

Coherent and Competing Cultures in Organizations

Suraj Prasad
University of Sydney

Date: 9.01.2017, Venue: P22 @ 2.30 PM

Abstract

We look at how culture -- or shared preferences -- affects the provision of incentives in an organization. The setting we consider is one where workers care about what their organization does and the way in which it does it, so that output is a horizontally differentiated public good. When resources are scarce, a coherent culture with shared preferences leads to free riding. Pushing workers apart in terms of their preferences makes the public good more private and forces workers to compete over scarce resources, but leads to outcomes that a head of an organization cares less about. Using this tradeoff, we try to understand observed patterns of culture in government agencies. We also show how granting autonomy to workers can be beneficial to an organization in this setting.

Speaker Profile

<http://sydney.edu.au/arts/economics/staff/profiles/suraj.prasad.php>