Organization Culture- An Overview

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Organizational culture includes an organization's expectations, experiences, philosophy, as well as the values that guide member behavior, and is expressed in member self-image, inner workings, interactions with the outside world, and future expectations. Culture is based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid (The Business Dictionary).

Culture also includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits (Needle, 2004).

Simply stated, organizational culture is "the way things are done around here" (Deal & Kennedy, 2000).

While the above definitions of culture express how the construct plays out in the workplace, other definitions stress employee behavioral components, and how organizational culture directly influences the behaviors of employees within an organization.

Under this set of definitions, organizational culture is a set of shared assumptions that guide what happens in organizations by defining appropriate behavior for various situations (Ravasi & Schultz, 2006). Organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders. Also, organizational culture may influence how much employees identify with their organization (Schrodt, 2002).

How is culture transmitted to employees of an Organization ?

Culture is transmitted to employees in a number of ways. The most significant are stories, rituals, symbols, and language.

Stories: Organizational "stories" typically contain a narrative of significant events or people including such things as the organization's founders, rules breaking, reactions to past mistakes, and so forth. Lavinson and Rosenthal suggest that stories and myths about organization's heroes are powerful tools to reinforce cultural values throughout the organization and specially in orienting new employees. These stories provide prime examples that people can learn from. Stories and myths are often filtered through a "cultural network" and remind employees as to "why we do things in a certain way". To help employees learn the culture, organizational stories anchor the present in the past, provide explanations and legitimacy for current practices, and exemplify what is important to the organization.

Rituals and Ceremonies: Corporate rituals are repetitive sequences of activates that express and reinforce the values of the organization, what goals are most important, and which people are important and which ones are superfluous. Ceremonies and rituals reflect such activities that are enacted repeatedly on important occasions. Members of the organization who have achieved success are recognized and rewarded on such occasions. For example, awards given to employees on "founders' day", Gold medals given to students on graduation day are reflections of culture of that institution.

Material/Cultural Symbols: Symbols communicate organizational culture by unspoken messages. When you walk into different businesses, do you get a "feel" for the place –formal, casual, fun, serious, and so forth? These feelings you get demonstrate the power of material symbols in creating an organization's personality. Material artefacts created by an organization also speak of its cultural orientation and make a statement about the company. These material symbols convey to employees who is important, the degree of equality desired by top management and the kind of behaviour that are expected and appropriate.

Examples: - assigned parking space for senior executives in the company premises, large offices given to senior managers, luxury automobiles given to senior or successful officers of the organization.

Organizational Heroes: Top Management and prominent leaders of the organization become the role models and a personification of an organization's culture. Their behavior and example become a reflection of the organization's philosophy and helps to mould the behaviour of organizational members.

Language: - Many organizations and units within organizations use language as a way to identify members of a culture. By learning this language, members attest to their acceptance of the culture and their willingness to help to preserve it.

Elements of Organizational Culture

1. **Core values:** Your company's list of core values is essentially the moral framework upon which your organization depends, and that's exactly why putting some serious thought into your values is a must. After all, they're the guiding principles your people look toward to gauge how to act within your organization—or they should be.

2. **How you work together:** Ultimately, your core values should have a profound and lasting impact on how your people work together. Say one of your values is "Transparency." Do people conduct themselves in meetings and their work freely and openly? In other words, have they internalized the value in the way they act within your organization?

3. **Office layout:** Any culture auditor worth their salt should be able to tell you how your office layout is affecting your people's relation to one another, including their perception of the culture. Are your people trapped in one grey, soulless office, or are they dispersed throughout multiple branches across a region? Maybe your people all work remote and you don't have an office. Whichever form your office layout takes will have a tremendous impact on your company culture.

4**. Communication:** Another key element of a strong culture is communication. How do your people prefer to communicate—informally, formally, behind closed doors, or perhaps in public? Does it match up with your company values? As a leader one of your primary goals is to cater to the way in which your people communicate most effectively. But you'll also need to set up alternative channels for people who prefer other styles of communication.

5. **A sense of community:** A strong culture is an engaged, interactive, collaborative culture. If your organization is siloed, isolated, or fragmented, you may need to do some community-building. Otherwise, your culture runs the risk of becoming stagnant, divided, and perhaps worse: not really there at all..

6. **Unified purpose:** People in organizations often aren't on the same page because, well, they're working on different projects or using different skill sets. Sometimes they're siloed in their processes and ways of thinking. What the Marketing team does every day might be a mystery to the IT team, and vice versa.

7. **Recognition:** If recognition isn't already part of your company culture, it should be. Recognition can mean anything from an informal shout-out for a job well done to an org-wide announcement of a promotion. When your people go above and beyond, one of the best things you can do for them and the rest of your team is to make it public.

8. **Connection:** Connection in the workplace is less about developing close, familial connections and more about relating: to people, ideas, objectives, perspectives, backgrounds, and values. If you can get your people to relate to each other even a little bit better, you're already on the way to creating a more connected workplace.

9. **Learning and development:** Building a strong culture is about planning and developing real growth opportunities for people: informal lunch-and-learns, more involved leadership courses, and an incentive to better oneself. Because when your people grow, so does your organization.

10. **Listening and adapting:** Just like its employees, a company with a strong culture is always iterating, getting better, and adapting to change. And this requires listening to and acting on feedback. Even if your culture seems strong at first glance, your first impulse should always be to make sure it's working for everyone.

