

Organizational Culture



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**Management
course material-
Chapter 3.-
page 19.-24.**

Outline

- ❑ Importance of Organizational Culture- definition
- ❑ Schein's organizational culture types
- ❑ Deal & Kennedy' culture types



Organizational Culture




The definition:

A philosophy, a system of norms that underpins the organization's policies, rules within the organization, affects the workplace's climate, and even influences the physical layout.

„The way we do thing around here”

„The glue that holds the company together.”



The "SOFT"
factor of the
organization

Who can have a culture?

Nations (transaction in the org.: recruitment, innovation, reward programs)

Societal groups eg.: regions, professions, industrial sectors (doctors, blue-collar workers, etc)

Organizational Culture

Subcultures

Individual Culture



Racism vs. Culturalism

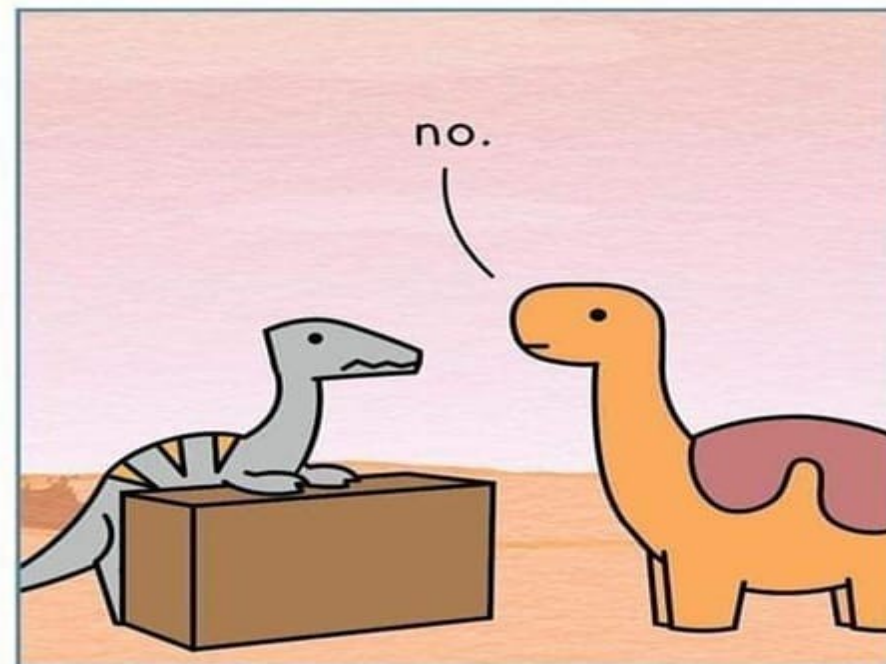
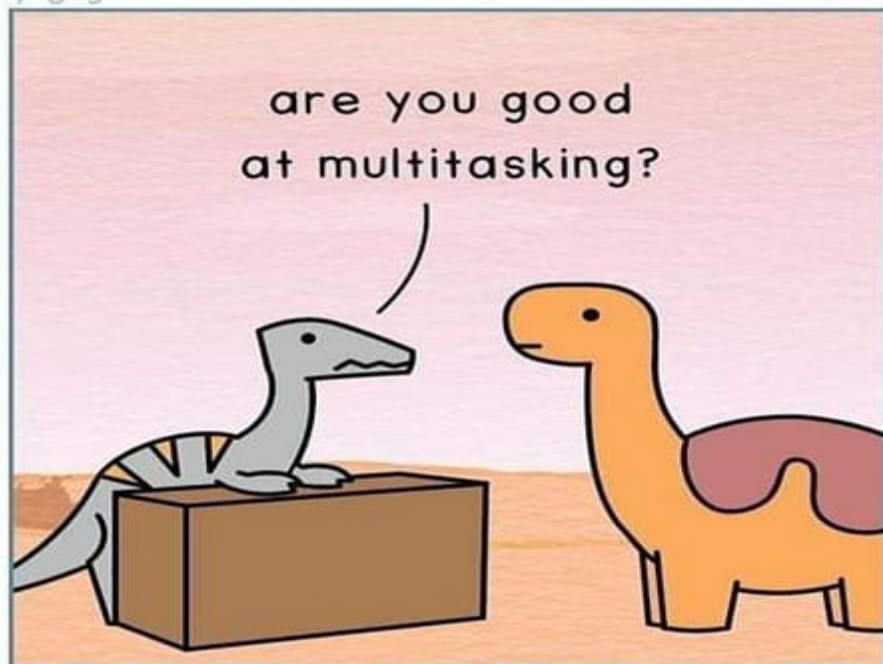
Coldheartland- Warmheartland

Why it is important?

