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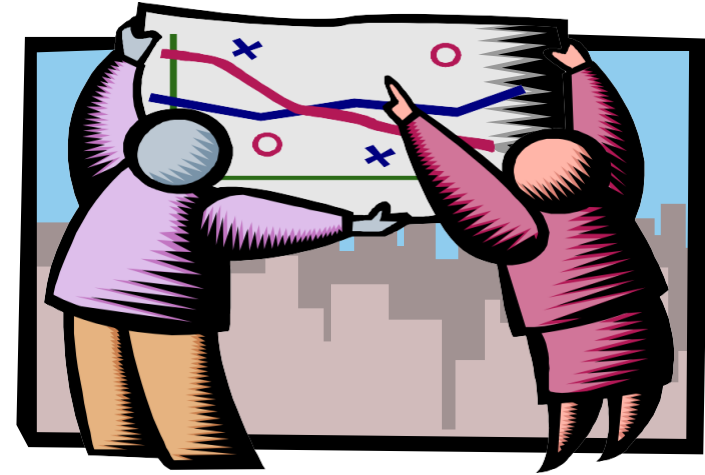
Managing Tourism, Leisure and Events Organisations

Organisational Culture



Today, we will explore...

- Defining organisational culture.
- Organisational culture models.
- To assess the importance of organisational culture.
- The development of organisational culture.
- How to change organisational culture.



Organisational Culture: Definitions



“Organizational culture is a pattern of shared basic assumptions that a group has learned as it solves problems, which is taught to new members as the correct way to think, feel, and behave in the organization.” – **Edgar Schein**

“Organizational culture is the way things are done in an organization, including the values, rituals, and practices that are important to its members and influence how they work.” – **Charles Handy**

“Organizational culture is the way people in an organization think and act, and it’s influenced by the company’s values, practices, and norms.” – **Deal and Kennedy**

Why is Culture Important?

- **Guides Behaviour:** Culture sets expectations for how people should act in different situations.
- **Creates Shared Values:** It aligns people with common beliefs and priorities, influencing decisions and actions.
- **Fosters Unity:** A strong culture brings people together, promoting teamwork and collaboration.



Why is Culture Important?

- **Influences Communication:** Culture shapes how people interact, both formally and informally.
- **Supports Consistency:** It ensures that people behave in predictable ways, reinforcing stability and order.
- **Encourages Adaptation:** Culture helps individuals adapt to change by providing shared understanding and norms.



Organisational Culture: Google



Positive Aspects of Culture

When accepted by employees, culture increases the authority of management because:

- **Promotes alignment:** Shared values make it easier for management to guide actions and decisions.
- **Enhances communication:** A strong culture fosters a common language, improving communication.
- **Boosts morale:** A positive culture makes employees feel valued, boosting motivation and loyalty.



