

# The Organizational Personality

BY VINCENT J. NATOLI, JR., DBA

Organizations, like people, have personalities, but because of the inherent differences between people and organizations, their respective traits are not necessarily the same. While an organization has reporting relationships (employees reporting to supervisors), people do not. Some traits—authoritarianism and conformity, for example—apply to both people and organizations, while others, like employee participation, are unique to organizational hierarchies. Understanding how organizational traits affect performance outcomes and applying this knowledge to your business can help generate the results you want.

## Five Organizational Personality Traits

The organizational personality trait most relevant to organizations is **authoritarianism**. Herbert A. Simon, a social scientist who won the Nobel Prize for Economics in 1978, stated that authority is the mode of influence that distinguishes individuals' organizational behavior from non-organizational behavior—authority gives an organization its formal structure. An organization chart, quite simply, is an authority structure whereby those in a position of authority have the formal power to distribute, withhold, or retract economic benefits to those lower in the hierarchy. While not known to many, there is a formal psychological definition of authoritarianism that says it consists of three attitudinal clusters: aggression, submission, and conventionalism. Organizations can be characterized as authoritarian if they have management practices scoring high on a usage scale of these three behaviors and non-authoritarian if they do not score high on all three.

**Punitiveness** is the extent to which employers punish employees, and it is related to authoritarianism in that author-

itarianism control people by punishing them. An employer inclined to control employees with management practices that punish them is more likely to rate high on punitiveness—and also authoritarianism—than an employer who controls employees through non-punitive practices.

**Employee conformity** is the extent to which employers move employees toward employer norms, or standards of behavior.

**Employee participation** is the extent to which employees share in the decision-making process. Employee participation ranges from relatively minimal, where employers inform employees as to what is occurring in the organization, to relatively extensive, where employees sit on the board of directors and have influence in major organizational decisions, a scenario rarely found in the U.S.

**Organizational socialization** is the process by which employers acculturate employees to employer norms, values, and behaviors, although I sometimes use it to mean the extent to which employees are socialized or acculturated to the organization's norms, values, and behaviors. Just as authoritarianism and punitiveness are related, employee participation and organizational socialization are related. Research shows that when people are given input into the decisions whose outcomes affect them, they are more committed to those decisions. So if employees are given input into the norms, values, and behaviors that affect them, they are more likely to be committed to those norms, values, and behaviors and thereby be more highly socialized. The extent to which employees are socialized is important to employers, because the more socialized they are, the fewer bureaucratic mechanisms are needed to control them.

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# sonality & Organizational Performance

## Three Ways Organizations Gain Compliance

Organizational sociology literature states that there are three types of organizations in terms of how they gain the compliance of their members, or employees, as in this case. **Coercive** organizations, such as prisons and custodial mental hospitals, are the most authoritarian and punitive, and they are the least participative with the least socialized members (they gain compliance by force). At the other extreme in this area are **normative** organizations, such as religious institutions and charities. Normative organizations gain the compliance of their members through common values. They are the least authoritarian and punitive and have the highest level of employee participation and organizational socialization. In between coercive and normative organizations are **utilitarian**, or **remunerative**, organizations, the category that includes most businesses. Utilitarian organizations gain the compliance of their employees through the use of material rewards.

## Employer Authoritarianism Outcomes

These five organizational personality traits are important to employers because over sixty organizational performance outcomes have been associated with them. Among the organizational outcomes associated with employer authoritarianism are: employee motivation and commitment; employee selection; employee complaints such as grievances, unionization, regulatory agency complaints, and litigation; implementation of incentive plans; implementation of performance appraisals; empowerment; effectiveness of organizational change; productivity and effectiveness; organizational learning; coaching; employee need achievement; employee creativity; job enrichment programs; absenteeism; bullying; turnover; work stoppages; quality; and workplace violence.

## Employer Punitiveness Outcomes

Among the organizational performance outcomes associated with employer punitiveness are: empowerment; performance



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appraisals; turnover; absenteeism; unlearning old behaviors; employee creativity; organizational learning; and productivity.

## Employee Conformity Outcomes

Among the organizational performance outcomes associated with employee conformity are: organizational learning; role conflict; autonomy; job satisfaction; willingness to quit; organizational change; and employee involvement.

## Employee Participation Outcomes

Among the organizational performance outcomes associated with employee participation are: productivity; organizational learning; organizational change; competitiveness; employee stress (which is related to healthcare costs); job satisfaction and commitment; employee creativity; employee performance; employee sense of security; implementation of gainsharing programs; retaliation against whistle-blowers; absenteeism; turnover; morale; motivation; safety; and decision-making.

## Organizational Socialization Outcomes

Among the organizational performance outcomes associated with organizational socialization are: turnover; discipline; organizational stability; retaliation against whistle-blowers; productivity; motivation; bureaucratic control; commitment and satisfaction; performance; and employee stress.

# The Organizational Personality & Organizational Performance

While the length of this article does not permit an extensive explanation of how these organizational personality traits lead to the outcomes, I will briefly explain some for illustrative purposes. Authoritarian employers who aggress against employees for refusing to submit to behavior that employers consider conventional may find that employees have a different concept of conventionalism and are not happy with the employers' aggression. Such unhappiness, depending on the extent of it, could lead employees to miss work, quit, produce a level of output considered fair by employees based on the workplace environment, seek protection in the form of a union or litigation, avoid risk-taking behavior, or, most drastically, use violence as a form of redress. Similarly, participative employers have lower levels of employee stress because employees have more control over their work lives when they participate in the decisions affecting them; and, likewise, participative employers have employees who are more likely to show up and assume an ownership interest in their jobs with a greater concern for output, and less likely to quit.

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## Five Ways to Determine an Organization's Personality

There are five rules of measure to use in determining where your organization stands in relation to other organizations on the personality traits of interest, particularly with respect to authoritarianism.

1. most obviously, the law (If your company's concept of conventionalism violates American legal standards, that is, American conventionalism, then your organization is probably too high on the scale of authoritarianism.)
2. standard American conventions
3. industry or general business practices
4. employee feedback
5. benchmarking

## Organizational Personalities in Mergers and Reorganization

In addition to knowing where an organization stands compared to other organizations, it is also useful for an organization to know where it stands on the organizational personality dimensions to improve its management practices in general. This will help an organization compare itself directly with another organization when considering a merger or acquisition. For example, if an organization low on employee participation is considering a merger with an organization that has a high level of employee participation, a successful merger is less likely than if the two organizations have a similar level. Similarly, it is useful to know where an organization's departments stand on specific personality traits when it undergoes a reorganization and combines departments.

By optimizing the organizational personality, organizations can attain more desirable management performance outcomes. With respect to the trait of authoritarianism, there is good reason to believe that employers can improve their behavior. Theoretical literature shows that authoritarians do not realize they are authoritarian, and once apprised of their standing, are often willing to change their behavior. ❖

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