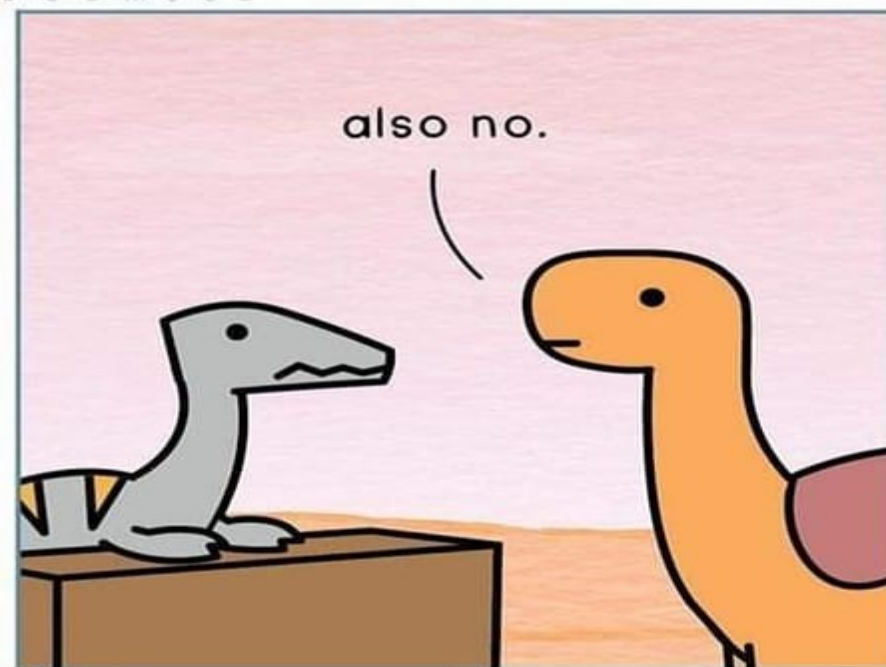
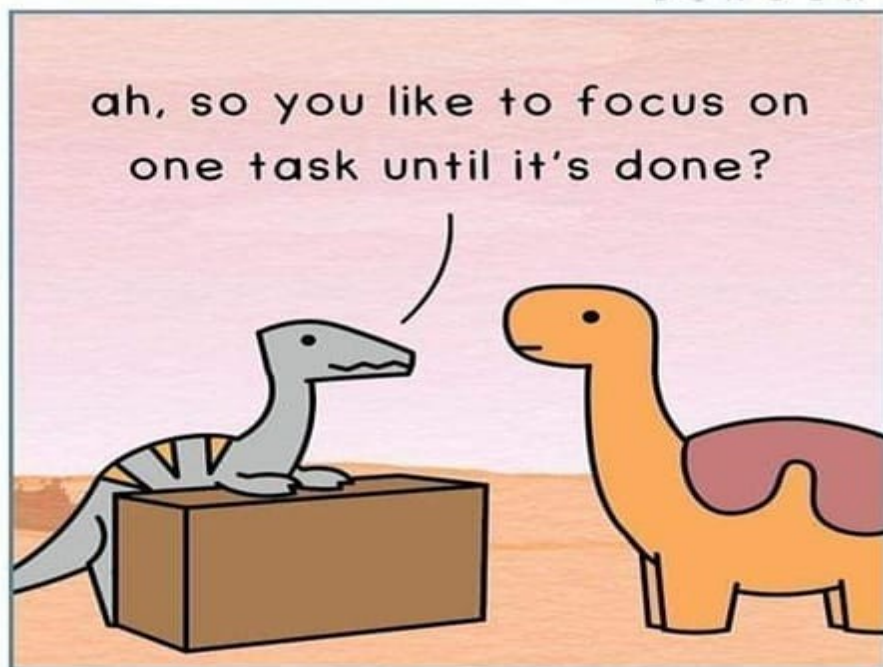
(1st thing to check on a job interview)



*“We’re wondering whether
you’d fit into our corporate
culture!”*



DINOSAUR COMICS



„The culture eats up the strategy, if they are faced.”

The culture eats up everything. It is very difficult to change the organizational culture.

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The "SOFT"
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What do we call an Organizational Culture?

“ Organizational culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.”

Edgar H. Schein

Taught to new members...

(example)

“One Tuesday afternoon in February 2008, **Starbucks closed all of its US stores.** A note posted on 7,100 locked doors explained the reason:

«We're taking time to perfect our espresso. Great espresso requires practice.
That's why we're dedicating ourselves to honing our craft.» ”

H. Schultz



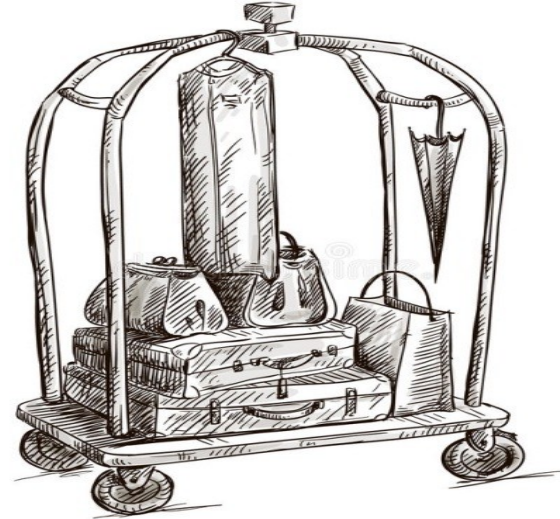
Why is it important? (example)



“Whatever your culture, your values, your guiding principles, you have to take steps to inculcate them in the organization early in its life so that they can guide every decision, every hire, every strategic objective you set.”

