

WEEK 10

ORGANISATIONAL ENVIRONMENTS AND CULTURES

CHAPTER 3



WEEK 10

LEARNING OUTCOMES

After reading this chapter, you should be able to:

1. discuss how changing environments affect organisations
2. describe the four components of the general environment
3. explain the five components of the specific environment
4. describe the process that companies use to make sense of their changing environments
5. explain how organisational cultures are created and how they can help companies be successful

ORGANISATIONAL ENVIRONMENT

Internal and external forces that affect or influence business

**External
Environment**

**Internal
Environment**

ORGANISATIONAL ENVIRONMENT

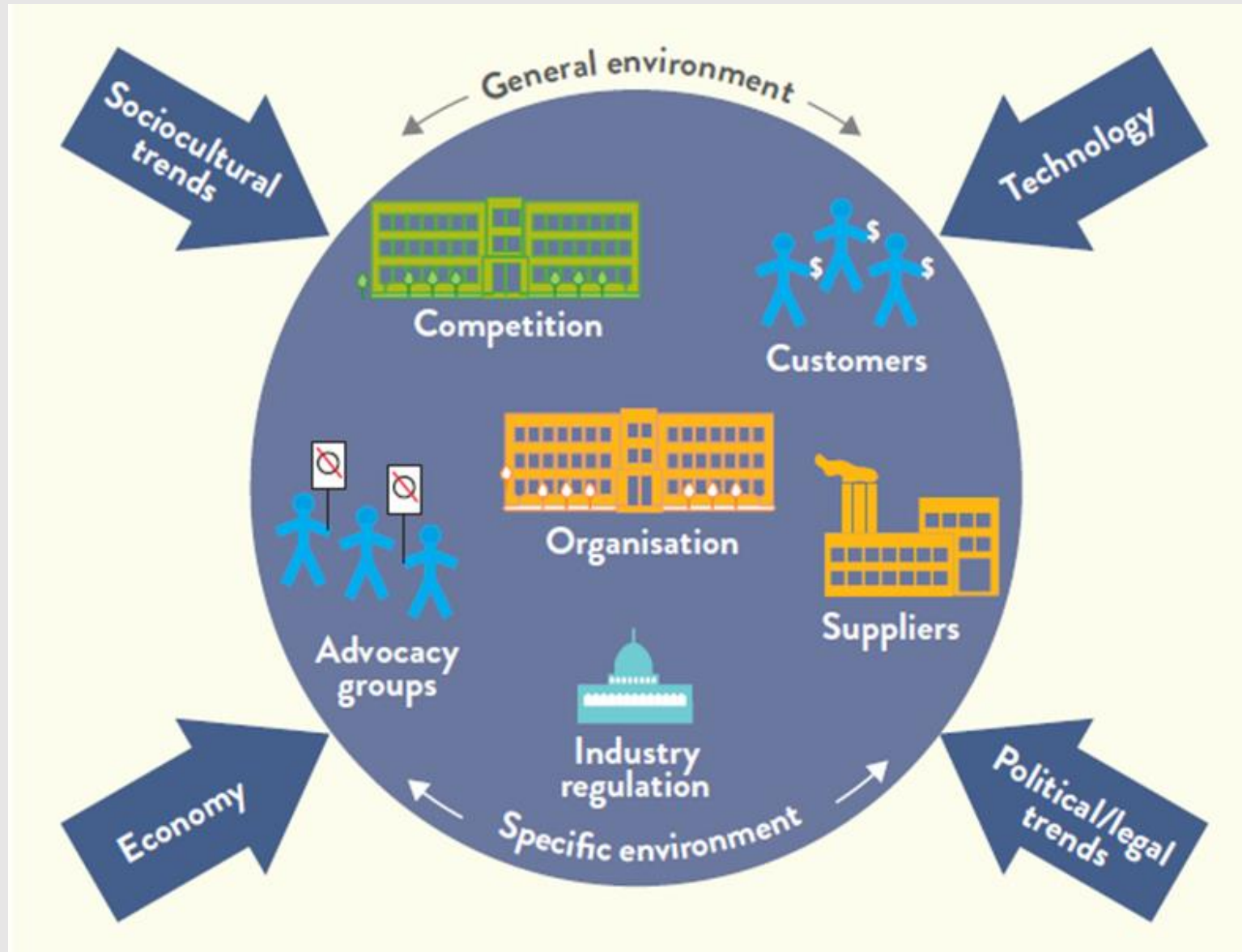
**External
Environment**



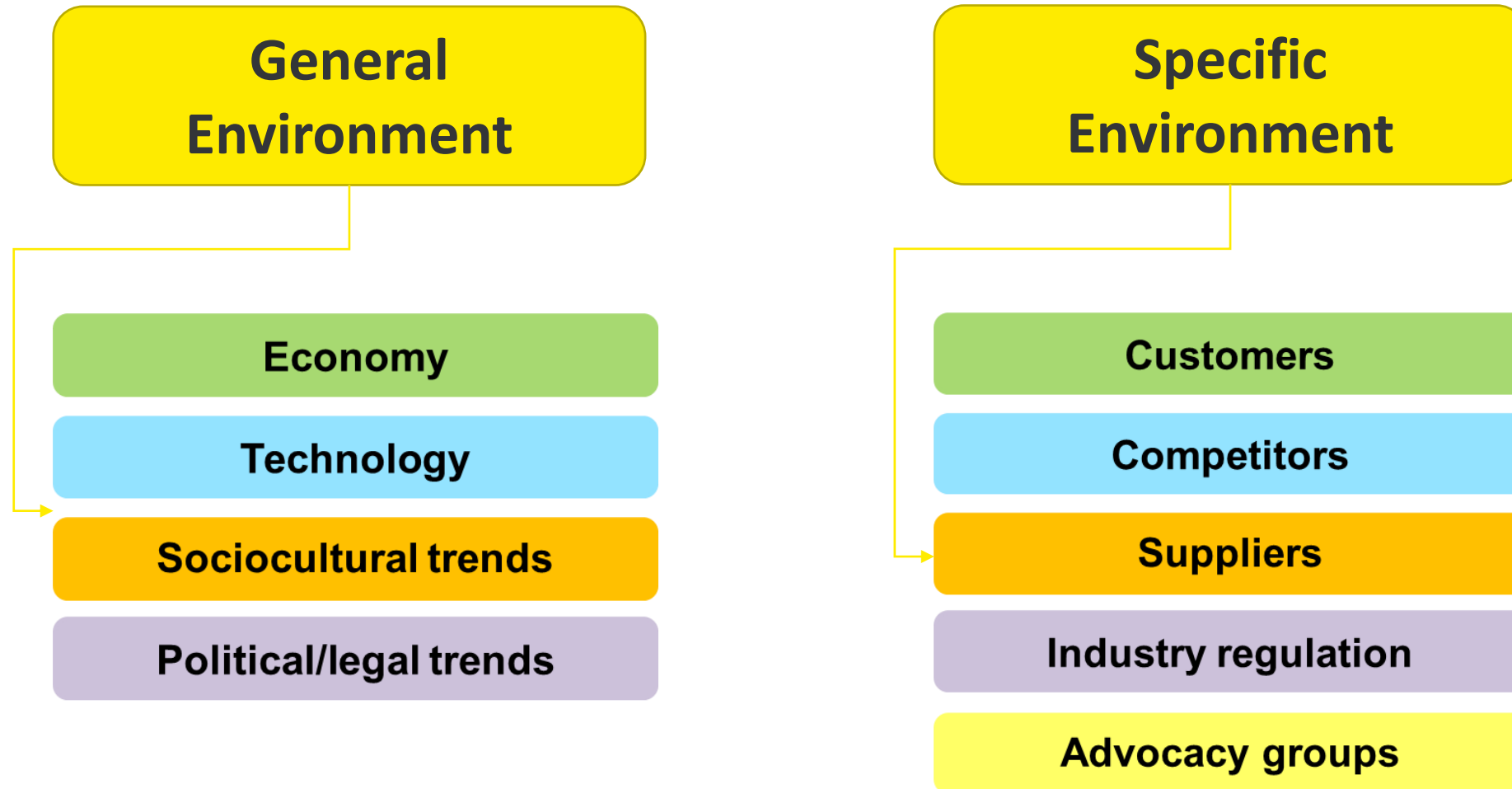
**All events outside a company that have
the potential to influence or affect it.**

**General Environment
Specific Environment**

GENERAL AND SPECIFIC ENVIRONMENTS



GENERAL AND SPECIFIC ENVIRONMENTS



MAKING SENSE OF CHANGING ENVIRONMENTS

Environmental scanning:

Searching the environment for important events or issues that might affect an organisation

Interpreting environmental factors:

Are they threats or opportunities?

- Acting on threats and opportunities:

Using cognitive maps to visually summarise the perceived relationships between environmental factors and possible organisational actions

ORGANISATIONAL ENVIRONMENT

**Internal
Environment**



The events and trends inside an organisation that affect management, employees and organisational culture

ORGANISATIONAL CULTURE



