[Academic Script]

Organizational Culture & Structure - 3

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1. Introduction

Hello friends!

As part of the session on Organization Structure and Culture, you heard the discussion on what organizations are and what organization structure is. We came to know how to recognize culture in an organization and explored different structure based on the bases of departmentation.

Chapter Objectives

In today's session, we will

- Explore What Are Strong, Weak And Dominant Cultures
- Understand how effective culture can be sustained

2. Basic Assumptions

A pattern of basic assumptions evolve among the members of a social group and makes the core of culture in any organization. When the basic assumptions are understood, the apparently isolated and confusing artifacts and values become coherent. Schein (1985) gave six basic types of assumptions that form the paradigm for every organization:

1. Assumptions about what is the 'truth' in physical and social matters, how reality and truth are determined, and whether truth is to be revealed or discovered.

2. Assumptions about importance of time in a group, how time to be defined and measured.

3. Assumptions about how space is to be owned and allocated, symbolic meaning of space around persons, the role that

space plays in shaping relationships between individuals and boundaries between intimacy and privacy.

4. Basic assumptions about the intrinsic or ultimate aspects of human nature, whether the human nature is fundamentally good or bad and whether it can be perfected.

5. Assumptions about organization's relationship to its environments, about the understanding of work and play, and how much of activity and passivity should be appropriate.

6. Assumptions about the right way for people to relate with each other, the appropriate ways to distributing power and responsibilities, relative merit of cooperation vs. competition, individualism or group collaboration, basis of leadership – whether it is traditional authority, law or charisma. Appropriate ways of resolving conflict and making decisions.

A student of culture should note that these assumptions are not universal – just their types are. The organizations differ in their position taken on each type of assumptions.

3. Strong Culture and Weak Culture

As mentioned earlier, organizational cultures also have traits just like the personality of an individual. We also saw the expert agreement that that stronger the manifestation of positive cultural values, beliefs and behavioral patterns, better the performance. How do we know if or when the culture is strong? Here are the characteristics of strong cultures:

- More members of the organization display the shared traits more frequently and with greater commitment.

- Homogeneous, or uniform across the organization

- Stable across time and situations

- Widely shared and more intensely held by the members

- Cohesive and tight-knit

- Expectations of the members from one another as well as expectations of members and the organization are in harmony

High degree of common awareness about the values, agreement over those values and an identity distinct from other organizations (Schein, 1985)

4. Limitations of Strong Culture

<u>Cultures are not uniformly strong throughout the organization:</u> Much of our systematic knowledge of management is derived from large organizations. As you know, large organizations also tend to be highly specialized and complex. Add to that the modern elements of their geographic, product and workforce diversity. Due to these factors, any researchers and consultants working with these organizations believe that single, strong organizational cultures may not exist. Many believe that multiple subcultures within the same organization could be a rule and homogeneous culture an exception. Sub cultures may arise because of a variety of reasons:

- The level of hierarchy and the nature of tasks to be performed at that level – for example, the labor and management,

- The difference in functional specialization – for example R&D and Manufacturing departments.

- The difference in the environments in which different parts of the organization operate.

Due to such differences the people who work in different departments, levels and divisions of the same organization develop different orientations to time, pace of work, the way to perform, authority and value of autonomy or experimentation and so on.

Aspects of a strong culture may not affect different processes in the same way. For example, what shapes member perceptions about 'work', way of working and other issues may also reduce the capacity for organizational learning and flexibility. Shared meaning can often induce peer pressure. Thus, Culture may shape and support the organizational strategy, but the same culture can also prematurely reduce the organization's decision alternatives, thus affecting its performance in a severely negative way. Thus strong cultures may be quite efficient, but they may also be resistant to change, new ideas and new people.

5. Weak Culture

Based on the previous discussion, one may agree that creating a uniform, strong culture for the whole organization may not make the best sense at least for a large, diverse organization. What managers need may be to encourage thriving subcultures yet create and maintain effectively the Dominant values.

Dominant culture represents the core values of the organization that are valid and essential to the organization irrespective of functional specialization. They can also represent highest or top most priorities, as well as provide guidance over superordinate matters such as ethical standards. If dominant culture prevails across the organization, in case of clash between subculture

values and dominant culture, the dominant values are to be upheld.

Weak culture – a conceptual opposite of Strong culture – implies that there is no congruence between the values of the top management and the employees of the organization. Absence of congruence may be because the desired values are not articulated, or there is contradiction or conflict between various elements of the culture, or the organizational values and interests and the values of the individual employees are counter to each other.

Thus, with fewer consensuses, weak cultures can only be transactional in nature. In these cultures, individuals participate so long as the exchange system is perceived as rewarding their behaviors. On the other hand, in yet other cultures members are alienated and defensive. They might also view the leaders as enemies and are antagonistic toward the leaders and the organization. In these cases, the culture becomes counter-productive or dysfunctional. A dysfunctional organization culture is defined as one that constrains or limits individual- and group-level capabilities and/or that actually encourages and rewards mediocre individual- and group-level performance.

