

## Organisational Culture and Change

1. Identify the three levels of culture and the roles they play in an organisation.
2. Evaluate the four functions of culture within an organisation.
3. Explain the relationship between organisational culture and performance.
4. Describe five ways leaders reinforce organisational culture.
5. Describe the three stages of organisational Socialisation and the ways culture is communicated in each step.
6. Discuss how managers assess their organisation's culture.
7. Explain actions managers can take to change organisational culture.
8. Identify the challenges organisations face developing positive, cohesive cultures.

## **Organisational (Corporate) Culture in context**

a pattern of basic assumptions that are considered valid and that are taught to new members as the way to perceive, think, and feel in the organisation

**Artifacts** – symbols of culture in the physical and social work environment

## **Values**

**Espoused:** what members of an organisation say they value

**Enacted:** reflected in the way individuals actually behave

**Assumptions** – deeply held beliefs that guide behavior and tell members of an organisation how to perceive and think about things

## **3 Levels of organisational Culture**

**Artifacts** – symbols of culture in the physical and social work environment

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## **Organisational Culture**

Visible, often not decipherable



Greater level of awareness



Taken for granted,  
Invisible, Preconscious

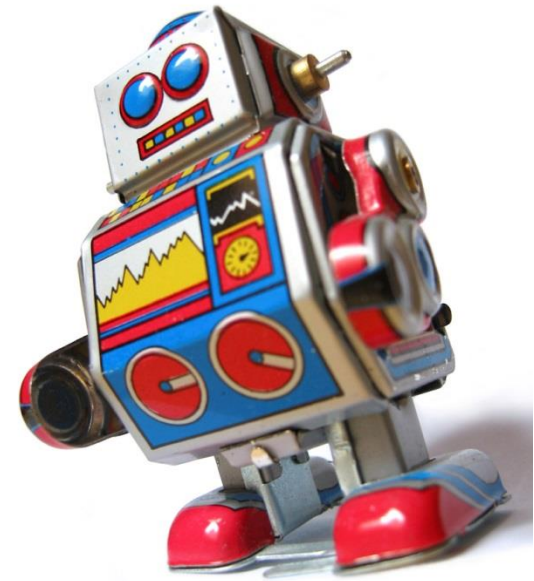
## Types of Artifacts

- Personal Enactment
- Ceremonies and Rites
- Stories
  - About the boss
  - About getting fired
  - About relocating
  - About promotions
  - About crisis situations
  - About status considerations
- Rituals
- Symbols

Evaluate the four functions of culture within an organisation.

## Functions of Organisational Culture

- Culture provides a sense of identity to members and increases their commitment to the organisation
- Culture is a sense-making device for organisation members
- Culture reinforces the values of the organisation
- Culture serves as a control mechanism for shaping behavior



Explain the relationship between organisational culture and performance.

## Theories on the relationship between organisational culture and performance

**Strong Culture Perspective**  
**Fit Perspective**  
**Adaptive Perspective**

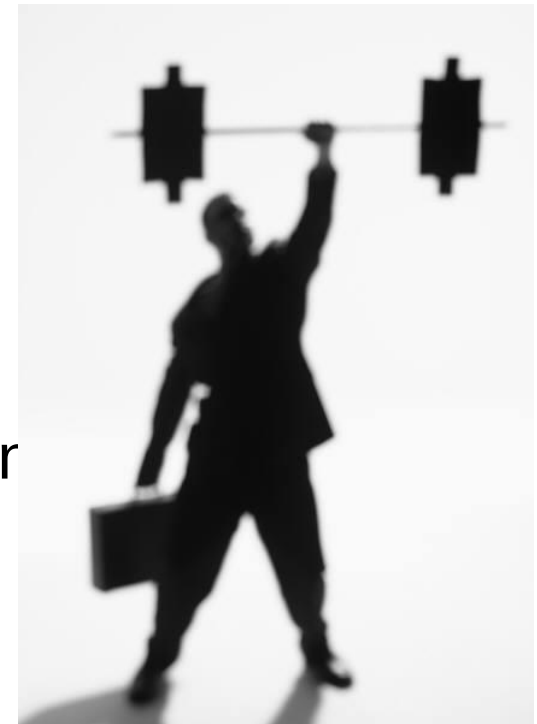


## Strong Culture

organisational culture with a consensus on the values that drive the company and with an intensity that is recognizable even to outsiders

