

Organizational behaviour

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Trwyddedwyd i'w ddefnyddio ar gyfer y cwrs BMSK5005 - Workplace Culture and its impact on Organisational Efficiency

Teitl: Organizational behaviour

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Course of Study: BMSK5005 - Workplace Culture and its impact on Organisational Efficiency

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Key terms

organizational culture	differentiation perspective on culture
surface manifestations of organizational culture	fragmentation (or conflict) perspective on culture
organizational values	strong culture
basic assumptions	weak culture
organizational socialization	internal integration
pre-arrival stage of socialization	external adaptation
encounter stage of socialization	social orientation
role modelling	power orientation
metamorphosis stage of socialization	uncertainty orientation
integration (or unitary) perspective on culture	goal orientation
	time orientation

Learning outcomes

When you have read this chapter, you should be able to define those key terms in your own words, and you should also be able to:

1. Account for the popularity of the concept of organizational culture among managers and researchers.
2. List, describe, and give examples of Schein's three levels of organizational culture.
3. Distinguish the stages of organizational socialization.
4. Contrast managerial and social science perspectives on organizational culture.
5. Assess the link between organizational culture and organizational performance.
6. Distinguish between different types of organizational culture.
7. Distinguish different dimensions of national culture.

Why study organizational culture?

Organizational culture can be thought of as the personality of an organization. It is also often referred to as corporate culture. It deals with how things are done in a company on a daily basis. It affects how employees perform their work; 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.

Banking cultures of concern

Can you name a bank that has been reported as being involved in some financial irregularity in recent years? Perhaps it is easier to name one that has not. Banks have been accused of rash lending, tax evasion, financial mis-selling, attempts to manipulate the London Inter-bank Offer Rate (Libor) and the foreign exchange (forex) markets, and even of money laundering. CCP Research Foundation estimated that since 2010, the world's largest

banks have spent over \$300 billion on litigation (Shotter, 2015). Some have admitted their misdemeanours and been fined, sued, forced to make reparations, or all three. When challenged by the media or an investigating parliamentary committee, their senior managers claim that the problem was caused by a small group of staff or an isolated individual employee ('a bad apple') who has now resigned, been dismissed, or else is being retrained.

However, the prevalence of such misconduct within the banking industry around the world suggests that this form of organizational behaviour cannot be explained solely in terms of individual factors. Instead, it is necessary to ask questions about the ethics of the banking industry in general, and about the cultures of the individual banks in particular. Peter Day (2012) argued that the banking industry's culture had changed from doing 'what is right' to doing what is OK by the lawyers and compliance officers or, as he puts it, 'doing what you can get away with'. If banking culture is the problem, then changing it has to be the solution. Two main changes have been proposed:

More women. The UK Parliamentary Committee on Banking Standards reported that 'The culture on the trading floor is overwhelmingly male' and called for a better gender balance in investment banks (Thompson and Jain, 2013). The argument is that research shows that high levels of male testosterone fuel a greater willingness to take risks, so you can reduce both by increasing the number of women on the trading floor. Others argue that physiological diversity is more important, so you need older males as well as women.

More training. Over a quarter of a million employees of some of the major international banks have been undergoing training to reinforce work codes, company values, desired employee behaviour, and positive corporate culture. However, there is scepticism that managers can successfully monitor, measure, and maintain adherence to corporate values, especially when competitive pressures mount (Hill, 2013).

A study by André Spicer and colleagues (2014) concluded that the 'toxic' and 'aggressive' culture inside British banks which led to the aforementioned scandals would take a generation to change. Poor standards have so far cost the UK banking industry £38.5 billion in fines and customer compensation. The messages from top banking executives about culture change are still not reaching frontline staff. 'Culture change initiatives particularly in the large institutions, remain relatively fragile', concludes the report.

If there are so many 'bad apples' then just culture training them may not be enough or even appropriate. Banks need to change their 'barrels' by modifying their organization structures, and changing their processes of staff recruitment, promotion, day-to-day decision making, and particularly staff remuneration. The chief executive of one bank reported that it had completely overhauled the way that its employees' performance was measured

and how they were being incentivized (Arnold, 2014). Rather than blaming 'bad apples', it may be more appropriate to ask what the senior 'barrel-makers' are doing (Zimbardo, 2007).

Organizational culture has been a popular topic since the early 1980s. First adopted by senior executives and management consultants as a quick-fix solution to virtually every organizational problem, it was later adopted by researchers as an explanatory framework with which to understand behaviour in organizations (Alvesson, 2001). Ann Cunliffe (2008) states that organizational culture is important because it:

- 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.



STOP AND THINK

If the organization that you are currently studying at or working in were a person, would it be male or female? How old would it be? Where would it live? What car would it drive?

Rise of organizational culture

Organizational culture the shared values, beliefs and norms which influence the way employees think, feel and act towards others inside and outside the organization.

Organizational culture remains a controversial concept. Some writers argue that just as one can talk about French culture, Arab culture, or Asian culture, so too it is possible to discuss the organizational culture of the British Civil Service, McDonald's, Microsoft, or of Disney. It is generally recognized that organizations have 'something' (a personality, philosophy, ideology, or climate) which goes beyond economic rationality, and which gives each of them their own unique identity. Organizational culture has been variously described as 'the way we do things around here' (Deal and Kennedy, 1982), 'how people behave when no one is watching', and 'the collective programming of the mind' (Hofstede, 1980, 2001).

The current debates about culture are traceable to the early 1980s when two books catapulted the concept to the forefront of management attention, *In Search of Excellence*, written by Tom Peters and Robert Waterman (1982); and Terrence Deal and Allan Kennedy's (1982) *Corporate Cultures*. These publications suggested that a strong organizational culture was a powerful lever for guiding workforce behaviour. Other factors also stimulated an interest in culture:

- Japan's industrial success during the 1970s and 1980s.
- Increasing globalization placed organizational culture into sharp focus alongside national culture.
- The assumption that organizational performance depended on employee values being aligned with company strategy.
- The contentious view that management could manipulate culture to achieve organizational (change) objectives.
- The belief that intangible (soft) factors such as values and beliefs impacted on financial (hard) ones such as profits.

Originally introduced to managers by consultants, it was not long before academics started to take an interest in organizational culture as well. Edgar Schein (2004), a business school professor, was among the first to refine the concept, seeking to measure it for research purposes. Research attention turned to the meanings and beliefs that employees assigned to organizational behaviour, and how these influenced the ways in which they themselves behaved in companies (Schultz, 1995).

Culture: surface manifestations, values and basic assumptions

Surface manifestation of organizational culture culture's most accessible forms which are visible and audible behaviour patterns and objects.

Edgar Schein's (2004) model is widely accepted and considers organizational culture in terms of three levels, each distinguished by its visibility to, and accessibility by individuals (Figure 4.1). Schein's first level is the **surface manifestation of organizational culture**, also called 'observable culture'. 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. These all 'send a message' to an organization's employees, suppliers, and customers.

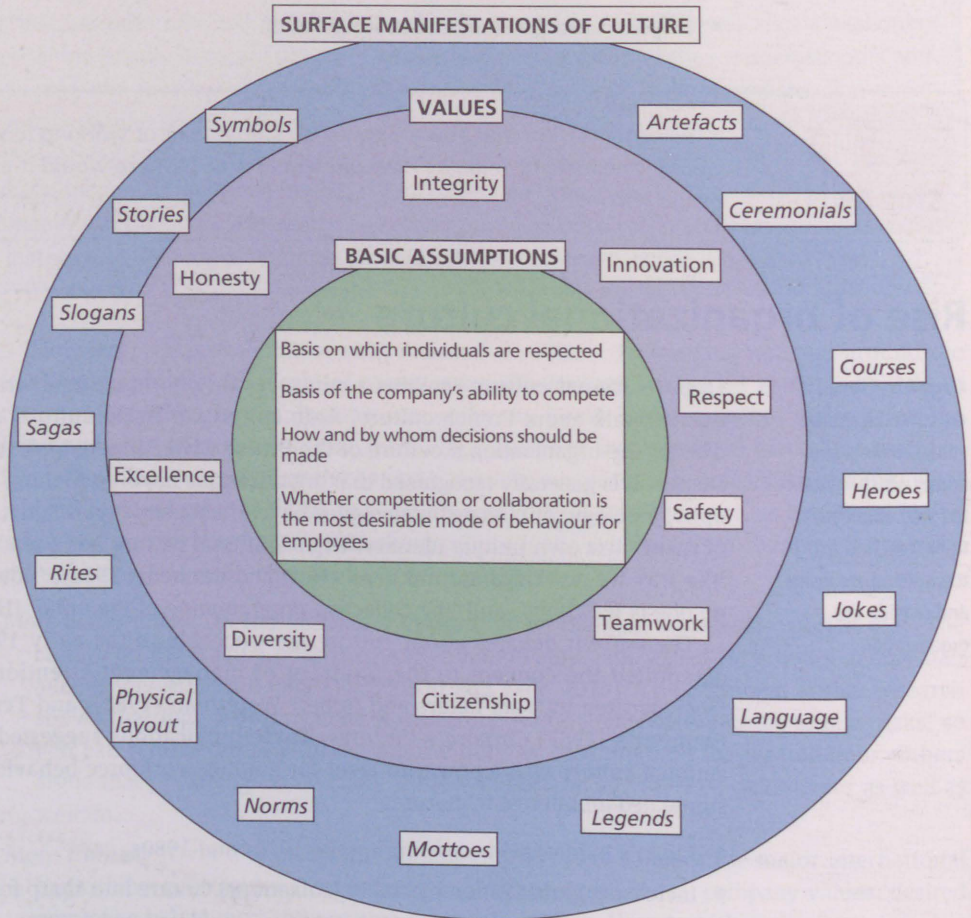


Figure 4.1: Schein's three levels of organizational culture

Source: adapted from *Organizational Behaviour and Analysis: An Integrated Approach*, Rollinson, D., Pearson Education Limited, © Pearson Education Limited 2008.

The surface level of culture is the most visible. Anyone coming into contact with it can observe it. Its constituent elements are defined below and illustrated in Table 4.1:

1. *Artefacts* are material objects created by human hands to facilitate culturally expressive activities. They include tools, furniture, appliances and clothing.
2. *Ceremonials* are formally planned, elaborate, dramatic sets of activities of cultural expression, e.g. opening events, prize-givings, graduations, religious services.
3. *Courses* and workshops are used to instruct, induct, orient and train new members in company practices.

4. *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.
5. *Jokes* are humorous stories intended to cause amusement, but their underlying themes carry a message for the behaviour or values expected of organizational members.
6. *Language* is the particular form or manner in which members use vocal sounds and written signs to convey meaning to each other. It includes both specialist technical vocabulary related to the business (jargon), as well as general naming choices.
7. *Legends* are handed-down narratives about wonderful events based on company history, but embellished with fictional details. These fascinate employees and invite them to admire or deplore certain activities.
8. *Mottoes* are maxims adopted as rules of conduct. Unlike slogans, mottoes are rarely, if ever, changed.
9. *Norms* are expected modes of behaviour that are accepted as the company's way of doing things, thereby providing guidance for employee behaviour.
10. *Physical layout* concerns things that surround people, providing them with immediate sensory stimuli, as they carry out culturally expressive activities.
11. *Rites* are elaborate, dramatic sets of activities that consolidate various forms of cultural expression into one event. They are formally planned events such as annual staff performance reviews.
12. *Sagas* are historical narratives describing the unique accomplishments of groups and their leaders. They usually describe a series of events that are said to have unfolded over time and which constitute an important part of an organization's history.
13. *Slogans* are short, catchy phrases that are regularly changed. They are used for both customer advertising and also to motivate employees.
14. *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.
15. *Symbols* refer to any act, event, object, quality or relationship that serves as a vehicle for conveying meaning.

