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Topic 3


Organisational Culture

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Session Objectives

- Define organisational culture
- Describe the factors that shape the culture of the organisation
- Explain the contribution made by writers on culture:
 - Schein – determinants of organisational culture
 - Handy – four cultural stereotypes
 - Hofstede – international perspectives on culture



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What is Organisational Culture

- Components of Organizational Culture
- Routine ways of communicating
- Norms shared by individuals and teams
- Dominant values held by an organization
- Guiding philosophy for management's policies and decision making
- Rules of the game for getting along in the organization
- Climate of the organization

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Factors that Shape Culture


- Dependence on Technology
- Size of the organisation
- Geographical diversity of the company
- Traditional practices of the company
- Age of the organisation and its managers
- Type of ownership

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Writers on culture

- Schein
- Handy
- Hofstede



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Schein


- Top management creates culture
- The attributes for the later leaders are determined by the culture
- If leaders are to lead, they need to understand the culture of the organisation

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Schein

- Culture means:
 - **Artefacts**- what can be seen
 - **Espoused values**- strategies or goals of the organisation
 - **Basic assumptions and values**- unseen element. Exists only in the subconscious



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Handy

- **Four cultural types**
 - **Power culture**- there is one major source of power and influence
 - **Role culture**- job is described by duties not purpose
 - **Task culture**- teams established to achieve specific tasks
 - **Person culture**- exists to satisfy the requirements of the particular individuals involved

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Hofstede

- Five traits influence organisational behaviour
 - Individualism vs. collectivism
 - Uncertainty
 - Power distance
 - Masculinity vs. Femininity
 - Confucianism vs. Dynamism

Sample Exam Question

- According to Charles Handy, which type of organisational culture requires the organisation to rely on committees, structures, logic and analysis?
 - A. The power culture
 - B. The task culture
 - C. The role culture
 - D. The person culture

Answer

- C

Role culture allows an organisation to manage identified projects or tasks by relying on committees, structures, logic and analysis. The organisation works through flexible multidisciplinary teams.

Sample Exam Question

- Hofstede surveyed IBM employees and identified different dimensions of culture. All of the following are the dimensions of culture indicated by Hofstede EXCEPT:
 - A. Masculinity vs. femininity
 - B. Individualism vs. collectivism
 - C. Uncertainty avoidance
 - D. Ethnocentrism

Answer

○ D

The initial four traits identified by Hofstede that influence organisational behaviour are:

- Individualism vs. Collectivism
- Uncertainty avoidance
- Power distance
- Masculinity vs. Femininity.

Later on the fifth trait of Confucianism vs. dynamism was also added. However, Ethnocentrism is not one of the traits.