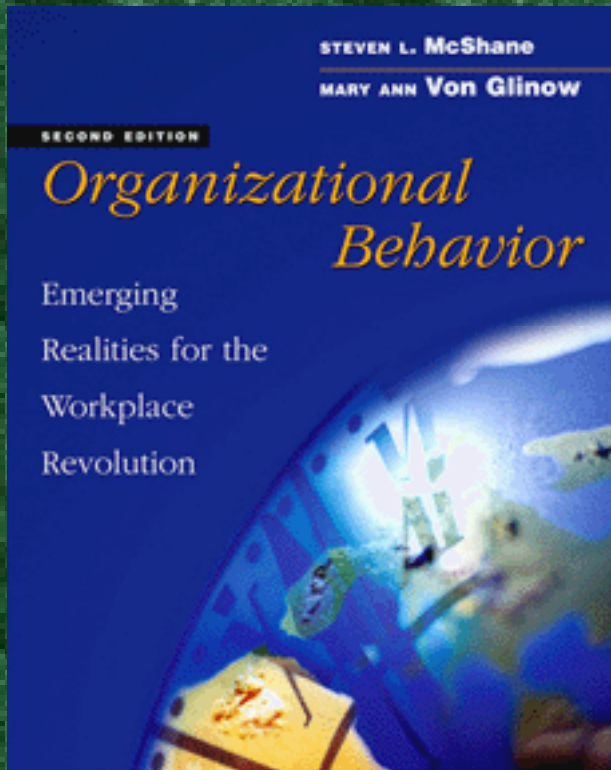
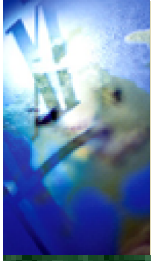


CHAPTER

15



Organizational Culture

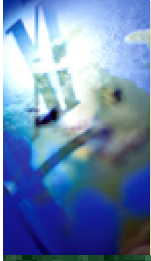


Reinventing Hewlett-Packard's Culture

Carly Fiorina wants to reinvent Hewlett-Packard's legendary culture, known as 'The H-P Way'. She documented a new set of values, called "The Rules of the Garage" and is merging H-P with Compaq to create a more performance-oriented culture.



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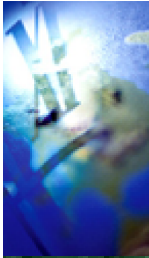


Organizational Culture Defined

The basic pattern of shared assumptions, values, and beliefs considered to be the correct way of thinking about and acting on problems and opportunities facing the organization.



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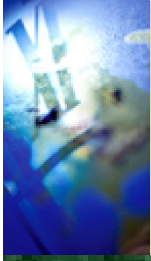
Elements of Organizational Culture

**Artifacts of
Organizational
Culture**

Physical Structures
Rituals/ Ceremonies
Stories
Language

**Organizational
Culture**

**Beliefs
Values
Assumptions**

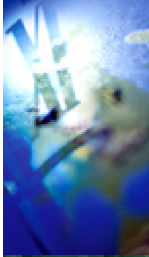


Brown & Brown's Cultural Content

Brown & Brown, Inc. in Daytona Beach has an aggressive culture that helps it succeed in the highly competitive insurance business. At its annual sales meeting, managers of poorly performing divisions are led to the podium by medieval executioners while a funeral dirge plays.



E. M. Samelson/Orlando Sentinel

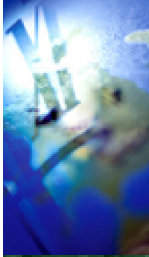


Meaning of Cultural Content

- Cultural content refers to the relative ordering of beliefs, values, and assumptions.
- Example: Brown & Brown values aggressiveness; SAS Institute values work-life balance
- An organization emphasizes only a handful of the hundreds of cultural values.