Table 4.1: Examples of surface manifestations of organizational culture at Motorola and Rolls Royce

Manifestation	Examples	
	Motorola	Rolls Royce
1. Artefacts	Name badges, stationery, T-shirts, promotional items, celebratory publications	Name badges. Standard work wear, issued to all staff levels in the organization. Each polo shirt is customized with the wearer's name
2. Ceremonials	Annual service dances, annual total customer satisfaction competition	Fun days, sporting events, commemorative shows
3. Courses	Basic health and safety course	Induction courses to orient new starts to RR principles
4. Heroes	Paul Galvin, Joseph Galvin – founders	Henry Rolls, Charles Royce – founders
5. Jokes		'The Right Way, The Wrong Way and the Rolls-Royce Way' – humorous, self-deprecating comments about the evolution of certain ways of going about things, but also a reminder of the importance of individuality and identity

(Continued)

Table 4.1: *Continued*

Manifestation	Examples	
	Motorola	Rolls Royce
6. Language	Employees known as 'Motorolans'. Role-naming conventions and communications remind everyone of their responsibilities as Motorolans	Divisional/departmental naming – job roles defined within particular naming structures
7. Legends	The first walkie-talkies. First words communicated from the moon via Motorola technology	Commemorative window in tribute to the Rolls-Royce Spitfire's contribution to World War II
8. Mottoes	Total Customer Satisfaction, Six Sigma Quality, Intelligence Everywhere, Engineering Intelligence with Style	Centre of Excellence Trusted to Deliver Excellence
9. Norms	Ethics, Respect, Innovation	Code of Business Conduct – Quality, Excellence, Ethics, Respect
10. Physical layout	Semi-open plan – cubed group set up – Junior managers have separate offices beside staff; senior managers have corporate offices distanced from most employees	Open plan layouts – applies to both offices and work cells where possible
11. Rites	Badges – initially the identity badge, but then the service badge, given at five-year intervals, has a great deal of kudos	Length of Service Acknowledgement – rite of passage
12. Sagas	Motorola's time-lined history used repeatedly to demonstrate its influence on the world.	The 1970s bankruptcy saga
13. Slogans	<i>Hello Moto</i> – Modern reinvention of how the Motorola name came into being – a fusion of 'Motor' (representing a car) plus 'Hola' representing Hello in Spanish, to emphasize communications on the move	
14. Stories	About a particular vice-president who fell asleep at a very important customer meeting. A cautionary tale about what not to do!	Impact of a particular shop floor visit and how the feedback to quality managers changed thinking and processes. The tale is cautionary about how misunderstandings can generate unnecessary panics
15. Symbols	Motorola 'M' brand – known as the <i>emsignia</i>	The Rolls-Royce brand – RR



Source: personal communications. Rolls-Royce logo © Chris Hennessey/Alamy.



STOP AND THINK

Think about an organization of which you have personal experience. Provide examples of as many of the 15 surface manifestations of organizational culture as you can.

Organizational values the accumulated beliefs held about how work should be done and situations dealt with, that guide employee behaviour.

Schein's second level of culture concerns **organizational values**. These:

- represent something that is explicitly or implicitly desirable to an individual or group;
- influence employees' choices from available means and ends of action;
- reflect their beliefs as to what is right and wrong, or specify their general preferences.

Organizational values are the accumulated beliefs held about how work should be done and situations dealt with (Adler and Gundersen, 2008). They can be consciously or unconsciously held; they are often unspoken, but guide employees' behaviours. They can be encapsulated either in phrases or in single words such as:

Citizenship	Diversity	Excellence
Honesty	Integrity	Innovation
Respect	Safety	Teamwork

Values are said to provide a common direction for all employees, and to guide their behaviour. 'People way down the line know what they are supposed to do in most situations because the handful of guiding values is crystal clear' (Peters and Waterman, 1982, p.76). Motorola has two key values – 'uncompromising integrity' and 'constant respect for people'. The Central Intelligence Agency's (CIA) core values, shown on its website, state that 'quiet patriotism is our hallmark'; 'we pride ourselves on our extraordinary responsiveness to the needs of our customers'; staff 'embrace personal accountability'; put 'country first and agency before self', and they learn from their mistakes because they 'reflect on their performance'. Additionally, CIA employees 'seek and speak the truth', but they add, only 'to our colleagues and our customers'. You can go to the website of any large, private, public or voluntary organization – Microsoft, the British National Health Service or Amnesty International – and locate their values in their vision or mission statement. Two well-known companies' values, Google's and IKEA's, are listed in Table 4.2.

Table 4.2: Corporate values

Google's 10 things we know to be true	IKEA's nine fundamental doctrines
1. Focus on the user and all else will follow	1. The product range is our identity
2. It's best to do one thing, really, really well	2. The IKEA spirit – a strong and lively reality
3. Fast is better than slow	3. Profit gives us resources
4. Democracy on the web works	4. To reach good results with small means
5. You don't need to be at your desk to need an answer	5. Concentration of energy is important for our success
6. You can make money without doing evil	6. Simplicity is a virtue
7. There's always more information out there	7. The different way
8. The need for information crosses all borders	8. To behave responsibly is a privilege
9. You don't need a suit to be serious	9. Most things still remain to be done – a glorious future
10. Great just isn't good enough	

Source: based on Bock (2015, p.31) and Stenebo (2010, p.135).

Sources of values

Values distinguish one organization from another, but where do they come from? One source of values is the views of the original founder, as modified by the company's current senior management (Schein, 1983). Originally, a single person or 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 then creates an organization, recruits others, and begins to build a common history. Stephen Robbins and Timothy Judge (2013) suggest that 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 (see Figure 4.2).

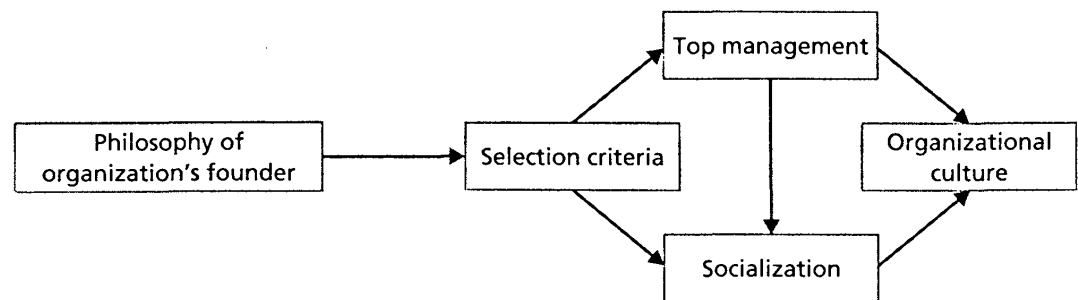


Figure 4.2: Where does organizational culture come from?

Source: Robbins, Stephen P., Judge, Timothy A., *Organizational Behavior*, 15th, © 2013. Printed and electronically reproduced by permission of Pearson Education, Inc., Upper Saddle River, New Jersey.

Home viewing

The film *Steve Jobs* (2015, director Danny Boyle) is a biographical drama based on the life of the co-founder of Apple Inc. It depicts the launches of three iconic company products – Macintosh (1984), Next (1998) and the

iMac (1998). As you watch the film, look out for examples of Jobs' values and beliefs. How might these have influenced the development of Apple's organizational culture?

In a sense, therefore, organizational values are always backward looking, despite being developed to contribute to the future development of the company. For an organizational culture to form, a fairly stable collection of people need to have shared a significant history, involving problems, which allows a social learning process to take place. Organizations that have such histories possess cultures that permeate most of their functions (Schein, 2004). Company values come in lists. They are to be found printed in company reports, framed on company walls, and published on organizational websites.

Football culture

Emmanuel Ogbonna and Lloyd Harris (2014) studied an English Premier League football club's attempt to modernize its culture. They identified five factors that perpetuated the existing cultural norms, values and beliefs that impeded club executives' attempts to change it. These were:

Historical legacy. The club's rich history and past success guided daily activities and, it was believed, would bring future success. The philosophy of life and football of a past manager credited with reviving club fortunes came to be adopted by the club. The new value of 'professional commercialism' was questioned, and putting profits ahead of winning trophies was seen as a betrayal of this manager. Despite a lack of success, this historical legacy hampered current executives' attempts to change core values, introduce individual

performance management matrices, and to radically restructure pay and working conditions.

Symbolic expressions. The club museum exhibits were full of symbolic imagery and meanings. Cups, trophies and player strips all stressed team spirit, tradition, fan loyalty, togetherness and passion. Ex-players were disproportionately represented in the museum exhibits, and others acted as guides, sharing their stories of the past. All these symbolic expressions created a bridge between the present and the past. The museum reinforced the existing culture, preventing executives implementing their desired changes.

Subculture dynamics. Several different sub-cultures were brushing up against each other within the organization. The team, and all those associated with it, were revered and respected, and their sub-culture dominated the club. The team manager's preferences

concerning new stadium location and the purchase of a player prevailed over those of the executives. The team sub-culture did not accept the executives' redefinition of success, and it embodied the belief that success would return by continuing with past values and recipes.

Employment practices. Traditionally, the club's new managers had been internal appointments. Despite attempts to introduce new, more systematic recruitment practices, informal approaches were continued. The choice of an external manager was opposed by the team sub-culture, but was accepted when an ex-player who was unlikely to work with executives to undertake radical transformation was appointed

as assistant manager. These human resource practices impeded executives' culture change efforts.

Key stakeholders. Three classes of supporters existed. While the 'casual' and 'club-connected' ones engaged with the club, it was the die-hard fans that had the greatest influence. They possessed an encyclopaedic knowledge of club history, had a variety of match rituals, and were the opinion leaders with whom the club wanted to have good relations. They associated with the team rather than the club's management; saw their role as continuing the club's traditions, and therefore resisted the proposed changes by means of protest marches and radio phone-ins which embarrassed the club's executives.

Discussing the relationship between junior-level employees and corporate values, Chris Grey recounted the experience of one of his MBA students, a senior manager in a supermarket chain, a company known to be an exemplar of successful culture management. The staff had been subject to a multimillion-pound culture training initiative, and he wanted to discover the extent of their 'buy-in' to the company's culture values. To what extent did frontline staff subscribe to these corporate values? He found that not only did staff did not believe in these values, but three-quarters of them claimed never to have even *heard* of these values! (Grey, 2009, p.74).



STOP AND THINK

Can you list any of the values of the organization that you work for currently or have done so in the past? Would knowing their values change your way of working?

Basic assumptions
invisible, preconscious, unspoken, 'taken-for-granted' understandings held by individuals within an organization concerning human behaviour, the nature of reality and the organization's relationship to its environment.

Finally, basic assumptions are the deepest level of culture, and are the most difficult to comprehend. They are the set of shared but unspoken suppositions about the best way to do things within a company. They relate to the nature of reality and the organization's relationship with its environment. Towards the start of the animated film *Chicken Run* (2000), Mrs Tweddle the farmer responds to her husband's suspicion that the chickens are planning to escape by saying 'They're chicken's you dolt! Apart from you, they're the most stupid creatures on this planet. They don't plot, they don't scheme, and they are not organized!' Here, Mrs Tweddle's 'basic assumptions' are blinding her to reality and preventing her from taking appropriate action (Ambrosini et al., 2012).

