

STUDENT SUMMARY NOTES

chapter 15

organizational culture and HRM

Chapter overview

This chapter begins by introducing the concept of national culture and discusses its relevance to the contemporary workplace. We will then explore the complex concept of organizational culture – what it is, and how it manifests itself within the modern workplace. We examine different theoretical perspectives on organizational culture, and finally we will take a critical look at the clusters of HRM practices that are used to change and manage culture. This analysis then provides us with the opportunity to take a critical look at the organizational culture–performance relationship, with particular reference to sustainable low-carbon work cultures.

Chapter objectives:

After studying this chapter, you should be able to:

1. Explain the relationship between national culture and organizational culture
2. Define organizational culture and be aware of notions of dominant culture, cultural diversity, subcultures and countercultures
3. Explain different theoretical perspectives on organizational culture
4. Understand how senior managers strive to change the culture of their organization and the role of human resource management (HRM) in the change process

Introduction

Our experience of work is shaped by what we believe, value and see as legitimate. These intangible informal structures or ‘ways of doing’ work can be thought of as ‘organizational culture’.

Organizational culture is as a transformation process to unlock commitment by appealing to employees’ desire to contribute to ‘goals beyond immediate self-interest’.

Study tip:

Before reading this chapter, look at the chapter's opening vignette. What do the authors mean by a 'tick-box culture' and a 'laddish culture'? Have you experienced different work cultures?

Culture and modernity

A 'culture' refers to an imperfect collection of interrelated understandings and behaviours shared by a people, which are shaped by ways of thinking and acting, by identities and by the material artefacts that together shape a people's way of life.

Culture constrains and enables social action, conditioning social structure or relatively stable patterns of individual behaviour and motivations (**Figure 15.1 p. 473**)

Cultural scholars contend that the culture of a human society is a manifestation of a complex interplay of symbols, laws, values, beliefs and practices that are learned and exhibited by its members.

HRM and globalization 15.1: Is a bullying culture a management strategy? Evidence from Australia

This example (p. 474) discusses bullying in the workplace and management strategies to coerce employees.

A national culture has a number of essential features: it is collective, socially learned, transmitted, shared and a product of human socialization and social interaction.

National cultural differences:

- *Power distance* – the extent to which those who are less powerful accept that power is distributed unequally
- *Individualism versus collectivism* – the degree to which members of society are integrated into communities
- *Masculinity versus femininity* – the general acceptance of sex-biased values and the sexual division of labour
- *Uncertainty avoidance* – society's tolerance for ambiguity and uncertainty, which ultimately deals with the search for truth.

Organizational culture

Corporate culture: devised and transmitted downwards to subordinates by senior management ('culture-takers')

Organizational culture: a product of employees' creativity ('culture-makers')

The importance of shared values, beliefs and language that shape and perpetuate organizational reality, so that employees' work conduct is more predictable and governable.

HRM and globalization: Multiculturalism's magic number

This example (p. 479) discusses certain difficulties that arise in the management of a multicultural workplace.

Drawing on the work of Edgar Schein (2010), **Figure 15.2 (p. 480)** shows three fundamental levels of organizational culture: artefacts, values and basic assumptions.

Perspectives on organizational culture

Managerially oriented perspectives

Culture can help build organizational consensus and harmony, and can improve performance.

Structural-functionalist approach: culture is something an organization 'has'.

- 'commitment-excellence organization'
- Integration perspective
- 'cultural engineering'
- 'right culture'
- Subcultures and countercultures

HRM as I see it

For more insight into organizational culture, go to the filmed interview with a HR professional, Keith Stopforth, who discusses his views on culture as well as discussing diversity at his company, Bupa.

Critically oriented perspectives

The organization 'is' a culture.

Symbolic-interactionist approach: the sum of all the employees' interactions.

- Critical perspective (Marx and Engels)
- Conflict perspectives
- Fragmentary perspective
- Feminist perspective

HRM in practice 15.1 'Purposeful Darwinism' – Amazon's experiment to motivate staff

This example (p. 489) discusses the issue of 'work-life balance' and the unintended consequences of management practices on employee behaviour.

Managing culture through HRM

Leading cultural change - Managers are aware of the symbolic consequences of their actions and attempt to foster desired values.

Reframing social networks - Change physical artefacts to increase commitment individual employees show to their organization's mission.

New HRM practices - Socialization, appraisals, reward, training,

Figure 15.3 (p. 491) illustrates a strategy for changing organizational culture.

Study tip: The chapter examines the role of HRM to change an organization's culture. To understand the topic, in your peer study group, pose the question of how you and your peers perceive your own university. Does it have a strong research or teaching culture? How does the university's culture and climate impact on your learning experiences? Another useful question is to ask whether your university has a 'publish or perish' culture for teaching staff?

Paradox in culture management

HRM in practice 15.2 Can we measure changes in organizational culture?
This example (p. 493) illustrates the link between culture and performance.

A strong one-culture organization can have unintentional consequences
Positive: clear organizational identity, reinforces complex friendship networks and employee engagement, and strongly influences designated behaviour without the need for costly bureaucratic controls.

Negative: impediment to management mantra of creative thinking, informal learning and innovation. Tensions: Counterforces that challenge strong corporate culture.

Preoccupation with culture obscures enduring structural inequalities, antagonism and conflict. (Outside variables such as class, gender, race and profession or trade)

Study tip: To emphasize the importance of avoiding 'quick fixes' when it comes to changing organizational culture, see Mats Alvesson's (2002) *Understanding organizational culture*, London:

Sage. See also B. McSweeney's (2002) article, 'Hofstede's model of national cultural differences and their consequences: a triumph of faith – a failure of analysis.' *Human Relations*, 55 (1): pp. 89-118. It is also important to draw attention to HRM in Practice 15.2 'Can we measure changes in organizational culture?' (p. 493 in the text).

Engaging in critical thinking

Chapter case study – Big Outdoors

This case examines change interventions to align culture to a new strategic plan.

Tip to students: This case requires students to demonstrate their understanding of the challenges of managing organizational culture. A comprehensive report would examine the methods, challenges and the unintended consequences. Also the report should mention the role of 'change champions'.

Reflective question/essay question

'What role can HRM play in creating a more customer-oriented culture?'

Tip to students: In addition to the material in this chapter, a comprehensive answer would examine both functionalist and critical perspectives on managing organizational culture. Note also that Chapter 16 examines attempts to change to a 'green' organizational culture.