

**TOPIC**

**ORGANIZATIONAL CULTURE**

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## How the lecture will be conducted?

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1. The lecture is divided into **two blocks**, where each block introduces an issue associated with:
    - Culture: surface manifestations, values and basic assumptions
    - Organizational values
    - Organizational socialization
  
    - Culture managed versus tolerated
    - Types of organizational culture
  2. We use **MS Teams**, a shared whiteboard for your engagement and reactions, brainstorming ideas and for sharing answers.
  3. The lecture is completed by **quizzes in Vevox**, the link is always in the presentation.
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## 1. **PART** (45 min.)

- Culture: surface manifestations, values and basic assumptions
- Organizational values
- Organizational socialization

## 2. **PART** (45 min.)

- Culture managed versus tolerated
  - Types of organizational culture
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## Learning objectives

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After studying this topic, you should be able to:

- Understand and explain the importance of organizational values and socialization.
  - Define and understand the types of organisational structures
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## Key readings

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You can find support in the following sources:

- Book – Huczynski, A. (2013). *Organizational Behaviour*. Chapter 4., p. 111

# PART 1

**Culture: surface manifestations,  
values and basic assumptions**

**Organizational values**

**Organizational socialization**

Corporate culture - how things  
are done in a company on a daily  
basis.



# Organizational Culture

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- shapes the **image** that the public has of an organization;
  - influences organizational **effectiveness**;
  - provides **direction** for the company;
  - helps to **attract, retain and motivate** staff.
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# Organizational Culture

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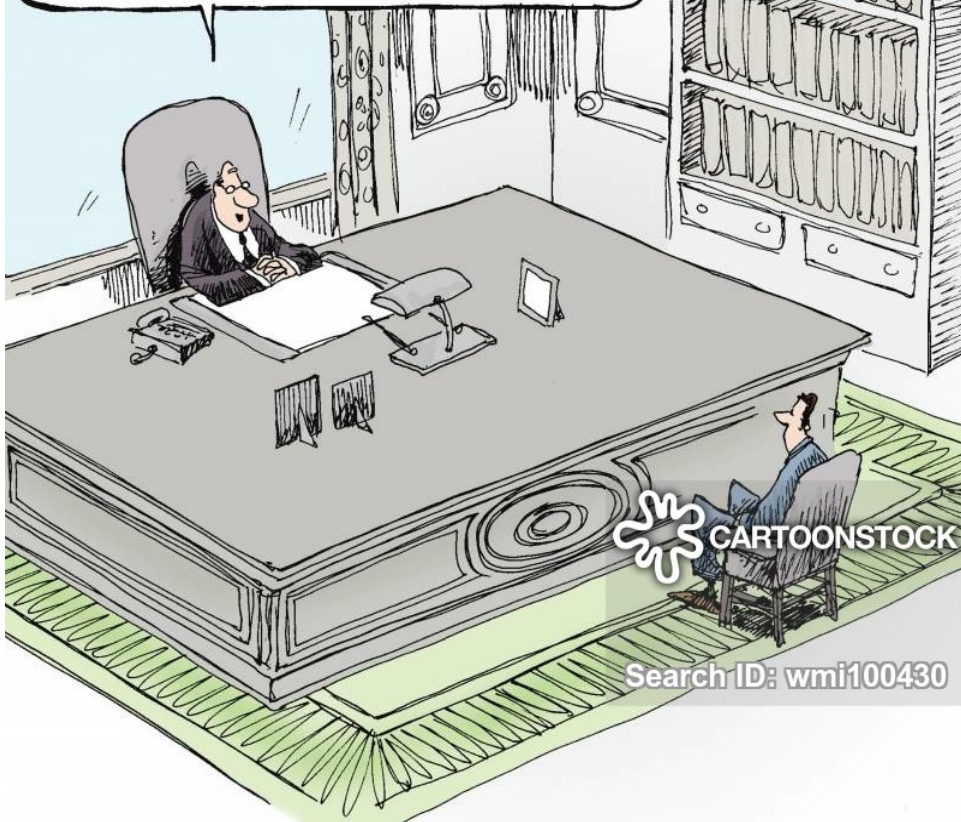
- **Corporate culture** - how things are done in a company on a daily basis.
- It affects how employees perform their work, and how they relate to each other, to customers, and to their managers.
- **Organizational culture** affects not only task issues – **how well or badly an organization performs – but also emotional issues** – how workers feel about their work and their companies.

Organizational culture has been a popular topic since the early 1980s:

- Japan's industrial success during the 1970s and 1980s;
  - increasing globalization, placing organizational culture into sharp focus alongside national culture;
  - the contentious view that management can consciously manipulate culture to achieve organizational (change) objectives;
  - the belief that intangible (soft) factors such as values and beliefs impacted on financial (hard) ones and the conviction that managers were capable of changing cultures.
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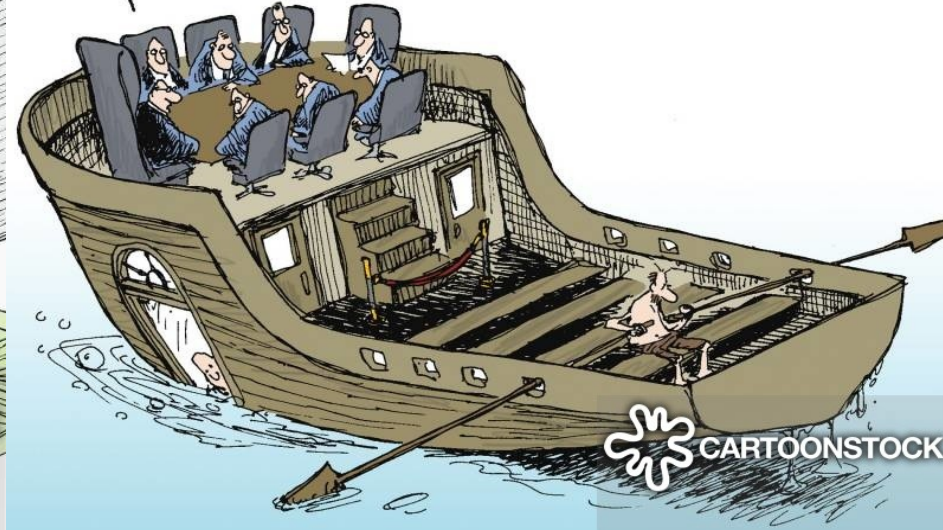
MY POLICY IS TO STAY IN CLOSE CONTACT WITH MY EMPLOYEES ...FIGURATIVELY SPEAKING



