

Employee Relations and Wellbeing

Lecture Title:

Organisational Culture and Power in Employee Relations



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**Masters in
Human Resources Management**

Learning Objectives

- Analyze how organizational culture shapes employee relations (ER) climates**
- Evaluate the role of leadership and communication in shaping trust within organizations**
- Identify power dynamics that influence fairness and consistency in ER practices**



Group Discussion

"How would you describe the 'feel' or culture of the last organization you worked in (or observed), and how did it affect how employees were treated?"



Organisational Culture & Employee Relations Climate

- Organizational Culture

“The shared values, beliefs, assumptions, and norms that influence how people behave in organizations.”(Schein, 2010)

It's the “personality” of the organization—often unspoken but deeply felt.



Organisational Culture & Employee Relations Climate

- Employee Relations (ER) Climate

“The prevailing atmosphere in the workplace that determines the nature and quality of relationships between employer and employees.”

This includes trust levels, mutual respect, communication openness, and consistency in policy enforcement.



Organisational Culture Models



Schein's Three Level Model

Edgar Schein, a leading scholar in organizational psychology, proposed that culture exists at three interrelated levels within organizations:

Artifacts – Visible elements: dress code, open office vs. private offices, HR forms.

Espoused Values – Stated principles: “We value innovation,” “People first.”

Basic Assumptions – Unconscious beliefs: control vs. autonomy, top-down vs. participative.

Together, these levels explain how culture shapes not only what an organization *says* it values, but how it actually *functions* day to day.



Handy's Four Cultural Types

Charles Handy identified four distinct types of organizational culture, each shaped by how power is distributed, how people relate to one another, and how decisions are made. These types help explain differences in employee experience, leadership style, and organizational behavior.

- Power Culture**
- Role Culture**
- Task Culture**
- Person Culture**



Power Culture

“Web” of power centered around a dominant figure or small group.

Decision-making: Centralized; fast and often informal.

Rules: Few formal procedures; flexibility for those in power.

Trust & ER Implication: Can create strong loyalty but also lead to favoritism and perceived injustice

.Examples: Start-ups, entrepreneurial businesses, founder-led firms.

“It’s who you know that matters.”



Role Culture

“Pillar” or bureaucracy model based on structure and rules.

Decision-making: Hierarchical and function-based; slow but predictable.

Rules: Defined roles, responsibilities, and standard operating procedures.

Trust & ER Implication: Consistency and fairness through procedures, but may lack flexibility or innovation.

Examples: Government agencies, large corporations, banks.

“People know their job and stick to it.”



Task Culture

“Net” structure focused on teams and problem-solving.

Decision-making: Decentralized; depends on expertise rather than rank.

Rules: Flexible; defined by project needs.

Trust & ER Implication: High autonomy and collaboration, but can lack long-term structure or consistency in treatment.

Examples: Tech firms, R&D teams, consultancy projects.

“Let’s get the right people together to solve the problem.”



Person Culture

“Galaxy” of independent individuals with minimal hierarchy.

Decision-making: Individually driven; consensus where needed.

Rules: Very few; individuals act autonomously.

Trust & ER Implication: Maximum individual freedom, but difficult to coordinate or enforce policy.

Examples: Law firms, universities, think tanks.

“The organization exists to serve the individuals within it.”



Group Discussion

“How can organizational culture shape employee relations practices”?

(Think about handling grievances and autonomy for example).



How Culture Shapes ER Practices

ER Area	Culture Influence
Grievances	In hierarchical or rule-based cultures, grievance procedures tend to be formal, multi-step, and slow. In flat cultures, informal resolution is encouraged.
Flexibility	Innovative cultures offer autonomy, remote work, and adaptability. Traditional cultures may view flexibility as a privilege or threat to control.
Discipline	Role cultures apply strict policy adherence. In power cultures, discipline may depend on the individual's position in the informal power structure.
Autonomy	Task or person cultures promote self-management. In role cultures, decision-making is layered and slow.

Group Discussion

How might conflict resolution differ between a highly hierarchical organisation and a flat, collaborative culture?”