Over time, a company's values, beliefs and attitudes become so ingrained and well-established that they cease to be articulated or debated by employees. Instead of being discussed, they become 'baked' into the fabric of an organization's culture. These basic assumptions begin with the founder's thinking, and then develop through a shared learning process. A company's basic assumptions often relate to:

Quality	Economy	Predictability
Stability	Excellence	Responsibility
Morality	Profitability	Innovativeness

As employees act in accordance with company values, beliefs and attitudes, these become embedded as basic assumptions. Because they are invisible, they are difficult to pin down (Notter and Grant, 2011). Staff who are judged not to share these basic assumptions may be regarded as outsiders, become ostracized, and perhaps even be 'performance managed' out of the company.

Organizational socialization

Organizational socialization the process through which an employee's pattern of behaviour, values, attitudes and motives is influenced to conform to those of the organization.

The ultimate strength of a company's culture depends on the employees' shared agreement on their company's core values and their emotional attachment to them (Gordon and DiTomaso, 1992). One learns about these through **organizational socialization**. This is the process through which an employee's pattern of behaviour, values, attitudes and motives are influenced to conform to those of the organization's (see Figure 4.3). 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.

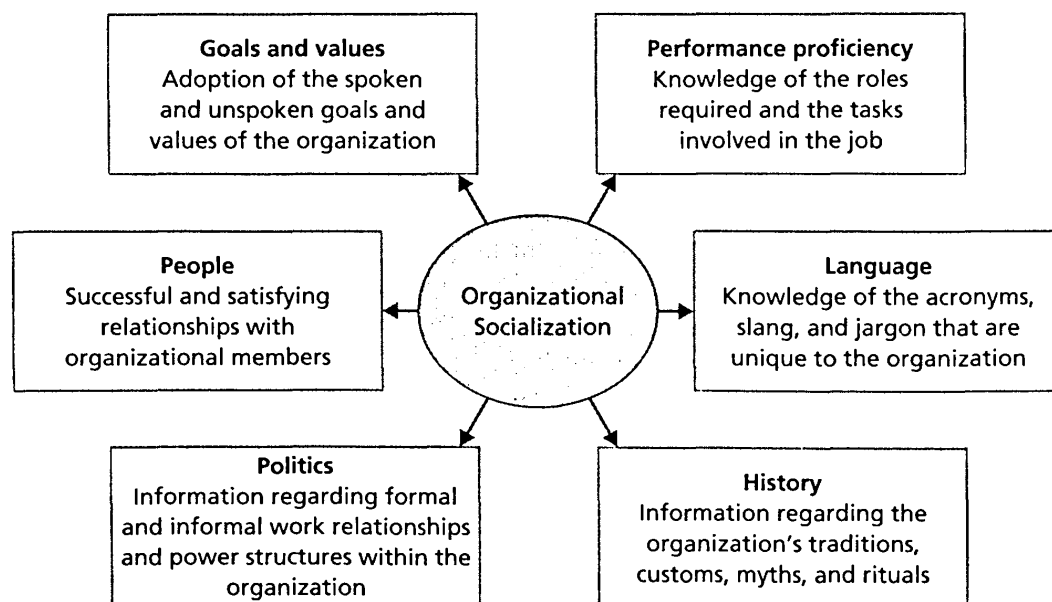


Figure 4.3: Dimensions addressed in most socialization efforts

Source: Colquitt et al. (2009, p. 558) from Chao, G.T., O'Leary-Kelly, A.M., Wolf, S., Klein, H.J. and Gardner, P.D., Organizational socialization: its content and consequences, *Journal of Applied Psychology*, Vol. 79, No 5, pp. 730–43, American Psychological Association, (APA), reprinted with permission.

Socialization is important because, as John van Maanen and Edgar Schein (1979) argue, if the culture of the organization is to endure, new recruits have to be taught to see the organizational world as their more experienced colleagues do. Socialization involves newcomers absorbing the values and behaviours required to survive and prosper in an organization. It reduces the variability of behaviour by instilling employees with an understanding of what is expected of them, and how they should do things. By providing both internal guidance and a shared frame of reference, socialization standardizes employee behaviour, making it predictable for the benefit of senior management. Richard Pascale (1985) distinguished seven key steps in the process of organizational socialization. These are shown in Figure 4.4.

Selection: Trained recruiters carefully select entry-level candidates. They determine their traits using psychometric selection methods. The entrants are not 'oversold' on a particular position, because the companies rely on applicants 'deselecting' themselves, that is, withdrawing from the application process, if they find that the organization's values do not fit in with their own. This is also referred to as the **pre-arrival stage of socialization**.

Induction experiences: Once working, the organization encourages new entrants to adopt the company's beliefs and values. It can do this by having them attend induction courses, assigning them to an existing employee who 'shows them the ropes' (buddy system), or

Pre-arrival stage of socialization the period of learning in the process that occurs before an applicant joins an organization.

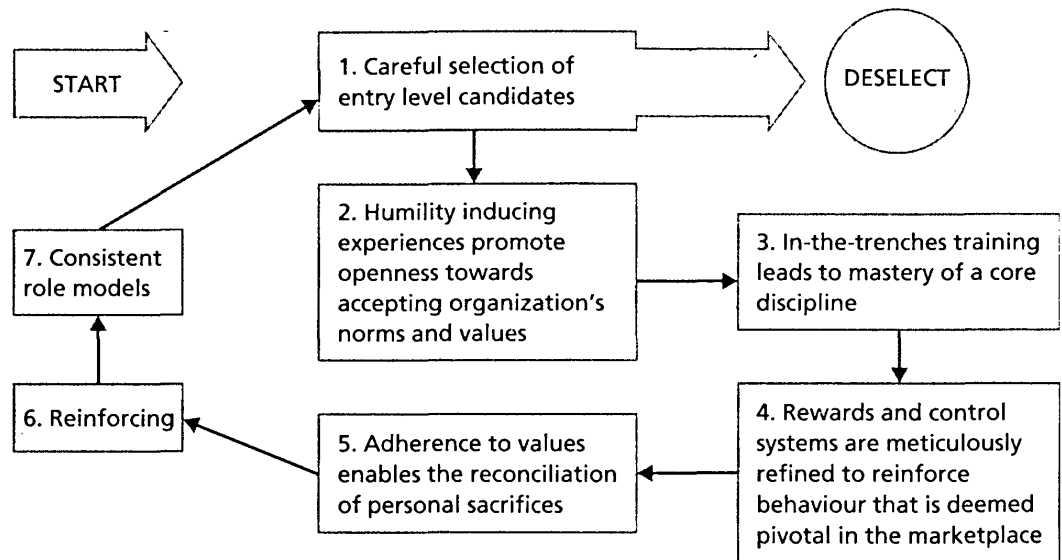


Figure 4.4: Seven steps of organizational socialization

Source: from Pascale (1985).

Encounter stage of socialization the period of learning in the process during which the new recruit learns about organizational expectations.

rotating them through different departments to familiarize them with the organization's work. This represents the encounter stage of socialization.

How do new hires learn how they should behave so as to fit into the organization's culture? A number of learning methods (see Chapter 5) are used:

Rewards and control systems: New members' performances are carefully assessed and rewarded. The organization uses systems that are comprehensive and consistent, and which link to individual success to company values.

Adherence to values: The employees identify with the common organizational values allowing them to reconcile the personal sacrifices that they have made in order to be a member of the organization.

Reinforcing folklore: New entrants are exposed to the organizational stories, myths and symbols as they interact with their managers and colleagues within the workplace. These provide them with a code of conduct that clarifies 'how things are done around here' and, by implication, how they should do them as well.

Role modelling a form of socialization in which an individual learns by example, copying the behaviour of established organization members.

In recent years, companies have been setting up their own corporate universities. A Boston Consulting Group survey found that those in America had doubled between 1997 and 2007, and around the world there were over 4,000 of them. Perhaps the most famous of these is McDonald's 'Hamburger University' with its seven worldwide campuses which have trained 275,000 of its employees since 1961. Corporate universities are particularly useful in inculcating and overhauling company culture. For example, Unilever's university played a central role when the company sought to re-focus its culture more on sustainable business (*The Economist*, 2015).

Metamorphosis stage of socialization the period in which the new employee adjusts to their organization's values, attitudes, motives, norms and required behaviours.

New company entrants also learn about their organizations through role modelling. They are shown employees who are judged by the company to be 'winners' – that is, who possess the traits, demonstrate the behaviours, and achieve the results, that are recognized and valued by the firm. The learner observes these 'winners' and acquires a mental picture of the act and its consequences (rewards and punishments), and then copies them, acting out the acquired image. This marks the metamorphosis stage of socialization in which the new employee adjusts to their organization's values, attitudes, motives, norms and required behaviours.

An increasing number of large multinational companies are following IKEA's example in adopting English as their official language. Some company bosses argue that English promotes free thinking because it lacks the status distinction of other languages; and provides

Do you speak IKEA?

Founded by Ingvar Kamprad in 1943, IKEA is a private company which has about 250 stores around the world; 150,000 employees; and a turnover of 250 billion Swedish kroner (SEK). The print run of the IKEA catalogue is 198 million copies in 27 languages and 52 editions. Language is an important part of every culture. Two decades ago, it was decided to make English the working language of the group. IKEA-Swenglish is a form of pidgin English that is a living and developing language,

with a limited vocabulary and a fluid grammar. It has to be learned by anyone seeking to make a career within the company. In his presence, all IKEA staff, irrespective of their position in the hierarchy, should refer to Ingvar Kamprad, as 'Ingvar', while in his absence, he should be called 'IK' or 'the founder'; but never as 'Kamprad' in the third person. The new IKEA employee also needs to become familiar with some other IKEA words and phrases which are explained below.

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 kroner (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 the yellow-handled lettering 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 they are designed to be bought on impulse.
'False nose'	Taking an inefficient decision
'I have no confidence in you any longer'	'You will be dismissed'

Source: based on Stenebo (2010).

a neutral, common language following the mergers of companies from different countries. It also assists in recruiting top staff, reaching global markets and assembling global teams. The practice began with firms like ABB (Swiss-Swedish), based in small population countries. Now it includes Audi and Lufthansa (Germany) and Aventis (Germany-France), where English is used in official documents. English has been adopted by Japanese firms like Honda and Bridgestone, as well as by Chinese ones – Lenovo and Huawei. However, such 'Englishization' stirs up emotions and impacts upon corporate cultures. Slow-learning employees lose confidence, worry about job security, and do not participate in meetings. Cliques of fluent and non-fluent speakers develop, creating resistance and division among the workforce. GE France was fined when its workers sued it for forcing them to read internal documents in English. A policy designed to bring workers together might have the opposite effect (*The Economist*, 2014a; Neeley, 2012).

Beyond the induction period, which, in some large companies, may last up to a year, performance-based appraisal systems visibly signal which goals new hires should be striving for and how. Finally, senior management's behaviour, in promoting, censoring and dismissing employees, also sends information to employees about company values, expectations about norms, risk-taking, acceptability of delegation, appropriate dress, topics of discussion, and so on. This socialization process is depicted in the film *The Firm* (1993). Harvard law graduate Mitch McDeere (played by Tom Cruise) joins a small Memphis law firm. McDeere first develops expectations about the organization during his job interview, and then experiences its reality.

Perspectives on culture contrasted

The debate about organizational culture takes place between two camps – managerial and social science. The managerial camp contains writers and consultants who believe that there is a relationship between a strong culture and organizational performance. They hold that ‘A well-developed and business-specific culture in which management and staff are thoroughly socialized ... can underpin stronger organizational commitment, higher morale, more efficient performance, and generally higher productivity’ (Furnham and Gunter, 1993). Ranged against them is the social science camp containing those academics who believe that organizational culture is a term that is over-used, over-inclusive and under-defined. The description of organizational culture on the preceding pages has taken a managerial perspective. Its distinguishing feature is that it is both prescriptive and normative – that is, it recommends what a company’s culture *should* be. The managerial–social science debate about organizational culture can be considered under four headings:

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

1. Culture ‘has’ versus culture ‘is’

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. It sees organizational culture as constituting an objective reality of artefacts, values and meanings that can be quantified and measured. 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. The writers most associated with this view, which is still current, are the management academics and consultants mentioned earlier in the chapter (Peters and Waterman, 1982; Deal and Kennedy, 1982; Pascale and Athos, 1982).