## Strong Cultures Facilitate Performance

- They are characterized by goal alignment
- They create a high level of motivation because of shared values by the members
- They provide control without the oppressive effects of bureaucracy



## Strategic Fit

Three particular industry characteristics affect culture:

1. Competitive environment
2. Customer requirements
3. Societal expectations



## **Adaptive Culture**

an organisational culture that encourages confidence and risk taking among employees, has leadership that produces change, and focuses on the changing needs of customers

## Adaptive vs. Non-adaptive Cultures

### ADAPTIVE ORGANIZATIONAL CULTURES

### NONADAPTIVE ORGANIZATIONAL CULTURES

#### Core values

Most managers care deeply about customers, stockholders, and employees. They also strongly value people and processes that can create useful change (e.g., leadership up and down the management hierarchy).

Most managers care mainly about themselves, their immediate work group, or some product (or technology) associated with that work group. They value the orderly and risk-reducing management process much more highly than leadership initiatives.

#### Common behavior

Managers pay close attention to all their constituencies, especially customers, and initiate change when needed to serve their legitimate interests, even if that entails taking some risks.

Managers tend to behave somewhat insularly, politically, and bureaucratically. As a result, they do not change their strategies quickly to adjust to or take advantage of changes in their business environments.

Describe five ways leaders reinforce organisational culture.

## 5

### Most Important Elements in Managing Culture

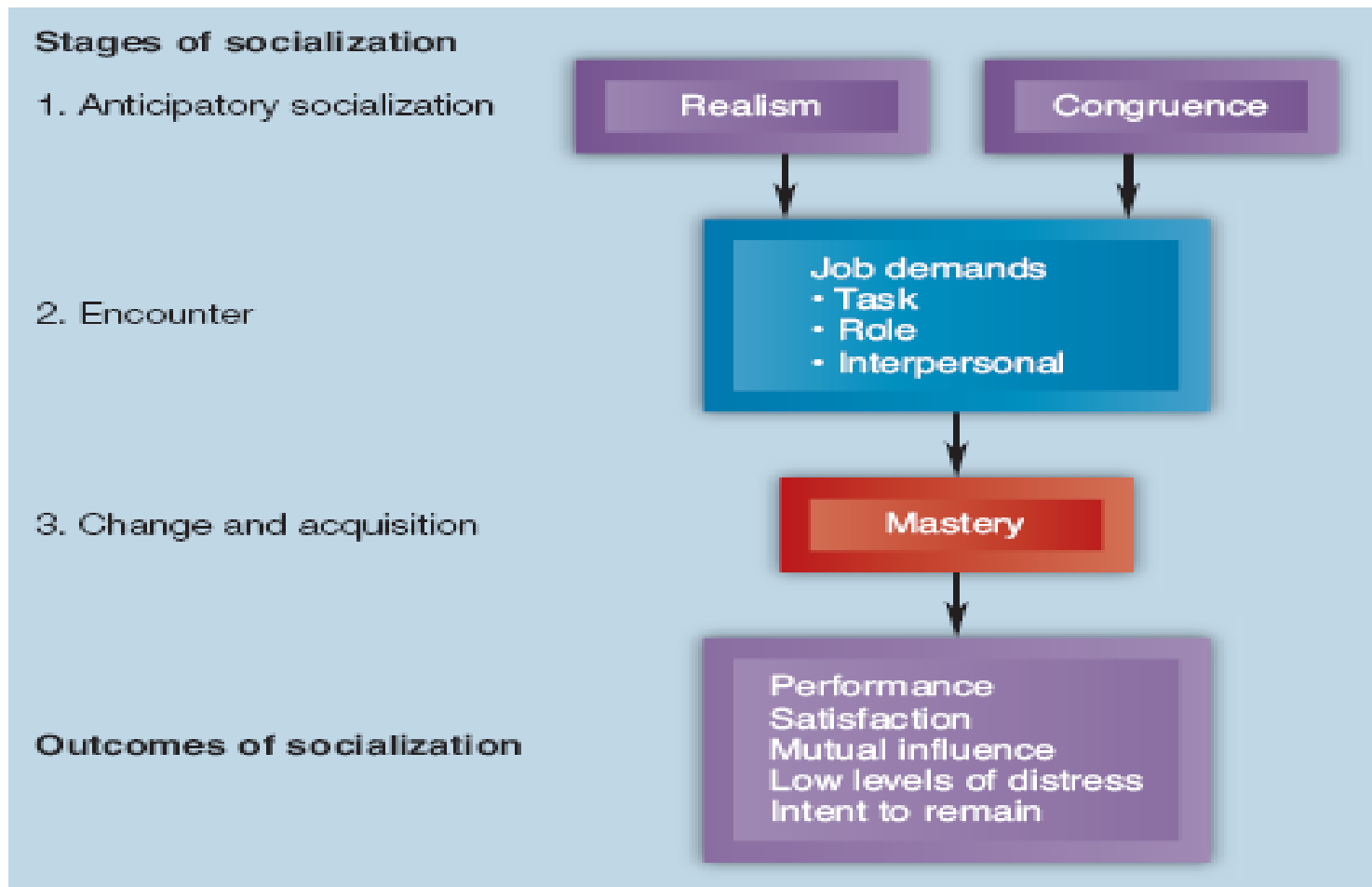
- What leaders pay attention to
- How leaders react to crises
- How leaders behave
- How leaders allocate rewards
- How leaders hire and fire individuals

