

# Organizational Culture

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# Culture

Culture is the set of important understanding that members of a community share in common.

It consist of ways of thinking, feeling and reacting that are acquired by language and symbols that creates distinctiveness among human group.



# Organizational Culture

- ❑ System of shared assumptions, values and beliefs, that governs how people behave in organizations.
- ❑ Culture of the organization provides boundaries and guidelines that help members of the organization know the correct way to perform their jobs.
- ❑ The culture of an organization is ingrained in the behaviour of the members of an organization and is very difficult to change. For this reason culture is thought as the personality of the organization.

# Organizational Culture

- ❑ Organizational culture is composed of several characteristics that range in priority from high to low. Every organization has a distinct value for each of these characteristics, which, when combined, defines the organization's unique culture.
- ❑ Members of organizations make judgments on the value their organization places on these characteristics and then adjust their behavior to match this perceived set of values.
- ❑ Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the behavior of the members of the organization.

# Relationship between Organizational Culture and Behavior

Organizational culture and behavior are two separate yet wholly related concepts. The type of established and shared values that shape the activities of an organization is known as the organizational culture.

Organizational behavior is the way the employees or the human elements in the organization behave as a consequence of the organizational culture in place in an organization.

Both organizational culture and behavior are critical to the workings of a company because they can help determine whether an organization is successful or not.

[What is Organizational Culture? | Organizational Behavior and Human Relations \(lumenlearning.com\)](#)

[Organisation Behavior Project - A Role Play on "Values" - YouTube](#)

# Common organizational cultures

Few of these cultures could be directly described as bad or good for an organization. However, some are more appropriate for certain kinds of organizations than others.

- **Safety:** A safety culture conducts its work with particular attention to the protection of workers, equipment, and the environment.
- **Quality:** A quality-oriented culture conducts work with attention to the quality of the organization's products and services and prides itself on being the best in the business. Organizations with a quality culture continuously strive to do better.
- **Ethical:** An ethical culture stresses ethical behavior. The employees of ethical organizations are expected to follow a code of conduct and deal honestly with other employees, clients, and the public.

- **Technology-driven:** A technology-driven culture uses state-of-the-art technology to provide products and services to customers. Organizations with this type of culture pride themselves on being up-to-date with the latest in technology.
- **Innovation:** Innovation cultures are willing to take risks on new ideas, processes, and products to stay on the cutting edge. Organizations that have this kind of culture are willing to be wrong, or experience failures once in a while to be open to the new discoveries that drive their ultimate success.
- **Customer service:** Organizations that are customer-service oriented focus on customer needs and expectations for their products and services. These organizations focus on keeping customers happy because they want to encourage repeat customers who will make referrals.

**Caring and compassion:** Cultures that are characterized by the terms “caring” and “compassion” are particularly attentive to the feelings and needs of the people they serve, especially in vulnerable or high-need situations. The emergency ward example given previously could be described as a caring and compassionate culture.

**Team:** Team cultures value the heightened effectiveness of a diverse group of people who pool their individual talents to achieve more and better results than individuals can alone.

**Military:** Military culture is characterized by strict chains of command and the following of orders from persons in superior positions.

**Constructive:** In a constructive culture, employees are highly collegial with one another. They are expected to help each other reach high degrees of job satisfaction, personal and group achievement, and social or relationship ties.

**Passive-defensive:** In a passive-defensive culture, members feel they must act in a safe way to avoid personal risk. This type of culture is characterized by individuals who seek approval, avoid risk, and acknowledge their dependence on others.

**Aggressive-defensive-competitive:** In this type of culture, members are expected to be engaged in highly energetic execution of their roles and be forceful to protect themselves and achieve individual goals. In this kind of culture, individuals are competitive and perfectionist, and they seek power, position, and personal reward.

# Fabindia

Historically and traditionally, Fabindia has hired generalists. It has supported the development of these employees, through mistakes, with training, learning and opportunity enabling them to perform well in their responsibilities and take decisions that affect the performance of the organization. In addition, having **76 percent women in leadership positions**, given that the average percentage of women leaders in the top 50 in the Great Place to Work® (GPTW) survey is just 20 percent, it is commendable. It has been able to achieve this by **empowering women, making them feel safe, secure and offering them growth and leadership opportunities.**

Roles determine the level in Fabindia. Therefore, if an employee moves up a level, the role changes, which in turn determines the specific learning and training that the company provides. Using a competency based HR system has allowed the organization to focus on the specific requirements of each role and employee.

