

Analysis of Workplace Culture of IKEA and its Impact on Organisational Efficiency using Edward T. Hall model

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Workplace Culture Definition

- It Shapes Public Image
- It Affect the Performance of the Organisation
- It Navigates Company to the Right Directions
- It Motivates and Attract Employees

The IKEA Way

"Maintaining a strong IKEA culture is one of the most crucial factors behind the continued success of the IKEA concept".

-Ingvar Kamprad, founder of IKEA

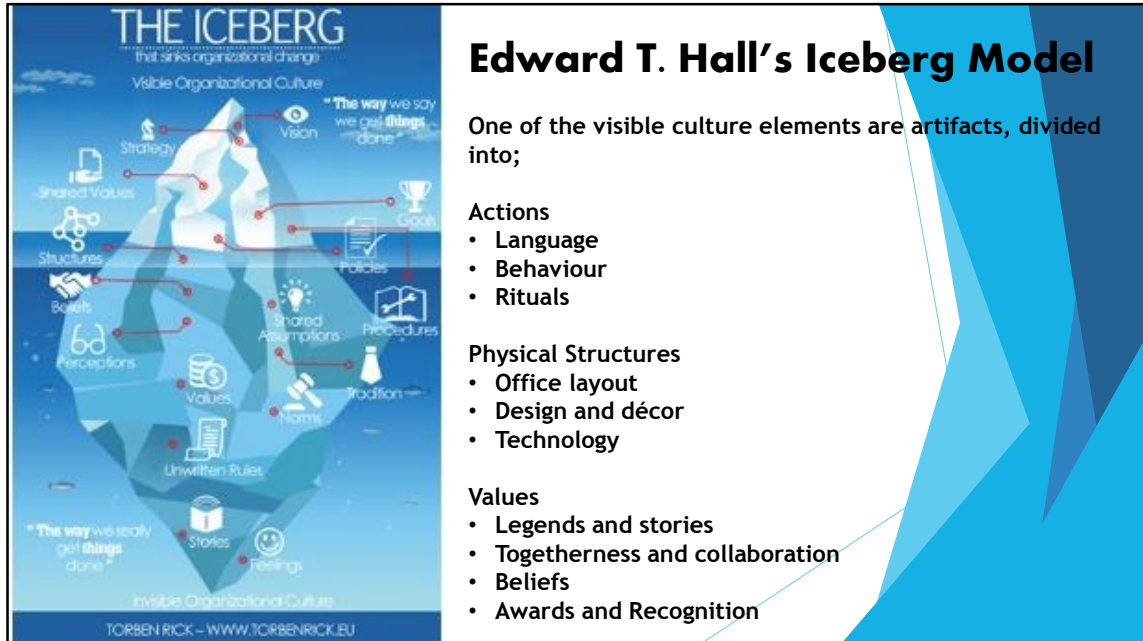
(Source: Adapted from IKEA 2013)

Ann Cunliffe (2008), states that organizational culture is greatly important for many reasons. It shapes the public image of the business; it affects the performance of the organization; it navigates company to the right direction, and it helps motivate and attract employees. It is also very important that company's values are aligned with employee values which helps organization to reach their objectives and goals.

Cunliffe, A., L. (2008) *Organization Theory*. London: Sage Publications

The Ikea way, (2020). [image] Available at:

<https://image.slidesharecdn.com/interculturalrelocation-131127020203-phpapp01/95/cultural-differences-sweden-v-south-korea-21-638.jpg?cb=1>. Accessed 28th February 2020.



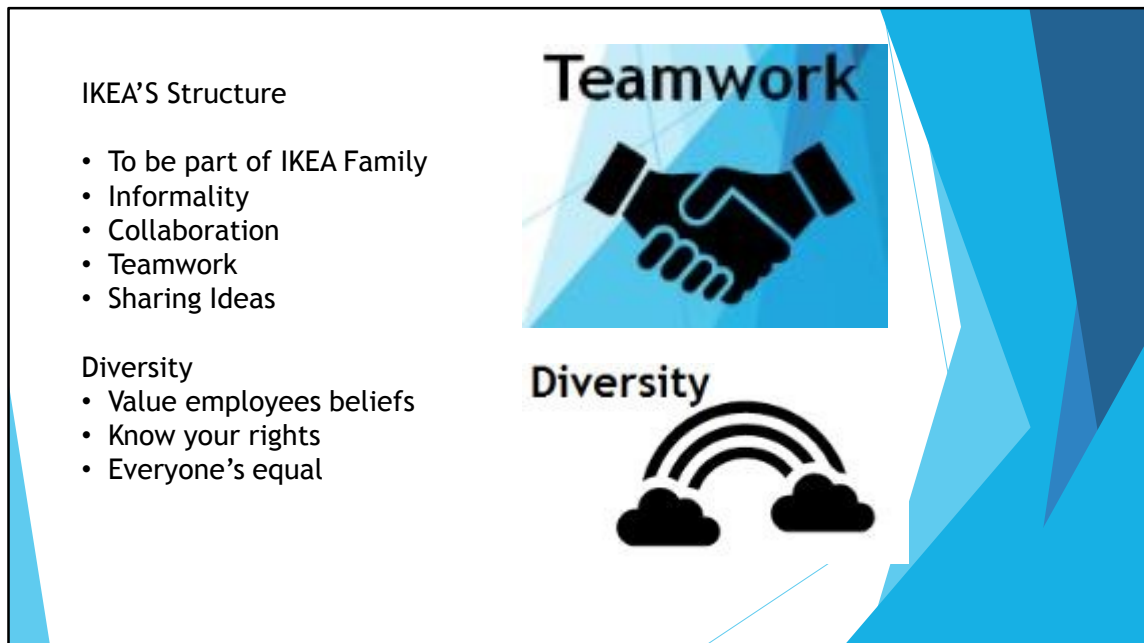
In 1976 Edward T. Hall described organisational culture as internal and external parts which external parts would be visible and explain how we will do things and internal part is invisible and hidden underneath the surface. These two parts are equally important but the internal part is much larger and has a major impact on the success of the business, its growth and reputation.

