Organizational Culture Prof: Iftikhar Ahmad 0300-4466062

- Collective programming of mind (Hofstede)
- way of behaving " The way we do things round here"

Schein

significance of culture for management

- The management of an organisation should try to influence the corporate culture because a positive corporate culture can improve the effectiveness of the organisation

- Schein wrote: 'Building an effective organisation is ultimately a matter of meshing different sub-cultures by encouraging the evolution of common goals, common language and common procedures for solving problems'
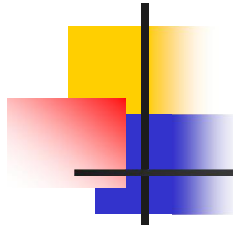
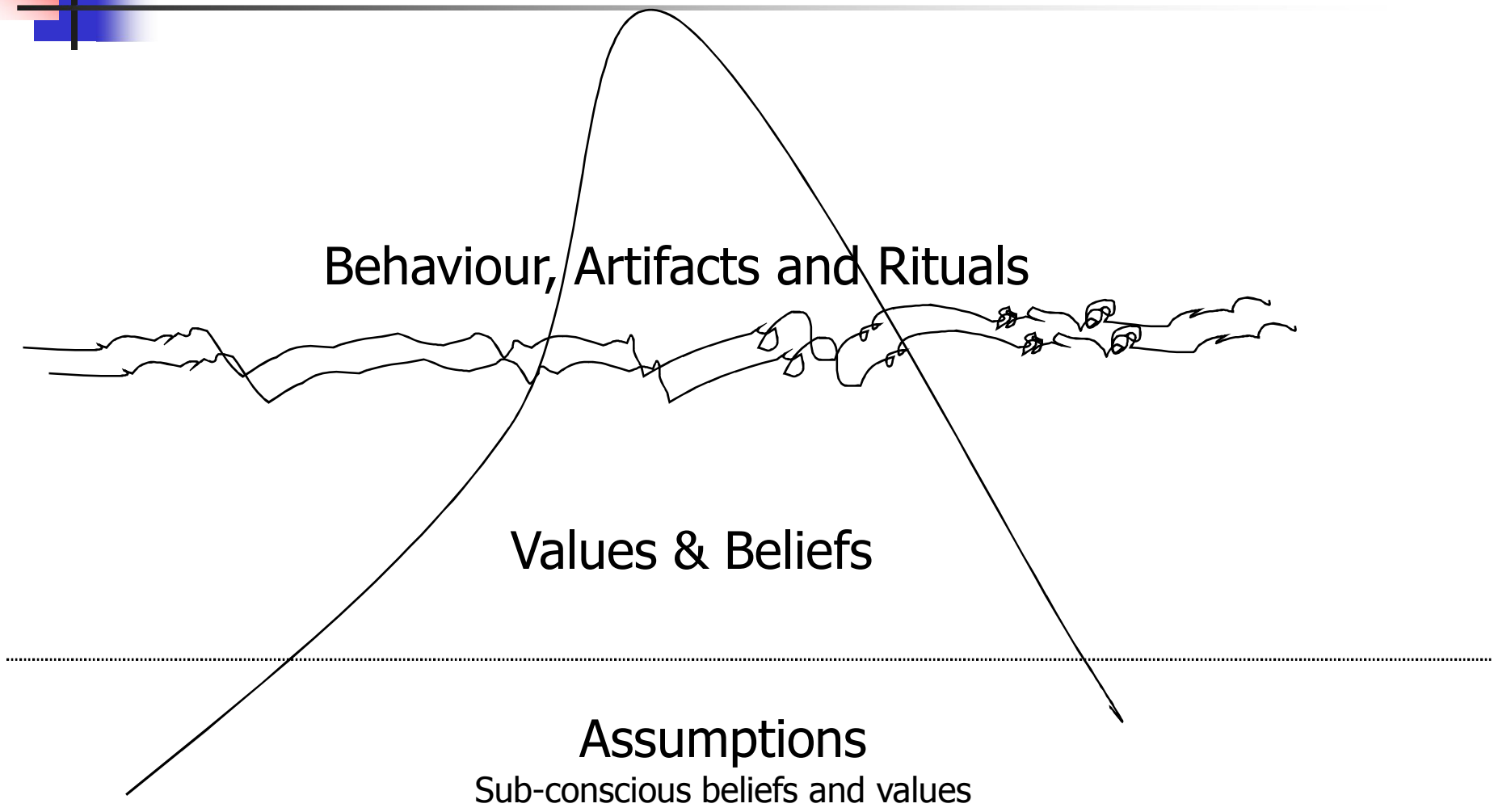# Organizational Culture Prof: Iftikhar Ahmad 0300-4466062