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I DON'T GET IT...AFTER ALL THE BUDGET CUTS TO STREAMLINE THE WORK FORCE, WHY AREN'T WE MOVING FASTER?

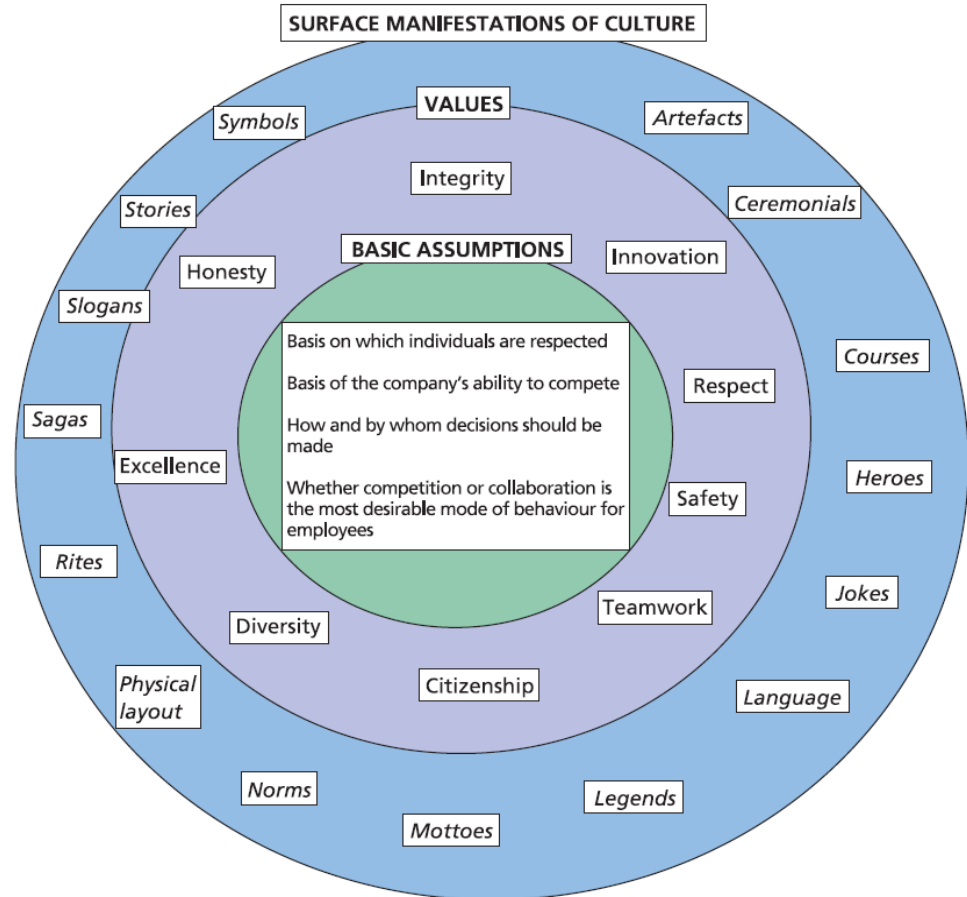


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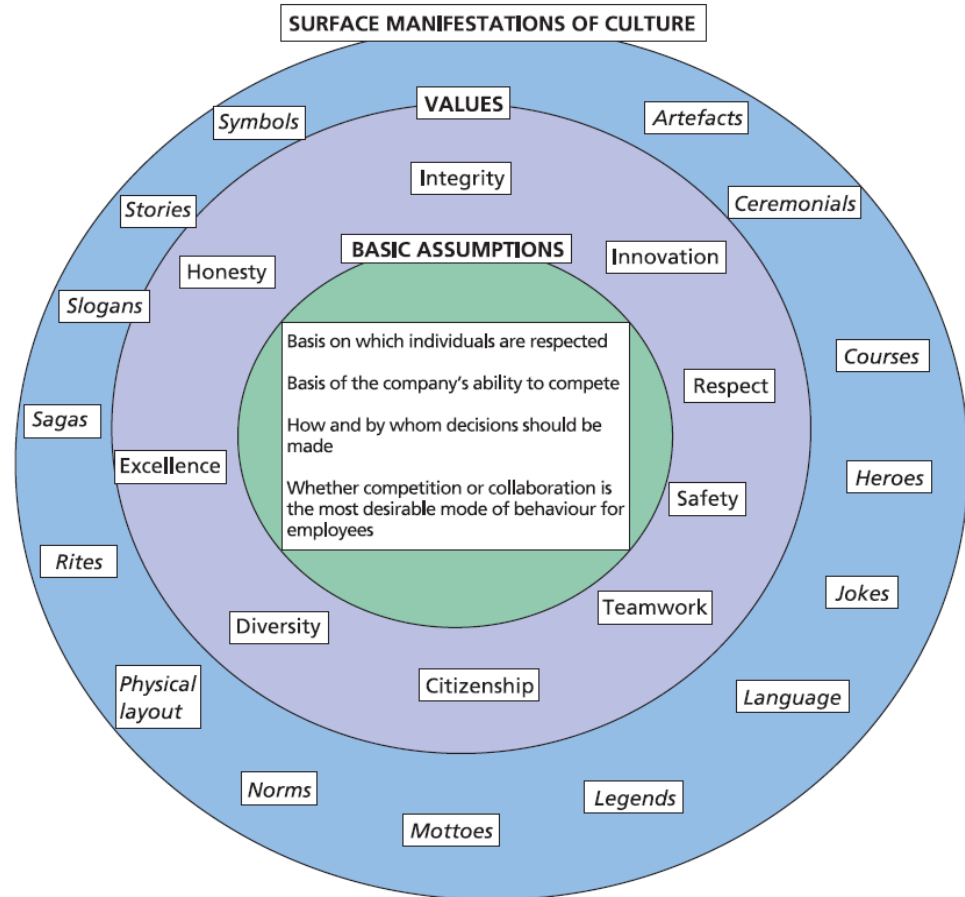
# Culture: surface manifestations, values and basic assumptions

- **First level is the surface manifestations of Organizational culture**, also called ‘observable culture’.



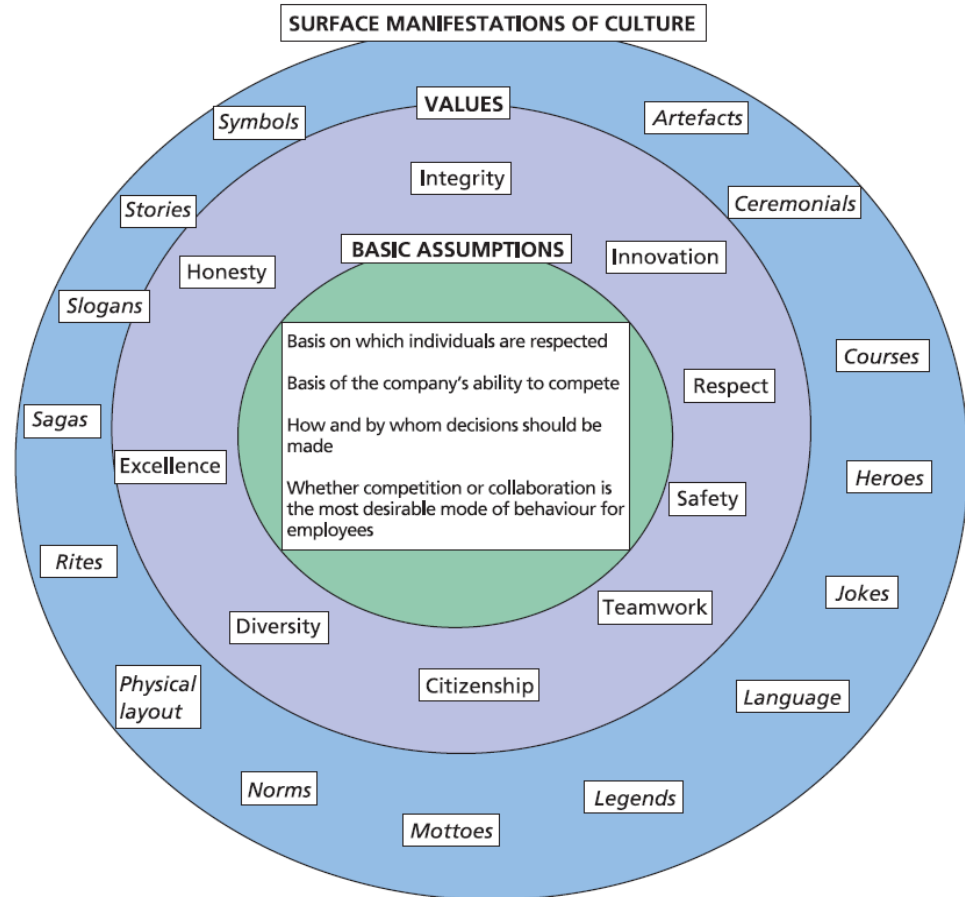
# Culture: surface manifestations, values and basic assumptions

- **Artefacts** are material objects created by human hands to facilitate culturally expressive activities. They include tools, furniture, appliances, and clothing.
- **Ceremonials** are formally planned, elaborate, dramatic sets of activities of cultural expression, e.g. opening events, prize-givings, graduations, religious services.
- **Courses and workshops** are used to instruct, induct, orient, and train new members in company practices.
- **Heroes** are characters, living or dead, who personify the values and beliefs; who are referred to in company stories, legends, sagas, myths and jokes; and who represent role models that current employees should emulate.
- **Jokes** are humorous stories intended to cause amusement.