Why is Iceberg model suitable for IKEA?

The Iceberg model is a perfect fit to Ikees organisational; structure as everything that hall described in his iceberg model is reflecting what IKEA does, how they maintain their business effectively, following their cost leadership business strategy and attract employees with lucrative benefits that are a very important part of their corporate culture.

Iceberg model. (2020). [image] Available at:

https://www.spps.org/cms/lib/MN01910242/Centricity/Domain/125/iceberg_model_3.pdf [Accessed 29 Feb. 2020].



Ikea's structure

Ikea prefers simplicity of doing things and high level of informality, that means that if you come to work for us you might be sharing your desk with your manager sitting side by side, sharing your ideas and collaborating with others as part of a team or a member of a big family.

Teamwork is valued and individuals who restrain from working in a team are not preferred in the application process, but team players and people who share values with others will more likely fit company's criteria for new job roles.

Diversity in the workplace

Ikea is promoting workplace diversity along with supporting the rights of LGBT, employing people of different backgrounds and various minority groups and giving them employment opportunity because Ikea believes that recognizing individual differences, ideas and creativity can benefit and impact company's growth and success. (DW.COM, 2020)

Ikea treats everyone equally and according to Forbes.com thanks to their workplace

culture was awarded as 40th Canada's Best Employer 2020, 170th place for Best Diversity 2020 and, 121st Employer for Women 2019 and many more awards worldwide. (Forbes, 2020)

DW.COM. (2020). *'Ikea has definitively shaped our culture'* | DW | 29.01.2018. [online] Available at: <https://www.dw.com/en/ikea-has-definitively-shaped-our-culture/a-42354779> [Accessed 15 Feb. 2020].

Forbes. (2020). *IKEA*. [online] Available at: <https://www.forbes.com/companies/ikea/#744716472ad0> [Accessed 29 Feb. 2020].

“People and Planet Positive Strategy”

Ikea’s responsible actions speak about their environmental friendly culture and bring profit and good reputation to the company.

Employees are proud about helping communities and recommending Ikea as great place to work with lots of benefits and employees perks.

Looking after employees well-being, personal grow and self-actualisation



Based on an article from Independent.com Ikea announced they are going to build more houses in cooperation with Worthing council and it’s going to be first project based in the UK, after a big success of home development of 11000 houses in Scandinavia. Homes will be flat-pack, built off site with fitted IKEA flooring, plumbing and kitchen, affordable even for single parents. This project is environmentally friendly, based on materials Ikea is using like timber frame and thanks to their recycling strategy. (Butler, 2020).

However, it was a shock for Ikea employees and customers when Ikea announced closure of their first shop in Coventry, company assured their employees that they will try to relocate them and go beyond their limits to make sure their families will not be affected by this decision. Many employees stated that being part of the Ikea family was the best experience and loved the job they were doing. (www.bbc.co.uk)

Since 2017, IKEA UK and Ireland have been working with Breaking Barriers, a London-based charity that helps refugees find meaningful employment. The program, which includes English classes, customer service training and assessment days aims to improve employment prospects for refugee people living in the UK.

“IKEA and Breaking Barriers have both given me the opportunity to gain meaningful employment in the UK – not only to earn money, but to use the skills I learnt during my

degree for a real purpose.

Ikea.com. (2020). *How IKEA is empowering and employing refugees*. [online] Available at: <https://www.ikea.com/gb/en/ideas/what-can-companies-do-to-help-refugees-find-work-pubd1ed9541> [Accessed 20 Feb. 2020].

Ikea, (2020). [video] Available at: <https://www.youtube.com/watch?v=pPvhTOHAmQM> [Accessed 20 Feb. 2020].

Butler, S. (2020). *Ikea steps up drive to become carbon neutral with extra €200m*. [online] the Guardian. Available at: <https://www.theguardian.com/business/2019/nov/27/ikea-steps-up-drive-to-become-carbon-neutral-with-extra-200m> [Accessed 20 Feb. 2020].

Buchanan, D. and Huczynski, A. (2010). *Organizational behaviour*. 7th ed. Harlow: Prentice Hall/Financial Times, p.105.

Ikea.com. (2020). Culture & Values. [online] Available at: <https://www.ikea.com/in/en/this-is-ikea/culture-and-values-pubd0e72f31> [Accessed 9 Feb. 2020].

Ikea.com. (2020). Culture & Values. [online] Available at: <https://www.ikea.com/in/en/this-is-ikea/culture-and-values-pubd0e72f31> [Accessed 9 Feb. 2020].

<https://www.independent.co.uk/life-style/ikea-homes-flatpack-worthing-housing-crisis-a8975391.html>. Available online. Accessed 19 February 2020.