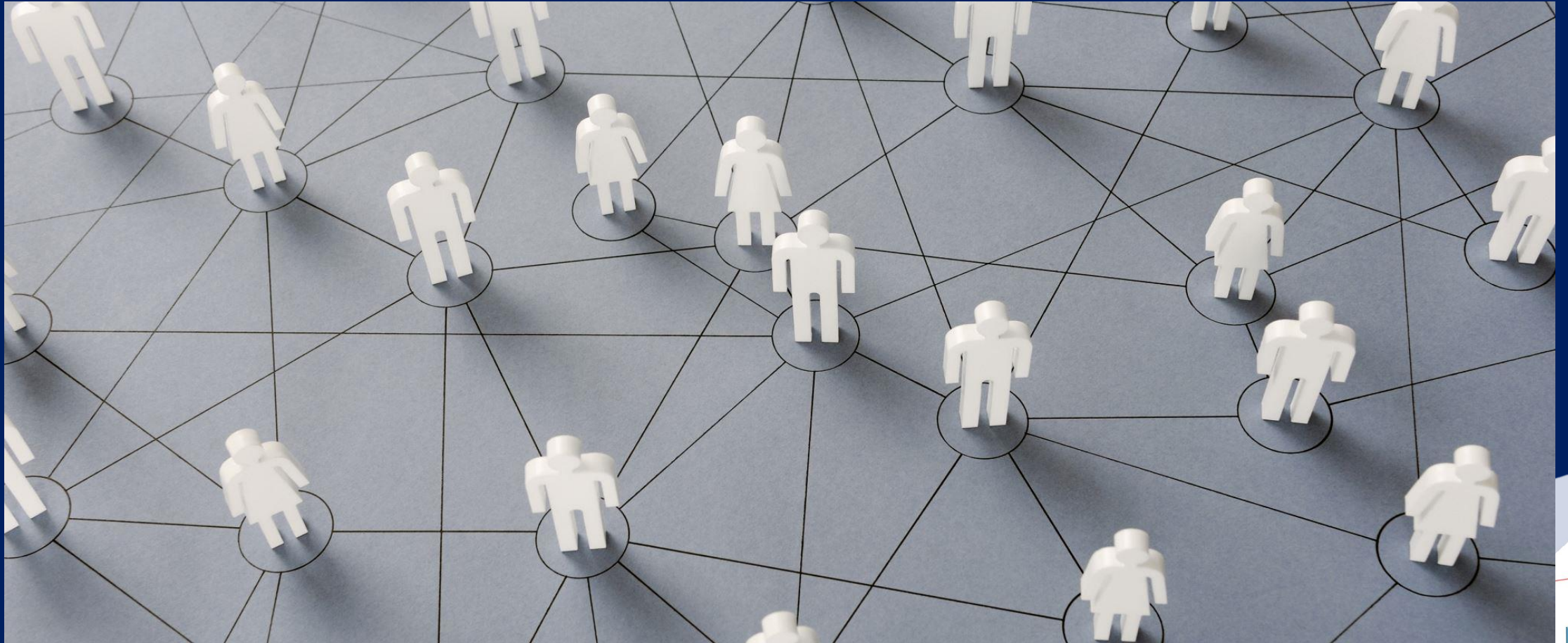
Instructions:

Consider -

- **Speed of resolution**
 - **Formality of the process**
 - **Level of employee voice**
 - **Who makes the final decision**
-
- **“What advantages does a hierarchical model offer in conflict resolution?”**
 - **“Where might it fall short compared to a flatter model?”**



Leadership, Communication & Trust



Group Discussion

How can leadership style and quality of communication shape trust levels within the employee relations climate on an organisation?



Impact of Leadership Styles on ER

Leadership style plays a critical role in shaping the quality of employee relations within an organization.

The way leaders communicate, make decisions, and engage with their teams directly influences trust, motivation, and the overall workplace climate.

The chosen leadership style can either strengthen positive employee relations or contribute to disengagement and conflict, making it a key factor in organizational success.



Impact of Leadership Styles on ER

Style	Definition	Impact on ER
Transactional Leadership	Focuses on clear roles, structure, reward/punishment.	Stable but often rigid. Can feel impersonal or overly corrective.
Transformational Leadership	Focuses on inspiration, vision, and empowerment.	Builds deep trust, employee engagement, and voice. Encourages innovation.

Trust

Trust is the foundation of Employee Relations. It refers to the belief that the employer and its representatives will act with fairness, transparency, and integrity.

Why it matters:

- Builds employee engagement, motivation, and commitment**
- Reduces conflict and turnover**
- Enhances employee voice and participation**

“Trust arrives on foot but leaves on horseback.” – Johan Thorbecke



Communication Channels & Flow

Types of Communication

- Formal:** Policies, newsletters, official HR updates, team meetings.
- Informal:** Watercooler chats, casual conversations, WhatsApp groups.

Direction of Flow

- Downward Communication:** From leadership to employees – sets tone, direction, and expectations.
- Upward Communication:** From employees to leadership – includes feedback, grievances, suggestions.

When downward communication is clear but upward flow is blocked, trust erodes. Employees feel unheard.



Group Discussion

How can you link Psychological Safety & Employee Voice?



Case Study

Scenario Overview:

A mid-sized marketing company, BrightWave Ltd., is facing growing employee dissatisfaction. Several employees have left citing "lack of trust" and "poor communication." Internal communications is inconsistent, team leaders send mixed messages, and leadership rarely responds to staff concerns.

Instructions (in groups of 3–5):

Identify the leadership and communication failures.

Assess how these failures affect trust and ER climate.

Propose 2–3 practical improvements.



THANK YOU!



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