Positive Aspects of Culture



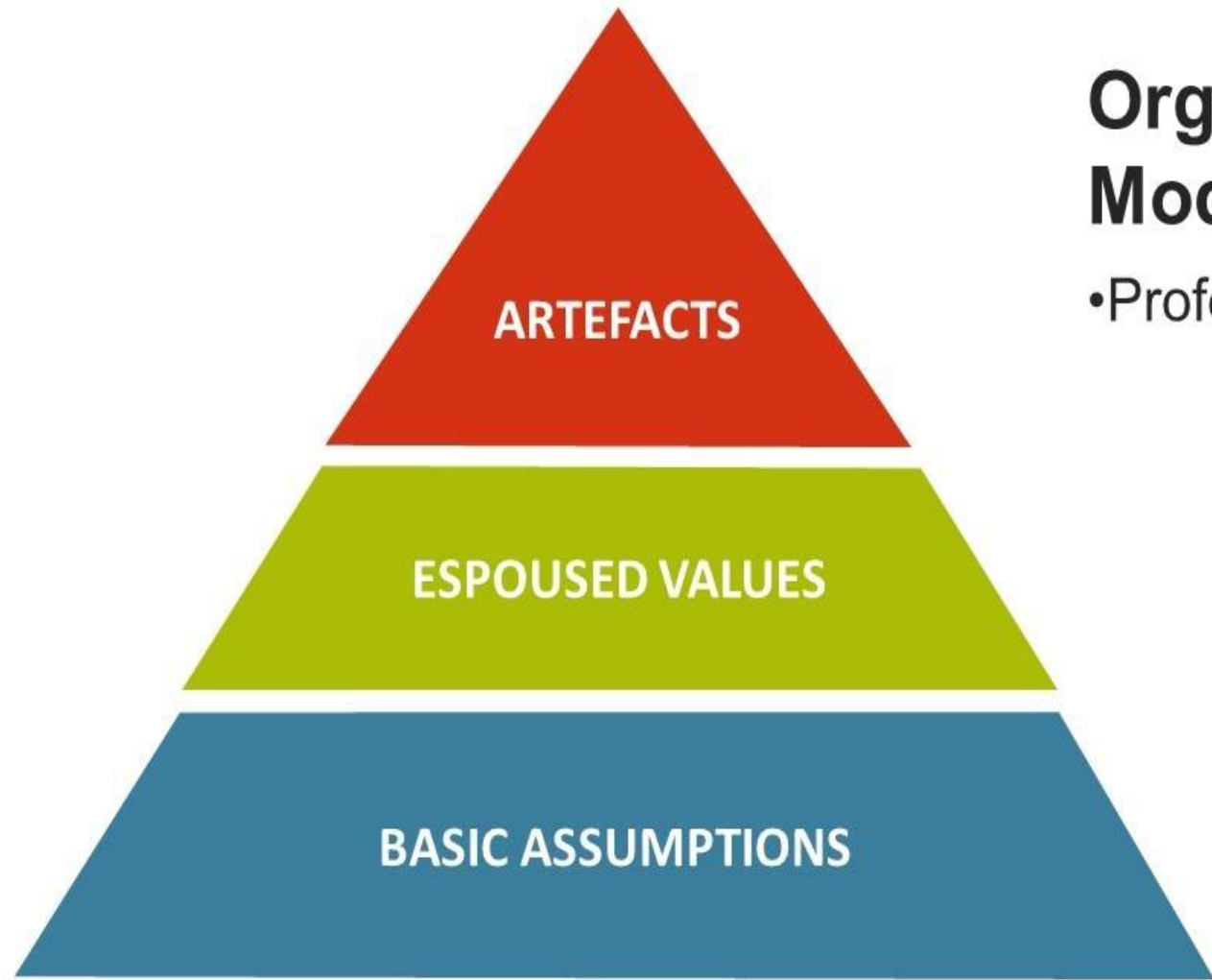
- **Fosters Collaboration:** A supportive culture encourages teamwork, making management more effective in coordinating efforts.
- **Strengthens Trust:** A strong culture builds trust between employees and management, easing leadership and decision-making.
- **Encourages Commitment:** Employees aligned with the culture are more committed to organisational goals, supporting management's direction.
- **Facilitates Change:** A strong culture helps employees adapt to changes introduced by management.

Culture as a Liability



- **Resists Change:** A fixed culture may resist new ideas, hindering growth and innovation.
- **Limits Flexibility:** A rigid culture makes it harder to adapt to new challenges.
- **Encourages Conformity:** It can stifle creativity and diversity of thought, limiting innovation.
- **Creates Groupthink:** A strong culture may lead to conformity, reducing critical thinking.
- **Maintains Outdated Practices:** A focus on tradition can keep outdated methods in place, hindering progress.

