

# Organizational behavior

Week 7

Culture: National and Organizational

Organizational Structure and Design

## Organizational behavior

### Culture: National and Organizational:

#### **The Hofstede Model of National Culture.**

Culture refers to the social context within which humans live

A common way to characterize a culture is through stereotypes e.g. Switzerland = chocolate but which is negative as it essentializes an otherwise complex identity



## The Hofstede Model of National Culture.

Modeling culture along dimensions (Hofstede):

Power distance: degree of power & hierarchy

Individualism (collectivism): degree of focus on the individual

Masculinity (femininity): degree of focus on male features

Uncertainty avoidance: degree of risk-taking

Long-term patterns of thought (short-term): thinking about the future

[http://www.geert-hofstede.com/hofstede\\_dimensions.php](http://www.geert-hofstede.com/hofstede_dimensions.php)

## Organizational behavior

### **Organizational consequences**

Culture affects organizations in the following ways

Managerial and organizational approach (e.g. Germans: rational; British: interpersonal; French: authoritarian)

Leadership and management style (e.g. Germany and France: centralized leadership and control; Britain: delegated leadership delegated; US: solutions-driven)

Organizational design (e.g. Mexico: hierarchical; US: flat)

Motivation strategies (e.g. Britain: individual achievement; French: security; Italy: fringe benefits; Japan: working conditions)

Information imparting (east v west)

## Organizational behavior

### Organizational culture

Organizational culture is the patterned way of thinking, feeling, and reacting that exists in a specific organization; it is its unique mental programming

It is affected by:

- National culture
- Cultural values
- Organization proper



## Organizational behavior

### Organizational culture

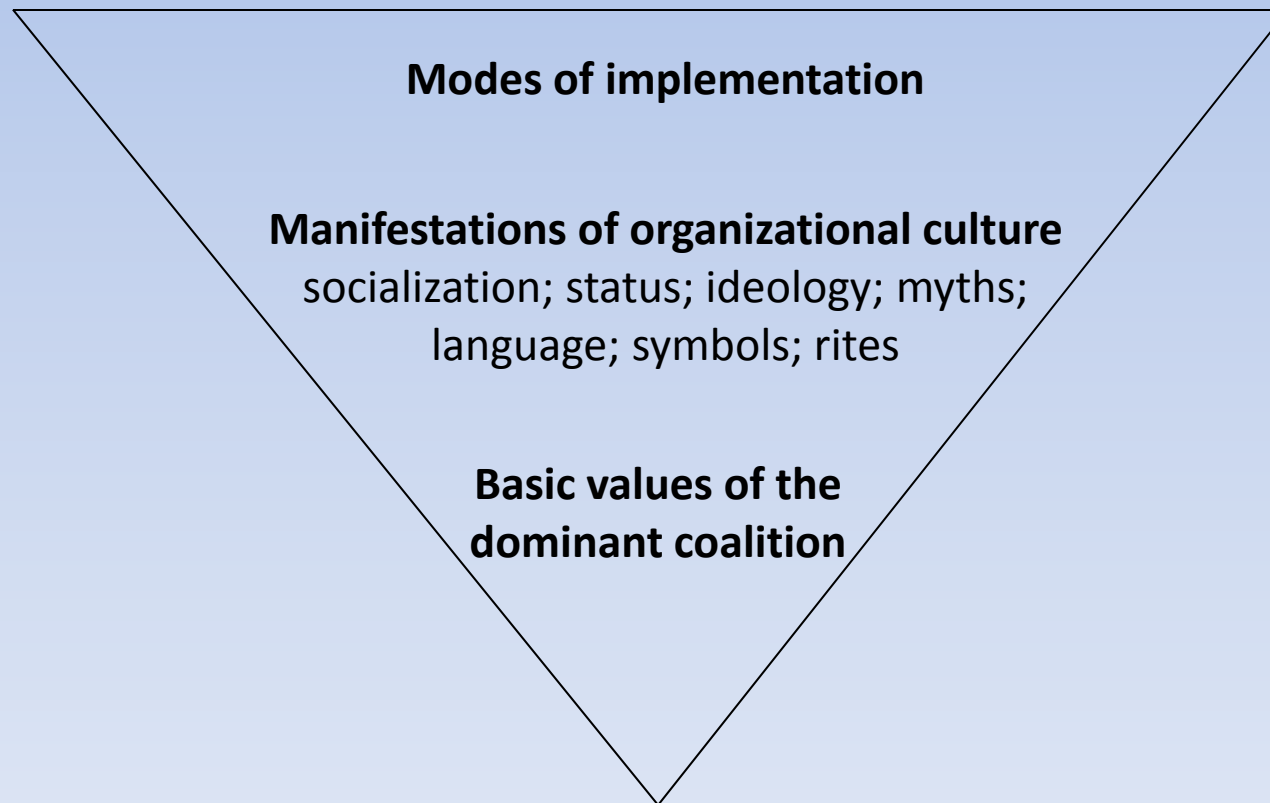
Organizational factors include:

