

Organizational Culture and Environment: The Constraints

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The Manager: Omnipotent or Symbolic?

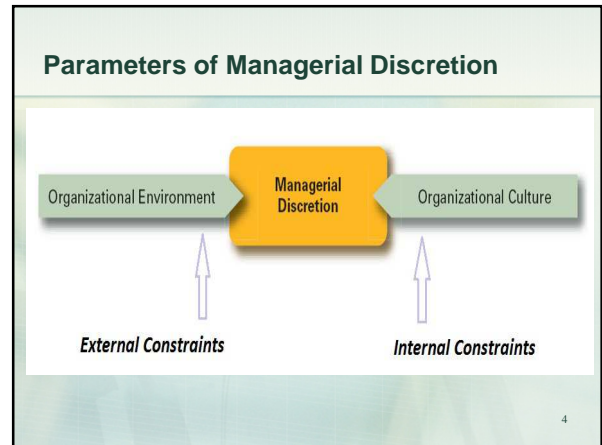
- Omnipotent View of Management ➡
 - Managers are directly responsible for an organization's success or failure.
 - The view of managers as omnipotent is consistent with the stereotypical picture of the take-charge business executive who can overcome any business obstacle in carrying out the organizational goals.
 - This view is not limited only to organizations. ➡
 - In the omnipotent view, when organizations perform poorly, someone has to be held accountable regardless of the reasons why, and in our society, that "someone" is the manager.

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The Manager: Omnipotent or Symbolic?

- Symbolic View of Management
 - Much of an organization's success or failure is due to external forces outside of managers' control.
 - It is unreasonable to expect managers to significantly affect an organization's performance.
 - The ability of managers to affect outcomes is influenced and constrained by external factors.
 - The economy, customers, governmental policies, competitors, industry conditions, technology, and the actions of previous managers
 - Managers symbolize control and influence through their action. By creating meaning out of randomness, confusion, or by trying to innovate and adapt. ➡

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The Organization's Culture ➡

- Organizational Culture
 - A system of shared meanings and common beliefs held by organizational members that determines, in a large degree, how they act towards each other.
 - "The way we do things around here."
 - Values, symbols, rituals, myths, and practices
 - implications:
 - Culture is a perception. ➡
 - Culture is shared. ➡
 - Culture is descriptive. ➡

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Strong versus Weak Cultures

- Strong Cultures
 - Are cultures in which key values are deeply held and widely held. ➡
 - Have a strong influence on organizational members.
- Factors Influencing the Strength of Culture
 - Size of the organization
 - Age of the organization
 - Rate of employee turnover
 - Strength of the original culture
 - Clarity of cultural values and beliefs

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Benefits of a Strong Culture

- Creates a stronger employee commitment to the organization.
- Aids in the recruitment and socialization of new employees.
- Fosters higher organizational performance by instilling and promoting employee initiative. ➤

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Organizational Culture

- Sources of Organizational Culture
 - The organization's founder ➤ ➤
 - Vision and mission
 - Past practices of the organization
 - The way things have been done
 - The behavior of top management ➤
- Continuation of the Organizational Culture
 - Recruitment of like-minded employees who "fit"
 - **Socialization** of new employees to help them adapt to the culture ➤ ➤

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Strong versus Weak Organizational Cultures

Strong Cultures	Weak Cultures
Values widely shared	Values limited to a few people—usually top management
Culture conveys consistent messages about what's important	Culture sends contradictory messages about what's important
Most employees can tell stories about company history/heroes	Employees have little knowledge of company history or heroes
Employees strongly identify with culture	Employees have little identification with culture
Strong connection between shared values and behaviors	Little connection between shared values and behaviors

How Employees Learn Culture

- Stories
 - Narratives of significant events or actions of people that convey the spirit of the organization ➤
- Rituals ➤
 - Repetitive sequences of activities that express and reinforce the values of the organization
- Material Symbols ➤
 - Physical assets distinguishing the organization
- Language
 - Acronyms, phrases, and word meanings specific to an organization

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Defining the External Environment ➤

- External Environment
 - Those factors and forces outside the organization that affect the organization's performance.
- Components of the External Environment
 - **Specific environment:** external forces that have a *direct and immediate* impact on the organization. ➤ ➤
 - **General environment:** *broad* economic, socio-cultural, political/legal, demographic, technological, and global conditions that *may* affect the organization. ➤

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The External Environment

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How the Environment Affects Managers >

- Environmental Uncertainty
 - The extent to which managers have knowledge of and are able to predict change their organization's external environment is affected by:
 - **Complexity of the environment:** the *number of components* in an organization's external environment.
 - **Degree of change in environmental components:** how dynamic or stable the external environment is.

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Stakeholder Relationships

- Stakeholders >
 - Any constituencies in the organization's environment that are affected by the organization's decisions and actions
- Why Manage Stakeholder Relationships?
 - It can lead to improved organizational performance.
 - It's the "right" thing to do given the interdependence of the organization and its external stakeholders.

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References

- Robbins, S. P. and Coulter, *Management*. 9th ed. Prentice Hall.

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