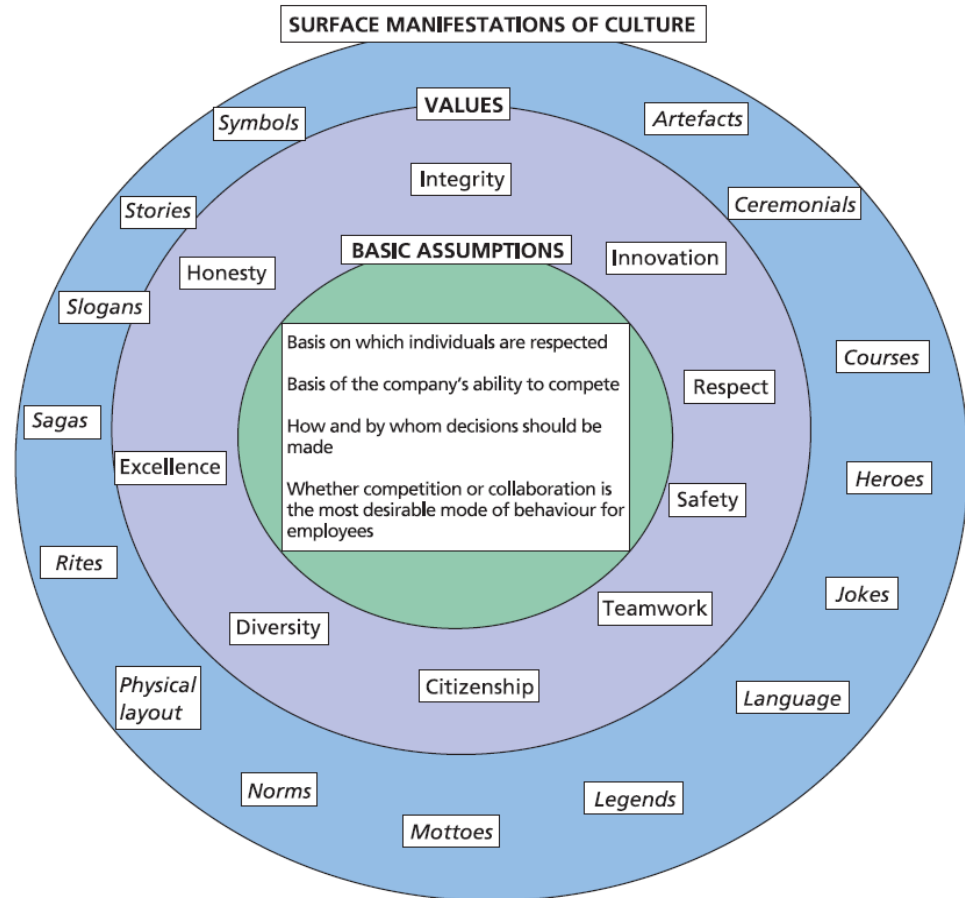
# Culture: surface manifestations, values and basic assumptions

- **Language** is the particular form or manner in which members use vocal sounds and written signs to convey meaning to each other. It includes specialist technical vocabulary related to the business (**jargon**) as well as general naming choices.
- **Legends** are handed-down narratives about wonderful events based on company history. These fascinate employees and invite them to admire or deplore certain activities.
- **Mottoes** are maxims adopted as rules of conduct. Unlike slogans, mottoes are rarely, if ever, changed.
- **Norms** are expected modes of behaviour that are accepted as the company's way of doing things, thereby providing guidance for employee behaviour.



# Culture: surface manifestations, values and basic assumptions

- **Physical layout** concerns things that surround people, providing them with immediate sensory stimuli, as they carry out culturally expressive activities.
- **Slogans** are short, catchy phrases that are regularly changed. They are used both for customer advertising and to motivate employees.
- **Stories** are narratives describing how individuals acted and the decisions they made that affected the company's future. Stories can include a mixture of both truth and fiction.
- **Symbols** refer to any act, event, object, quality, or relationship that serves as a vehicle for conveying meaning.



# Organizational Values

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- Organizational values are the **accumulated beliefs** held about how work should be done and situations dealt with.

They can be encapsulated either in phrases or in single words such as

- Citizenship
  - Diversity
  - Excellence
  - Honesty
  - Integrity
  - Innovation
  - Respect
  - Safety
  - Teamwork
-



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## Google: ten things we've found to be true

1. Focus on the user and all else will follow.
2. It's best to do one thing, really, really well.
3. Fast is better than slow.
4. Democracy on the web works.
5. You don't need to be at your desk to need an answer.
6. You can make money without doing evil.
7. There's always more information out there.
8. The need for information crosses all borders.
9. You don't need a suit to be serious.
10. Great just isn't good enough.

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## IKEA's nine fundamental doctrines

1. The product range is our identity.
  2. The IKEA spirit – a strong and lively reality.
  3. Profit gives us resources.
  4. To reach good results with small means.
  5. Concentration of energy is important for our success.
  6. Simplicity is a virtue.
  7. The different way.
  8. To behave responsibly is a privilege.
  9. Most things still remain to be done – a glorious future.
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## Adidas

- **Performance:** Sport is the foundation for all we do and executional excellence is a core value of our Group.
  - **Passion:** Passion is at the heart of our company. We are continuously moving forward, innovating, and improving.
  - **Integrity:** We are honest, open, ethical, and fair. People trust us to adhere to our word.
  - **Diversity:** We know it takes people with different ideas, strengths, interests, and cultural backgrounds to make our company succeed. We encourage healthy debate and differences of opinion.
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## Facebook

- **Focus on impact**
  - **Move fast**
  - **Be bold**
  - **Be open**
  - **Build social value**
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# Corporate Values

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## H&M

- **We believe in people**
  - **We are one team**
  - **Straightforward and open-minded**
  - **Keep it simple**
  - **Entrepreneurial spirit**
  - **Constant improvement**
  - **Cost-consciousness**
-