Describe the three stages of organisational socialisation and the way culture is communicated in each step.

## organisational Socialisation

the process by which newcomers are transformed from outsiders to participating, effective members of the organisation

## organisational socialisation Process



## socialisation Process

1. **Anticipatory socialisation** – all of the learning that takes place prior to the newcomer's first day on the job
2. **Encounter** – newcomer learns the tasks associated with the job, clarifies roles, and establishes new relationships at work
3. **Change and Acquisition** – newcomer begins to master the demands of the job

## Outcomes of Socialisation

Newcomers who are successfully socialized should exhibit:

- Good performance
- High job satisfaction
- Intention to stay with organisation
- Low levels of distress symptoms
- High level of organizational commitment

Discuss how managers assess their organisation's culture.

## Organisational Culture Inventory

Focuses on behaviors that help employees fit into the organisation and meet coworker expectations



Uses Maslow's hierarchy of needs to measure twelve cultural styles

## Kilmann-Saxton Culture-Gap Survey

Focuses on what actually happens in the organisation and the expectations of others



Two underlying dimensions  
– technical/human and  
time.

## Triangulation

the use of multiple methods to measure organisational culture

Explain actions managers can take to change organisational culture.

## Cultural Changes

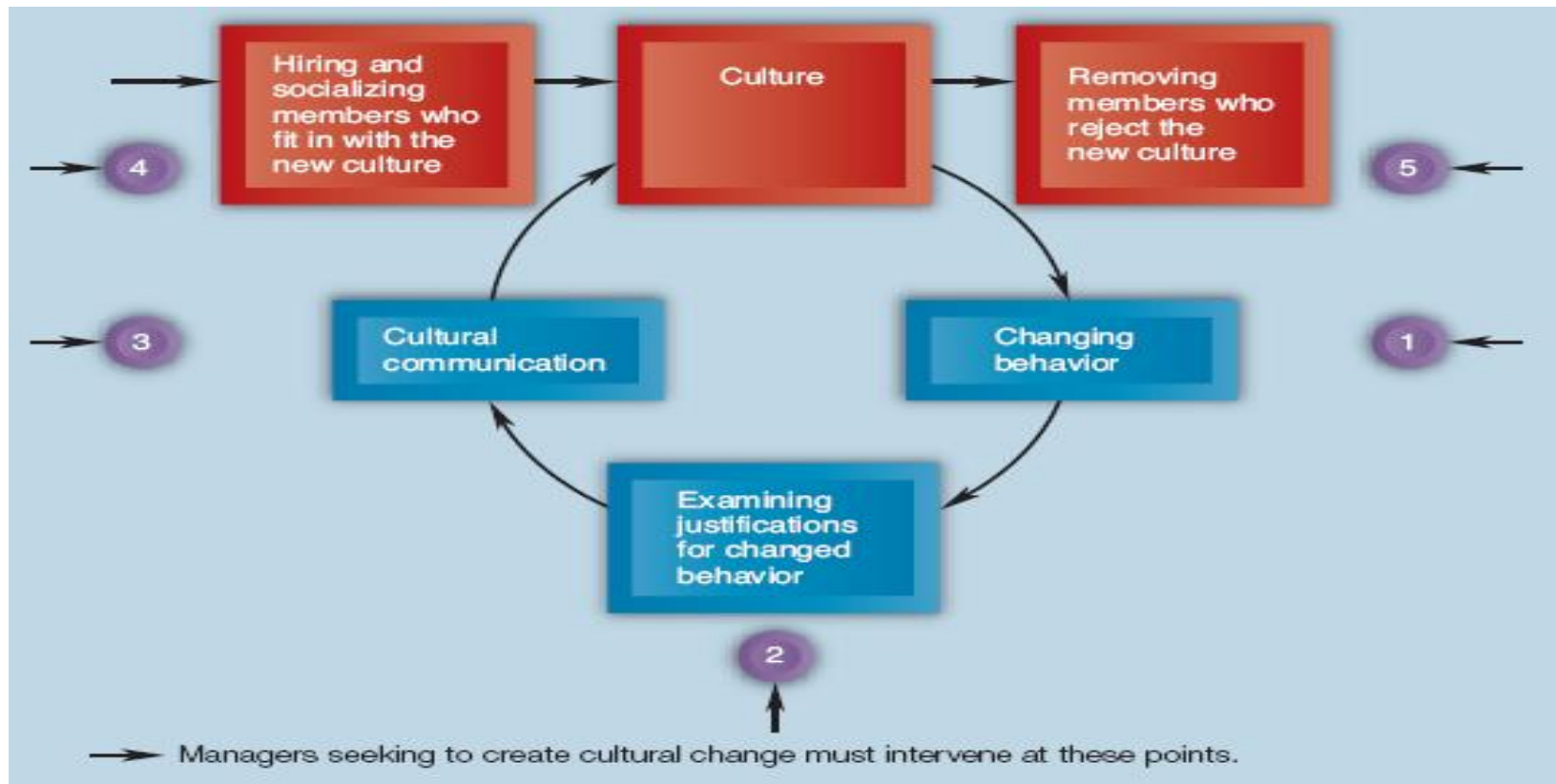
With rapid environmental changes such as globalization, workforce diversity and technological innovation, the fundamental assumptions and basic values that drive the organisation may need to be altered.



## Why is Change Difficult?

- Assumptions are often unconscious
- Culture is deeply ingrained and behavioral norms and rewards are well learned

## Interventions for Changing Organisational Culture



Identify the challenges  
organisations face developing  
positive, cohesive cultures.

## Challenges to Developing Positive, Cohesive Culture

- Merger or Acquisition
- Developing a global organisational culture
- Developing an ethical organisational culture
- Developing a culture of empowerment and quality



## Six Guidelines to Creating a Global Culture

1. Create a clear and simple mission statement
2. Create systems that ensure an effective flow of information
3. Broaden Leaders and managers' minds to allow them to think globally
4. Develop global career paths
5. Use cultural differences as a major asset
6. Implement worldwide management education and team development programs