Factors that shape organisational culture

▪**Formal structure and size**. Culture is usually more clearly defined in smaller organisations, but this is not always the case

▪**Leadership**. The leaders of an organisation can influence aspects of its culture, for example by stating the values of the organisation, and its goals and strategies

▪**Environment**. A corporate culture develops as a way of responding and reacting to the environment in which the company operates

▪**Events**. Culture develops as a result of many events, and how a group or organisation has responded to those events

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Behaviour, Artifacts and Rituals

Values & Beliefs

Assumptions
Sub-conscious beliefs and values

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- Johnson and Scholes: the culture in an organisation can be defined as a cultural web of inter-connected influences and factors. Taken together, all these factors create the prevailing culture or paradigm.

- A paradigm: a general outlook and set of deep-rooted beliefs

- According to Johnson and Scholes, 6 factors make up the

cultural web:

- Routines and rituals
- Stories and myths
- Symbols
- Power structure
- Organisation structure
- Control systems

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- ## Schein: 3 levels of culture

- People who work in an organisation (its members) acquire the corporate culture. According to Schein there are three levels of culture that members of an organisation acquire:

  - **Artefacts**, or an outer skin
  - **Values**, or an inner layer
  - **Core assumptions**: the paradigm

- Artefacts, or an 'outer skin'. These are visible characteristics, such as the way the employee dresses, talks and does things at work; open plan offices; a coffee bar area in which employees are encouraged to take breaks etc.

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Schein: 3 levels of culture

- Values, or an inner layer
  - Corporate philosophy and mission, corporate ethics (business ethics), strategies and objectives, stated corporate values
  - Inner layer can be influenced by senior management
- Core assumptions, or the paradigm
  - The unconscious and unspoken beliefs, perceptions and attitudes that are taken for granted
  - Deep-rooted views, rarely brought to the surface or visible
  - Provides the basic view of why the organisation exists and what its members think it is there to do

Corporate culture: Handy Prof: Iftikhar Ahmad 0300-4466062

- Charles Handy suggested that the corporate culture in companies can be grouped into four broad categories:

    - Power culture

    - Role culture

    - Task culture

    - Person culture

- Power culture

- The corporate culture centres on a single, powerful leader

- The leader is often autocratic in management style

- Succeeds in influencing others through force of personality

- Lack of formal organisation structure

- The organisation is dynamic and entrepreneurial

- This culture is found only in small organisations

Corporate culture: Handy

Role culture

- A culture based on roles and positions in the formal organisation

- There are a number of clearly-defined jobs or roles. Individuals are employed to fill the roles

- Well-suited to a large organisation in a stable business environment, where the pace of change is slow

- Organisations with a role culture are often bureaucratic

Task culture

- A culture based on identifying tasks that need to be done and getting them done.

- To get tasks accomplished, project teams or temporary work groups might be established

- A dynamic, innovative culture

Person culture. A culture in which the organisation is focused on meeting the needs and requirements of one or more key individuals

Culture: international perspectives Prof: Iftikhar Ahmad 0300-4466062

Hofstede: international perspectives on culture

- Hofstede (1980s) suggested that culture is a collective programming of the mind that is a feature of a group of individuals. Culture does not exist in individual people; it is a collective phenomenon that can only exist in a group

- National cultures differ, and many people from the same country share a common culture

- Hofstede suggested that multinational companies face a problem in developing a corporate culture, because of the differing national cultures of their employees and managers

Culture: international perspectives

- According to Hofstede, there are five dimensions of difference in organisational culture arising from differences in national culture:

- **Power–distance dimension**. This refers to the distance that an employee is from the source of power and authority

- **Uncertainty avoidance**. In some national cultures more than others, individuals prefer predictability (precision, conformity, punctuality)

- **Individualism versus collectivism**. In some countries, the interests of the community come before those of the individual

- **Masculinity versus femininity**. Some national cultures are characterised by 'feminine' qualities such as intuition, quality of life. Other countries have a more aggressive 'masculine' culture

- **Long-term orientation versus short-term orientation**. In some countries, people are more inclined to take a longer-term view of matters. In other countries, individuals focus on the short term