Howard Schultz, CEO,
Starbucks

Why is it important?



“If you don’t understand the culture of the company, even your most brilliant strategies will fail. Your vision will be resisted, plans won’t get executed properly, and all kinds of things will start going wrong.”

***Isadore Sharp**, Chairman & CEO,
Four Seasons Hotels*

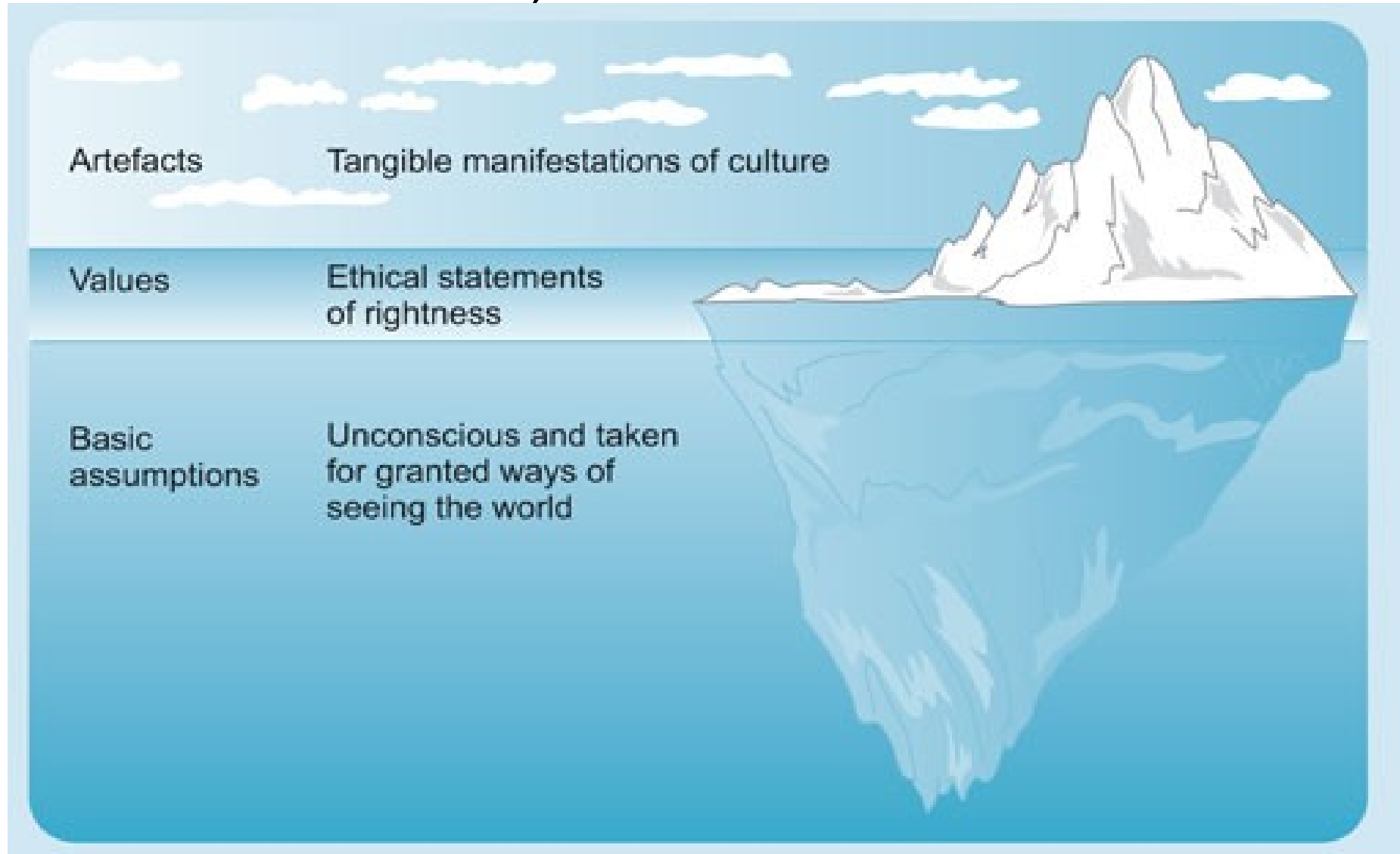
Organizational culture...