The alternative is the *is*-view. It sees organizational culture as something that the organization *is*. From this standpoint, individuals do things, and work together in certain ways. Thus, they create a culture which evolves spontaneously and is therefore not capable of being managed. It holds that culture cannot be easily quantified or measured, and that researchers must study it the way that anthropologists study other societies. Culture is produced and reproduced continuously through the routine interactions between organization members. Hence organizational culture exists only in, and through, the social (inter)actions of employees. This approach seeks to understand social relations within organizations, and holds that a company’s culture may not necessarily conform to what management wants. Writers associated with this view include Gagliardi (1986), Knights and Willmott (1987), Ogbonna (1993) and Smircich (1983).

2. Integration versus differentiation/fragmentation

Joanne Martin (1992) distinguished three perspectives on culture which she labelled integration differentiation and fragmentation (see Table 4.3). These have formed the basis of research and writing on this topic. The managerial **integration (or unitary) perspective on culture** holds that an organization possesses a single, unified culture, consisting of shared values to which most employees subscribe. These integrating features lead to improved organizational effectiveness through greater employee commitment and employee control,

Integration (or unitary) perspective on culture regards culture as monolithic, characterized by consistency, organization-wide consensus and clarity.



Joanne Martin, Fred H. Merrill Professor of Organizational Behaviour, Emerita (b. 1940)

as measured by productivity and profitability. It also includes the controversial notion of a 'strong' culture, which is defined by three characteristics: the existence of clear set of values, norms and beliefs; the sharing of these by the majority of members; and the guidance of employees' behaviour by those same values, norms and beliefs.

Table 4.3: Martin's contrasting perspectives on organizational culture

Features	Cultural perspective		
	Integration	Differentiation	Fragmentation
Orientation to consensus	Organization-wide consensus	Sub-cultural consensus	No consensus – multiplicity of views
Relations between different cultural elements	Consistent	Inconsistent	Complex
Orientation to ambiguity	Exclude it	Channel it outside subculture	Focus upon it

Source: from *Cultures in Organizations: Three Perspectives*, Oxford University Press (Martin, J. 1992) p.13. Copyright © 1992 by Oxford University Press, Inc. www.oup.com (adapted from Pondy et al., 1998), Martin and Meyerson (1987) and Martin and Frost (1991)).

Differentiation perspective

on culture sees organizations as consisting of sub-cultures, each with its own characteristics, which differ from those of its neighbours.

In contrast, social science emphasizes two perspectives – differentiation and fragmentation. The **differentiation perspective on culture** regards a single organization as consisting of many groups, each with their own sub-cultures. Each of these has its own characteristics, which differ from those of its neighbours. It therefore sees organizational culture as differentiated or as a plurality rather than as a unified whole. Within an organization, there are diverse interest groups which have their own objectives (e.g. management versus labour; staff versus line; marketing versus production). Thus, the differentiation perspective sees 'cultural pluralism' as a fundamental aspect of all organizations; seeks to understand the complexity and the interaction between frequently conflicting sub-cultures; and therefore stands in direct contrast to the managerial integration (unitary) perspective on culture.

Martin Parker (2000) argued that sub-cultures are the way in which employees distinguish themselves within companies – by their occupation or profession; by the function they perform; by their geographical location in the firm; and by their age (e.g. senior members of the engineering department in the research building). These sub-cultures overlap and contradict each other. Thus the neat typology of organization cultural types which is presented later in this chapter may understate the complexities of organizational life. These sub-cultures act to obstruct management attempts to develop a unified culture which might be used to control staff.

Fragmentation (or conflict) perspective

on culture regards it as consisting of an incompletely shared set of elements that are loosely structured, constantly changing and which are generally in conflict.

The other social science perspective – the **fragmentation (or conflict) perspective on culture** – assumes the absence of consensus; stresses the inevitability of conflict; focuses on the variety of interests and opinions between different groups; and focuses upon power differences in organizations. The fragmentation perspective sees organizations as collections of opposed groupings which are rarely reconciled. It is critical of managers and management consultants who underplay the differences that exist between individuals, groups and departments within a company. It sees conflict rather than consensus as the norm within organizations; and challenges the notion of the existence of a single organizational culture (Becker, 1982).

3. Culture managed versus culture tolerated

Since the managerialist perspective sees culture as something that an organization *has*, it further assumes that it is capable of being managed by corporate leaders. Some companies even have a 'Director of Corporate Culture'. This has sparked three debates. First, concerning how managers can change their company's culture from 'weak' to 'strong'.

Second, how culture can help a company innovate and adjust rapidly to environmental changes. Third, the part played by leaders' visions and styles of management in managing their cultures. This view assumes that senior company executives can and should exercise cultural leadership. Cultural leadership is seen as maintaining, promoting and developing the company's culture (Trice and Beyer, 1984, 1993). Some 'culture managed' writers, such as Fred Luthans (1995), argue that strong cultures can be created by management's use of rewards and punishments. In contrast, the 'culture tolerated' academics argue that employees' deeply held values and beliefs cannot be modified in the short term using such external stimuli.

Chris Grey was critical of culture management programmes. In his view, they had an ambitious desire to shape individuals' beliefs. This search for shared values (between the company's and the employees') entailed, in his view, an aggressive approach which focused primarily on employees rather than upon their work. He stated: 'Culture management aspires to intervene in and regulate [employee] being, so that there is no distance between individuals' purposes and those of the organization for which they work' (Grey, 2009, p.69). Essentially, it attempts to eliminate the organizational dilemma.

In general, he felt that culture management programmes achieved this by selecting those staff amenable to organizational values; sacking employees who were less amenable; using training and communication; exposing staff to organizational values through videos, mission statements; having core values printed on pocket-sized cards and distributed to staff; and using company slogans, company songs, group exercises and, in the case of one UK bank, having 'a parade of employees in animal costumes chanting the virtues of the bank as a fun place to be!' (Grey, 2009, p.69).

Cultures of fun

Software firms in Silicon Valley have put rock-climbing walls, slides and inflatable animals inside their office buildings. Acclaris, an American IT company, has a 'chief fun officer', and TD Bank has a 'Wow' department that despatches costume-clad teams to 'surprise and delight' successful workers. Creating this culture of fun is driven by three popular management fashions of the moment: empowerment, engagement and creativity. These companies believe that if employees express the fun side of their personalities, they will be happier and thus more productive and creative. Some commentators have been consistently critical of this approach, stating that it was absurd for companies to provide slides for staff and allow them to wear 'silly propeller hats'. They have pejoratively

dubbed it 'Montessori management' after the school system which promotes learning through play (*The Economist*, 2010a, 2010b).

However, research by Michael Tews and his colleagues (2012) found that fun workplaces were a greater attraction to job seekers than either pay or opportunities for promotion. Moreover, Mesmer-Magnus et al (2012) reviewed past research that studied 8,532 subjects and found that employee humour was associated with enhanced work performance, job satisfaction, workgroup cohesion and health, satisfaction with supervisor, and reduced burnout and withdrawal. Who then will have the last laugh?

4. Symbolic leadership versus management control

Symbolic leadership (or the management of organizational culture) is one way of encouraging employees to feel that they are working for something worthwhile, so that they will work harder and be more productive. Burman and Evans (2008) argue that it is only those managers who are also leaders that can impact on culture in this way. This view treats leader-managers as heroes, who symbolize the organization both internally to their employees, and externally to customers, governments and others (Smircich and Morgan, 1982). These leaders, said Carol Ray (1986, p.294), 'possess direct ties to the values and goals of the dominant elites in order to activate the emotion and sentiment which may lead to devotion, loyalty and commitment to the company'. The managerialist view holds that employees can be helped to internalize organizational values.

In contrast, the social science perspective argues that symbolic leadership represents management's attempt to get employees to direct their behaviour themselves, towards organizational goals. People enter organizations with different motivations, experiences and values. These natural individual differences tend to direct their behaviours in numerous, often divergent directions. Managers have always sought ways to control their employees, ensuring that they behave in relatively uniform and predictable ways. Carol Ray (1986) distinguished three different types of management control through history (Figure 4.5).

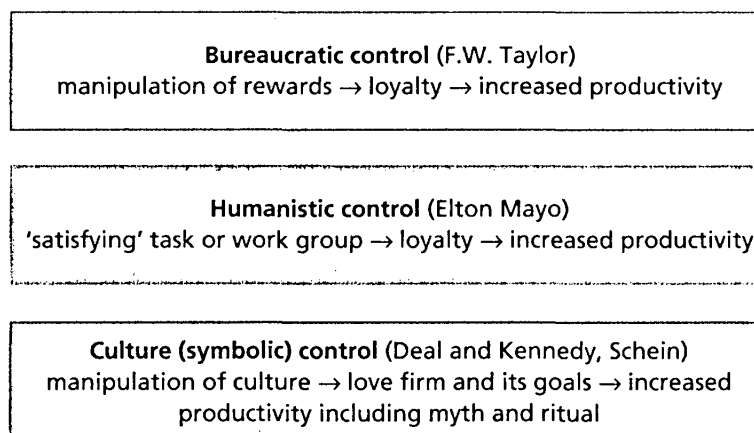


Figure 4.5: Contrasting forms of organizational control

Source: from Corporate culture; the last frontier of control? *Journal of Management Studies*, 23(3), pp. 287–97 (Ray, C.A. 1986) © Blackwell Publishing Ltd and Society for the Advancement of Management Studies 1986.

Ray noted the move away from *bureaucratic control* towards *humanistic control*. The former focuses on external, overt control of employees through rules, procedures, close supervision, appraisal and rewards. Frederick Taylor, Henry Ford, Max Weber and Henri Fayol all recommended this approach to direct the behaviour of employees towards organizational goals. It was expensive in terms of the supervisory manpower required, frequently caused resentment, and elicited grudging compliance from the workers. In contrast, humanistic control sought to satisfy employees' needs by providing a satisfying work task or a pleasant working group life to promote internal control. Promoted originally by Mayo (1933, 1945), the hope was that individuals would willingly meet organizational goals by meeting their own personal goals and objectives.

Employee perceptions of company culture

The Boston Research Group's study *The National Governance, Culture and Leadership Assessment* surveyed thousands of American employees from all hierarchical levels asking them about their company's culture. The largest category, 54 per cent, saw their employer's culture as being top-down, but with skilled leadership, many rules and a mixture of carrots and sticks – 'the informed acquiescence approach'. The second largest category, 43 per cent of respondents, described

their company's culture as being based on command-and-control, top-down management or leadership-by-coercion – the 'blind obedience approach'. The third group, consisting of only 3 per cent of respondents, reported a culture where employees were guided by a set of core principles and values that inspired them to align their behaviour with their firm's mission – 'the self-governance approach' (*The Economist*, 2011, p.86).

The next change was from *humanistic control* to *culture (or normative) control*. It was an attempt by management to regulate organization members' thoughts, values and emotions. It involves shaping the internal worlds and identities of the employees in their

workplaces. Carol Ray suggested that managers saw organizational culture as an effective control tool. It sought to affect what employees thought, believed, felt and valued. She said that 'control by corporate culture views people as emotional, symbol-loving and needing to belong to a superior entity or collectivity' (Ray, 1986, p.295). This form of control had previously only been attempted by religious organizations. A manager at a high-tech US company summarized the approach: 'Power plays don't work. You can't make 'em do anything. They have to want to. So you have to work through the culture. The idea is to educate people without [their] knowing it. Have the religion and not know how they got it' (quoted in Kunda, 1992, p.5).