Organisational Culture Model #1



Organizational Culture Model

•Professor Edgar Schein

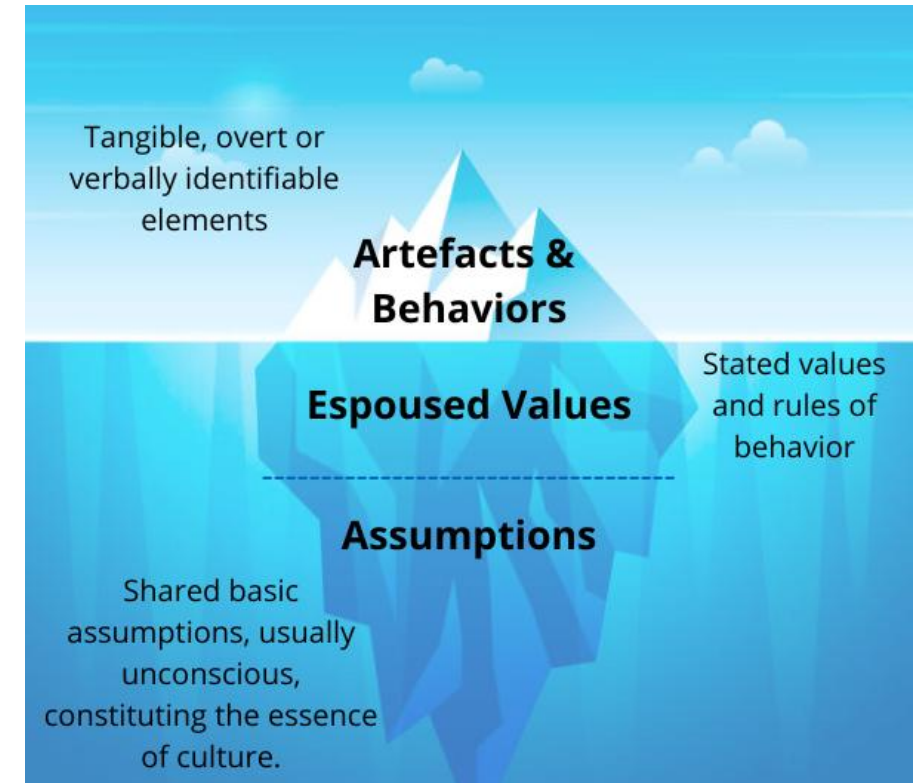


Levels of Culture: Schein

1. Artifacts:

Artifacts (Visible Elements of Culture) are the most observable aspects of an organisation's culture, such as things you can see, hear, or feel.

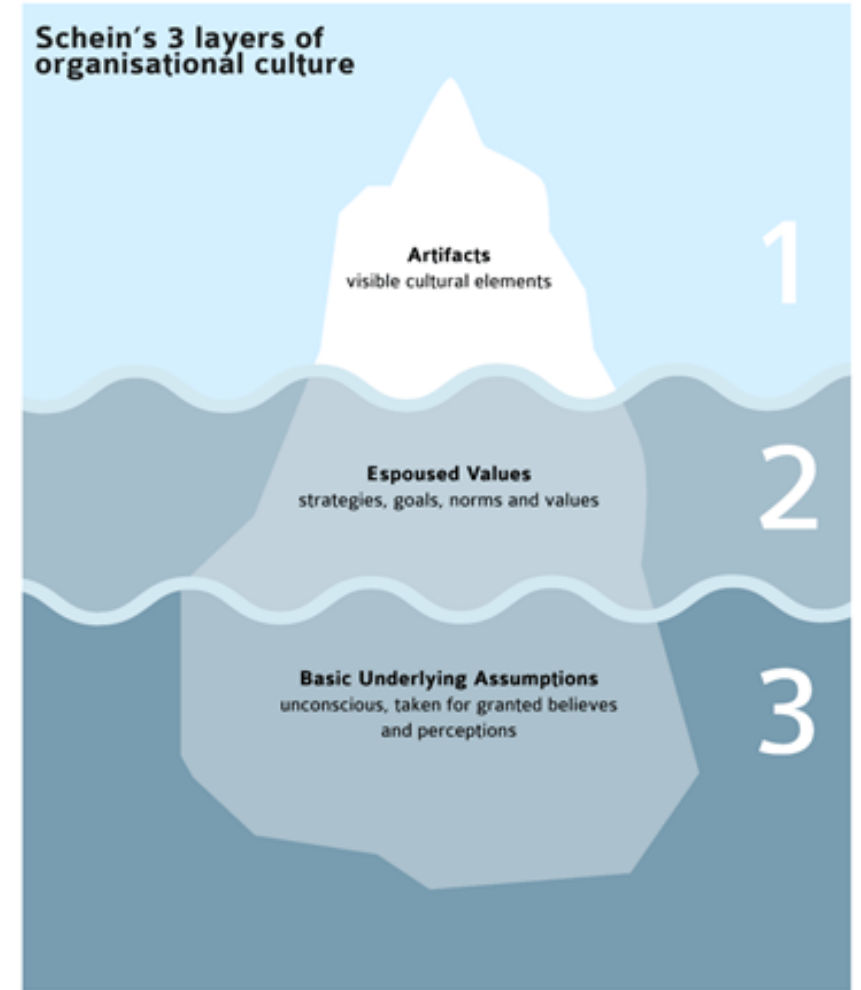
They offer visible clues but require deeper context to fully understand.



Can you think of examples of artifacts?

Levels of Culture: Schein

- **Espoused values** are the second layer of culture and are the beliefs, goals, and principles an organisation openly supports.
- These values are usually shared through things like mission statements, rules, and plans for the future.