- Personality: degree of homogeneity
- Industry: degree of competitiveness
- Personalities: founding and key people
- Critical events: impressive events

## Organizational behavior

### Organizational culture

#### Multi-level model of organizational culture:



## Organizational behavior

### **Organizational culture**

Multi-level model of organizational culture:

Basic (core) values are about what and how it should be done, who should do it (e.g. innovation, risk-taking, stability, people, collaboration, competition)

Manifestations: how the dominant values are enacted for an instrumental purpose or/and expressive purpose

Modes of implementation (e.g. logos, hiring procedures, advertizing, communiqués)



## Organizational behavior

### Types of organizational cultures

The personality of managers can be identified in cultures that are:

- Neurotic – anxiety
- Charismatic – grandiosity
- Paranoid – suspicion
- Avoidant – depression
- Bureaucratic – control
- Politicized – isolation

## Organizational behavior

### Types of organizational subcultures

Subcultures may be:

- Hierarchical
- Occupational
- Multicultural

Is there not a risk that the presence of strong subcultures undermines corporate culture and renders inconsistent the managerial view of performance?

## Organizational behavior

### Organizational Structure and Design:

#### **The Fundamentals of Organization Structure.**

Organizations are groupings of people working towards business objectives, which develop and maintain relatively stable and predictable behavior patterns even though organizational members may change over time

Organizations are structured are the type of relationships between the tasks performed and the members of the organization are institutionalized

## Organizational behavior

### The Fundamentals of Organization Structure:

#### Features of organizations

Degree of complexity: the number of activities, functions and jobs

Degree of formalization: number of formal, written policies and procedures

Degree of centralization: the extent to which power is located at the top

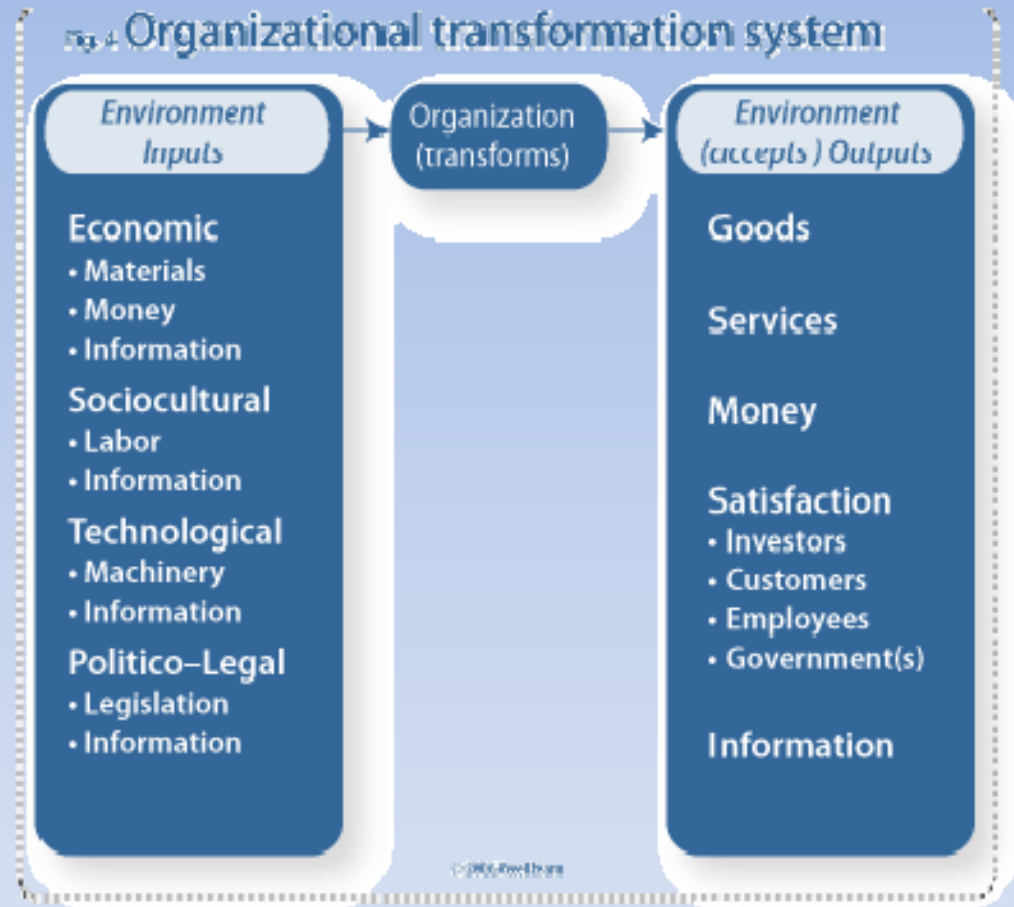
Degree of authority: the extent to which a person is controlled in the performance of a task

