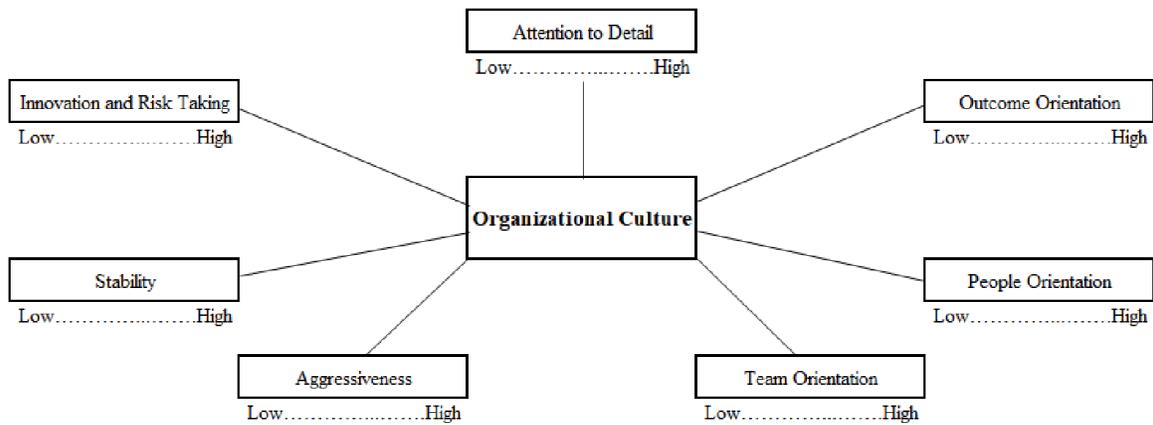


Organizational Culture and the Environment

Organizational Culture

A system of shared meaning and beliefs held by organizational members that determines, in large degree, how employees act. Just as tribal cultures have rules and taboos that dictate how members will act toward each other and outsiders, organizations have cultures that govern how its members should behave.

Dimensions of Organizational Culture



1. **Attention to Detail:** Degree to which employees are expected to exhibit precision, analysis, and attention to detail.
2. **Outcome Orientation:** Degree to which managers focus on results or outcomes rather than on how these outcomes are achieved.
3. **People Orientation:** Degree to which management decisions take into account the effects on people in the organization.
4. **Team Orientation:** Degree to which work is organized around teams rather than individuals.
5. **Aggressiveness:** Degree to which employees are aggressive and competitive rather than cooperative.
6. **Stability:** Degree to which organizational decisions and actions emphasize maintaining the status quo.
7. **Innovation and Risk Taking:** Degree to which employees are encouraged to be innovative and to take risks.

Sources of Culture

There are four major sources of organizational culture

1. **Stories:** Organizational “stories” typically contain a narrative of significant events or people including such things as the organization’s founders, rule breaking, reactions to past mistakes, and so forth.
2. **Rituals:** Corporate rituals are repetitive sequences of activities that express and reinforce the values of the organization, what goals are most important, and which people are important and which ones are expendable.
3. **Material Symbols:** When you walk into different businesses, do you get a “feel” for the place-formal, casual, fun, serious, and so forth. These feelings you get demonstrate the power of material symbols in creating an organization’s personality. The layout of an organization’s facilities, how employees dress, the types of automobiles top executives are provided, and the availability of corporate aircraft are examples of material symbols.
4. **Language:** Many organizations and units within organizations use language as a way to identify members of a culture. By learning this language, members attest to their acceptance of the culture and their willingness to help to preserve it.

Organizational Environment

An organizational environment is surrounding of organization composed of forces or institutions that affect performance, operations, and resources of an organization. There are two major types of environment.

1. External Environment: Outside institutions or forces that potentially affect an organization's performance. There are two parts of external environment.

- **General Environment:** Broad general conditions that may affect the organization.
- **Task/Specific Environment:** The part of the environment that is directly relevant to the achievement of an organization's goals.

2. Internal Environment: Inside departments or forces that potentially affect an organization's performance. An organization's internal environment is composed of the elements within the organization which defines employee behavior.

