

Organisational culture

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innovation
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Organisational culture defined

The basic pattern of shared assumptions, values and beliefs considered to be the correct way of thinking about and acting on problems and opportunities facing the organisation.



What Is Organisational Culture?

organisational culture

A common perception held by the organisation's members; a system of shared meaning.

Characteristics:

1. Innovation and risk taking
2. Attention to detail
3. Outcome orientation
4. People orientation
5. Team orientation
6. Aggressiveness
7. Stability

What Is Organisational Culture?

dominant culture

Expresses the core values that are shared by a majority of the organisation's members.



subcultures

Minicultures within an organisation, typically defined by department designations and geographical separation.



What Is Organisational Culture? (cont'd)

core values

The primary or dominant values that are accepted throughout the organisation.

strong culture

Culture in which the core values are intensely held and widely shared.



What Is Organisational Culture? (cont'd)

- Culture Versus Formalisation
 - A strong culture increases behavioural consistency and can act as a substitute for formalisation.
- Organisational Culture Versus National Culture
 - National culture has a greater impact on employees than does their organisation's culture.
 - Nationals selected to work for foreign companies may be atypical of the local/native population.

What Do Cultures Do?

Culture's Functions:

1. Defines the boundary between one organisation and others.
2. Conveys a sense of identity for its members.
3. Facilitates the generation of commitment to something larger than self-interest.
4. Enhances the stability of the social system.

What Do Cultures Do?

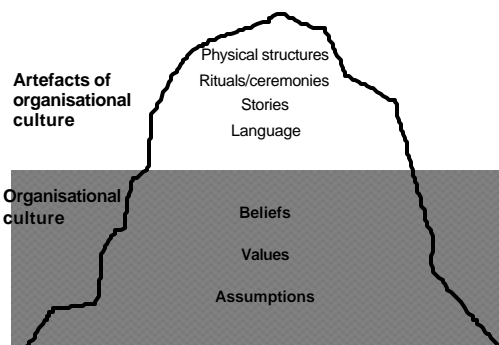
Culture as a Liability:

1. Barrier to change
2. Barrier to diversity
3. Barrier to acquisitions and mergers

Keeping Culture Alive

- Selection
 - Concerned with how well the candidates will fit into the organisation.
 - Provides information to candidates about the organisation.
- Top Management
 - Senior executives help establish behavioural norms that are adopted by the organisation.
- Socialisation
 - The process that helps new employees adapt to the organisation's culture.

Elements of organisational culture



Meaning of cultural content

- Cultural content refers to the relative ordering of beliefs, values and assumptions
- Example: Brown & Brown values aggressiveness; SAS Institute values work-life balance
- An organisation emphasises only a handful of the hundreds of cultural values

Organisational subcultures

- Located throughout the organisation
- Can support or oppose (countercultures) firm's dominant culture
- Two functions of countercultures:
 - provide surveillance and evaluation
 - source of emerging values

Artefacts: organisational stories

- Social prescriptions of desired behaviour
- Demonstrate that organisational objectives are attainable
- Most effective stories
 - describe real people
 - are assumed to be true
 - are known throughout the organisation
 - are prescriptive



Artefacts: rituals and ceremonies

- Rituals
 - programmed routines
 - eg conducting meetings
- Ceremonies
 - planned activities for an audience
 - eg award ceremonies

Artefacts: organisational language

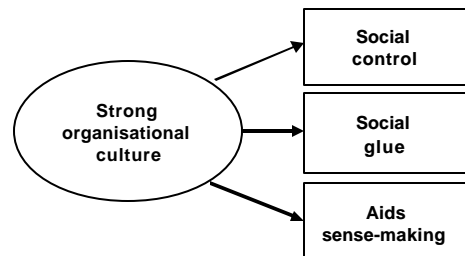
- Words used to address people, describe clients, etc
- Leaders use phrases and metaphors as cultural symbols
 - eg General Electric's 'grocery store'
- Language also found in subcultures
 - eg Whirlpool's 'PowerPoint culture'

Artefacts: physical structures/space

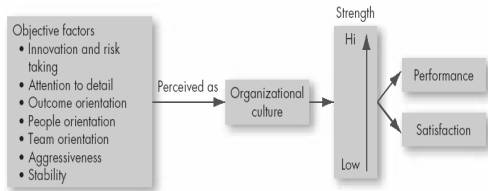
Oakley, Inc.'s protective and competitive corporate culture is apparent in its building design and workspace. The building looks like a vault to protect its cherished product designs (eyewear, footwear, apparel and watches).



Benefits of strong corporate cultures



How Organisational Cultures Have an Impact on Performance and Satisfaction



Problems with strong cultures

- Culture content might be incompatible with the organisation's environment
- Strong cultures focus attention on one mental model
- Strong cultures suppress dissenting values from subcultures

Adaptive organisational cultures

- External focus – firm's success depends on continuous change
- Focus on processes more than goals
- Strong sense of ownership
- Proactive – seek out opportunities

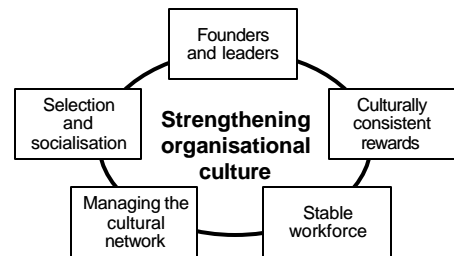
Bicultural audit

- Part of 'due diligence' in merger
- Minimises risk of cultural collision by diagnosing companies before merger
- Three steps in bicultural audit
 1. collect artefacts
 2. analyse data for cultural conflict/compatibility
 3. recommend solutions

Merging organisational cultures

Assimilation	Acquired company embraces acquiring firm's culture
Deculturation	Acquiring firm imposes its culture on unwilling acquired firm
Integration	Both cultures combined into a new composite culture
Separation	Merging companies remain separate with their own culture

Strengthening organisational culture



Final Exam Questions

- Please note that several multi-choice questions will be reviewed in class, some of which will appear in the final exam