- It is created as a result of change, which change can be continuous or rare, large or small as well
- It consists of shared experiences
- The power of hypotheses: culture starts to work unquestionably, we become emotionally captured because we have created it ourselves

Models on Organizational Culture

- **Several methods** have been used to classify organizational culture
- There is **no single “type”** of organizational culture, it varies widely from one company to the next
- **Researchers have developed models** to describe different organizational cultures

The levels of culture, and their interaction- Schein

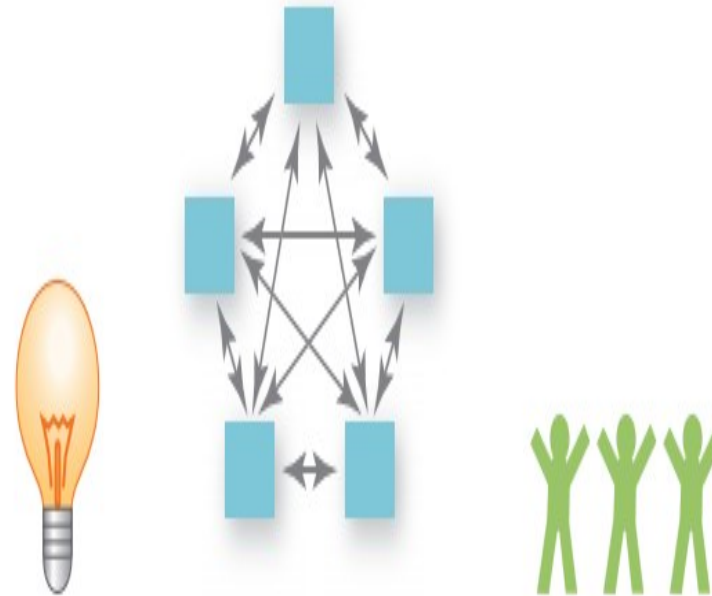


Artifacts and creations: are such actions that are repeated on a regular basis that display and confirm the organisation's core values, showing important goals, and set the rules of operation and behavior, appearance, and language.

Values: can be expressed explicitly in the minds of the members of the organization. It can be examined with the help of questionnaires. Subconscious cultural elements involve **basic assumptions**, unspoken convictions of people.

Culture Types of Schein_ Type A

- ❑ *Everyone can have a good idea.*
- ❑ *People are generally responsible, motivated, and able to keep things under their control.*
- ❑ *People can put across their notions, only if they fight for them in the group they belong to.*
- ❑ *This continuous inner fight is sustainable and possible, because members of the organisation consider themselves a big family and they take care of each other.*
- ❑ *That is why competing and fighting with each other is feasible on the long term.*



In type „A” organisations working spaces are open, people continuously interact with each other, there is constant conversation and debate during work, and a relaxed informal atmosphere is characteristic.

Culture Types of Schein_ Type B

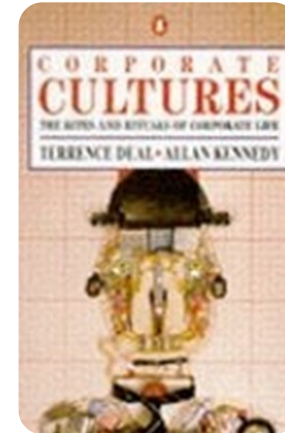
- ❑ *New initiatives and ideas always derive from leaders and managers.*
- ❑ *People accomplish assignments loyally and meticulously like it was prescribed.*
- ❑ *Relationships are mostly horizontals or verticals.*
- ❑ *Everyone has it own invincible role and place in the organisation.*
- ❑ *It is the responsibility of the organisation to take care of its members.*



In the workplace of a type „B” organisation there is silence and peace. Everyone resides in his/her office quietly doing the job. Employees do nothing without first, consulting and coordinating with their managers. Differences in status are official and real among organisational members. The atmosphere is formal and official

Deal & Kennedy

- Corporate Cultures: The Rites and rituals of Corporate Life (1982)
- The components of corporate culture are...
 - business environment
 - values,
 - heroes,
 - rites and ceremonies
 - cultural network