## Uber

**At Uber, company values are called “cultural norms”:**

- **We build globally, we live locally.**
  - **We are customer obsessed.**
  - **We celebrate differences.**
  - **We do the right thing.**
  - **We act like owners.**
  - **We persevere.**
  - **We value ideas over hierarchy.**
  - **We make big bold bets.**
-

Votes	TOP 20	No
33	transparency	1
23	balance (home/work)	2
22	feedback	3
19	continuous improvement	4
19	continuous learning	5
19	honesty	6
18	respect	7
12	customer satisfaction	8
12	remote work	9
11	making a difference	10
10	teamwork	11
8	embracing diversity	12
8	empowerment	13
7	autonomy	14
7	freedom	15
7	humor / fun	16
4	humility	17
4	innovation	18
4	results	19
3	professional growth	20

Votes	PAST VALUES
12	Always be HONEST
9	Always be LEARNING
8	We aim for GOOD
5	Show RESPECT
3	Create WOW!
2	Get FEEDBACK early
2	SPEED wins
1	Eliminate 'IPW'

### Freedom to fulfil our potential

Operate remotely: to work where, how and when we want, with minimal bureaucracy

Embrace diversity (we are all in our own way different & a little weird, that's not just OK, that's what we are looking for)

Be, and express, your true self

### Transparent by design

Demonstrate trust from day zero

Open and honest communication

Ask for and give candid and considered feedback

Admit mistakes, rectify and learn from them

### Care deeply

The success of our users

The company and the culture

Showing respect and tolerance

### Make a difference every day

Lean, incremental and data driven delivery

Build something with purpose and meaning

Improve yourself and the company

Deliver value and WOW our customers



## Starbucks Coffee

- **Creating a culture of warmth and belonging, where everyone is welcome.**
  - **Acting with courage, challenging the status quo and finding new ways to grow our company and each other.**
  - **Being present, connecting with transparency, dignity and respect.**
  - **Delivering our very best in all we do, holding ourselves accountable for results.**
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# Corporate Values

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**Netflix** - <https://inside.6q.io/the-nine-netflix-company-values/>

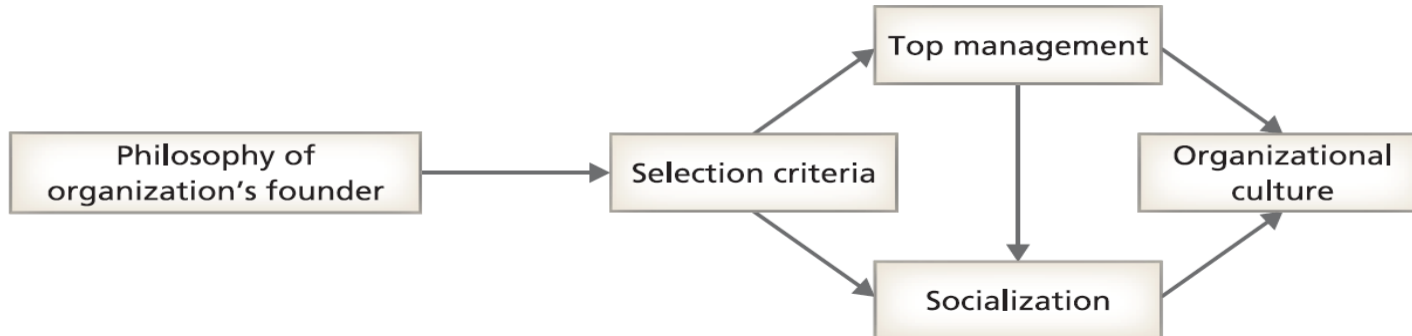
- **Judgement**
- **Communication**
- **Impact**
- **Curiosity**
- **Innovation**
- **Courage**
- **Passion**
- **Honesty**
- **Selflessness**



# Sources of Values



- Originally, a **single person**, or a **group of people**, has an idea for a new business, and brings in other key people **to create a core group** who share a common vision. This **group creates an organization**, brings in others, and begins to build a common history.
- A company's current top management acts as its '**culture carriers**'. Thus '**organizational**' values are really always the values of the current company elite (senior managers). This is similar to the way that 'organizational goals' actually represent the preferred aims of chief executives and their management teams.



# Organizational socialization



- This is the **process** through which an employee's pattern of behaviour, values, attitudes, and motives is influenced to conform to those of the organization.
- It includes the **careful selection** of new company members, their instruction in appropriate ways of thinking and behaving; and the reinforcement of desired behaviours by senior managers.







# Stages of Socialization

## **Stage 1: Anticipatory Socialization (Before starting new job)**

Gather information about job and organization.

Key issues:  
Will I fit there?  
Will I do the job well?  
What are the people like?

## **Stage 2: Accommodation (After starting new job)**

Adjust to people and demands of immediate workgroup.

Key issues:  
Is this what I expected?  
Can I relate well to my boss and peers?

## **Stage 3: Role Management (After settling into new job)**

Manage conflict between work and personal life, and between different work groups.

Key issues:  
Can I resolve these conflicts?  
Will I be able to balance my work and personal life effectively?