Work or play?

Peter Fleming and André Spicer (2004, 2007) researched what they termed the social geography of self and identity. They studied a call centre company that they named Sunray, which emphasized a culture of fun, epitomized in the slogan 'Remember the 3 Fs – Focus, Fun, Fulfilment'. Their study demonstrated how the company attempted to blur the traditional boundaries that typically divided work life and private life, in an effort to extend its control over employees. It disrupted and reorganized the traditional inside/outside boundary by holding team meetings before or after work at city centre cafes or nearby parks. Its teambuilding meetings involved participants bringing personal items from home into the workplace. Sunray used the private lives of workers as a training strategy to get them to invest more of themselves in their work. It also encouraged inside-the-organization activities that normally took place outside work, such as wearing pyjamas, drinking alcohol; bringing home-made food to share with colleagues; decorating a work area with personal items; dressing casually – to be 'free to be themselves'. Additionally, it encouraged activities at home which were more appropriate inside the organization – e.g. the memorizing of the company slogan; attending company training sessions on Sundays. These actions challenged the social geography of work and non-work.

The researchers found that Sunray's cultural techniques evoked in employees feelings and identities traditionally associated with being outside work, but not

normally found inside it. The cultural message was that all the experiences that employees normally looked forward to after work, such as having fun, partying, joy, fulfilment, exhilaration and friendship could be obtained inside the company. The aim of this conscious blurring of the boundary between private life and working life was to maximize the productive demands of the company. It was the 'whole' person that the company now desired, not just the uniform corporate self, since employee creativity and innovation were now linked to staff 'being themselves'. Sunray had a conscious recruitment strategy of employing young people who they found 'can be themselves and know how to have fun'. The major corporations around the world seek to absorb the lifestyles, consumption patterns and social activities of their employees by importing the positive experiences and emotions associated with non-work into the workplace.

Other researchers have picked up these themes. Fleming and Sturdy (2011) studied the fun culture in a call centre and showed how management's compulsory sociability and organized fun events acted as distractions from their punishing Tayloristic control regimes; Costas (2012) investigated the culture of friendship in a large, global professional services firm; and Ramarajan and Reid (2013) considered how much of our own self was defined by our work, and how this came about.

The use of organizational culture to control and direct employees' behaviour involves the selective application of rites, ceremonials, myths, stories, symbols and legends by company managers to direct the behaviour of their employees. It is called *symbolic management*. It involves encouraging employees to internalize desired company values and norms. External control is thus replaced by self-control, like that used by professionals such as doctors, teachers, lawyers and priests (Willmott, 1993; Rose, 1990). This approach appeals to managers because it is cheaper, avoids resentment and builds employee commitment to the company and its goals.

Dress down Friday – employee democracy or management control?

Chris Grey noted that, superficially, a relaxed corporate dress code such as 'Dress down Fridays' appeared to be something that was humanizing, and which allowed employees to demonstrate their individuality. However, he argued that it sent the message to staff that there was no difference between their being at work and their not being at work. It said to each employee, there is no 'real you' that is separate from work. The 'real you' is there, always present, at work. The relaxed corporate dress code, along with a company's access to all its staff, through their mobile phones, at all times

and everywhere, symbolized and enacted the idea that home and work exist together, and that employees should no longer think of themselves as '9-to-5ers', even if they officially work these hours. The dress code symbolized the view that work life and home life are one. Thus, in his view, the real importance of informal clothing at work was not that it denoted a freer, more democratic atmosphere within the workplace, but rather that it was an example of greater control being exerted over employees by senior management (Kellaway, 2013).



STOP AND THINK

Consider the organizational approach to culture as described in the research on Sunray. Would you like to 'live the company'?

Culture strength and organizational performance

What is the relationship between organizational culture and company performance? Does culture cause performance, or does performance cause culture, or are both caused by a third variable? Over a six-year period, Anthony Boyce and his colleagues (2015) studied 95 franchise automobile dealerships. These carried the same products but were operated independently and hence possessed different cultures. The researchers concluded that 'culture comes first'. The culture of the dealerships consistently predicted the subsequent levels of customer satisfaction ratings and vehicle sales. For an organization's culture to affect a firm's profitability, said Barney (1986, 1991), it:

- had to be unique to the firm
- should not be easily reproducible by competitors
- permitted the firm to perform in ways that made it more effective than its competitors.

But what type of culture leads to what kind of company performance? A distinction has been made in the research literature between **strong culture** and **weak culture** organizations (Gordon and DiTomaso, 1992; Chatman et al., 2014). A strong culture is defined by O'Reilly (1989) as one which possesses:

- *intensity* – organization members have a strong emotional attachment to the core values and norms of the organizations, and are willing to display approval or disapproval of fellow members who act in certain ways; and
- *sharedness* – there is widespread agreement among employees about these organization values and norms

In contrast, a weak culture is one in which there is little agreement among employees on, or emotional attachment to, their organization's core values.

Thus, the greater the number of employees who accept their organization's core values, the stronger their emotional attachment to those values is, and the more they 'walk their talk', then the stronger a company's culture will be, and vice versa. A strong culture is held

Strong culture one in which an organization's core values and norms are widely shared among employees, intensely held by them, and which guide their behaviour.

Weak culture one in which there is little agreement among employees about their organization's values and norms, the way things are supposed to be, or what is expected of them.

to unite staff, and direct their attitudes and actions. Currently, Apple, Google, Hewlett Packard, McDonald's and Disney are considered by many commentators to be 'strong culture' companies. Much of the managerial literature has assumed that companies with strong cultures perform better than those with weak ones.



STOP AND THINK

Is a strong organizational culture likely to improve company performance and lead it to success? What other factors can affect organizational success or failure as much or more?

John Kotter and James Heskett (1992) were among the first to research the relationship between organizational culture and a company's economic success. They empirically tested the cultural strength of 207 large firms from a variety of industries. They only found a moderate correlation, and discovered examples of successful weak culture companies, and unsuccessful strong culture ones. They concluded that there was some evidence for a strong culture-success relationship, but that it was insufficient as an explanation in itself. Sørensen (2002) used Kotter and Heskett's data to show that strong cultures promoted consistent financial performance under stable conditions but were less reliable in rapidly changing environments.

These conclusions are supported by Denison et al. (2004), who noted that models linking organizational culture and organizational performance have to deal with the contradictions of companies attempting to achieve both internal integration (getting all their departments and staff to work in tandem) and external adaptation (responding quickly and effectively to environmental changes). They write that organizations that are market-focused and opportunistic have problems with internal integration. In contrast, those that are well-integrated and over-controlled can have difficulties of external adaptation responding to their changing environments.

A strong culture may impede success if it encourages conformist attitudes. Miller (1994) suggested that it can cause inertia (clinging to past recipes), immoderation (foolish risk taking), inattention (selective perception of signals) and insularity (failure to adapt to the environment). The classic example was IBM, a corporation acknowledged for its strong culture, which nearly collapsed in the 1990s when it failed to respond to Apple's challenge and initially failed to make the transition from mainframe to personal computers.

Strong cultures are slow to develop and difficult to change. Strong cultures may not necessarily be 'good' cultures if they result in employees holding inappropriate attitudes and managers making wrong decisions. A good example of this is the major banks around the world being given huge fines for inappropriate behaviour. The subprime mortgage crisis in 2008 had a major impact on the financial services sector. In addition to big losses, the sector faced tighter regulation of investment activities, which were seen as aggressive and risky. Under its previous chief executive, Barclays Capital aspired to be the largest investment bank in the world, and additional staff were hired to expand that part of the business. But in 2012 it was revealed that staff were manipulating the London inter-bank offered rate (Libor), and Barclays was fined £290 million. The top bank executives left the bank.

An internal review censured Barclays' investment business for its 'win at all costs' culture, which was arrogant and selfish, and put financial gain before customers (Salz, 2013). The Salz review criticized strong sub-cultures at Barclays, rather than praised them. An organization may have a strong culture and shared values, but it is important to know what those values are. Organizational cultures at Barclays, NASA and BP appear to have been strong, but they were also wrong. Strong cultures can lead to inappropriate behaviours, encourage conformity, complacency and inertia, and take time to develop and change. A survey in 2013 of over 1,000 financial services sector staff in the UK found that culture change was indeed slow. Only half the respondents agreed that there had been a culture change initiative led by senior management, and less than a fifth of those agreed that there

Internal integration
the process through
which employees
adjust to each other,
work together and
perceive themselves as
a collective entity.

External adaptation
the process through
which employees
adjust to changing
environmental
circumstances to attain
organizational goals.

had been any real change. A fifth of all respondents said that culture change initiatives had been superficial and ineffective. This survey concluded that:

[While] some senior leaders in parts of the banking sector are having at least partial success in changing culture to become more customer focused, some parts of the industry are largely operating as before. This is reinforced by the survey findings that a third of respondents still identify shareholders as their organization’s most important stakeholder, with only about 50 per cent identifying customers as their most important stakeholder. (CIPD, 2013, p.26)

Emily Lawson and Colin Price (2003) argue that the success of change relies on persuading individuals to change their ‘mindsets’ – to think differently about their jobs and how they work. This first involves changing behaviour. They identify three levels of change. First, some outcomes (increase revenue) can be achieved without changing working practices (selling non-core assets). Second, staff can be asked to change working practices in line with current thinking (finding ways to reduce waste). The third level involves fundamental changes in organizational culture, in collective thinking and behaviour – from reactive to proactive, hierarchical to collegial, inward-looking to externally focused. They identify four conditions for changing mindsets at level three:

The surrounding structures (reward and recognition systems) must be in tune with the new behaviour. Employees must have the skills to do what it requires. Finally, they must see people they respect modelling it actively. Each of these conditions is realized independently; together they add up to a way of changing the behaviour of people in organizations by changing attitudes about what can and should happen at work. (Lawson and Price, 2003, p.32)

In other words, ‘mindsets’ cannot be altered directly, but can be changed by a careful rethinking of organizational structures, skills and role models. The effectiveness of Barclays’ ‘truthfulness training’ may thus depend not just on the training content, but on whether or not the wider organizational conditions encourage the desired ‘mindset’. Thus one can compare the advantages and disadvantages of strong cultures as shown in Table 4.4.

Table 4.4: Advantages and disadvantages of a strong culture

Advantages	Disadvantages
Strengthens engagement, pride and company loyalty	Creates overconfidence and reduces critical thinking among top management
Encourages commitment to organizational rather than personal goals	Encourages insularity and inhibits diversity
Builds cohesiveness and identity	Slower response to environmental changes
Predictable, consistent behaviour	Barrier to innovation
Gives the organization a distinctive image	Mergers and acquisitions less successful
Makes company more attractive to potential recruits and reduces turnover	More likely to take inappropriate risks

This line of argument leads us away from a ‘one best culture’ viewpoint. Rob Goffee and Gareth Jones (2003) take this contingency approach to culture which holds that ‘it all depends’. These authors state that the most suitable culture for any organization is one that is ‘environmentally appropriate’ for it. This means that its culture should meet the challenges of the environment in which that particular company operates. Performance is likely to be better for companies possessing cultures that are both strong *and* able to adjust sufficiently well to their environments. Thus, a firm which operates in a volatile, competitive environment will need a strong culture that not only adapts quickly but even

perhaps anticipates environmental changes. In contrast, if a company has a predictable and relatively static environment, it will need a strong but less adaptable culture. A study by Jose Garmendia (2004) into companies in the health insurance industry confirmed that a strong culture had a positive impact on organizational performance (results), but only if that culture was adapted to the firm's environment and interacted proactively with it.