Fabindia lives its ideology; it is a part of its DNA. Its core culture has not seen a dilution even though the environment has changed. Despite rapid growth, every employee is made to feel connected and is able to recognize his or her role in the company's success story.

# The Oberoi Group - Translating Dharma into Best Practices in HR

The company's Dharma - is the starting point for everything the organization undertakes. The adoption and evolution of the Dharma was a participative process across all hotels in all locations. This exercise validated the core values endorsed by the founding Chairman, which include the conduct that applies to all aspects of the Group's business.

So, how does an employee know that he or she is doing the right thing? By making every decision and basing every interaction on the company Dharma. The Oberoi Group's Dharma has been expressed in the form of specific conduct expected from every employee and the organization has put in place robust mechanisms to enable and make it easy for employees to practice it.

Rated 33 out of 471 companies in the Great Place to Work<sup>®</sup> survey 2010, the Oberoi Group was placed second in the hospitality industry. Being an Indian organization with an international presence, it has leveraged the Indian concept of Dharma to bring to life its core values in a language that employees can easily imbibe and practice. Using a number of high value initiatives and a new age approach to its HR practices, the Group has succeeded in creating an engaged workforce that drives its bottom line.

# Forbes Marshall – All in the Family

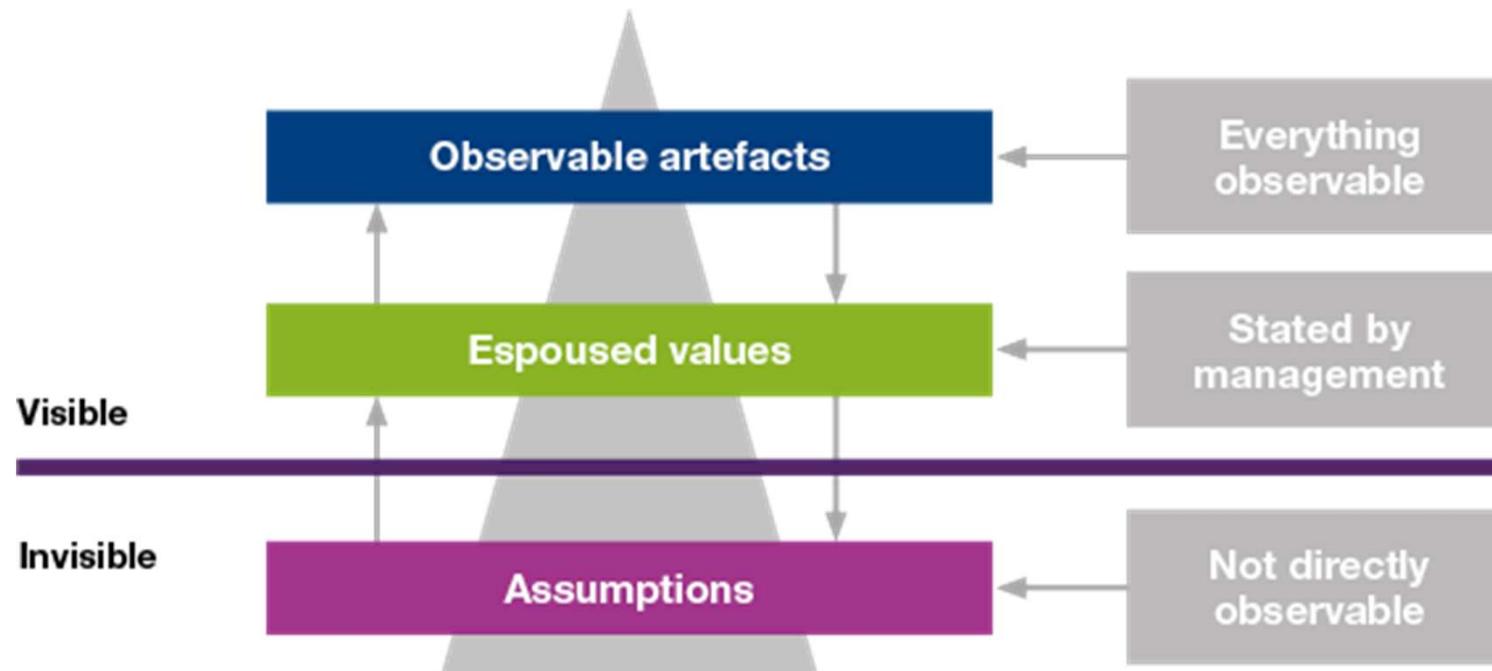
Forbes Marshall describes the role of HR as “facilitators.” However, facilitation, in their context and based on the practices and the role of HR in this case study, would need to be redefined to include boundaryless ownership, continuous learning and maintenance of high quality standards. Starting with defining their own competency model that required a thorough understanding of their business to being the first point of contact for an employee when in a crisis, we find the HR team taking ownership of not just employee development from a business perspective but also as an extended family in the true sense of the term.

