

## Lesson:-36

### TYOLOGY,FUNCTIONS AND EVOLUTION OF ORGANISATIONAL CULTURE

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Students now that we have got an idea of what organizational culture is, today let us learn about the evolution of organizational culture.

Harrison (1972) and (1991) have given the following four *typologies* of organisational culture.

- 1. Power Culture :** Power culture can be observed in small organisations and large conglomerates where there is centralised power. In this culture 'results' are the basis of assessment of effectiveness, sometimes to the satisfaction of the central authority figure. In this culture ends justify the means. There are both positive and negative aspects of this culture. On the positive side, the culture can help an organisation become strong, dynamic, fast to respond to external demands. On the flip side, it often leads to staff dissatisfaction, dependence on the ability and decision – making of the centralized power figure, dysfunctional conflict, and power lobbying. Only those members succeed who have a political bent of mind, power orientation and manipulative ness, and low need for security. Personal equation with the centre and control over resources make people powerful and influential.
- 2. Role Culture :** Based on logic and rationality, this culture is often referred to as bureaucracy. Appointment is done on the basis of the ability of the persons to carry out the functions satisfactorily. There is security for employees and career progressions are predictable. Coordination, however, takes place at the top. Departments are assigned specific functional roles and their work is governed by authority, structure, and a set of procedures. The departments follow certain mechanisms and rules for decision – making and resolving conflicts. There are both merits and demerits of this culture. In role culture, importance is given to consistency, predictability, and stability, consequently such a culture contributes to creation of stable environments. But the drawback is that it makes adaptation to change difficult. Also, innovations, new ways of solving problems, and product and process innovations are discouraged. Such a culture is slow to respond to competitive pressures. However, some private sector organisations like IBM, TISCO, and public sector undertakings and banks have responded to globalization pressures and have resorted to voluntary retirement schemes, decentralization, disinvestment, and downsizing,
- 3. Task (Project Team) Culture :** Task culture is a small team culture which exists in organisations in the form of network organisation or project – oriented matrix organisation. In this culture, power and authority are distributed to the right people at the appropriate level and the focus is on performance and results to be achieved.

There is empowerment for decision – making with regard to the task. The team is formed on the basis of capability rather than seniority or status. The work in such a culture involves ambiguity and high risk; and organisational control is through resource allocation, project budget, target setting, and monitoring. Most of the staff in such a culture are specialists or technical people. The group works on synergy and harness members' expertise in the form of creativity and efficiency for optimum utilisation of resources to complete the task efficiently. There is synchronisation of personal and organisational goals.

4. **Personal Culture :** As the indicates, the individual is the focal point, and examples of this culture could be found in voluntary groups like workers' cooperative and residents' associations where a number of individuals decide to form a group to do their own thing. The culture exists only for the people concerned and the group does not have any super – ordinate goals. There may be an office back – up in the form of a secretary. This culture is probably the only form of organisation acceptable to some voluntary groups. The nature of power is consent which is derived from expertise and personal influence.

## **FUNCTIONS OF ORGANISATIONAL CULTURE**

### **functions of Organizational Culture**

Culture is like a genetic code of an organisation and is significant from various perspectives. Indian organisations have evolved by being culturally embedded. There are organisations founded by Tata, Godrej, and others who have promoted and maintained a typical kind of culture over the decades. There are other organisations, which have evolved from being culturally embedded through being market driven. The organisations belonging to this category are Wipro, Ranbaxy, Sundaram Fasteners, and NIIT who have used organisational culture for business growth, market capitalization, and market leadership. It is observed that small organisations draw on organisational culture and achieve competitive advantage in a niche market. One can find an example of this in Southwest Airlines in US which provided cheap air transportation for a number of years. However, big firms like IBM and Sony have penetrated the world market through various business strategies and culture of effective managerial practices. Thus organisational culture performs the following *function* :

1. **Culture supplements rational management:** Creation of an appropriate work culture is a time – consuming process. Therefore, organisation culture cannot suddenly change the behaviour of people in an organisation. A number of management tools are used to channelize the behaviour of people in a desired way. No change can be effectively brought about without involving people. Culture communicates to people through symbols, values, physical settings, and language, and thereby supplementing the rational management tools such as technology and structure.

2. **Culture facilitates induction and socialization : Induction is a process through which new entrants to an organisation** are socialized and indoctrinated in the expectation of the organisation, its cultural norms, and undefined conduct. The newcomer imbibes the culture of the organisation which may involve changing his/her attitudes and beliefs to achieving an internalized commitment to the organisation. Different organisations follow different practices for induction. Gillette India has a system of online induction which enables an IT – savvy newcomer to pick and choose the areas where he/she needs more detailed information. Bureaucratic organisations, however, spend considerable time explaining rules and procedures during induction as following rules is one of the major requirements of such organisations. Central government organisations in India have a one – year probation training – cum – induction involving cultural training. On the other hand, younger and entrepreneurial organisations are less formal in their induction process. Here, the established senior members share with the newcomers stories of heroes, founders, and charismatic team leaders with vision.
3. **Culture promotes code of conduct :** A strong culture in an organisation explicitly communicates accepted modes of behaviour and others would never be visible. The presence of a strong culture would be evident where members share a set of beliefs, values, and assumptions which would influence their behaviour in an invisible way. Where culture has been fully assimilated by people they persistently indulge in a typical behaviour in a spontaneous way. Promotion of the culture of quality can help achieve good business results. Rohmetra (2000) conducted a study of cultural diversity and ethical behaviour. She collected data from 30 managers of Dogra culture and 35 managers of Laddakhi culture. Her results showed that Dogra managers had highest consistency between what they believe and what they do at work, while the situation was the reverse for Laddakhi managers.
4. **Subcultures contribute to organisational diversity :** Sub – cultures, and sub – systems of values and assumptions which may be based on departmentalisation, activity centers, or geographical locations, provide meaning to the interests of localised, specific groups of people within the macro organisation. Sub – cultures can affect the organisation in many ways : (i) they may perpetuate and strengthen the existing culture; (ii) they may promote something very different from those existing; (iii) they may promote a totally opposite sub – culture (beliefs and values) or counter culture when in a difficult situation.