STOP AND THINK

Organizational culture influences how employees dress for work. Think about what clothes your bosses and co-workers wear at your current or recent workplace. How do your university lecturers dress? What do their dress choices tell you about the culture of these organizations?

Types of organizational culture

Various writers have produced different culture typologies, all of which assume that, rather like different personality type classifications (e.g. introvert, extrovert), an entire organization (like an individual) can be assigned to a single culture type category on the basis of its possession of certain unique cultural traits. Perhaps the most popular organizational culture typology is Charles Handy's (1993). His classification is based on the degree of centralization and formalization, and is shown in Figure 4.6. Centralization refers to how much power and authority is concentrated at the top of the organization; and formalization concerns the extent to which rules, procedures and policies govern organizational activities.

- *Power* cultures have a single, dominant individual who exerts their will; controlling by recruiting those of a similar viewpoint; and operating with the minimum of rules. It is represented symbolically by a web. It works on precedent, anticipating desires of those at the centre. Decisions are based on a balance of power rather than logic, and there is little emphasis on discussion to reach consensus. For example, small companies run by their founder-owners.
- *Role* culture organizations emphasize the importance of rules, procedures, role expectations and job descriptions. It is represented symbolically by a Greek temple. Managers within them operate 'by the book', on the basis of their position in the hierarchy and their role, and in a depersonalized way. It is based on its functional departments and specialties, and its operations are driven by logic and rationality. This culture is characteristic of bureaucracies.

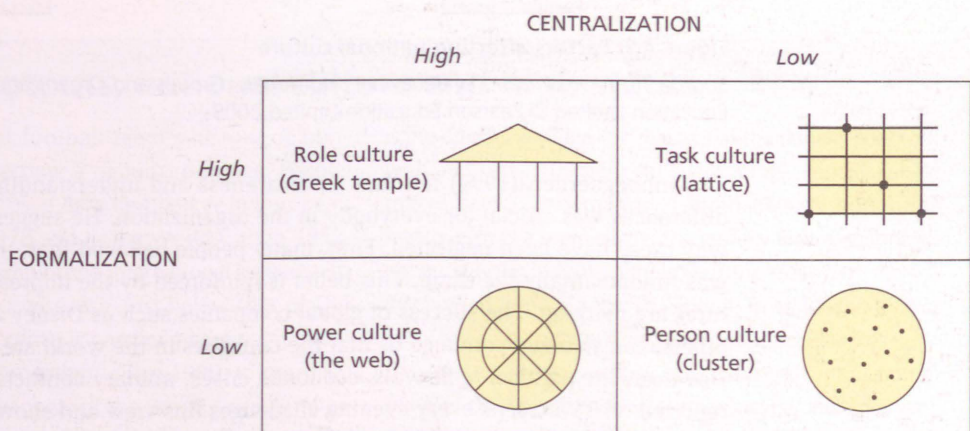


Figure 4.6: Handy's culture typology

Source: based on Handy (1993).

- *Person* culture organizations are focused on individuals. It is represented symbolically by a cluster. They exist for the benefit of their members, and may include a 'star performer'. Control is exercised only by mutual consent, and the organization is seen as being subordinate to individuals. This type of culture is typical of originations such as rock bands and classical music quintets, as well as small, start-up IT firms, architects' partnerships and barristers' chambers.
- *Task* cultures are job or project oriented. It is represented symbolically by a lattice. The task is specified at the top, but then the emphasis shifts to finding the resources and getting the job done through using individuals' enthusiasm and commitment, working as a team. Influence within this culture is based on expertise, rather than position or personal power. Such cultures are found in client-focused agencies such as advertising companies and management consultancies.

National cultures

The culture of a nation is affected by many variables. Laurent (1989) argues that national culture is more powerful and stable than organizational culture. Brooks (2003) saw organizational culture being partly the outcome of societal factors, some of which are identified in Figure 4.7. National cultural stereotypes are well established: Scots are mean; Americans are brash; Germans are humourless; French are romantic; and Japanese are inscrutable. Researchers have studied how national cultures might affect organizational cultures in specific country settings. For example, there is much known about the processes and outcomes of multicultural teams (Stahl et al., 2010). Attempts to establish a common organizational culture in a multinational firm can be undermined by the strength of a national culture. An organization's culture, while having unique properties, is necessarily embedded within the wider norms and values of the country in which its office and facilities are located, and is affected by the personal values that employees bring with them to work.

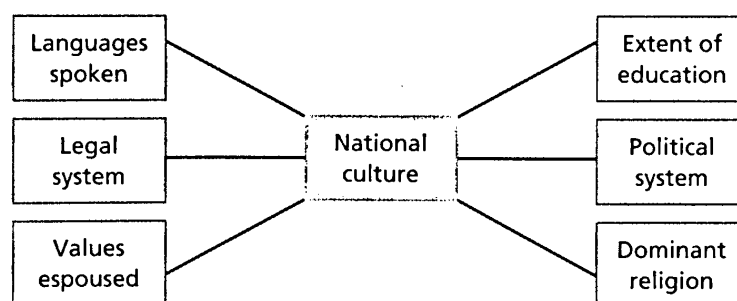


Figure 4.7: Factors affecting national culture

Source: from *Organizational Behaviour: Individuals, Groups and Organization*, Brooks, I., Pearson Education Limited © Pearson Education Limited 2003.

Vanhoegaerden (1999) felt that an awareness and understanding of national cultural differences was crucial for everybody in the organization. He suggested two reasons as to why these have been neglected. First, many people believed that, underneath, everybody was fundamentally the same. This belief is reinforced by the impression that national cultures are merging. The success of global companies such as Disney and Coca-Cola, among others, can wrongly convince us that the countries in the world are becoming more alike. However, the political upheavals, economic crises, military conflicts and human suffering reported on TV screens every evening challenges this view and shows that cultures remain very different.

Second, the convergence that appears to exist does so at only a superficial level, and many deep cultural differences remain. Blaise Pascal (1623–1662), the French mathematician and

CERN: organizational culture and national cultures

The European Organization for Nuclear Research is better known by its original, French acronym CERN, which stands for the *Conseil Européen pour la Recherche Nucléaire*. The organization is the world's largest particle physics research centre and home to the Large Hadron Collider (LHC) housed in a 27 km tunnel that straddles the Franco-Swiss border near Geneva. It is the place where, in 1989, the World Wide Web was invented by Sir Tim Berners-Lee, a British scientist, and where in 2012, the Higgs boson (the 'God particle') was discovered, which explains how the universe began.

CERN receives £700 million a year of funding from 21 member states including Israel. It has over 2,500 permanent employees, but visiting scientists from

113 countries increase numbers to 14,000 people. In its staff canteen Nobel Prize winners with their plastic trays sit alongside students. Anna Cook, its head of recruitment, says that within CERN, collaboration between different cultures is paramount. 'We've got Indians working alongside Pakistanis, Israelis working beside Palestinians. I think the mission – "science for peace and looking for the answers to fundamental questions of the universe" – unites people.' In her view, other organizations can achieve a similar culture but they need to embrace diversity by having a management board comprising people from different cultures, nationalities and backgrounds' (*Financial Times*, 2015).

philosopher noted that 'There are truths on this side of the Pyrenees, which are falsehoods on the other'. Even an archetypal global brand like McDonald's encounters cultural obstacles as it covers the world. When it opened in Japan, it found that Ronald McDonald's clown-like white face did not go down well. In Japan, white is associated with death and was unlikely to persuade people to eat Big Macs. The company also found that Japanese people had difficulty in pronouncing the 'R' in Ronald, so the character had to be renamed *Donald McDonald*.

Home viewing

Outsourced (2007, director John Jeffcoat) tells the story of Todd Anderson (played by Josh Hamilton), a 32-year-old manager of a Seattle customer call centre whose entire order fulfilment department is outsourced to India. Despite facing unemployment, he accepts a temporary job to go there to train his replacements. What does he learn about Indian culture? As you watch, each time you

notice a culturally specific practice, tradition, taboo, behaviour, attitude, assumption or approach, pause the film and make a note of it. How many items do you end up with on your list? What issues does the film raise about the effect of cultural difference at work; the relationships between employees from different backgrounds; and the global economy's impact on national and personal identity?

Penalty shootouts, national culture and high status

The English national football team's history of bungled penalties has become a national disgrace. Penalty shootouts were first used as a tie-breaker in European Championships in 1976 and in the World Cup in 1982. England is at the bottom of the international league with only a 66 per cent success rate, just below that of The Netherlands (67 per cent). It has been eliminated from five international tournaments since 1990. In contrast, Germany, four-time winners of the World Cup, has won all its shootouts in that competition, and has a success rate of 93 per cent over the two competitions. However, it

is the Czechs who are the masters of the penalty shootout with an overall 100 per cent success rate. Penalty-taking makes particular demands of footballers. Although the match itself is a team game, the penalty kick is an individual endeavour. It looks simple, but the stakes are incredibly high. It is more a test of nerve than athleticism. What can explain the national teams' varying success rates?

Superficially, one might speculate that it has something to do with national cultures. Maybe countries with collectivist national cultures perform better than those with individualistic ones. Geir Jordet (2009) investigated

whether national differences in variables associated with *pressure* on players could explain national differences in penalty shot performance by players from teams of approximately the same standard. He identified countries whose national teams had the highest status by having previously won the World Cup or the European Championship, and whose team included players from UEFA European domestic league winners/Champions league (CL).

England has a high status national team. It is a country that had the highest average CL wins at the time of the shootout; and had the most internationally merited players in the shootout; but has the longest time without winning a title. This suggests that expectations on the England players are high and they experience

extraordinary pressure. Jordet's research indicates that if you are an England player and have a highly favourable view of yourself; if your fans have high expectations of you; if you are in a high-pressure situation (a penalty miss means your team's instant defeat); and you fear recriminations from an unforgiving media if you fail, then a common response to such an ego-threat is to engage in escapist strategies. These include rushing to take the penalty as quickly as possible (quick response time) and avoiding looking at the goalkeeper (avoidance behaviour). Both have been associated with poor shootout performance. When the pressure builds, the lessons appear to be: emphasize the positive incentives rather than the costs of failure and, if possible, avoid the Germans and the Czechs (*The Economist*, 2014b; Jordet, 2009).

