

1. Case “Organizational culture of LEVI company STRAUSS »

Levi Strauss is the world's largest denim manufacturer, with sales in the billions of dollars. However, in the early 1990s. the company began to receive reproaches that it was slowly updating its products, inferior to its competitors - *Haggar Apparel* and *Farah Manufacturing*. There have also been criticisms of *Levi's organizational culture*. At that time, the company was implementing the idea of its president *R. Haas*, convinced that the company had already proven its ability to occupy a leading position in the production of denim clothing. Now her task is to create a highly moral culture, maintain the ethics of relationships, thereby turning *Levi Strauss* is an example of high-quality working life. *Haas* Ideas boiled down to the following:

- openness: managers should show interest in employees, celebrate their successes, and emphasize their contribution to achieving the company's results;
- independence: independent judgments and constructive criticism are welcomed at all levels of organization management;
- ethics: managers must clearly and openly formulate their requirements, set examples of business ethics and relationships within and outside the company;
- delegation: managers must delegate authority to lower levels of management, to those who directly produce products and are in contact with customers and clients;
- external relations: *Levi Strauss* will refuse to cooperate with partners whose actions contradict the company's ethical standards;
- personnel assessment: up to 30% of bonuses go to employees who comply with ethical standards. An employee who has achieved high production results, but has not performed well enough in terms of ethics and company standards, may not receive a bonus.

Levi's Ethical Standards was questioned by many, believing that they did not contribute to improving the company's performance, explaining its failures in the market. However, *Haas* believed that the company's problems were caused by external factors and circumstances, and if not for the commitment of its employees to these ethical standards, the company would have experienced much greater difficulties.

Questions

1. What is the organizational culture of the company *Levi Straus*?
2. Can the organizational culture of *Levi's company* be considered strong?
3. Do you agree with the statement *Haas*, that the organizational culture he created represents the company's main competitive advantage in the market? Give reasons for your position.