Four types of organizational culture

Robert E. Quinn and Kim S. Cameron of the University of Michigan at Ann Arbor (Go Blue) investigated the qualities that make businesses effective. From a list of 39 attributes, the researchers identified two key polarities: (1) internal focus and integration vs. external focus and differentiation, and (2) flexibility and discretion vs. stability and control.

TYPE 1 - CLAN CULTURE
Primary Focus: Mentorship and teamwork
Defining Qualities: Flexibility and discretion; internal focus and integration
Motto: "We're all in this together."
About clan culture: A clan culture is people-focused in the sense that the company feels like one big happy family. This is a highly collaborative work environment where every individual is valued and communication is a top priority. Clan culture is often paired with a horizontal structure, which helps to break down barriers between the C-suite and employees and encourage mentorship opportunities. These companies are action-oriented and embrace change, a testament to their highly flexible nature.
Benefits: Clan cultures boast high rates of employee engagement, and happy employees make for happy customers. Because of its highly adaptable environment, there's a great possibility for market growth within a clan culture.
Drawbacks: A family-style corporate culture is difficult to maintain as the company grows. Plus, with a horizontal leadership structure, day-to-day operations can seem cluttered and lacking direction.

TYPE 2 - ADHOCRACY CULTURE or\ENTREPRENEURIAL
Primary Focus: Risk-taking and innovation
Defining Qualities: Flexibility and discretion; external focus and differentiation
Motto: "Risk it to get the biscuit."
About adhocracy culture: Adhocracy cultures are rooted in innovation. These are the companies that are on the cutting-edge of their industry — they're looking to develop the next big thing before anyone else has even started asking the right questions. To do so, they need to take risks. Adhocracy cultures value individuality in the sense that employees are encouraged to think creatively and bring their ideas to the table. Because this type of organizational culture falls within the external focus and differentiation category, new ideas need to be tied to market growth and company success.
Benefits: An adhocracy culture contributes to high profit margins and notoriety. Employees stay motivated with the goal of breaking the mold. Plus, with a focus on creativity and new ideas, professional development opportunities are easy to justify.
Drawbacks: Risk is risk, so there's always a chance that a new venture won't pan out and may even hurt your business. Adhocracy cultures can also foster competition between employees as the pressure to come up with new ideas mounts.

TYPE 3 - MARKET CULTURE
Primary Focus: Competition and growth
Defining Qualities: Stability and control; external focus and differentiation
Motto: "We're in it to win it."
About market culture: Market culture prioritizes profitability. Everything is evaluated with the bottom line in mind; each position has an objective that aligns with the company's larger goal, and there are often several degrees of separation between employees and leadership roles. These are results-oriented organizations that focus on external success rather than internal satisfaction. A market culture stresses the importance of meeting quotas, reaching targets and getting results.
Benefits: Companies that boast market cultures are profitable and successful. Because the entire organization is externally focused, there's a key objective employees can get behind and work toward.
Drawbacks: On the other hand, because there's a number tied to every decision, project and position within the company, it can be difficult for employees to meaningfully engage with their work and live out their professional purpose.

TYPE 4 - HIERARCHY CULTURE or BUREAUCRATIC
Primary Focus: Structure and stability
Defining Qualities: Stability and control; internal focus and integration
Motto: "Get it done right."
About hierarchy culture: Companies with hierarchy cultures adhere to the traditional corporate structure. These are companies focused on internal organization by way of a clear chain of command and multiple management tiers that separate employees and leadership. In addition to a rigid structure, there's often a dress code for employees to follow. Hierarchy cultures have a set way of doing things, which makes them stable and risk-averse.
Benefits: With internal organization as a priority, hierarchy cultures have clear direction. There are well-defined processes that cater to the company's main objectives.
Drawbacks: The rigidity of hierarchy cultures leaves little room for creativity, making these companies relatively slow to adapt to the changing marketplace. The company takes precedence over the individual, which doesn't necessarily encourage employee feedback.

Managerial Decisions affected by culture
How the Environment Affects Managers: The environment affects managers.

1. Through the degree of environmental uncertainty
2. Through the various stakeholders relationships.

1. Environmental Uncertainty:- The environmental uncertainty is the degree of change and complexity in an organization's environment.

Degree of Change: - If the components in an organization's environment changes to aminimum, we call it a stable environment. A stable environment is characterises by No new technological break throughs by current competitors. No new competitors ,Little activity by pressure groups to influence the organization

We call it a dynamic environment, if the components in an organization's environment change frequently.

Degree of Complexity: - The degree of complexity refers to the number of components in an organization's environment and the extent of the knowledge that the organization has about those components.

Managers try to minimize uncertainty because it is a threat to organization's effectiveness.

2. Stakeholders Relationship: - Stakeholders are any constituencies in the organization's external environment that are affected by the organization's decisions and actions.

The few of the organizational stakeholders are explained below:

Stockholders: The shareholders are the persons who provide the funds to the business enterprise. The business should be managed efficiently so as to provide a fair return on the investments of the shareholders. They should be provided with comprehensive reports giving full information about its working. In the same way, the shareholders should also meet the obligations of the business enterprise by supporting the efforts of the business so that continuous development of the enterprise is possible. They should encourage the business to follow a dynamic policy and to plough back profit for the purpose of development and expansion.

Customers: Customers' satisfaction is the ultimate aim of all economic activity. This involves more than the offer of products at the lowest possible price. Adulteration of goods, poor quality, failure to give fair service, misleading advertising etc. are some of the violation by business towards its customers. A business enterprise has positive responsibility towards the consumers of its products. It has to provide quality goods to customers at the right time, right place, and at right price.

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