Levels of Culture: Schein

Espoused values – What are the key characteristics?

- Stated beliefs and principles (mission and vision statements)
- Shared beliefs (communicated to guide behaviour and decisions within the organisation)
- Aspirations (what the organisations aims to be)
- Norms and goals (specific goals and ethical expectations)

Levels of Culture: Schein

Basic underlying assumptions are the deepest and least visible part of a culture.

They are the **core beliefs and values** that guide how people act and make decisions in an organisation, but they are usually taken for granted and not openly talked about.

What is it exactly??

- **Unconscious:** Members are usually unaware of these beliefs.
- **Taken for Granted:** They are assumed to be true without question.
- **Influential:** They deeply influence behaviour and decisions.
- **Difficult to Change:** These assumptions are hard to identify and change, requiring a major cultural shift.

Levels of Culture: Schein

What is an example of a basic underlying assumption?

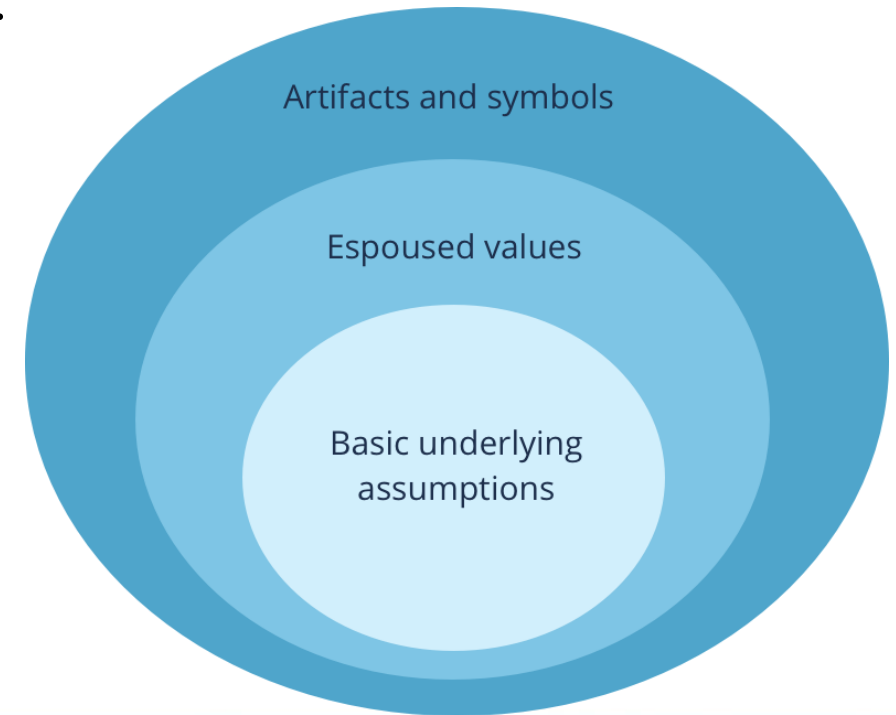
- **Trust:** Everyone assumes that their coworkers are honest and reliable, even though it might not be explicitly said.
- **Teamwork:** The belief that working together is the best way to get things done, even if it's never written down anywhere.
- **Respect for Authority:** People assume that managers should be in charge and make important decisions, without questioning it.



Are there any others you can think of?

Schein's Level of Culture: Activity

- Individually, in pairs or small groups, choose a real or hypothetical organisation (could be a fictional one, or a well-known brand).
- On a sheet of paper, draw a large onion with three layers. Label each layer 'Artifacts', 'Espoused Values' and 'Basic Underlying Assumptions'.
- Fill in each layer of the onion;
 1. **Artifacts:** What are the visible things that tell you about the culture?
 2. **Espoused Values:** What values does the company say it stands for?
 3. **Basic Underlying Assumptions:** What are the deeply ingrained beliefs that drive behaviour in this organisation?



Organisational Culture Model #2

- Charles Handy (management expert) created a model to explain how different cultures within an organisation affect how people behave and work.
- He identified four main types of culture, each based on what's important to the organisation. This model is called the "Handy Culture Types."



Handy's 4 Types of Culture

Person Culture:

- In a person culture, the individual is the most important, and the organisation exists to support the people who work there.

How does it work?

- People have a lot of freedom and independence.
- The organisation supports them in doing their work but doesn't try to control them.

Where would we find a person culture?