The fact that they worked towards influencing the unionized workforce through 'show' and 'tell' on adopting the competency framework exemplifies consistency in the pursuit of the HR philosophy.

The practice of having the competency model validated by TUV and also having their CSR process audited reflects the focus on ensuring quality in their initiatives. Their emphasis on continuous improvement becomes evident in the changes made to their learning framework, which focuses more on learning on the job.

The 'soft' people-friendly values are balanced and enhanced by a strong focus on accountability - of line managers, employees, and especially the HR function itself. The importance given to HR accountability and practices like constant vendor evaluation, training the HR team on instructional design and incentivizing training effectiveness has helped promote a learning culture in the organization.

# Levels of Organizational Culture



# The Three Levels of Culture

## Level 1-The Artefacts

The visible manifestations of culture for example dress code and décor.

## Level 2-Espoused Values

How an organization explains its culture, for example official policy and accepted beliefs. Discover through 'why' questions.

## Level 3- Shared Tacit Assumptions

The hidden assumptions, values and beliefs. The understood, traditional and unofficial ways of being, doing and feeling.

Culture is the way that an organization behaves, thinks, feels and understands itself. But much cultural influence is hidden beneath the surface.

There are different levels of cultures that have developed over a period of time in response to changing stimuli.

Change that tries to change behavior without understanding the deeper cultural influences is unlikely to succeed.

Dominant Culture

Strong V/s Weak Culture

Culture V/s Formalization

Organizational Culture V/s National Culture

# Organizational Culture Change

Culture is considered a potential competitive advantage by 82 percent of more than 7,000 CEOs and HR leaders from 130 countries, according to the Deloitte Global Human Capital Trends 2016 report.

Yet only 28 percent of the Deloitte survey respondents believe they understand their culture well, and only 19 percent believe they have the “right culture.”

- **Define desired values and behaviors**
- **Align culture with strategy and processes.**
- **Connect culture and accountability.**
- **Have visible proponents**
- **Define the non-negotiables**
- **Align your culture with your brand**
- **Measure your efforts**
- **Don't rush it**

# Forces for Change

“Change or Die”

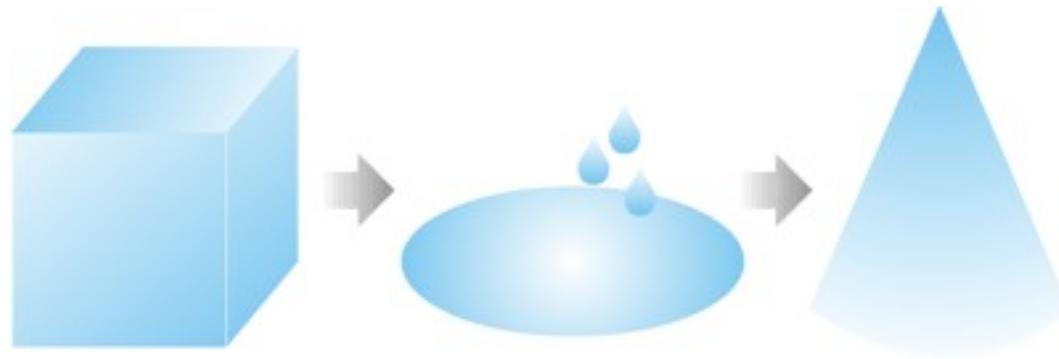
- Technology
- Economic Shocks
- Competition
- Social Trends
- World Politics

# Overcoming Resistance to Change

- Education and Communication
- Participation
- Facilitation and Support
- Negotiation
- Manipulation and Cooptation
- Coercion

# Approaches for Managing Change

If you have a large cube of ice but realize that what you want is a cone of ice, what do you do? First you must melt the ice to make it amenable to change (unfreeze). Then you must mold the iced water into the shape you want (change). Finally, you must solidify the new shape (refreeze).