Span of control: number of subordinates under control (formally at least)

## Organizational behavior

### Effects of technology and markets

If organizations are thought of as systems – *open systems perspective*, they have a border of differentiation from their environment

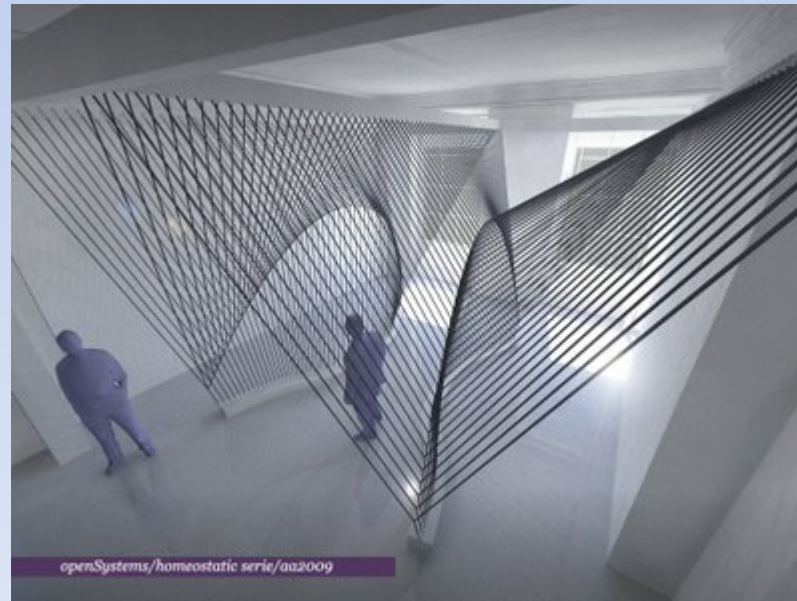


## Organizational behavior

### Effects of technology and markets

Features of the environment:

- It may be market (where the outputs are distributed), or technological (where the inputs are found)
- It can be stable (turbulent) or volatile (hyperturbulent).



## Organizational behavior

### Effects of technology and markets

Basic types of organization

Mechanistic: operates in stable markets and uses available technologies (e.g. McDonalds)

Organic: operates in volatile markets and uses changing technologies (e.g. amazon.com)

Technology-dominated: operates in stable markets but seeks technology leadership – importance of research and development (e.g. Apple)

Market-dominated: seeks market leadership but uses available technologies – importance of sales and marketing (e.g. MGM)

## Organizational behavior

### **Formal organizations**

Features of formal organizations include:

- Division of labor
- Form of departmentalization
- Distribution of authority