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5 TYPES OF ORGANISATIONAL CULTURE - Handy

Summary Notes

Charles Handy's TYPES OF ORGANISATIONAL CULTURE

| Power Culture | Role Culture |
|---|---|
| <ul style="list-style-type: none"> • Power culture is associated with autocratic leadership. • Power is concentrated in the centre of the organisation. • Decisions can be made quickly as so few people are involved in making them. • Managers are judged by results rather than the means used to obtain them. • Autocratic leadership and hierarchical structures are features of organisations with a power culture. • Motivational methods are likely to focus on financial incentives and bonuses to reward exceptional performance (which can encourage risky short-term decision-making; think Enron). | <ul style="list-style-type: none"> • Role culture is associated with bureaucratic organisations. • Staff operate within the rules and show little creativity. • The structure of the organisation is well defined and each individual has clear delegated authority. • Power and influence come from a person's position within the organisation. • Decision-making is often slow and risk-taking is frowned upon. • Tall hierarchical structures are used in organisations with a powerful role culture. |



| Task Culture | Person Culture | |
|---|---|-------------------------|
| <ul style="list-style-type: none"> • Groups are formed to solve particular problems, and lines of communication are similar to a matrix structure (see 2.2). • Such teams often develop a distinctive culture because they have been empowered to take decisions. • Team members are encouraged to be creative and there may be a strong team spirit which can lead to a very motivating environment (meeting workers' intrinsic needs). | <ul style="list-style-type: none"> • There may be some conflict between individual goals and those of the whole organisation, but this is the most creative type of culture. • There is no emphasis on teamwork as each individual is focused on their own tasks and projects. • This type of culture can be found in a scientific research environment or in professional partnerships (say, lawyers and architects). • Individuals who thrive in this type of environment will often find it difficult to work effectively in a more structured organisation. | |
|  | <th data-bbox="789 867 1593 947">Entrepreneurial Culture</th> <ul style="list-style-type: none"> • In this culture, success is rewarded, but failure is not necessarily criticized since it is considered a consequence of enterprise and risk-taking. • This is a culture usually found in flexible organisational structures. • Motivation levels are likely to be high among people who enjoy the challenge of innovative risk-taking. | Entrepreneurial Culture |

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