# Do you speak IKEA?

## IKEA-speak

## Translation

co-worker

IKEA employee

retailer

store

visitor

person visiting an IKEA store

customer

visitor who picks up an IKEA item

advantage

price difference below that of competitors

Swedish money

Swedish kronor (SEK)

'straight into the woodshed'

product achieving best-seller status

BTI – breath-taking item

product so cheap it makes customers gasp

PIJ – punch-in-the-jaw item

cheap alternative to a competitor's product

Ingvar's bag

blue bag with yellow lettering on the handles that customers carry around the shop

Ingvar-cakes

biscuits served at IKEA headquarters in Älmhult in Sweden

'open-the wallet' item

item so cheap that it is designed to be bought on impulse

'false nose'

taking an inefficient decision

'I have no confidence in you any longer'

'You will be dismissed'

# Culture „has“ versus culture „is“

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- The **has** view holds that every organization possesses a culture which, along with its strategy, structure, technology, and employees, is part of the organizational machine that can be controlled and managed. This is also known as the ‘**critical variable**’ view.
- The culture **is** ‘**given**’ to new hires who have not participated in its formation. From this perspective, culture is acquired by employees. It is seen as capable of definition, intervention, and control, representing a ‘**tool for change**’ that can be used by managers.

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<b>Managerial</b>		<b>Social science</b>
1. Culture <i>has</i>	versus	Culture <i>is</i>
2. Integration	versus	Differentiation/fragmentation
3. Culture managed	versus	Culture tolerated
4. Symbolic leadership	versus	Management control

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# Vevox questions

**Organizational values are the accumulated beliefs held about work should be done and situations dealt with. They can be encapsulated either in phrases or in single words such as** 0/0

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**First level is the surface manifestations of Organizational culture, also called 'observable culture'. Choose the correct meaning (more options).** 0/0

It refers to the visible things that a culture produces.

It includes both physical objects and also behaviour patterns that can be seen, heard or felt – they all 'send a message' to an organization's employees, suppliers, and customers.

It provides added value for competitors.

That owners want higher profits

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## PART 2

**Culture managed versus tolerated**

**Types of organizational culture**

How managers can change their company's culture from 'weak' to 'strong'?



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# Culture managed versus tolerated

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- How managers can change their company's culture from 'weak' to 'strong';
- How culture can help a company innovate and adjust rapidly to environmental changes?
- The part played by leaders' visions and styles of management in managing their cultures.

**Cultural leadership** is seen as maintaining, promoting and developing the company's culture.

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**Bureaucratic control** (F.W. Taylor)  
manipulation of rewards → loyalty → increased productivity

**Humanistic control** (Elton Mayo)  
'satisfying' task or work group → loyalty → increased productivity

**Culture (symbolic) control** (Deal and Kennedy, Schein)  
manipulation of culture → love firm and its goals → increased productivity including myth and ritual

# Culture managed versus tolerated

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For example:

- Disrupted and reorganized the **traditional inside/outside boundary** by holding **team meetings before or after work at city centre cafés or nearby parks**.
  - The teambuilding meetings involved participants **bringing personal items from home** to the workshop.
  - It also encouraged inside-the-organization activities that normally took place outside work, e.g. **wearing pyjamas, drinking alcohol, bringing home-made food to share with colleagues, decorating a work area with personal items, and dressing casually** – to be ‘free to be themselves’.
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# Culture strength

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There are four components to an organization's culture: **beliefs, behavioural rules, traditions, and rituals.**

The degree to which these components are present or absent determine the **strength or weakness** of a culture.

## WEAK CULTURE

A culture is weak when its beliefs, behavioural rules, traditions, and rituals are not apparent to its members or there is incongruence between stated values and behaviour.

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## CHARACTERISTICS OF A WEAK CULTURE

1. **Narrow/Isolated Thinking:** People in these organizations believe they have all the answers.
  2. **Resistance to Change:** The organization focuses on maintaining the status quo, avoiding risk, and not making mistakes. It is the leadership in the culture that allows these factors to pervade and paralyze the organization rather than focusing on innovation and success.
  3. **Political Internal Environment:** issues and problems get resolved along the lines of power. Vocal support or opposition, personal lobbying, and the formation of coalitions interested in a particular outcome stifles change.
  4. **Unhealthy Promotion Practices:** This characteristic is evident when an organization promotes a dedicated or long-time employee to management who is hard-working and good at day-to-day operations, but lacks leadership skills, vision, and the ability to think strategically.
-

## STRONG CULTURE

A culture is considered strong when there is cohesion around beliefs, behavioural rules, traditions, and rituals. Strong cultures typically feature their beliefs, behavioural rules, traditions, and rituals in **public displays** so that **employees can use these cultural elements** for decision making throughout the organization. Strong cultures include:

- **More than one strong leader** who articulates beliefs, behavioral rules, traditions, and rituals that are aligned with customer needs, strategic direction, and competitive environments.
  - **Organizational commitment** to operating its business as directed by the culture.
  - Unflinching **commitment by the organization to support its key stakeholders** — business partners, suppliers, employees, customers, and shareholders (if any) — and by extension the community, society, and environment.
-

## CHARACTERISTICS OF A STRONG CULTURE

- 1. Culture-reinforcing Tools:** These include things like ceremonies, symbols, language, behavioral rules, and policies. Ceremonies and symbols help recognize and celebrate high-performance employees and help create an emotional bond among all employees.
  - 2. Intensely People Oriented:** Organizations with strong cultures display their concern for their employees in a variety of ways. These include:
    - Treating employees with dignity and respect
    - Granting employees enough autonomy to excel and contribute
    - Holding managers at every level accountable for the growth and development of people who report to them
    - Using of a full range of rewards and consequences to reinforce high-performance behavior
    - Setting clear performance standards for all employees
  - 3. Results Oriented:** High-performance cultures invest more time and resources to ensure that employees who excel and achieve performance targets are identified and rewarded.
  - 4. Emphasis on Achievement And Excellence**
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# The core of a positive culture

