

Week 10 & 11

Organizational Culture, Climate & Behaviour

- Organizational culture



- Organizational culture is based on the values, behaviours, assumptions, etc of a particular organization. It is difficult to explain or express but it is known when sighted and experienced. It is a (mostly) intangible and subconscious code that dictates the ‘feeling’ of an organization, and helps shape how the organization ‘behaves’. A simple but immediately imaginable example is to picture the culture of those working in a bank, compared to those working in a restaurant, and compared to those working in a private college. They have very distinct, separate cultures – ways of working, what is right or wrong, how the workers as a whole react to change and crises.

- When a new employee enters the fray, he or she must learn quickly as to how to behave ‘correctly’ within this new culture, what is accepted or not, and most of the time, these ‘rules’ are unwritten; for example: how eating with hands is a part of Malay culture, but nowhere is it written as a rule. A particular company may have male employees wearing ties every day, but does not have that ‘rule’ written anywhere.

- How this culture manifests is through several ways. The most obvious is how the company will treat its employees and customers and conduct its daily business. Flow of power and information through the organization is also another way organizational culture shows itself. Perhaps it is a company whereby information is rarely shared by management, or it may be one that encourages round-table exchange of information. Organizational culture also shows itself far beyond how the employees behave; it has impact on the company's performance, outputs, policies, marketing, etc. It is not easy to alter a company's culture. As the common phrase goes, it is 'how things are done around here'.

Organizational climate



- Organizational climate consists of the properties in the working environment that impact employee motivation and behaviour. These properties are perceived by the employees themselves and among them are company standards, rewards, transparency, commitment, flexibility, etc. Good organizational climate can increase results in output by energizing their workers to be better, thus improving profit. This is done as the climate can lower costs (by workers working more efficiently and productively), increase revenue (more, higher quality output in a shorter amount of time), and even customer loyalty can improve.

- Bad organizational climate can affect production and hamper the effectiveness of the employees, which may raise costs for the company in the future. Just because a company does certain tasks in certain ways at certain times, it may not be *done* well – hence leading to a bad environment and climate.
- With good climate, coupled with strong culture, employees will be more motivated and committed to the company and will therefore become better workers.

Organizational behaviour



- Organizational behaviour is simply how employees within an organization behave in and as a group. This means the attitudes and actions of both individuals and groups are taken into account as how they interact with one another and as a whole affect an organization's performance. This therefore complicates the study of it immensely; it is already extremely difficult to understand a person's behaviour at an individual level. A multitude of individuals reside in a group as do their differing relationships with each other. As such, organizational behaviour has to be managed and managed effectively to ensure that there is minimal conflict and maximum understanding between members of a group and different groups with each other (e.g. how a marketing team must relate to the engineering department).

- Behavioural patterns must be understood at every level to safely and accurately predict reactions to actions by the management. Only then can an organization be controlled effectively. There are many areas in which scientists research organizational behaviour and among those are group dynamics and politics, stress impacts, decision-making, job satisfaction and, of course, the culture and climate of the company.

- In short, these scientists are trying to discover why is it that people behave the way that they do. All these areas are influenced by a number of factors which include culture of the society at large, situational instances, the working environment, etc. Among the indications that there may be problems affecting organizational behaviour are lower quality and quantity of performance, dip in attendance and punctuality, low morale and falling profits. Managers must thus be trained to identify these factors, contain them and reduce – if not solve – the issues as efficiently and effectively as possible.