- Health practitioners
- Creative industries (e.g. art, design, music)



Handy's 4 Types of Culture

Power Culture:

- In a power culture, a small group of people or one leader has most of the control and makes key decisions.

How does it Family-owned?

- Decisions are quick because they come from the top, and everyone follows the leader's direction.

Where would you find a power culture?

- Family-owned businesses (?)
- Startups
- Political organisations



Handy's 4 Types of Culture

Role Culture

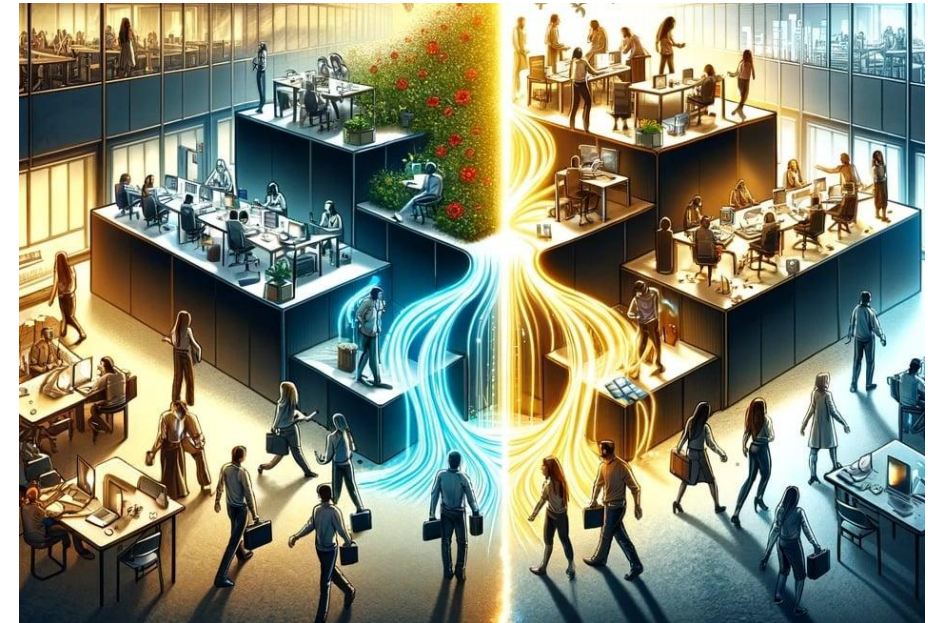
- In a role culture, there are clear job roles and responsibilities. The structure is organised and everyone knows what they need to do.

How does it work?

- People work according to rules and procedures, and tasks are divided up based on specific roles.

Where would we find a role culture?

- Government organisations
- Large corporations (e.g. banking)
- Educational institutions



Handy's 4 Types of Culture

Task Culture:

- In a task culture, the focus is on getting specific tasks or projects done, often by teams of people working together.

How does it work?

- People with the right skills come together for a task, and they collaborate to solve problems or complete projects.

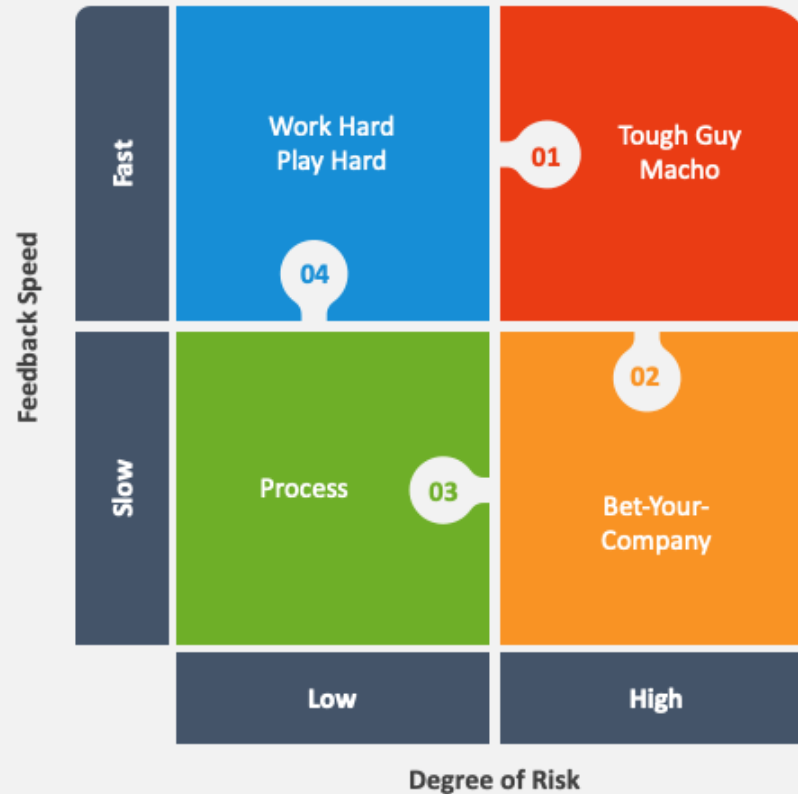
Where would we find a task culture?

