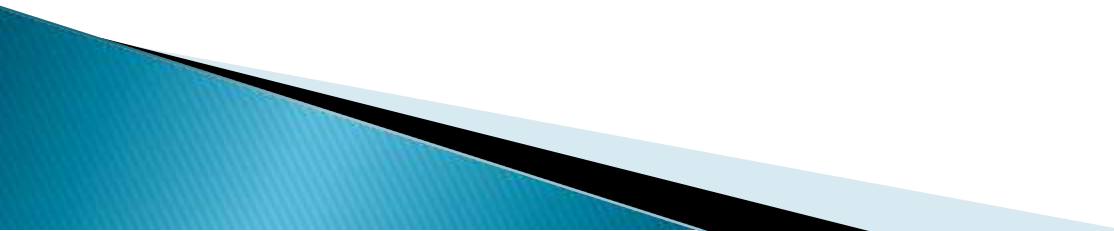# ORGANIZATIONAL CULTURE

UNIT - 6

Learning Outcomes

▸ Meaning and concept of organizational culture, importance of organizational culture, change and strengthening organizational culture, managing organizational culture during merger, organizational culture in Nepalese context
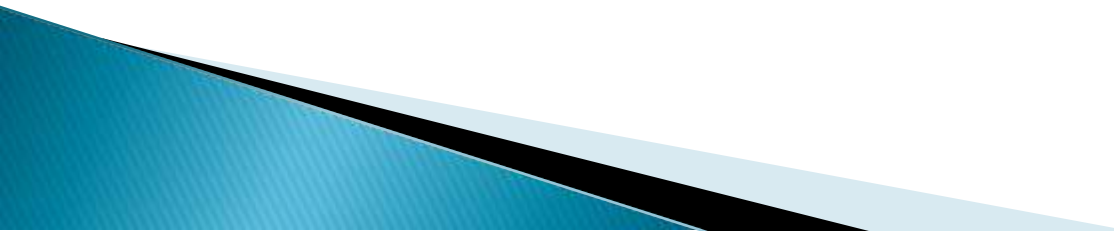
Organizational Culture: Meaning

❑ It is a set of ideologies, symbols and core values that are shared throughout the organization.

❑ It is the commonly held beliefs, attitudes and values that helps to understand what an organization stands for, how it operates and what it considers important.

❑ It influences how an organization conducts its business and helps regulate and control employees' behavior.

❑ It generally includes work environment, organization's vision, mission, ethical values, goals and expectations among others.
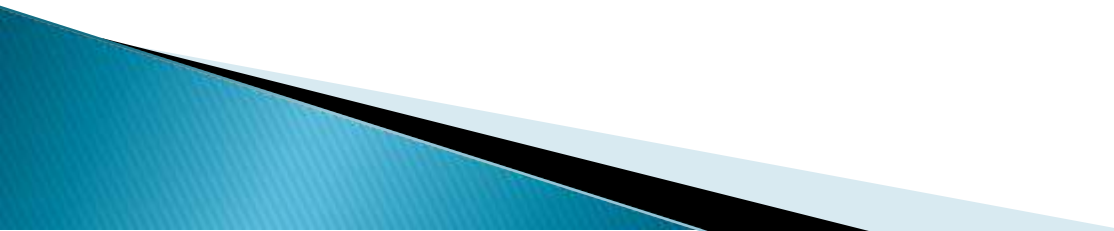
Characteristics

Characteristics	
1. Innovative	Experimenting, opportunity seeking, risk taking, few rules, low cautiousness
2. Aggressive	Competitive, low emphasis on social responsibility
3. Outcome-oriented	Action-oriented, high expectations, result-oriented
4. Stability	Predictability, security, rule-oriented
5. People-oriented	Fairness, tolerance
6. Team-oriented	Collaboration
7. Detail-oriented	Precise, analytic

Importance of Organizational Culture

- ❖ High organizational performance
- ❖ Brand identity
- ❖ Social change
- ❖ Business competitiveness
- ❖ Employee commitment
- ❖ Alignment
- ❖ Control system

Change and Strengthening Organizational Culture

- Strong culture that is embedded into every business decision and practice, and motivates each employee to continuously work for improving organizational performance makes the organizations successful.
- This statement supports the argument that for business success, organizations should work for strengthening the organizational culture.
- Organizations should establish a pool of quality workforce and ensure low customer turnover.

Strategies to Change and Strengthen Organizational Culture

Actions of founders and leaders
- Symbolize the new culture (or need for one) through memorable events.
- Model the new culture through subtle decisions and actions.

Culturally consistent rewards
- Reward employees for culturally consistent behaviors.
- Reward managers who help employees understand the culture.
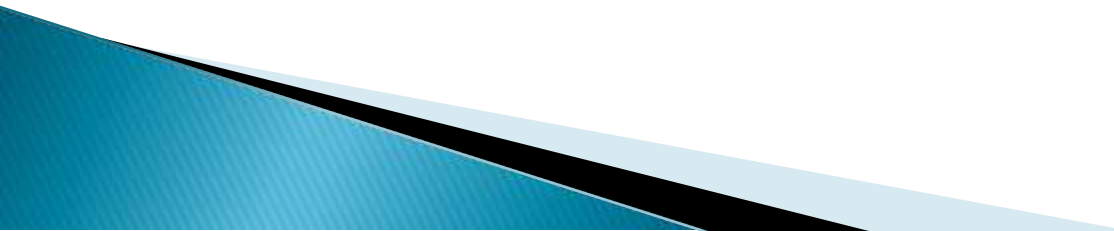
Changing and strengthening organizational culture

Selecting and socializing employees
- Hire people whose values are consistent with the culture.
- Inform and indoctrinate new staff about what the culture means.

Aligning artifacts
- Share stories supporting the culture.
- Celebrate goals/milestones to support the culture.
- Inhabit buildings that reflect the culture.

Managing organizational culture during merger

- Identify cultural differences between the merging companies
- Determine cultural differences as well as common ground to build a new culture
- Identify strategies and action plans to assimilate the culture

Merger Strategy	Description	Works Best When:
Assimilation	Acquired company embraces acquiring firm's culture.	Acquired firm has a weak culture.
Deculturation	Acquiring firm imposes its culture on unwilling acquired firm.	Rarely works—may be necessary only when acquired firm's culture doesn't work but employees don't realize it.
Integration	Combining two or more cultures into a new composite culture.	Existing cultures can be improved.
Separation	Merging companies remain distinct entities with minimal exchange of culture or organizational practices.	Firms operate successfully in different businesses requiring different cultures.

Organizational culture in Nepalese organizations

- Decision making
- Risk taking
- Businessmen are mostly externals
- New idea and proposals
- Price bargaining & negotiations
- Expression of opinions
- Dedication and commitment
- Gifts/Presents and Bribes
- Common topics to start conversation
- Meetings and greetings

- Lack of professional management
- Widespread corruption
- Gender difference
- Poor social orientation
- Modernization
- Focus on short term benefits
- Diverse workforce
- Attitude towards work
- Resistance to change
- Poor teamwork
- Poor delegation
- Lack of creativity and innovation
- Favoritism

Macro Perspective

Micro/Functional Perspective