Organisation culture concerns the values, beliefs and attitudes shared by organisational members.

When employees enjoy the space they work in, it helps to foster a positive organisational culture.

ORGANISATIONAL CULTURE

Creation and maintenance of organisational cultures



Company founder

Imprint beliefs, attitudes and values on the company and is instrumental in creating the organisational culture

Organisational stories

Told to make sense of internal events and changes, and to emphasise cultural assumptions, decisions and actions

Organisational heroes

People celebrated for their qualities and achievements within an organisation

ORGANISATIONAL CULTURE

Successful organisational cultures



Adaptability

The ability to notice and respond to changes in the organisation's environment

Employee involvement

Help employees feel a greater sense of ownership and responsibility

Company vision

A business' purpose or reason for existing

Consistent organisational cultures

When a company actively defines and teaches organisational values, beliefs and attitudes

ORGANISATIONAL CULTURE

Changing organisational cultures



SEEN (Surface level)

- Symbolic artefacts such as dress codes
- Workers' and managers' behaviours



HEARD (Expressed values and beliefs)

- What people say
- How decisions are made and explained



BELIEVED (Unconscious assumptions and beliefs)

- Widely shared assumptions and beliefs
- Buried deep below surface
- Rarely discussed or thought about

**FIGURE
3.4**

Three levels of organisational culture

ETHICS AND SOCIAL RESPONSIBILITY