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## Methods

- A sense of history
- Communications
- Positive problem solving
- Stories about founders and leaders

A historical  
foundation

- Leadership
- Role model examples
- Norms
- Expectations
- Values

An  
understanding  
of what is  
expected

- Reward systems
- Career management and job security
- Recruiting and staffing
- Socialization of new staff members
- Training and development

Being a part of  
a group

- Member contact
- Participative decision making
- Intergroup coordination
- Personal exchange

Encourage  
interpersonal  
and intergroup  
relationships

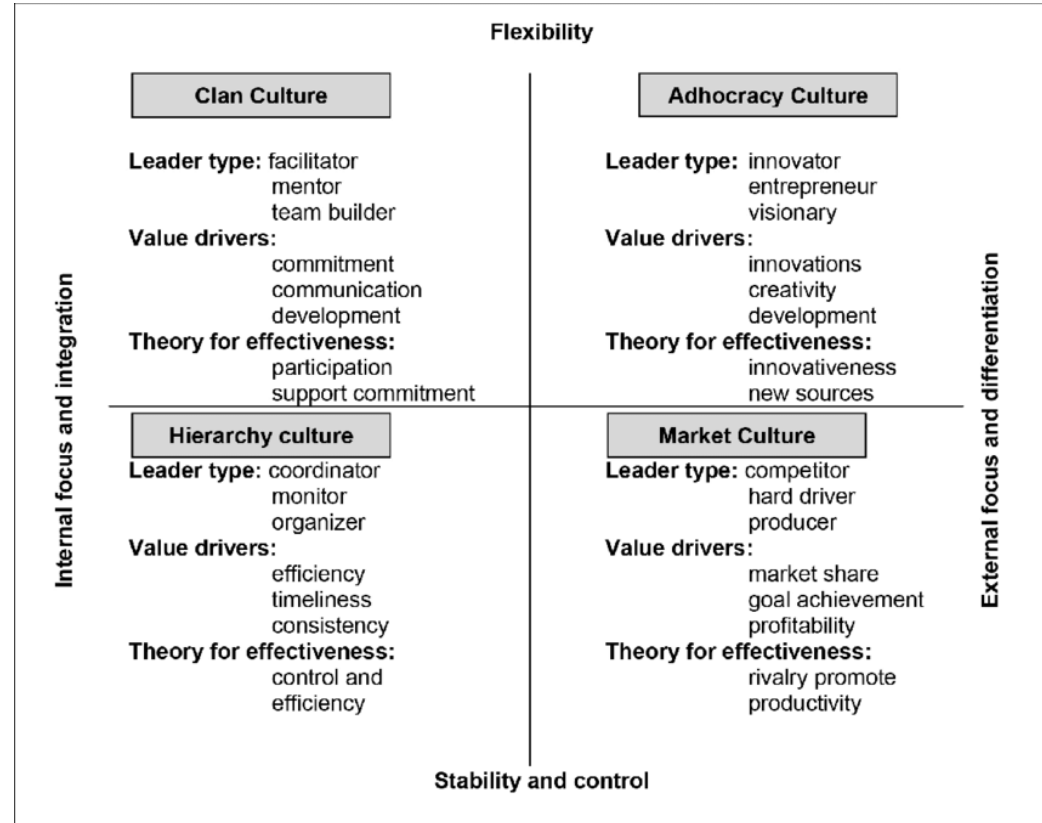
Cohesive  
organizational  
culture



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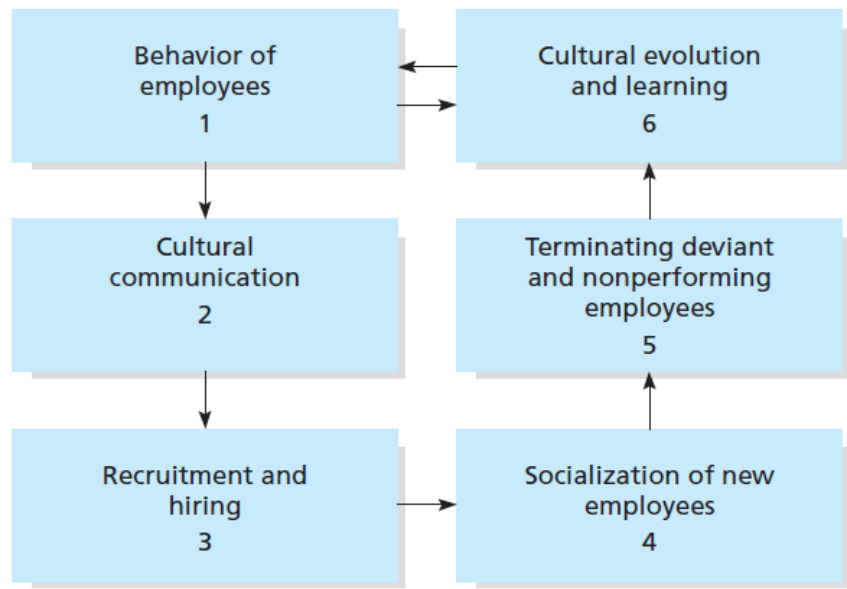
# Types of organizational culture

- **Clan** oriented cultures are family-like, with a focus on mentoring, nurturing, and “doing things together.”
- **Adhocracy** oriented cultures are dynamic and entrepreneurial, with a focus on risk-taking, innovation, and “doing things first.”
- **Market** oriented cultures are results oriented, with a focus on competition, achievement, and “getting the job done.”
- **Hierarchy** oriented cultures are structured and controlled, with a focus on efficiency, stability and “doing things right.”