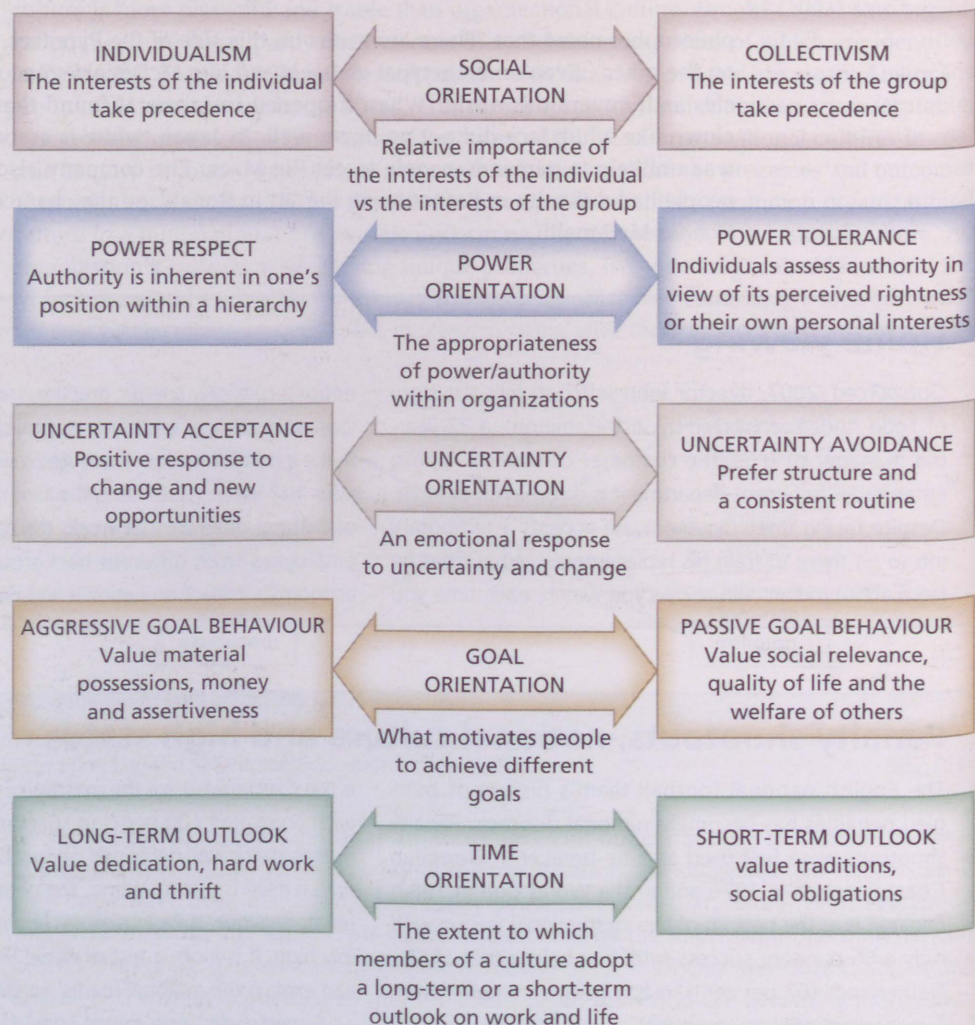


Figure 4.8: Hofstede's five dimensions of national culture

Source: from Griffin, Ricky W., Pustay, Michael W., *International Business*, 5th edition, © 2007, p.102. Reprinted and electronically produced by permission of Pearson Education, Inc., Upper Saddle River, New Jersey.

Social orientation the relative importance of the interests of the individual versus the interest of the group – *individualism versus collectivism*.

Power orientation the appropriateness of power/authority within organizations – *respect versus tolerance*.

Uncertainty orientation the emotional response to uncertainty and change – *acceptance versus avoidance*.

Goal orientation the motivation to achieve goals – *aggressive masculinity versus passive femininity*.

Time orientation the time outlook on work and life – *short term versus long term*.

At both the organizational and national levels of the cultural debate, one sees not only attempts to identify specific traits, but also attempts to classify organizations and countries into different types. This creation of trait lists and typologies parallels work in individual personality. In the 1980s, Geert Hofstede (1986, 1991) carried out a cross-cultural study of 116,000 employees of the same multinational company located in 40 countries. He distinguished national cultures in terms of five orientations – **social, power, uncertainty, goal and time** (Hofstede and Bond, 1988). Each cultural orientation affects the perceptions, attitudes, values, motivation and behaviours of people who live in it. Like personality assessment, each of the orientations represents a separate cultural continuum (personality trait), so each national culture can be positioned somewhere along each dimension as shown in Figure 4.8.

The Global Leadership and Organizational Behaviour Effectiveness (GLOBE) programme has updated and extended Hofstede's pioneering work. This is a longitudinal study of leadership and organizational culture of 825 organizations located in 62 countries (Javidan and House, 2001; House et al. 2004). Whereas Hofstede's was a one-off, snapshot survey, GLOBE is a longitudinal study reporting changes over time. GLOBE contrasts national cultures on nine dimensions, which include, but also go beyond, those proposed by Hofstede. The GLOBE researchers have summarized the findings of the first two decades of their research into leadership and national culture and these are shown in Table 4.5. This shows the three highest and lowest ranking countries on each of GLOBE's nine dimensions.

Table 4.5: Cultural dimensions and GLOBE country rankings

Cultural dimension	Definition: the degree to which	Countries scoring high	Countries scoring low
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 planning, delaying gratification and investing in the future	Denmark Canada Netherlands	Russia Argentina Poland
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

(Continued)

Table 4.5: Continued

Cultural dimension	Definition: the degree to which	Countries scoring high	Countries scoring low
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

*A low score indicates collectivism

Source: based on House et al. (2004), in Slocum and Helriegel (2010); Javidan and House (2001); and Dorfman et al. (2012).

Comparing business management cultures

National cultures affect organizations and managements in many different ways. For example, using Hofstede’s culture orientations, Christine Congdon and Catherine Gail (2013) investigated how national culture affected office workspaces. They concluded that workspace designs that suited national cultures fostered trust and productivity, and increased a company’s competitive advantage. For example, on the social orientation dimension, in the USA (individualist), cubicles have been removed, allowing staff to choose the space that best suits their work tasks. In contrast, in China (collectivist), the employees favour densely arranged work stations.

With respect to management skills, Gurnek Bains and his team (2015) studied 1,500 managers around the world to identify their strengths and weaknesses in a range of soft and hard skills. They compared seven cultural leadership groups on 20 skills dimensions which they grouped under six main headings: Thinking (e.g. analytical, commercial); Leadership (e.g. authoritative, inclusive); Self-awareness (e.g. insight, growth); Motivation (e.g. drive, emotional openness); Interpersonal (e.g. engaging, collaboration); and Other (e.g. breadth of experience and knowledge). The key differences they discovered were:

- Sub-Saharan African leaders scored low on commercial thinking but high on intellectual flexibility.
- Latin American leaders were weak on strategic thinking but strong on collaboration and showed extraordinary drive and ambition.
- European leaders scored highest and Sub-Saharan African leaders lowest, in their ability to win ‘hearts and minds’.
- Latin America, followed by China, produced the most engaging and likeable leaders.
- Forming close bonds was not a priority for any leaders.
- Emotional openness and authenticity was a challenge for all leaders, but less so for those in Europe.

Erin Meyer (2014, p.123) observed that ‘Today success depends on the ability to navigate the wild variations in the ways people from different societies think, lead and get things done’. In order to help managers deal with the multi-dimensional complexity of national cultures, she developed a ‘culture map’ consisting of eight scales which represent management behaviours as shown in Table 4.6.

Video case: the rise of intercultural managers



In this four-minute *Financial Times* video, Della Bradshaw talks to Jean-Philippe Ammeux, director of the IESEG School of Management in France. She asks him about the way in which managers are being taught to become inter-culturally aware. What are the limitations of the approaches that Ammeux describes? What would you suggest yourself?

Table 4.6: Business management culture map

Dimension scale	Definition
Communicating low context versus high context	In low-context cultures, communication is precise, simple, explicit and clear; messages are understood at face value. In high-context cultures, communication is sophisticated, nuanced and layered. Messages are implied, not plainly stated.
Evaluating direct negative feedback versus indirect negative feedback	To be useful, feedback has to be constructive. However, different cultures see this differently. This scale measures the preference for frank (direct) negative feedback as opposed to diplomatic (indirect) negative feedback.
Persuading principles-first versus applications-first	This scale measures argument types and thought patterns. Whether the argument components are broken down (Western-specific) or shown how they all fit together (Asian-holistic). Also, whether deductive arguments (principles-first) are used or inductive logic (applications-first) is preferred.
Leading egalitarian versus hierarchical	Degree of respect or deference shown to authority figures described as ‘power distance’. Cultures range from egalitarian to hierarchical.
Deciding consensual versus top-down	This scale measures the degree to which a culture is consensus-minded (getting group agreement) before making a decision. This is often, but not always, synonymous with egalitarian cultures. Japanese are non-egalitarian (hierarchical) but are also strongly consensus-minded.
Trusting task-based versus relationships-based	This scale measures the basis of trust. In a task-based culture, cognitive (from the head) trust is built through work. In a relationship-based culture, affective (from the heart) trust is built through getting to know one another at a personal level
Disagreeing confrontational versus avoids confrontation	This scale measures tolerance for disagreement and perception of whether it is helpful or harmful to collegial relationships. Cultures differ in terms of how productive for a team or organization they believe confrontation to be.
Scheduling linear time versus flexible time	This scale measures the value placed on operating in a structured, linear manner, adhering strictly to schedules (monochronic) or being flexible and reactive, treating schedules as broad guidelines.

Source: based on Meyer (2014, pp.120–21).

Each culture has its own profile along these eight dimensions which reflects its value systems. Meyer provides an example comparison of Israeli and Russian business cultures based on her eight scales. She highlights the similarities and differences between them that affect interpersonal relations. These are shown in Figure 4.9.

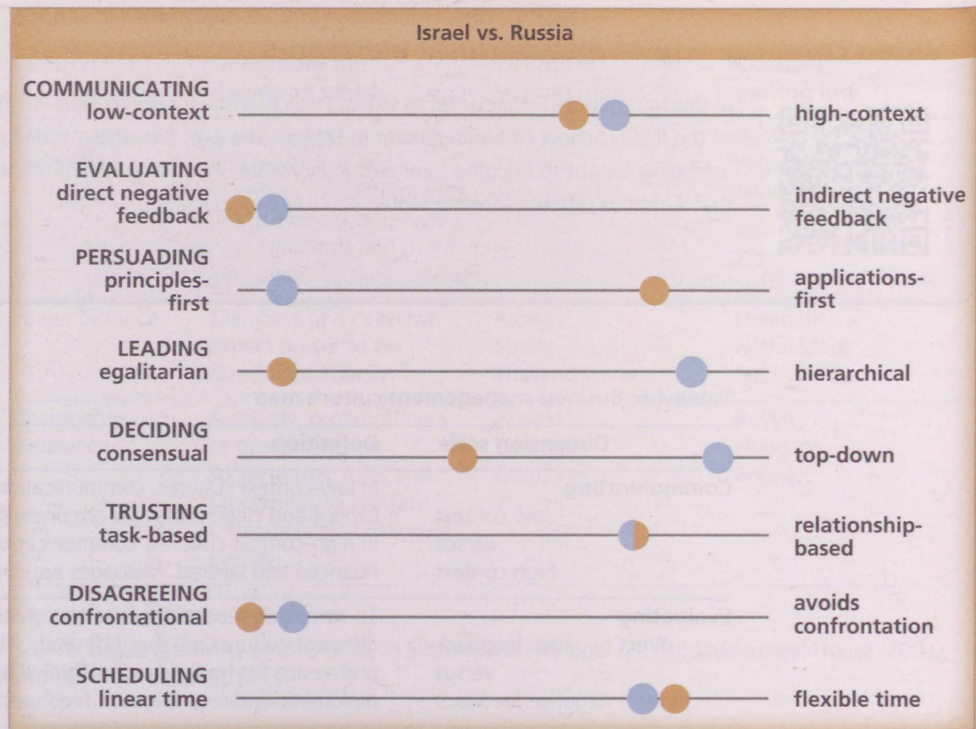


Figure 4.9: Comparing management cultures: Israel versus Russia

Source: Meyer (2014, p.121).



RECAP

- Account for the popularity of organizational culture among managers and academics.
 - Culture management offers managers a route to economic success.
 - For consultants, the concept provides an appealing; easy-to-grasp quick-fix solution to sell to managers wishing to improve their organization's performance.
 - For academics, it offers an alternative perspective with which to research and theorize about organizations and provides a new context within which to explore postmodernist ideas.
- List, describe and exemplify Schein's three levels of organizational culture.
 - Schein distinguished surface manifestations of culture at level one (e.g. artefacts, rites, ceremonies); organizational values at level two (e.g. customer obsession); and basic assumptions at level three.
- Distinguish the stages of organizational socialization.
 - The stages of organizational socialization are pre-arrival, encounter and metamorphosis.
- Contrast managerial and social science perspectives on organizational culture.
 - Organizational culture is something that a company either *has*, or what a company *is*.
 - Organizational culture is a single, integrated unit or a differentiated entity consisting of multiple, different sub-cultures, fragmented with conflicting interests.
 - An organization's culture can be managed by its leaders or it is beyond their direct control and instead has to be tolerated by them.
 - Culture signals a new era of symbolic leadership which relies on internalized forms of employee direction, or it represents old-style management control in a new guise.

