

Influence of Organisational Structures

Organisational Cultures

Charles Handy, building on the work of Roger Harrison, developed a classification for organisational cultures, with reference to their structures. Basically he stated that an individual's behaviour mirrored that of the organisational culture and climate, e.g. if the culture is bureaucratic and the employee sees it as so, then his/her behaviour is likely to be bureaucratic.

Handy's work should be viewed more as high-level insights into the way organisations work, rather than a rigorous analysis. In his earlier and best known work, Handy describes four basic types of organisational cultures (these can often co-exist within different departments in the same organisation, though one may be dominant):

- **Power Culture (sometimes called 'The Club' Culture)**

Characterised by strong leadership, a single powerful, influential person or team being at the very centre of everything (like a spider's web). They make all the decisions that matter. We've probably all seen this to some extent – the 'empire building' departmental manager and the company headed and driven by a charismatic entrepreneur. Such cultures can make rapid decisions, responding quickly to change. Many organisations begin like this. However, because decisions depend on a few select individuals, the quality can be somewhat suspect (it can be impulsive, not thought through properly). You only progress in these organisations if you think like them; i.e. you are a member of 'the club'.

- **Role Culture (sometimes called 'Bureaucratic' or 'Mechanistic' Culture)**

In this type of culture, the role is more important than the individual. The power of the individual derives from the office or position he holds within the organisation. The organisation is a very solid structure with each role being clearly defined and each department is stable with clearly marked boundaries – typically forming a hierarchical bureaucracy. There are set procedures and rules which must be followed and which ultimately give rise to a predictable and secure culture. Typical examples are public services and old, established financial institutions. Power cultures can develop into these types of cultures as a company grows and finds it needs more clearly defined, efficient procedures.

This type of culture thrives well in times of stability but does not deal well with periods of rapid change.

- **Task Culture (sometimes called 'Organic' Culture)**

Here, 'getting the job done' is the focus i.e. problem-solving. So, it tends to be what is often referred to as a 'matrix-style' management. That is, individuals contribute to a projects/problems based on their expertise. There is therefore a large degree of collaboration and team-based working. It is a very flexible way of working and is often used by consultancies, advertising agencies and research & development departments. It facilitates innovation and creativity.

- **Person Culture (sometimes called 'Existential' Culture)**

This is quite different from the other three cultures described above. Here the organisation exists principally to achieve the goals of the individuals that form it – rather than the individuals focused on the organisational goals. So, the style here is consensus – it is a cluster of like-minded individuals with no overall management control (though

there may be some coordination through a committee, say). It tends to be found in community groups, co-operatives, small consultancies and small medical, dental, or legal practises (who might simply be sharing offices and secretaries for convenience). As organisations become larger, it may well change to one of the other types of cultures described earlier.

Handy's later insights considered the changing world of work. He noted that companies continued to grow, but reduced the number of employees. Organisations were retaining the bits that they did well and beginning to outsource the bits that others did better or more efficiently. Working people would no longer have a 'job for life' in a single company but rather a portfolio of jobs. This is what we commonly see today.