Understanding Organizational Culture

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Would you act the same way at a rock concert as you would while watching a symphony orchestra perform? Although there are no written rules that dictate the acceptable way to act at either type of performance, the concert audience will try to make it very clear to you if your behavior does not conform to what they consider to be appropriate.

Would you dress the same way to attend a golf tournament as you would to attend a football game? Although both are sporting events, there are a set of unwritten rules that dictate what is considered to be the acceptable way to dress for each type of event, and the people in attendance will send you signals as to whether or not they think you are dressed appropriately.

At concerts, sporting events, and just about everywhere that people get together, group members convey social expectations by how they dress and act. Newcomers to the group are expected to learn what is acceptable to the group by observing the behavior and dress code of the group members and adapting to the situation accordingly.

Defining Organizational Culture

Organizational culture works a lot like this. Every company has its own unique personality, just like people do. The unique personality of an organization is referred to as its culture. In groups of people who work together, organizational culture is an invisible but powerful force that influences the behavior of the members of that group. So, how do we define organizational culture?

**Organizational culture** is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs. Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the behavior of the members of the organization. Let's explore what elements make up an organization's culture.

Organizational culture is composed of seven characteristics that range in priority from high to low. Every organization has a distinct value for each of these characteristics, which, when combined, defines the organization's unique culture. Members of organizations make judgments on the value their organization places on these characteristics and then adjust their behavior to match this perceived set of values. Let's examine each of these seven characteristics.
Characteristics of Organizational Culture

The **seven characteristics of organizational culture** are:

1. **Innovation** (Risk Orientation) - Companies with cultures that place a high value on innovation encourage their employees to take risks and innovate in the performance of their jobs. Companies with cultures that place a low value on innovation expect their employees to do their jobs the same way that they have been trained to do them, without looking for ways to improve their performance.

2. **Attention to Detail** (Precision Orientation) - This characteristic of organizational culture dictates the degree to which employees are expected to be accurate in their work. A culture that places a high value on attention to detail expects their employees to perform their work with precision. A culture that places a low value on this characteristic does not.

3. **Emphasis on Outcome** (Achievement Orientation) - Companies that focus on results, but not on how the results are achieved, place a high emphasis on this value of organizational culture. A company that instructs its sales force to do whatever it takes to get sales orders has a culture that places a high value on the emphasis on outcome characteristic.

4. **Emphasis on People** (Fairness Orientation) - Companies that place a high value on this characteristic of organizational culture place a great deal of importance on how their decisions will affect the people in their organizations. For these companies, it is important to treat their employees with respect and dignity.

5. **Teamwork** (Collaboration Orientation) - Companies that organize work activities around teams instead of individuals place a high value on this characteristic of organizational culture. People who work for these types of companies tend to have a positive relationship with their coworkers and managers.

6. **Aggressiveness** (Competitive Orientation) - This characteristic of organizational culture dictates whether group members are expected to be assertive or easygoing when dealing with companies they compete with in the marketplace. Companies with an aggressive culture place a high value on competitiveness and outperforming the competition at all costs.

7. **Stability** (Rule Orientation) - A company whose culture places a high value on stability are rule-oriented, predictable, and bureaucratic in nature. These types of companies typically provide consistent and predictable levels of output and operate best in non-changing market conditions.