- Project based organisations (e.g. consulting firms)
- Technology/ software
- Advertising (e.g. marketing)



Organisational Culture Model #3

DEAL AND KENNEDY CULTURAL MODEL



Types of Culture: Deal and Kennedy

Tough-guy, macho culture (High Risk, Fast Feedback)

- Employees work in high-pressure situations and get quick feedback.
- It's fast-paced and focused on results, where people are expected to take risks and make quick decisions.

Examples on this type of culture:

- sales organisations
- marketing agencies (big accounts/ tight deadlines)
- investment banking (e.g. wall street)

Values: focus on performance, competition and rewards.



Types of Culture: Deal and Kennedy

Work-hard / play-hard culture (Low risk, quick feedback)

- This culture is all about energy and fun, but still focused on achieving goals.
- Feedback is quick, and there's a strong team spirit. The environment is active, but not risky.

Examples of this type of culture:

- sales teams
- customer service
- retail.

Values: teamwork, enthusiasm and high energy.

How does a fun and energetic culture help employees stay motivated while still focusing on achieving goals?



Types of Culture: Deal and Kennedy

Bet-your-company culture (High risk, slow feedback)

- A "bet-your-company" culture involves taking big risks and making large investments, with results that take time.
- Companies bet their future on innovation, hoping for a big payoff later.

Examples:

- Technology
- construction and Engineering firms
- film industry

Values: patience, planning and stability



Types of Culture: Deal and Kennedy

Process culture (Low risk, slow feedback)

Characteristics:

- In this culture, organisations focus on following set procedures rather than making quick decisions or taking risks.
- Feedback is slow, and the goal is to be efficient and avoid mistakes.

Examples:

- government agencies
- utilities
- insurance.

Values: Consistency, stability, and control.



What influences the development of culture?



Leadership: Leaders influence culture through what they do, their choices, and their values.

Organisational History: The company's past affects how people behave and what they value.

External Environment: Things like the economy, competition, and trends shape the culture.

Employee Behaviour: How employees act and what they believe helps shape the culture over time.

Communication: How information is shared impacts trust and openness.

Managerial Tools



Managerial tools to develop culture include:

- **Leadership Example:** managers should show the behaviours and values they want others to follow.
- **Clear Communication:** sharing the company's vision, values, and goals helps employees connect with the culture.
- **Training and Development:** programmes that teach values and skills help employees grow.
- **Reward Systems:** recognising the right behaviours motivates others to follow.

Managerial Tools

- **Team-Building:** Events that promote collaboration and trust strengthen the culture.
- **Hiring for Fit:** Recruiting employees who share values reinforces the culture.
- **Feedback and Surveys:** Regular feedback helps identify areas for cultural improvement.
- **Adaptable:** they need to change with the market, technology, or the environment.



Three Perspectives on Culture

1. Optimists:

Optimists view organisational culture as a positive force that drives success and creates a productive, happy workplace. They believe:

- **Culture Drives Success:** A strong culture boosts performance, attracts talent, and enhances satisfaction.
- **Culture Unites People:** Shared values and goals improve teamwork and create a positive atmosphere.
- **Culture Supports Adaptation:** A healthy culture fosters innovation and flexibility, helping organisations stay competitive.



Three Perspectives on Culture

2. Pessimist:

Pessimists view organisational culture as having potential downsides. They believe:

1. **Culture as a Barrier to Change:** Strong cultures can resist new ideas, making it harder to adapt.
2. **Culture as a Source of Conflict:** Differing values and behaviours can cause internal tension and reduce productivity.
3. **Culture as a Tool for Control:** Leaders may use culture to enforce conformity, limiting creativity and freedom.