Care needs to be exercised when promoting a counter culture as it may be detrimental to the larger organisational interest.

### **EVOLUTION OF ORGANIZATION CULTURE**

An organization's current customs, traditions, and general way of doing things largely on what it has done before and the degree of success it had achieved using that mode.

The founders of an organization typically have a major impact on an organization's culture particularly during its initial days of existence. The founder members of the organization start the organization with a vision of their own. They start every thing anew and are not bound by previous customs or ideologies as there is hardly any at that point of time.

More specifically, the process of culture occurs in three ways. First, founders only hire and keep employees who think and feel the way do.

Secondly, they indoctrinate and socialize these employees to their way of thinking and feeling.

And finally, the founders' own behaviour acts as a role model that encourages employees to identify with them and thereby internalize their beliefs, values, and assumptions. When the organization succeeds, the founders' vision becomes recognized as the primary determinant of success. The founder's entire personality become embedded in the culture of the organization.

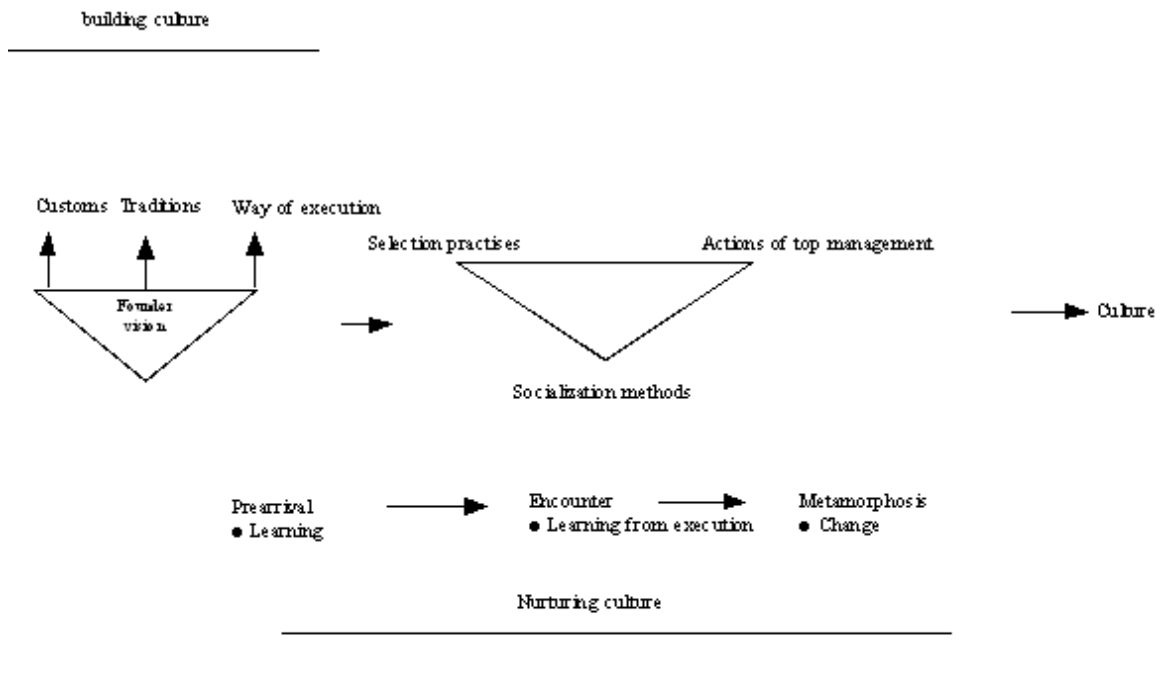


Figure 4

### Sustaining Organizational Culture

Three important forces play particularly important role in sustaining a culture. They are:

- **Selection.** Even though the explicit goal of any selection process is to identify and hire individuals who have the required level of job related knowledge, skills and abilities, the often understated part of the selection process is to check whether there is the possibility of the candidate's acceptance of the organizational values and cultures. That is why we find a number of interviews to take place for an initially shortlisted candidate with organizational members at different levels.
  - **Top management.** The role of top management has been discussed in the context of developing a culture. This is however crucial in sustaining the culture as well. This becomes typically apparent during the changes in management.
  - **Socialization.** This refers to the process that adapts employees to the organization's culture. Even when the organization selects its members carefully, it is always required to reorient them properly in order to imbibe the organizational culture.
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