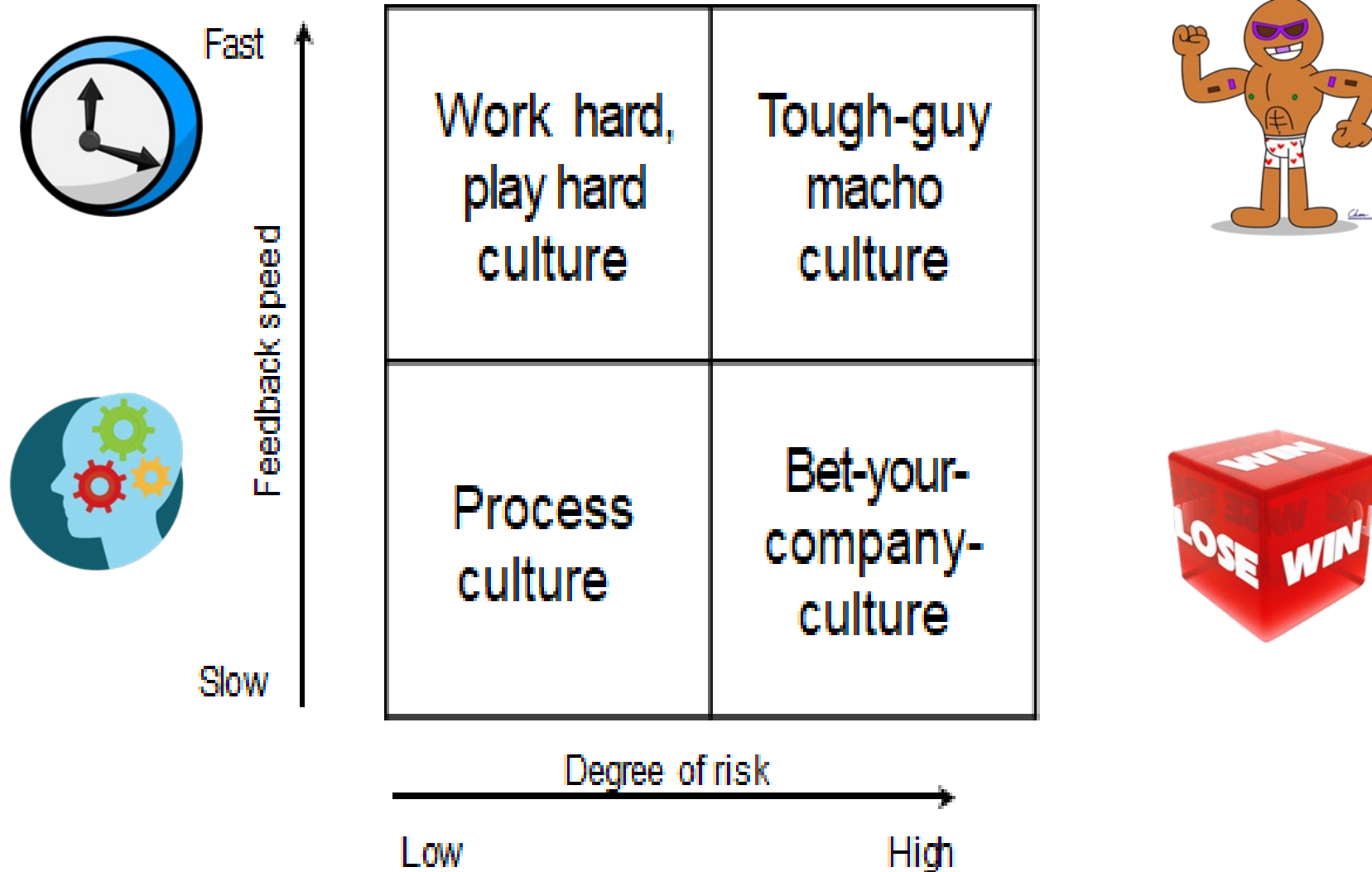


Culture Types Deal & Kenendy (1982)

Of the whole company and its employees.....



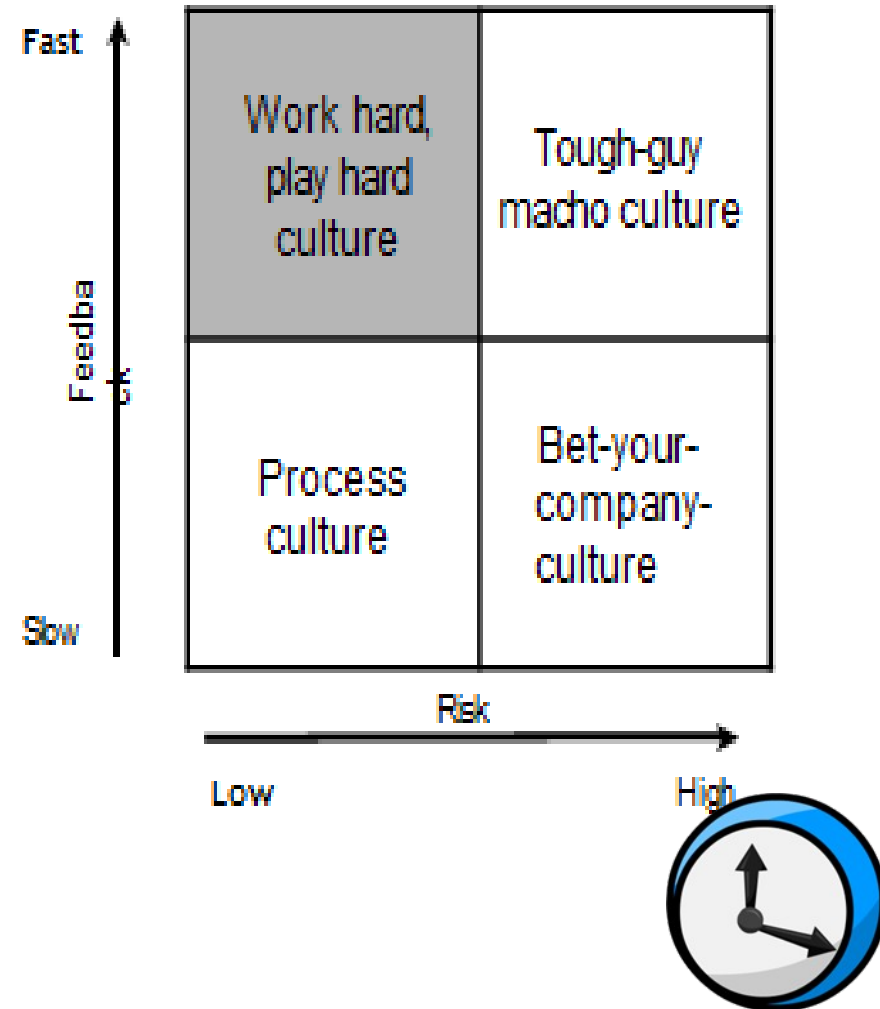
Culture Types Deal & Kenendy (1982)



