CHAPTER FOUR
Organizational Culture

A: Main Teaching Points (by textbook section)

In general, this chapter deals with different definitions of organizational culture. It asks how far the two extremes give management an instrument for control.

4.1 Introduction

The introductory case deals with organizational culture in an educational institution. Students who have little experience of the workplace often find it difficult to get to grips with the notion of culture applying outside the industrial workplace, and may need reminding that their business school has its own culture. Encourage them to analyze it, using the questions given in section B: Implications for the Business Student.

4.2 Defining and analyzing organizational cultures

This section first examines two definitional extremes, organizational culture as a set of STRUCTURES that can be manipulated by management, and as the members' EXPERIENCE. This book embraces both extremes: members' attitudes are molded by their experiences of work and sense of appropriate behavior and by experience of management structures. Organizational cultures can be compared when a common system for analysis is used. Models for analyzing positive/negative and strong/weak cultures are described. Reinforce the points that:

- management has most to lose from a strong and negative culture;
- the international manager based in a foreign subsidiary who fails to recognize local priorities and values is in danger of uniting local employees against him/her – and thus of generating a strong and negative culture.

Management may have considerable success in manipulating the more cosmetic belief and attitudinal aspects of the organizational culture, but organizational values are most

likely to be influenced by values in the national culture and may be held subconsciously – hence they are least accessible to short-term planning.

4.3   Controlling the organizational culture

This section examines factors that influence the organizational culture. A structural definition implies that the most important factors are those over which management has most control – including strategy and structures. The text indicates where these topics are discussed at greater length elsewhere in the book.

4.4   Organizational culture and national culture

An experiential definition implies that the culture is influenced by factors outside management control. National culture contributes significantly. In some respects, learning the organizational culture is like learning the national culture but the latter is far deeper, and is most likely to have a far greater impact on the individual's values. The students will have experience of several organizational cultures already in their lives (different schools, university at first degree level, social clubs, and so on) and they should recognize that the values these express are quickly learned and quickly forgotten. Students may need to be reminded of Hofstede's definition of national culture (section 1.3.2).

B: Implications for the Business Student

(This section modifies the material on pp. 92–3 of the textbook.)

1. In your business school, look for evidence that:
   a. values in the national cultural are a more significant influence on behavior in the school than is the organizational culture;
   b. organizational culture is a more significant influence than are values in the national culture.
2. Examine two sub-cultures: (i) the student sub-culture; (ii) the teacher sub-culture.
   a. How similar or dissimilar are the values of the two sub-cultures?
   b. How does the school benefit from the similarities? How from the dissimilarities?
   c. How does the school suffer from the similarities? How from the dissimilarities?
   d. How far do factors in the national culture explain the similarities and dissimilarities?
3. In the case of the student culture, decide whether it is (i) STRONG or WEAK, (ii) POSITIVE or NEGATIVE.
   a. What factors make it strong/weak?
   b. What factors make it positive/negative?

    c. How might it be made stronger?

    d. How might it be made more positive?

4. In the case of the teacher culture, decide whether it is (i) STRONG or WEAK, (ii) POSITIVE or NEGATIVE.

    a. What factors make it strong/weak?

    b. What factors make it positive/negative?

    c. How might it be made stronger?

    d. How might it be made more positive?

C: Class Discussion Questions

1. Why might top management sometimes prefer a weak culture to a strong culture? How can management weaken an organizational culture? How can information technology be applied to weakening the culture?

2. Why might the cross-cultural manager be threatened by the development of a strong, negative culture?

3. Think of cases in which an organizational culture influences members in ways that seem to contradict the national culture.

4. Evidence suggests that differences between national cultures are greater than between organizational cultures within a single national culture. What implications does this have for attempting to change an organizational culture? What are the implications for a multinational attempting to change the organizational culture of a foreign subsidiary in order to bring it more into line with the organizational culture of headquarters?

D: Answers to the Exercise

This is an open-ended problem. But good answers might include some of the following points. Possible PROBLEMS include:

- Feraro has failed to produce the innovative culture that he wants.
- Feraro's interests are contradictory. He wants to retain personal control, and at the same time to generate a spirit of independence and innovation. Can a manager expect to be rewarded or punished for innovation?
- His need for control appears to have led him into conflict with his two original partners.
- The culture is neither strong nor positive. There is no internal cohesion, and managers do not identify with company goals.
- The management team is heterogeneous, perhaps to a fault. It includes a wide range of national cultures. The notion of internationalism seems to have been applied superficially, without any real ideas of how these cultures might interact.

