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Module-E Unit-2

Human Resources Management



CAIIB HRM Module E Unit 2- Organisational Culture & Creativity-New Imperatives

'Individual Culture' And 'Organizational Culture'

- **'Culture' is the set** of important understandings that members of a community share in common. It consists of a basic set of values, ideas, perceptions, preferences, concept of morality, code of conduct etc. which create a distinctiveness among human groups.

The four basic features of 'Culture' are:

- Every culture is unique.
- Cultures are triggers for spotting potential employees who will be a good fit for a particular job/role.
- Cultures are dynamic. They need to be grown and nurtured like any relationship. With the change in the organisations goal and mission, the culture might need to adjust and adopt.
- Some organizations can raise their internal cultures to become part of their external identity and set themselves apart.

These four features of 'Cultures' can provide required insight to define the term the 'organizational culture' more comprehensively. It reflects the employee experience, and it often determines whether companies win or lose.

'Organizational Culture' is the collective effect of the common beliefs, behaviours, and values of the people within a company. Organisational culture can also be defined as the philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes and norms that knit an organisation together and are shared by its employees.

Organizational culture/corporate culture includes-

- The ways the organization conducts its business, treats its employees, customers, and the wider community.
- The extent to which freedom is allowed in decision making, developing new ideas, and personal expression.
- How power and information flow through its hierarchy
- How committed employees are towards collective objectives.

Features of Organisational Culture

- **Innovation (Risk Orientation):** Organisations with cultures that place a high value on innovation and encourage their employees to take risks and innovate in the performance of their jobs.
- **Attention to Detail (Precision Orientation):** This characteristic of organizational culture dictates the degree to which employees are expected to be accurate in their work. A culture that places a high value on attention to detail expects its employees to perform their work with precision.

- **Emphasis on Outcome (Achievement Orientation):** Organisations that focus on results but not on how the results are achieved emphasize this value of organizational culture.
- **Emphasis on People (Fairness Orientation):** Organisations that place a high value on this characteristic of organizational culture place great importance on how their decisions will affect the people in their organizations.
- **Teamwork (Collaboration Orientation):** Organisations that organize work activities around teams instead of individuals place a high value on this characteristic of the organizational culture. People who work for these types of companies tend to have a positive relationship with their coworkers and managers.
- **Individual Autonomy (Responsibility Orientation):** Another chief characteristic of Organisational Culture is to allow the employees enough freedom at work and provide enough opportunities to exercise initiative which instils high degree of responsibility, accountability and ownership to what they do.
- **People Centric (People Orientation):** The degree to which, management decisions take into consideration the impact of outcomes on people within the organisation.
- **Aggressiveness (Competitive Orientation):** This characteristic of organizational culture dictates whether group members are expected to be assertive or easygoing when dealing with companies they compete with within the marketplace. Organisations with an aggressive culture place a high value on competitiveness and outperform the competition at all costs.
- **Stability (Rule Orientation):** Organisations whose culture place a high value on stability is rule-oriented, predictable, and bureaucratic in nature. These types of companies typically provide consistent and predictable levels of output and operate best in non-changing market conditions.

'Individual Creativity' And 'Organisational Creativity'

- **'Creativity' is defined** as the tendency to generate or recognize ideas, alternatives, or possibilities that may be useful in solving problems, communicating with others, and entertaining ourselves and others.
- **'Creativity' in the workplace** is increasingly viewed as an valuable organizational asset. The value of a creative workforce will only increase if and when the organizations resort to business expansion, continued and rapid changes in technology, increased competition for products and/or services, and regular changes to organizational structures, business strategies and work processes.
- **'Organizational Creativity'** has been defined as, the creation of a valuable, useful new product, service, idea, procedure, or process by individuals working together in a complex social system. It inspires employees to work with each other and encourages collaboration across the organisation.

There are six cultural characteristics that define an innovative Organisation:

- **Trust:** Among co-workers and also between the employer and the employee.

- **Integrity:** Employees know that their co-workers say what they mean and they mean what they say.
- **Respect:** Respect among the employees towards each other and also employer respects the employee and vice-versa.
- **Humility:** Employees accept each other feelings with all humbleness.
- **Faith:** Employees believe in their own abilities and have confidence to move forward.
- **Hope:** Employees are open to the possibilities that exist beyond their own experiences.

Factors Influencing 'Organisational Creativity'

- Organizational Climate
- Leadership Style
- Organisational Culture
- Resources And Skills
- Structure And Systems

'Individual Creativity' Vis-À-Vis 'Organisational Creativity'

- While all organizational creativity is a result of individual creativity but reverse is not true, i.e., all Individual Creativity is not of Organisation's. An organization must be efficient, productive and predictable whereas individuals may behave as they like according to situation or time and as such the individual behaviours are generally unpredictable.

