Rules, policies & procedures, Clear expectations

Strategic Emphasis: Toward Stability, predictability, smooth

Type: Rational

Dominant Attribute: Goal achievement, environment exchange, competitiveness

Leadership Style: Production & achievement-Oriented, decisive

Bonding: Goal Orientation, production, Competition

Strategic Emphasis: Toward Competitive advantage & market Superiority

(organizational are motivated by the belief that performance that leads to the desired organizational objectives will be rewarded.)