6. How can effective culture be sustained?

Meaning of the weak culture described above may indicate that strong or dominant cultures, with all their limitations may be preferable to having a weak culture in the organization. So the challenge for the manager or a leader is how to go about shaping pro-performance culture in their organization. Here are some suggestions:

- Articulation: by now we know that a set of values and norms that helped the organization adapt effectively to its external environment, as well as integrated the organization internally. These values are generally originated from the founder or the leader, or in general the top management. If these founders or leaders or senior managers articulate these values and beliefs well, then it is possible to communicate them to others – only then can they be shared. If this fails to happen, we see the organization performing very well during the tenure of a top manager and after that person there is a downward slide in performance of that organization.

- Creation of artifacts that penetrate at various levels: By definition, values are beliefs that generate preferences. But organizational effectiveness requires results. A culture that contributes to organizational effectiveness therefore, must have values that influence effective patterns of behavior. Artifacts are powerful tools through which the top leaders can create bridges between values that are articulated, communicated and shared. In the preceding section we just saw the examples of artifacts. And often, they 'speak' so clear that for someone to hear them, a speaker is not needed.

Take for example, a company where the CEO sits on the same floor with others in an office space which is very much like what others have. What would that convey to an outside visitor, compared to the message conveyed by CEO's office on a separate floor, with access by a separate elevator, and a décor which is luxurious, while others still have the same cubicled work-space? Or, what does a company convey to its 'winners' who top the performance chart a golden dagger? What does a middle level manager convey to his juniors, who see, hear and

experience vast difference in the way their boss talks about company policies in the presence of, and in the absence of the Managing Director?

The message is clear: the managers who want to create a culture that clearly conveys and supports the top managements' expectation, values and beliefs, then the artifacts should unambiguously and systematically convey those, avoiding contradictions.

- <u>Rewards system</u> motivates the employees both to learn the values as well as practice them. Depending on the design of the rewards system, it is possible to convey the tolerance of the organization for the mistakes made while employees change their behavior to match organizational values and even find new ways to put those values into action, or help organization adapt better with changing environment.

- <u>Role modeling</u> is done by usually the senior, more experienced and more powerful persons in the organization; who guide, support and even mentor the juniors. When these senior managers and leaders lead by example, the new employees and juniors can follow those actions with clarity and greater conviction than the case where seniors say something but do something quite different.

- <u>Recruitment and selection</u> process of the organization can be designed in a way that there is a greater possibility of attracting talent with greater levels of shared values.

- <u>Socialization</u>: A strong culture describes clear values and expectations shared by most organizational members. This base of common knowledge, attitudes and behaviors will maximize the likelihood that a newcomer will receive similar instruction from most organizational members. Thus,

coworkers can reinforce what was learned in a formal training program, by serving as good role models for the newcomer. If an organization does not have a strong positive culture, or if the culture is not endorsed by top management, the potential for conflicting lessons increases and the confusing experiences make adjustment more difficult for a newcomer. In this case, organizations should carefully manage the socialization process by designing appropriate orientation/training programs for newcomers, matching newcomers with appropriate role models and mentors, and monitoring the socialization process to correct misunderstandings or to help newcomers make sense of their early experiences. However, no amount of organizational intervention can socialize newcomers to be radically different from current insiders unless factors supporting new organizational roles and values are promoted to all employees.

- Managers should see that the culture penetrates deeply at four levels among the employees:

(a) Sociological penetration occurs when the cultural values are shared by groups horizontally as well as vertically

(b) Psychological penetration occurs when cultural values, meanings and assumptions are deeply internalized, though the degree of this internalization will vary across subcultures.

(c) Historical penetration by keeping cultural meanings and values stable over time. If the transition is required, the way in which the transition is made also will affect the penetration.

(d) Artefactual penetration occurs when the visible artifacts convey deeper meaning of the underlying values and norms, and do not remain superficial arrangements to structure time.

Finally, it should be noted that different elements of culture at various levels of visibility, articulation, manifestation and consciousness should be consistent among themselves and coherent as a set.

7. Summary

Culture of an organization is often difficult to measure because at it does not have a tangible core. Yet, it is believed to be an important factor influencing organizational performance. Culture gives a distinct identity to the members of an organization. It also determines whether employees will support technological changes proposed by top management. There are many other points signifying culture, which is a pattern of basic assumptions that members of a group consider important and useful enough to be shared with new members. In simple words, it refers to 'the way things are done in an organization.' According to Schein, culture can be seen at three levels: artefacts, values, and basic assumptions. But all cultures are not same and an organization does not have uniform culture everywhere. Also, some cultures may be weak, some may be strong. There are merits and limitations of each. It is important for us to appreciate how desired organizational culture may be promoted and shared.

This is all about Organization Structure and Culture.

Thank You!