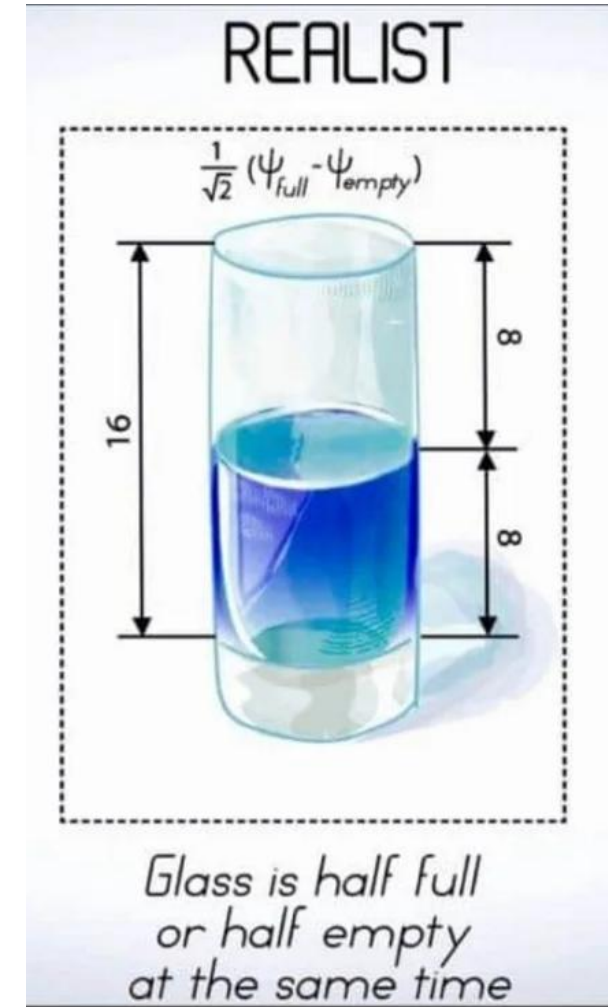


Three Perspectives on Culture

3. Realists:

Realists take a balanced view of culture, recognising both its strengths and challenges:

- **Culture as a Double-Edged Sword:** Culture can lead to success but may block change if it becomes too rigid.
- **Culture Shapes Behaviour:** Culture impacts behaviour, but personalities and leadership matter too.
- **Culture Needs Maintenance:** A healthy culture needs constant effort to stay aligned with goals and adapt.



Dobson's Guide to Changing Culture

Dobson's Guide to Changing Culture is a framework that helps organisations manage cultural change.

It offers practical, step-by-step strategies for leaders who want to transform their company's culture.

What does Dobson suggest when changing culture?

- **Assessing Current Culture:** Gather employee feedback to identify strengths and weaknesses.
- **Clarifying Desired Culture:** Define values, behaviours, and goals that align with the company's mission and vision.



Dobson's Guide to Changing Culture



3. Engaging Leadership:

- Leaders must model the behaviours and values they want to see, as their commitment inspires others.

4. Communication is Key:

- Leaders should clearly explain the reasons for change and how it benefits the company.

5. Aligning Systems and Processes:

- Ensure systems, policies, and structures support the desired culture, including rewards, performance management, and hiring practices.

Dobson's Guide to Changing Culture

6. Empowering Employees:

- Involve employees at all levels, giving them the tools and support to embrace the new culture.

7. Measuring Progress:

- Regularly track feedback, performance, and behaviour changes to monitor cultural progress.

8. Sustaining the Change:

- Keep reinforcing new behaviours to ensure the culture change becomes permanent.



Action Plan for the Week Ahead

- Next Week (Week 3), we will be looking at “Groups and Teams”.
- For this week, please do some light reading on Groups and Teams.
- Key Reading Suggestions;
 - Book: Lencioni, PM (2002). *The Five Dysfunctions of a Team: A Leadership Fable*. London: Wiley
 - Journal Article: Mastroianni, A., Cooney, G., Boothby, E., and Reece, A (2021). ‘The linking gap in groups and teams’, *Organisational behaviour and human decision processes*, 162(1), pp.109-122. Available at: [https://www.sciencedirect-com.ezproxy.uwtsd.ac.uk/science/article/pii/S074959782030399X](https://www.sciencedirect.com.ezproxy.uwtsd.ac.uk/science/article/pii/S074959782030399X) (Accessed on 2 Feb 2025)
 - Website: Katzenbach, JR., and Smith, D (1993). *The Discipline of Teams*. Available at: <https://hbr.org/1993/03/the-discipline-of-teams-2>