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## Manager-Initiated Interventions



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Intervention points	Examples
1	Feedback/discussion of what is expected
2	Discuss history, folklore, and stories
3	Recruit and hire individuals aligned with the culture
4	Training program; mentoring; coaching
5	Terminating problem or nonperforming individuals using appropriate and fair due process

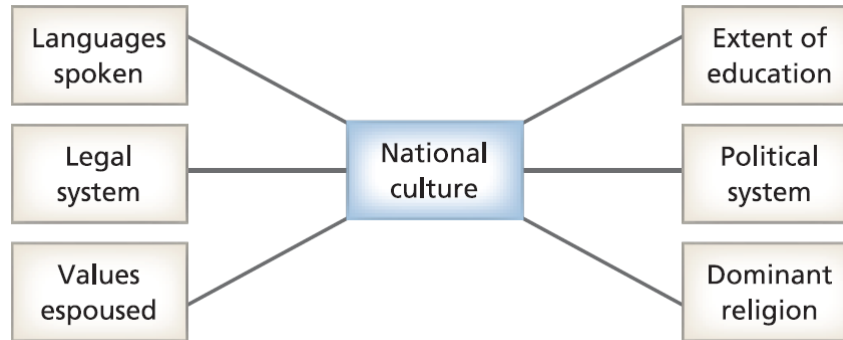
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# National cultures

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- Organizational culture being partly the outcome of societal factors.
- National cultural stereotypes are well established: Scots are mean; Americans are brash; Germans are humourless; French are romantic; and Japanese are inscrutable.





## Walmart's German exit

After eight years of never making a profit, Walmart said 'auf Wiedersehen' to Germany, announcing in 2006 that it was selling its 85 hypermarkets and pulling out of the country after incurring a £540 million pre-tax loss. It failed to understand how the American and German cultures differed. The use of 'greeters' in every American store (staff who were ordered to smile at every customer as they entered) was particularly unpopular among German customers. Neither did they like their purchases being bagged for them by store

staff. At the same time, Walmart's employees resisted management demands which they felt were unjust, such as a ban on dating colleagues in positions of authority, a 'no flirting' rule between workers, being forced to work beyond contracted hours, video surveillance of workers, and a telephone hotline for employees to inform on their colleagues. Legal action by its German staff forced Walmart to amend its ethics manual concerning romantic attachments, and to ban video monitoring (Litterick, 2006; *Deutsche Welle*, 2006).

<https://www.youtube.com/watch?v=PxtXI0K4YJs>

Video: <https://www.dailymotion.com/video/x791mfj>



# Culturam dimension and GLOBE country rankings



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<b>Cultural dimension</b>	<b>Definition: the degree to which</b>	<b>Countries scoring high</b>	<b>Countries scoring low</b>
Assertiveness	Individuals are bold, forceful, dominant, confrontational, or demanding in relationships with others	Spain USA Greece	Sweden New Zealand Switzerland
In-group collectivism	Individuals express pride, loyalty, and cohesiveness to their organizations or families	Egypt China Morocco	Denmark Sweden New Zealand
Institutional collectivism*	Organizational and government practices encourage and reward collective distribution of resources (as under socialism) and collective action	Greece Hungary Germany	Denmark Singapore Japan
Future orientation	Individuals engage in future-oriented behaviours such as planning, delaying gratification, and investing in the future	Denmark Canada Netherlands	Russia Argentina Poland

# Culturam dimension and GLOBE country rankings



<b>Cultural dimension</b>	<b>Definition: the degree to which</b>	<b>Countries scoring high</b>	<b>Countries scoring low</b>
Gender differentiation	A collective minimizes different treatment of men and women, as through equal opportunities based on ability and performance	South Korea Egypt Morocco	Sweden Denmark Slovenia
Humane orientation	A society or organization encourages and rewards individuals for being fair, altruistic, generous, caring, and kind to others	Indonesia Egypt Malaysia	Germany Spain France
Performance orientation	A society encourages and rewards group members for performance improvements, excellence, high standards, and innovation	USA Taiwan New Zealand	Russia Argentina Greece
Power distance	Members of a collective expect power to be distributed equally	Russia Spain Thailand	Denmark Netherlands South Africa
Uncertainty avoidance	A society, organization, or group relies on social norms, rules, and procedures to alleviate unpredictability of future events	Austria Denmark Germany	Russia Hungary Bolivia



# Vevox questions

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..... oriented cultures are family-like, with a focus on mentoring, nurturing, and "doing things together." 0/0

Clan  
Adhocracy  
Market  
Hierarchy

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Clan  
Adhocracy  
Market  
Hierarchy

# RECAP

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- We can distinguished surface manifestations of culture at level one (e.g., artefacts, rites, ceremonials); organizational values at level two (e.g. Customer obsession); and basic assumptions at level three which actually was the culture (e.g. nature of reality and truth).
  - Organizational culture is either something that a company has, or what a company is.
  - Organizational culture is a single, integrated unit or a differentiated entity consisting of multiple, different subcultures, fragmented with conflicting interests.
  - An organization's culture can be managed by its leaders or it is beyond their direct control and has to be tolerated by them.
  - We categorized the cultures of organization using a four-type framework: role, power, task, and person.
  - Culture could be differentiated along five dimensions: power distance; uncertainty avoidance; individualism–collectivism; masculinity–femininity; and short-term–long-term perspective.
-

**We can share our  
thoughts and ask  
questions**



**Pavel Adámek**  
*adamek@opf.slu.cz*