# Unfreeze

- Determine what needs to change by surveying your team or organization to understand the current state.
- Understand why change has to take place.
- Frame the issue as one of organization-wide importance.
- Create a compelling message about why change has to occur.
- Communicate the vision in terms of the change required.
- Emphasize the "why."
- Remain open to employee concerns and address them in terms of the need to change.

# Change

After the uncertainty created in the unfreeze stage, the change stage is where people begin to resolve their uncertainty and look for new ways to do things. People start to believe and act in ways that support the new direction.

The transition from unfreeze to change does not happen overnight: people take time to embrace the new direction and participate proactively in the change.

In order to accept the change and contribute to making it successful, people need to understand how it will benefit them. Not everyone will fall in line just because the change is necessary and will benefit the company. This is a common assumption and a pitfall that should be avoided.

# Refreeze

When the changes are taking shape and people have embraced the new ways of working, the organization is ready to refreeze. The outward signs of the refreeze are a stable organization chart, consistent job descriptions, and so on.

The refreeze stage also needs to help people and the organization to internalize or institutionalize the changes. This means making sure that the changes are used all the time, and that they are incorporated into everyday business. With a new sense of stability, employees feel confident and comfortable with the new ways of working.

As part of the refreezing process, make sure that you celebrate the success of the change – this helps people to find closure, thanks them for enduring a painful time, and helps them believe that future change will be successful.

# Google

Google's corporate culture is a treasure trove of perks and bonuses. Free meals, employee vacations and parties, cash bonuses, open speeches by high-level executives, employee recognition, gyms, and a pet-friendly atmosphere are all available at Google. It's no surprise that Google's company culture is the gold standard by which all other IT firms are judged.

# Zoom

The video conferencing technology company -Zoom is known for its amazing culture, and with good reason: their emphasis on people. The business has a reputation for genuinely caring about its employees. Zoom even encourages employees to bring loved ones to work so that teammates and coworkers can meet the individuals who work behind the scenes, who inspire them, and for whom they work.

# Netflix

Netflix's corporate culture is based on the principle of "people over process." They have a set of ideals in which they strongly believe and which they want their employees to live out in their job.

The foundation of the organization is a strong sense of loyalty and ownership. Their goal is to pervade the workforce with their values and philosophies in order to motivate and urge people to support innovation in order to achieve higher growth.

# Zappos

Zappos' culture is now well-established and well-known. They concentrate on hiring to keep things going. The goal of the hiring process is to discover people who share the company's values.

Zappos devotes a significant amount of time and resources to employee team building and culture promotion. They want every employee to embody the company's principles. Customers can even tell that Zappos staff are happy.

# DHL

DHL is unique in how it benefits from its dynamic, multicultural environment. With a variety of programs, such as the unique integrated learning platform that fosters talent development, the organization looks after its employees throughout their careers.

Another pillar is workplace wellness, which includes annual events and long-term activities to protect employee health.

# LinkedIn

LinkedIn was even on Glassdoor's 2020 Best Places to Work list, but two characteristics aren't mentioned enough: devotion to people and a focus on five principles: transformation, integrity, collaboration, humor, and results.

# Pixar

How does a corporation maintain such a high level of creativity and excellence at the same time? Well, we would never really know. At Pixar, everything is a work of art and employees are encouraged to be their true “creative” self. The essential ideals of the animation studio inspire the entire culture.

Pixar believes that if you want to be creative, you must be innovative in everything you do. This can even be seen throughout Pixar, especially in the design of the company's "cubicles," which are sometimes shaped like cute little huts.

# Bento for Business

Bento for Business is an expense management software that helps small businesses control employee spending with smart employee debit cards.

Bento's motto - "**Be Human**" - illustrates the company's dedication to both professional and personal development. To support team members in all aspects of their lives, several members of the company's leadership team extend their mentorship beyond the workplace, helping employees be more human. This mentality of helping and supporting each other is transferred throughout the company from colleagues to customers and partners.

When one employee was apprehensive about talking with the CEO, they began having regular meetings to build their confidence, discussing both personal and professional challenges and goals. No matter their level, employees feel valued in all aspects of their lives, including both their professional and personal aspirations.

# FloQast

FloQast provides cloud-based software that helps accounting departments streamline and improve workflows. “Overall, I think it’s really important for management to be open about what’s going well and what’s going poorly with the business,” says Mike Whitmire, Co-Founder and CEO. “I like discussing the good, but honestly, I see more value from discussing the bad.”

Transparency is key to their culture and is embodied by everyone from the CEO to the latest hire. One employee noted how surprised she was at how transparent the CEO and COO were during the interview process.