Organisations should focus on three areas –

- **People,**
- **Environment and**
- **Processes.**
- **People:** Creative people are the sources of organizational creativity in as much as, organization is a congregation of people who work towards a common goal. Organizations need creative talents to foster innovation and creativity. People, being engine of innovation, organizational creativity can be maximized through increased individual creativity with the help of motivation.
- **Environment:** If the organization seeks to foster creativity it need to create certain physiological and physical comforts for its workforce, lest a new idea might be rejected and the status quo remains unchanged. Therefore, individual creativity has a huge advantage on organizational creativity in regards to the environment. Since, individuals working across the territories will have creative ideas such ideas/suggestions can be called through online platform.
- **Processes:** The process by which the organization manages the idea generation, congregation and analysis decides the quality and quantity of individual and organizational creativity. A good idea management process can help increase individual and organizational creativity. The biggest problem with individual creativity is their very nature of not scribbling their ideas when it struck to them and in their pursuit of recollecting at a later date, they will completely forget or

decide not to do it at all. Hence, a robust and simple idea management platform, like Ideanote, can be used to solve this problem.

Distinction Between Creativity And Innovation

- Innovation and creativity go hand in hand; greater creativity is a clue to more innovations. Creativity is generating innovative and appropriate ideas, especially at individual level. Innovation is the procedure through which these concepts are taken, established, refined, settled, explained and finally executed and/or applied. Creativity makes innovation into a pipeline.
- **‘Creativity’** is considered as a seed for innovation; motivate employees to generate generous ideas influence the psychological awareness of innovation in the organization.

The three extensive organizational factors in the creativity and innovation componential model that are related to creativity:

- Organizational motivation and support for innovation and creativity,
- Resources- everything the organization should have available to aid targeted work for innovation,
- Management practices, acknowledged the extent of job environment which linked to organization creative activities.

Essential Qualities Of A ‘Creative Leader/Manager’

- **Urge to acquire new knowledge:** Habit of constant questioning as to ‘how’ and ‘why’ of things, Strong passion and interest to think out-of-box, Ability to think creatively, An inherent urge to gauge and evaluate people in terms of their motives and attitudes etc.
- **Compassion:** Passion to meet different people with vivid knowledge and sensitivity, empathy and compassion for those in distress, responsiveness to delicate aspects/things.
- **Involvedness:** Potent with maturity and forward-looking, Being a visionary, Having capability to evolve appropriate solutions.
- **Boldness:** Calculated risk taking, passion for starting own ventures/projects, aiming big, having confidence on his/her own abilities/capabilities.
- **Autonomy/Freedom:** Questioning the status quo, open to others’ views but keeping decision with self, emphatic putting forth of viewpoint, forceful assertion and venting of feelings.
- **Flexible:** Confidence in managing conflicts and crisis, faster adoption to the change and new challenges.
- **Self-reliance:** Confidence in operating in unfamiliar situations, tendency to take on challenging tasks, determination in reaching the set goals and accomplishing the projects/tasks.

Strategies To Create An ‘Ethical Organisational Culture’

The following are some of the strategies to create an 'ethical culture' in organizations:

- **Management's visible Role-Modeling:** Role-Modeling is critical for an ethical culture to take a start in organizations. Employees look to the behavior of top management as a model of what's acceptable behaviour in the workplace. Thus, organizational leaders must practice what they preach and be sure that they model for others the desired behaviors that they wish to nurture within their organizations.
- **Communicate clearly the do's and don'ts on ethical expectations:** Ethical ambiguities can be reduced by creating and disseminating the code of ethics across the organization. It is important for employees to know what constitutes ethical behaviour and what does not. Therefore, it is important to evolve, formulate and disseminate a code of ethics among all employees.
- **Offer ethical education/training:** Organizations should set up seminars, workshops, town hall meetings and such other ethical training programmes. Innovative digital and online social media educational platforms like Intranet, Whatsapp, Facebook, posters etc may be used so as to create more awareness among Gen Y employees. Use these training sessions to reinforce the organization's standards of conduct, to clarify what practices are and are not permissible, and to address possible ethical dilemmas.
- **Focus on Ethical Skill Building and Problem Solving abilities:** organizations should focus their attention on developing ethical skills and problem-solving techniques. If an organization wants to create a culture of ethics they must be sure that members have the tools that they need to do so. These include adequate and appropriate training, consultation, modeling, and supervision. These tools also include being able to bring internal and external to the organization experts in to engage staff at all levels of training and problem solving as well.
- **Rewards and Punishment:** There should be proper and fairly drawn policies and procedures for rewards for high compliance of code of ethics and punishments for non-compliance. If violating the code does not attract serious consequences to all levels of workforce regardless of their position and status, it will not be visible as important.
- **Foster an open culture:** Fostering a culture of openness potent with emphasis on bringing out truth irrespective of position and status, is very critical to the creation of an effective ethical culture. Top Management should do everything in their power to encourage a open culture and investigate all allegations that come to them. Whistle-blowers help bring vision to the wilfully blind; the messages they send should never be ignored or suppressed.
- **Provide safe and protective mechanisms:** The organization needs to provide formal mechanisms so that employees can discuss ethical dilemmas and report unethical behavior without fear of reprimand. This might include creation of ethical counselors, ombudsmen, or ethical officers.
- **Provide Corrective feedback:** Another basic and important principles of fostering ethical cultures is to provide immediate corrective feedback. Unless organizations offer timely and thoughtful corrective feedback regarding ethical

behaviour of individuals, they cannot create a robust culture of ethics. Reinforcement for high ethical behaviour and timely corrective feedback for undesirable behaviour is vital to help create and sustain a culture of ethical behaviours and cultures in organisations.



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