Culture Types Deal & Kenendy (1982)

Work-hard, play-hard culture

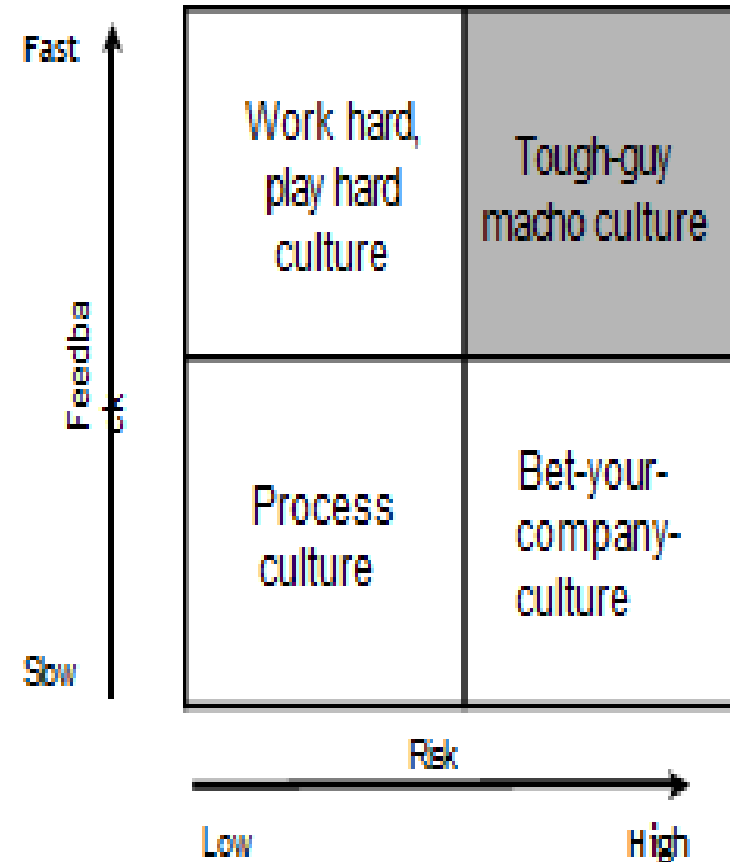
- Stress coming from quantity of work rather than uncertainty.
- High-speed action leading to high-speed recreation.
- Eg. restaurants, software companies.



Culture Types Deal & Kenendy (1982)

Tough-guy macho culture

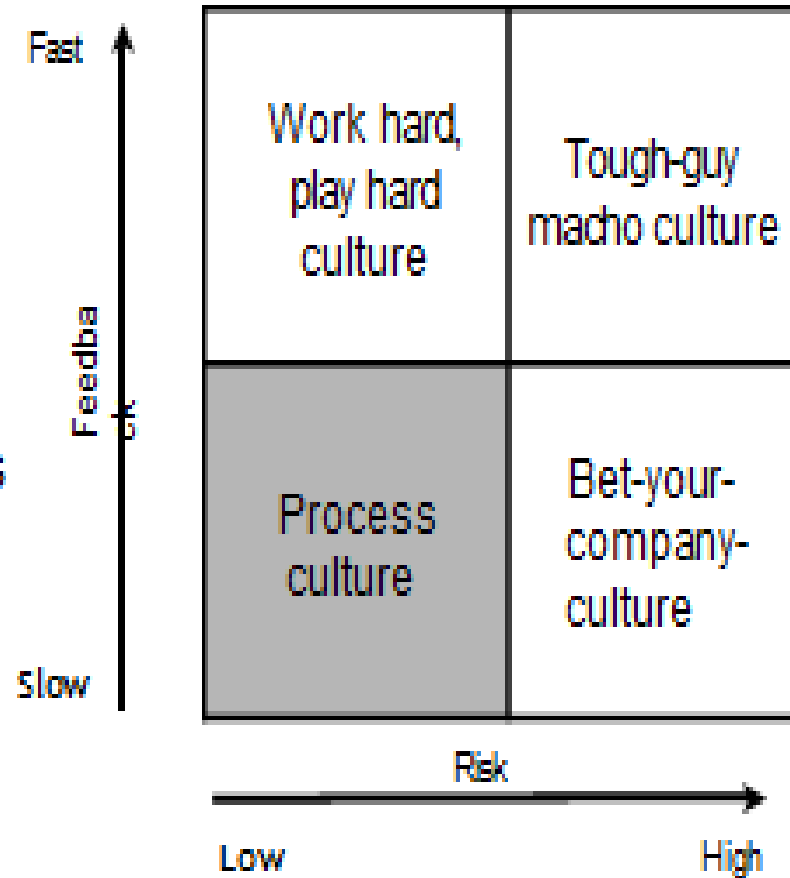
- Stress coming from high risk and potential loss/gain of reward.
- Focus on the present rather than the longer-term future.
- Eg. police, surgeons, sports.