- The present organizational culture is unproductive in part because communication between individuals is so poor.

Possible SOLUTIONS include:

- Feraro needs to disambiguate his different interests and to focus on his main interest.
- If Feraro genuinely plans to innovate, he should give managers real opportunities for innovation. He should reward good ideas and reward honest attempts at innovation, even when these fail. This means surrendering a degree of control.
- If Feraro needs to maintain the same degree of control, he should accept an unwillingness to innovate and reward routine good performance.
- A positive culture must be created by strengthening the links between top management (Feraro) and his senior workforce.
- A mature concept of internationalism needs to be developed.

E: Additional Exercise Material

Write a mission statement for your company or business school. This should express at least three of the following functions:

- Provide a common purpose for all members.
- Build shared values among all members.
- Guide leadership styles.
- Describe codes of practice.
- Express company responsibilities to members.
- Express company responsibilities to persons and groups in the environment.

F: Test Bank

1. The notion of organizational culture means that:
   a. Every organization has its own culture, and no two are ever quite the same
   b. In one national culture, most organizational cultures are the same
   c. Only strong organizations have organizational cultures
   d. In collectivist national cultures, all organizational cultures are the same.

(Answer, a: p. 77)

2. The definition used here is that:
   a. The organizational culture refers only to structural systems imposed by management

   b.   The organizational culture refers only to the members' sense of "how we do things here"
   c.   The organizational culture is influenced both by members' experience and expectations, and by the structures imposed by management
   d.   The organizational culture refers to the values held by members of a single national culture when working together.

(Answer, c: pp. 77–8)

3.   The international manager has most to fear from:
   a.   A strong organizational culture
   b.   A weak and positive organizational culture
   c.   A weak and negative organizational culture
   d.   A strong and negative organizational culture.

(Answer, d: p. 81)

4.   Management has:
   a.   No control over the factors that influence the organizational culture
   b.   Absolute control
   c.   Varying degrees of control, depending on how far the national culture is collectivist and individualist
   d.   Considerable control over some factors, very little over others.

(Answer, d: p. 82)

5.   When trying to influence the organizational culture, management has considerable control over:
   a.   Formal structures
   b.   Members' informal systems
   c.   The national culture
   d.   Industry factors.

(Answer, a: p. 83)

6.   Analysis of an organizational culture should:
   a.   Always compare organizational sub-cultures
   b.   Sometimes compare organizational sub-cultures, depending on the aims of the analysis
   c.   Sometimes compare sub-cultures in the national culture
   d.   Never compare organizational sub-cultures.

(Answer, b: pp. 84–5)

7.   The notion of technology refers:
   a.   Only to hard, tangible artifacts
   b.   To hard artifacts and to the non-tangible systems needed to operate and repair them
   c.   To hard artifacts, non-tangible systems, and management techniques
   d.   To hard artifacts, non-tangible systems, management techniques, and general technical knowledge and skills.

(Answer, d: pp. 86–7)

8. The learning company:
    a. Selects staff on the basis of their skills
    b. Can afford to ignore change in the environment
    c. Values rituals and ceremonies
    d. Operates in an environment where change is rapid.

(Answer, d: pp. 87–8)

9. The mission statement projects the corporate image to:
    a. Members of the company and persons in the environment
    b. Members of the company only
    c. Board members only
    d. Persons in the environment.

(Answer, a: p. 89)

10. When trying to influence the organizational culture, management has very little control over:
    a. Training programs
    b. Recruitment
    c. Informal communication
    d. The organizational chart.

(Answer, c: pp. 89–90)

11. The concepts of national culture and organizational culture:
    a. Have nothing in common
    b. Have everything in common
    c. Differ only in that national cultures are based on values, and organizational cultures are not
    d. Are alike in that both provide the individual with a sense of identity and commitment.

(Answer, d: pp. 90–91)

12. In comparison to national cultures, organizational cultures are:
    a. Seldom as strong – because they are not taught by one's parents
    b. Seldom as strong – because they are learned much later in life
    c. As strong, in most cases
    d. As strong – if the individual works for at least five years in the organization.

(Answer, b: pp. 91–2)