E. M. Samelson/Orlando Sentinel

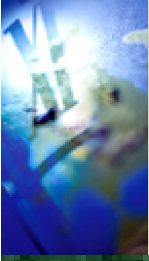


Organizational Subcultures

- Located throughout the organization
- Can support or oppose (countercultures) firm's dominant culture
- Two functions of countercultures:
 - provide surveillance and evaluation
 - source of emerging values

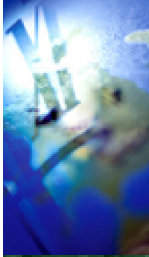


E. M. Samelson/Orlando Sentinel



Artifacts: Organizational Stories

- Social prescriptions of desired behavior
- Demonstrate that organizational objectives are attainable
- Most effective stories:
 - Describe real people
 - Assumed to be true
 - Known throughout the organization
 - Are prescriptive



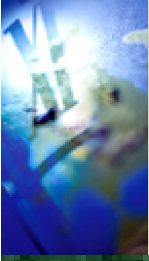
Artifacts: Rituals and Ceremonies

■ Rituals

- programmed routines
- e.g., conducting meetings

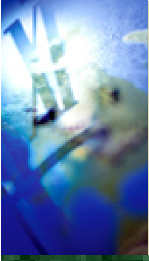
■ Ceremonies

- planned activities for an audience
- e.g., award ceremonies



Artifacts: Organizational Language

- Words used to address people, describe clients, etc.
- Leaders use phrases and metaphors as cultural symbols
 - e.g.. General Electric's "grocery store"
- Language also found in subcultures
 - e.g.. Whirlpool's "PowerPoint culture"



Artifacts: Physical Structures/Space

Oakley, Inc.'s protective and competitive corporate culture is apparent in its building design and workspace. The building looks like a vault to protect its cherished product designs (eyewear, footwear, apparel and watches).



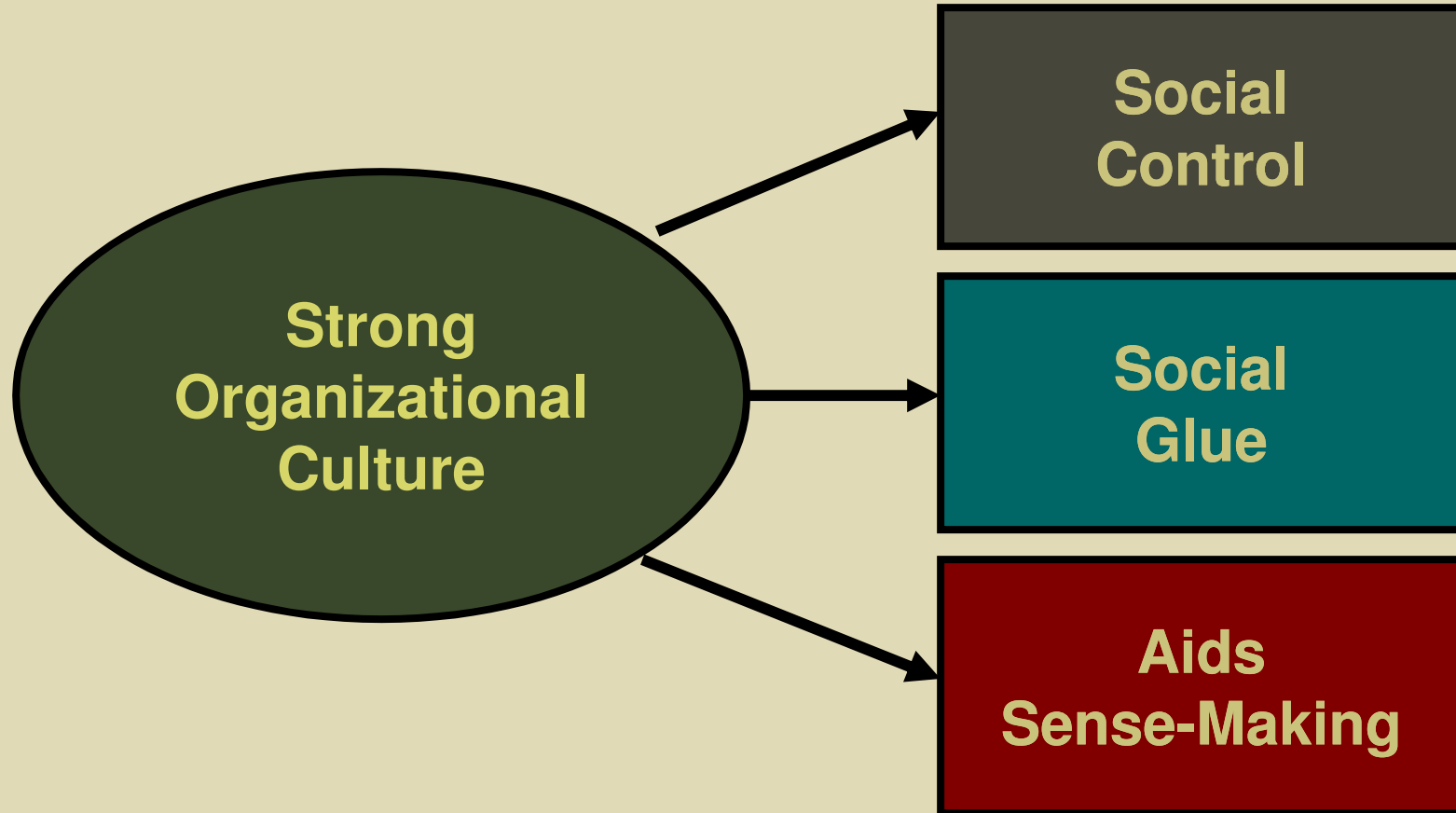
Courtesy of Oakley, Inc.