Culture Types Deal & Kenendy (1982)

Process culture

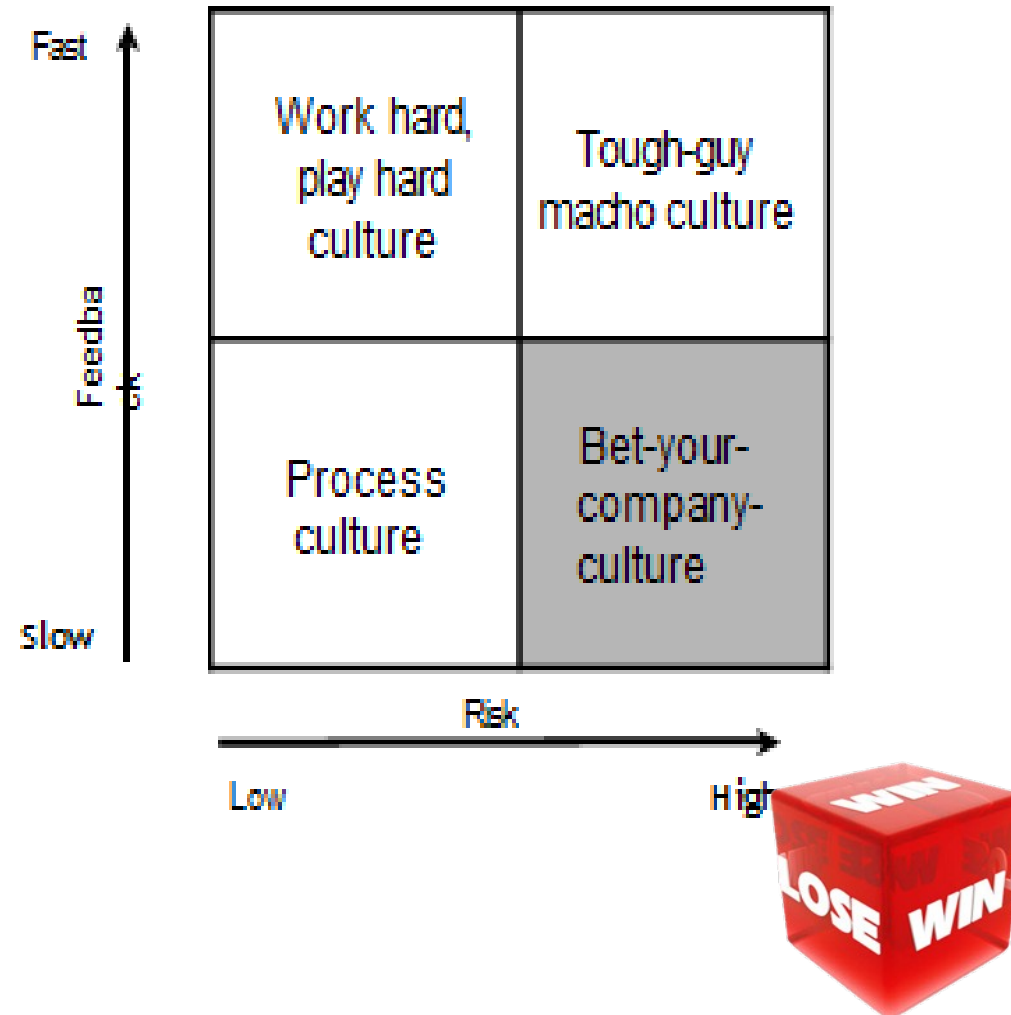
- Low stress, plodding work, comfort and security. Stress may come from internal politics and stupidity of the system.
- Development of bureaucracies and other ways of maintaining the status quo.
- Focus on security of the past and of the future.
- E.g. banks, insurance comp.



Culture Types Deal & Kenendy (1982)

Bet-your-company culture

- Stress coming from high risk and delay before knowing if actions have paid off.
- The long view is taken, but then much work is put into making sure things happen as planned.
- E.g. aircraft manufacturers, oil companies.



