Institutionalization: A Forerunner of Culture

institutionalization

When an organization takes on a life of its own, apart from any of its members, and acquires immortality.

What Is Organizational Culture?

organizational culture

A common perception held by the organization's members; a system of shared meaning.

Characteristics:

1. Innovation and risk taking
2. Attention to detail
3. Outcome orientation
4. People orientation
5. Team orientation
6. Aggressiveness
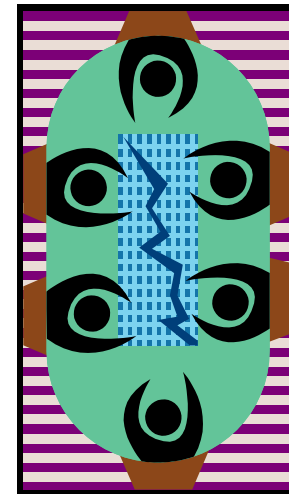7. Stability

What Is Organizational Culture? (cont'd)

dominant culture

Expresses the core values that are shared by a majority of the organization's members.
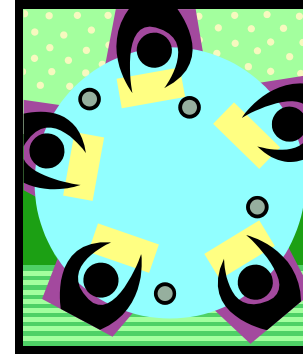
subcultures

Minicultures within an organization, typically defined by department designations and geographical separation.

What Is Organizational Culture? (cont'd)

core values

The primary or dominant values that are accepted throughout the organization.

strong culture

Culture in which the core values are intensely held and widely shared.

What Is Organizational Culture? (cont'd)

- ➢ **Culture Versus Formalization**
  - – A strong culture increases behavioral consistency and can act as a substitute for formalization.

- ➢ **Organizational Culture Versus National Culture**
  - – National culture has a greater impact on employees than does their organization's culture.
  - – Nationals selected to work for foreign companies may be atypical of the local/native population.

What Do Cultures Do?

Culture's Functions:

1. Defines the boundary between one organization and others.

2. Conveys a sense of identity for its members.

3. Facilitates the generation of commitment to something larger than self-interest.

4. Enhances the stability of the social system.

What Do Cultures Do?

Culture as a Liability:

1. Barrier to change

2. Barrier to diversity

3. Barrier to acquisitions and mergers

Keeping Culture Alive

➢ **Selection**

- – Concerned with how well the candidates will fit into the organization.

- – Provides information to candidates about the organization.

➢ **Top Management**

- – Senior executives help establish behavioral norms that are adopted by the organization.
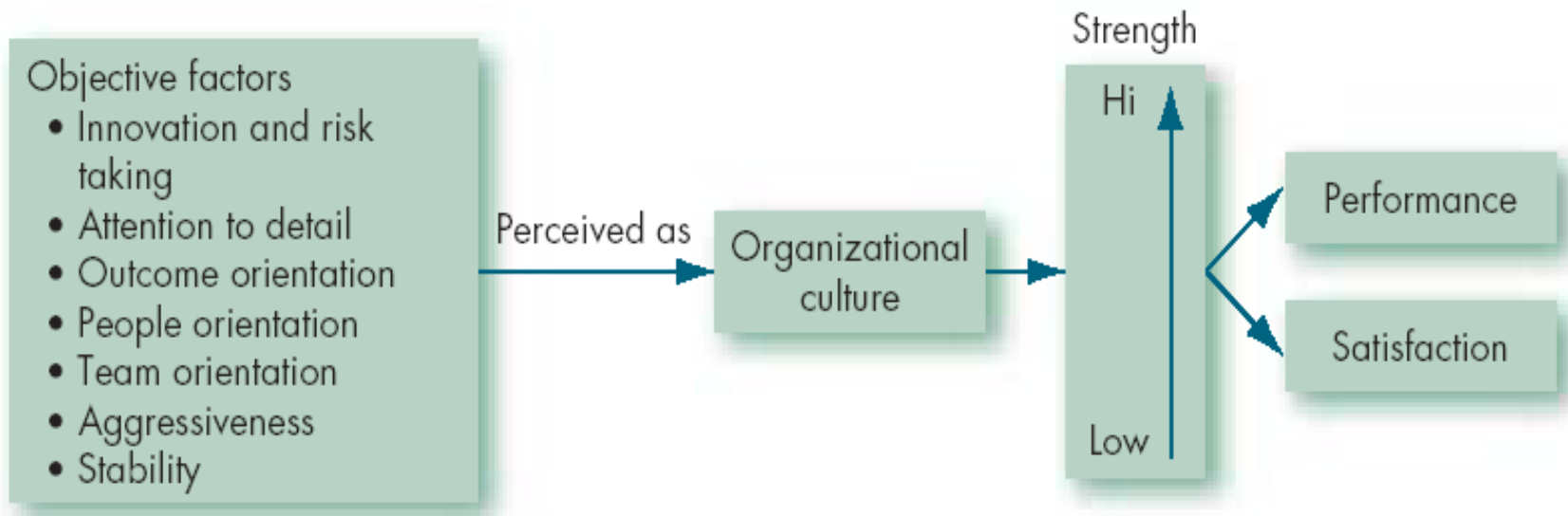
➢ **Socialization**

- – The process that helps new employees adapt to the organization's culture.

How Employees Learn Culture

- **Stories**
- **Rituals**
- **Material Symbols**
- **Language**

How Organizational Cultures Have an Impact on Performance and Satisfaction

E X H I B I T   **18-7**