

2.5 Organisational (corporate) culture (HL)

The big picture

In the previous subtopics in this unit, you have examined organisational structure, leadership and management, and motivation. In [Subtopic 2.6 \(/study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/the-big-picture-id-39399\)](https://study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/the-big-picture-id-39399), which follows this subtopic, you will examine communication. All of these elements of human resource management in a business are dependent on the organisational culture of the workplace. Organisational culture is the set of values, attitudes, beliefs, expectations and assumptions of an organisation. A simple way of remembering culture is to think of it as ‘the way we do things around here’. The culture of a business is the fabric that holds the human resources together.



Figure 1. Culture can be thought of as the fabric that holds the human resources of a business together.

Credit: Laure Moullé / EyeEm, Getty Images

The crossover between human resources management and culture can be seen in the impact that Elon Musk’s leadership has had on Tesla. While Musk is praised for his vision to ‘accelerate the world’s transition to sustainable energy’, his erratic behaviour is credited, in part, for cultural problems in the Tesla workplace. Allegations of discrimination, sexism, intense pressure to produce causing unsafe working conditions, and other issues have plagued the company.

Culture is so fundamental to organisations that many businesses believe that it matters as much as finance and recruitment for business success. Culture can be considered a hygiene factor in Herzberg's two-factor model. Toxic, or poisonous, workplace cultures have been cited as a key driver of labour turnover in the 'Great Resignation' that you may have researched in [Subtopic 2.4 \(/study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/the-big-picture-id-39054\)](#). It is equally important that the culture matches the values of employees. A positive organisational culture creates the base conditions in which employees can thrive.

Concept

Sustainability (social)

Fostering a positive workplace culture is one way that businesses can ensure that they are supporting worker wellbeing and motivation. This improves a business's social sustainability by supporting the social foundation of the Doughnut Economics Model ([Section 1.1.2 \(/study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/the-doughnut-economics-model-id-36500\)](#)).