5. Assess the link between organizational culture and organizational performance.

- Few research studies have been conducted which explicitly test a causal link between an organization's culture and its economic performance.
- Those that have been conducted do not illustrate any direct causal relationship between a 'strong' culture and high economic performance suggesting, at a minimum, that other, mediating variables may be more significant.
- There is anecdotal data as well as a logical argument, to suggest that organizations possessing a strong culture at a time of required change, may be less flexible, less able to change, and hence less likely to perform well economically.

6. Distinguish between different types of organizational culture.

- Handy categorized the cultures of organization using a four-type framework: role, power, task and person

7. Distinguish different dimensions of national culture.

- Hofstede suggested that national culture could be differentiated along five dimensions: power distance; uncertainty avoidance; individualism–collectivism; and masculinity–femininity and short term–long term perspectives.
- The GLOBE framework for assessing national culture incorporates and extends Hofstede's dimensions and includes: assertiveness; future orientation; gender differentiation; uncertainty avoidance; power distance; individualism/collectivism; in-group collectivism; performance orientation; humane orientation.

Revision

1. Is organizational culture capable of being managed or do chief executives have to tolerate the culture that they inherit?
2. How can culture help or hinder an organization's effectiveness?
3. What guidance does the research into national culture offer managers working around the world for global corporations?
4. To what extent, and in what ways, might a national culture affect an organization's own culture?

Research assignment

First, familiarize yourself with the list of Schein's 15 surface manifestations of culture as shown on pages 110–11. Use this list to (a) interview a manager and obtain examples of as many of the surface manifestations of culture as they are able to provide you with. (b) For each manifestation, ask your manager what purpose it serves within their organization. (c) Ask them what external and internal factors have moulded the organization's culture into what it is today. (d) Fit your organization into Handy's organizational culture typology justifying your choice with examples from the company concerned.

Springboard

Lazlo Bock (2015) *Work Rules*. London: John Murray. The author describes Google's culture and how its human resource managements practices have contributed to it.

Vas Taras, Piers Steel and Bradley Kirkman (2011) 'Three decades of research on national culture in the workplace: do the differences still make a difference?', *Organizational Dynamics*, 40 (3): 89–198. This article discusses the effect of national culture on employee attitudes and behaviour.

Hugh Willmott (1993) 'Strength is ignorance, slavery is freedom: managing culture in modern organizations', *Journal of Management Studies*, 30 (5): 515–52. A classic article in

which the author proposes that culture is a particular form of control which operates, not by external regulation, but by shaping the identity (internal world) of an organization's employees.

Fleming, P. (2013) 'Down with Big Brother: the end of corporate culturalism?', *Journal of Management Studies*, 50 (3): 515–52. Twenty years on, the author reflects on Willmott's classic article; and considers the role of resistance. He argues that companies use 'biopower' and not just cultural control, which encourages other types of dissent.



OB cinema

Dead Poets Society (1989, director Peter Weir): DVD track 1, 0:00:53–0:04:44 (4 minutes)

To establish context, many films begin with shots of an organization to communicate its culture. The clip begins with the opening credits of the film, and ends after Mr Keating has been introduced, sits down and there is a shot of an outside scene.

1. Which surface manifestations of Welton Academy's culture are being communicated here?
2. What values can you infer about Welton Academy's organizational culture from viewing this clip?

Example from Welton Academy culture

1. *Artefacts* are material objects created to facilitate culturally expressive activities. They include tools, furniture, appliances and clothing.
2. *Ceremonials* are formally planned, elaborate, dramatic sets of activities of cultural expression.
3. *Courses* and workshops are used to instruct, induct, orient and train new members, and to recognize the contributions of existing ones.
4. *Heroes* are characters, living or dead, who personify the values and beliefs; who are referred to in company stories.
5. *Jokes* are humorous stories intended to cause amusement but whose underlying themes may carry a message about behaviour or values.
6. *Language* is the particular form or manner in which members use vocal sounds and written signs to convey meaning to each other.
7. *Legends* are handed-down narratives about wonderful events based on history, but embellished with fictional details.
8. *Mottoes* are maxims adopted as rules of conduct which are rarely, if ever, changed.
9. *Norms* are expected modes of behaviour that are accepted as the company's way of doing things.
10. *Physical layout* concerns things that surround people, providing them with sensory stimuli.
11. *Rites* are elaborate, dramatic sets of activities that consolidate various forms of cultural expression into one event.
12. *Sagas* are historical narratives describing the unique accomplishments of a group and its leaders.
13. *Slogans* are short, catchy phrases that are regularly changed.
14. *Stories* are narratives describing how individuals acted and the decisions they made that affected the company's future.
15. *Symbols* refer to any act, event, object, quality or relation that serves as a vehicle for conveying meaning.



OB on the web

Can you deduce an organization's culture from its videos? Insert 'Google culture' into YouTube and view some of the videos displayed. Using just these video clips, describe what you think are the main features of the company's culture.

How do national cultural differences get in the way of communication? Insert 'Cultural differences' into YouTube, and view a selection of these video clips. Identify which verbal and non-verbal behaviours differ most between cultures (e.g. dress, etiquette) and which might cause offence if they are inappropriate.

CHAPTER EXERCISES

1. Surface manifestations

- Objectives**
1. Understand how organizational structure and processes affect organizational culture.
 2. Speculate how the organizational culture might affect your views and behaviours as an employee.

- Briefing** Examine the three clusters of descriptions as directed by your instructor. For each one:
1. Decide what 'message' each one sends to employees about the organization's culture.
 2. Speculate on the reactions and behaviours it might encourage or discourage among employees.

- Descriptions**
1. Companies want their employees to have creative ideas.
 - (a) Company A hires only the smartest people and then immediately after appointment sends them on creativity workshops.
 - (b) Company B has a rigorous selection procedure. Its expensive and elaborate three-day assessment centre selection approach focuses on determining each applicant's level of creativity.
 - (c) Company C has a staff restaurant with only six-seater tables to allow different staff to meet; its rest areas have whiteboards on the walls; and there are suggestion boxes in every main corridor.
 2. Companies have different approaches to employees' work spaces.
 - (a) Company A encourages staff to personalize their workspaces by decorating them with photos, toys and other items brought from home. Staff are free to come to work dressed as they like.
 - (b) Company B has open space work areas for all staff. They wear business dress and address each other by their first names. Managers do not have their own offices or secretaries. The conference suite is used for staff meetings to which secretarial and support staff are invited. Recycling boxes are located throughout the building.
 - (c) Company C believes messy desks demonstrates a lack of personal organization; it operates a paperless office system and requires managers to enforce a 'clear surface' policy. Non-business-related items in workspaces are considered unprofessional and are banned. 'Dress-down Fridays' were introduced by senior management after much discussion, some time ago.

3. Companies have different approaches to employees' errors.
 - (a) In company A, an employee's mistake is discussed at a team meeting, recorded on the employee's file, and senior management is informed for possible disciplinary action.
 - (b) In Company B, the manager identifies errors made by subordinates, talks to the individuals, shows them where they went wrong, and what he should do in the future.
 - (c) In Company C, employees discuss their mistakes with their managers. The manager assists the subordinate to analyse their error, helps them learn from it, and agrees an action plan for future improvements.

2. National culture etiquette

- Objectives**
1. To recognize the similar ways in which national cultural values are shared.
 2. To understand differences between national cultures

- Briefing**
1. Students form into small groups based on their country of origin (e.g. China, USA, Japan) or region (e.g. Scandinavia, Eastern Europe, South America, Middle East).
 2. Individually, identify an experience that you had after coming to this country that you found surprising, unusual, upsetting, puzzling, irritating, pleasing or significant in some way.
 3. Each group then prepares:
 - (a) A list of 'student experiences' about this country.
 - (b) Do's and Don'ts guide for a person visiting their country or region for the first time, so as to avoid embarrassment or causing offence when interacting with its nationals.

Your guide should cover:

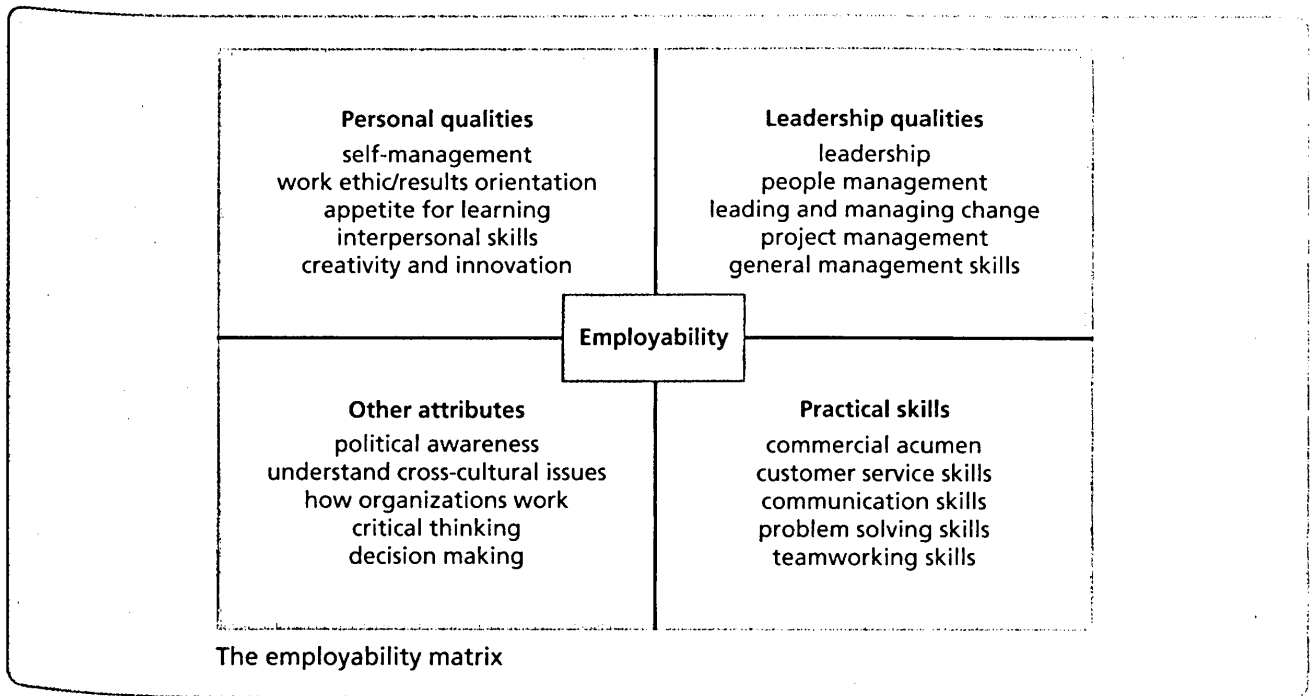
- business situations (e.g. visiting company offices, attending business meetings) and social situations (e.g. being invited to the person's home and meeting their family)
- verbal behaviour (e.g. choice of words, mode of speech, conversation topics) and non-verbal behaviour (e.g. dress, greetings, gifts).

Nominate a speaker and present your group members' experiences and their guide to the other class members.

Employability assessment

With regard to your future employment prospects:

1. Identify up to three issues from this chapter that you found significant.
2. Relate these to the competencies in the employability matrix.
3. Decide what actions you need to take to maintain and/or develop those competencies under each of the four headings of the employability matrix.



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