

ORGANISATIONAL CULTURE

Organisational culture is central to individual and organisational effectiveness. Business leaders and professional managers all over the world are increasingly realising that business organisations are basically human organisations and not merely disembodied structures concerned with high technology and fiscal resources, where people only play the role of 'metering and executing devices.' Consequently, the set of core work values shared widely by the organisation's members determine, to a very great extent, the success of an enterprise.

Very simply stated, organisational culture is a set of unwritten rules that embodies the dos, don'ts and shouldn'ts, and tells the organisation's members how to interact with others and approach tasks in order to fit in and meet the firm's expectations. Can corporate cultures be managed or are they unchangeable?

This is an important question for, unless it is possible to gain control over corporate culture and guide it through planned changes in the desired direction, the whole subject becomes an academic exercise and is of very limited practical utility.

Organisational culture has traditionally been surveyed by qualitative approaches leading to descriptive profiles. However, powerful psychometric tools that allow a quantitative analysis along different critical dimensions and provide a database for bringing in planned changes are now available. Such tools have been very successfully used in the US navy, many multinational corporations and, very recently, even in prominent Indian companies. Once the top management knows what the present culture profile is like, through the use of such tools, it is relatively easy to identify where a shift is required and envision a culture that would ideally match the company's strategic needs.

Corporate rituals and material symbols, corporate folklore and language and, above all, management actions are the mechanisms by which an organisation's culture is sustained and communicated to its employees.

• **Rituals:** When a Bombay-based plant engineering manager of Colgate-Palmolive is flown to New York with his wife to be felicitated by Colgate-Palmolive president & CEO Reuben Mark, the key value that the company places on individual achievement and the competitiveness it wants to promote get across to staffers at all levels, courtesy corporate ritual.

• **Material symbols:** Factors like layout and design of the office, plant and furniture, dress code and executive perks also sustain and convey cultural norms. These are: the degree of inviolability of the corporate pecking order, the extent of hierarchical orientation encouraged, the degree of formality desired by the management, participative versus authoritarian orientation etc. Japanese consumer electronics giant Sony espouses a family atmosphere, promotes egalitarianism among ranks and insists on the

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very best quality in anything it does.

• **Corporate folklore:** One of the most frequently circulated stories at Ford Motor Co is about Henry Ford II reminding his executives when they got too argumentative: "It's my name that's on the building." There could be no doubt after this as to who was the boss. Corporate folklore such as this build or reinforce certain cultural attributes like importance of positional authority.

• **Language:** The most common example of language used to maintain cultural values can perhaps be found in those organisations where 'Sir-ism' abounds even forty-odd years after the end of British colonial rule in India.

• **Management actions:** The most important culture-bearing mechanism is perhaps the actions of the top management. These actions are observed by employees very carefully and define cultural parameters like whether risk-taking is desirable, how failures are regarded, what degree of open communication is encouraged, what actions are likely to bring dividends in terms of raises and promotions etc. Thus, when the one-time president of the Mazda Employees Union, Kenichi Yamamoto, becomes the president of Mazda Motor Corp, the employees know that the company values leadership quality no matter which side of the fence one is on.

There is enough evidence to suggest that organisational cultures do change in response to planned efforts. The Japanese corporate culture that is being talked about so reverentially today has not always been like this. In pre-war Japan, a handful of family-owned conglomerates virtually controlled the Japanese economy. They operated in extremely insular environs where the cultural hallmarks of the present Japanese industry such as participative decision-making, lifetime employment and quality consciousness were totally non-existent. After Japan's defeat in the Second World

War, the allied occupation forces enforced many drastic changes in labour laws in a bid to democratise Japanese industry. Bereft of infrastructural resources and faced with these sweeping economic, political and financial reforms, Japanese organisations developed a new corporate culture. This then led to a new industrial society that was hardworking, egalitarian and quality-conscious.

Changing the culture of an organisation is a slow and gradual process, requiring a very high degree of top management commitment. However, when an organisation's culture becomes a retarding force, reshaping it is perhaps the only viable alternative. □



Organisational culture can hamper or promote individual and organisational effectiveness