National cultures



Japan vs USA teamwork
german vs french F1 team
M. Schumacher and the Ferrari

Hofstede's typology

70 countries
4+1+1 dimensions

- Power Distance, PDI
- Uncertainty Avoidance, UCI
- Individualism versus Collectivism, IND
- Masculinity versus Femininity, MAS
- *Pragmatic versus Normative, PRA*
- *Indulgence versus Restraint, IVR*
- <https://geerthofstede.com/>



Power Distance, PDI (Latin A – EU, USA)

Uncertainty Avoidance, UCI

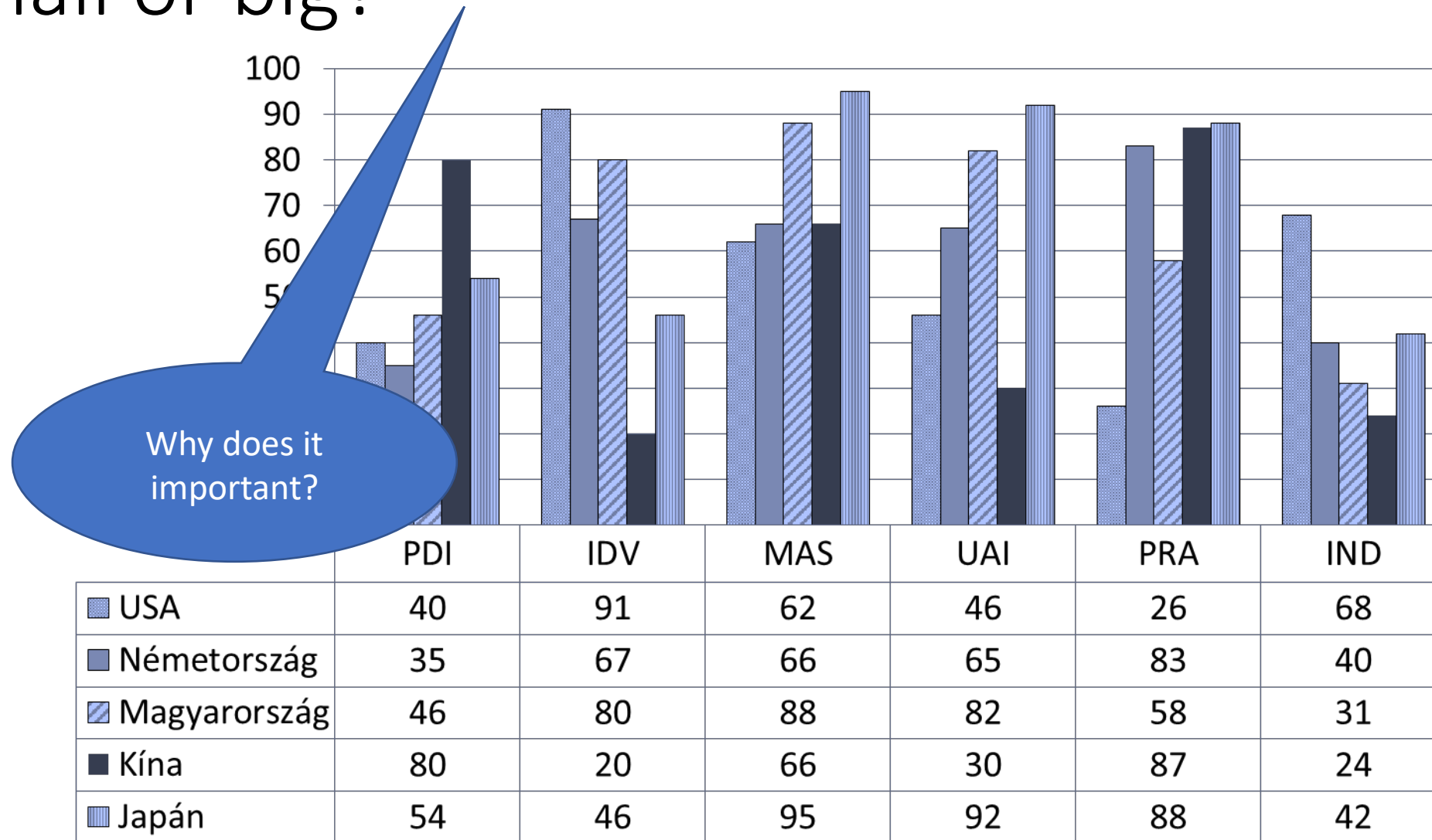
Individualism versus Collectivism, IND (USA – Japan)

Masculinity versus Femininity, MAS (Japan vs Sweden)

Pragmatic versus Normative, PRA

Indulgence versus Restraint, IVR

Small or big?



<https://geerthofstede.com/>

You are at the interview

- If they keep you waiting: maybe it is a test, do not be angry!
- Dedicate enough time – you should not be under time pressure
- Several tests (IQ, EQ, excel, etc) could be
- You can ask questions as well!
- Not just the salary itself, but other factors as well: benefits package!
What is important for you?
- How to negotiate about the salary? We will discuss it later.

„Hard day” technique

- You spend the whole day at the company. 2-2 / 3-3 hours with different managers. They will not be tired, but you will.
- By the end of the day, your mask will fall off, and you will show your true colours.
- But of course: only in top-level positions

Youtube channel: The Companies Expert

- <https://www.youtube.com/@TheCompaniesExpert>

Hope this presentation
was informative...



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