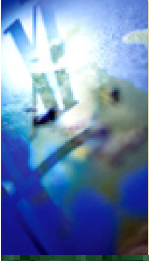


Courtesy of Oakley, Inc.



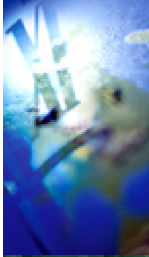
Benefits of Strong Corporate Cultures



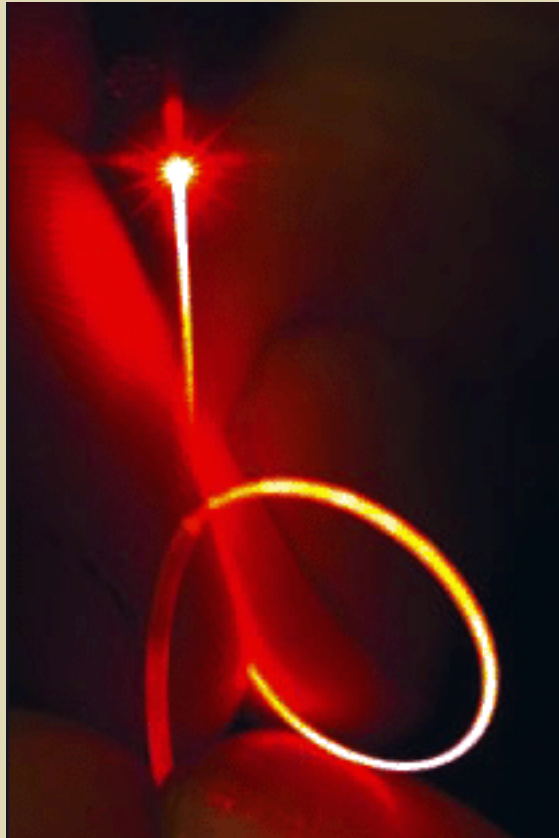


Problems with Strong Cultures

- Culture content might be incompatible with the organization's environment.
- Strong cultures focus attention on one mental model.
- Strong cultures suppress dissenting values from subcultures.

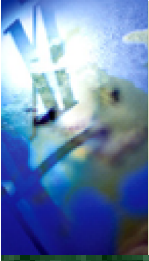


Adaptive Organizational Cultures



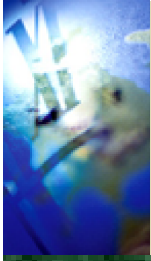
AP/Wide World

- External focus -- firm's success depends on continuous change
- Focus on processes more than goals
- Strong sense of ownership
- Proactive -- seek out opportunities



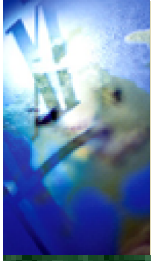
Bicultural Audit

- Part of “due diligence” in merger
- Minimizes risk of cultural collision by diagnosing companies before merger
- Three steps in bicultural audit:
 1. Collect artifacts
 2. Analyze data for cultural conflict/compatibility
 3. Recommend solutions



Merging Organizational Cultures

Assimilation	Acquired company embraces acquiring firm's culture
Deculturation	Acquiring firm imposes its culture on unwilling acquired firm
Integration	Both cultures combined into a new composite culture
Separation	Merging companies remain separate with their own culture

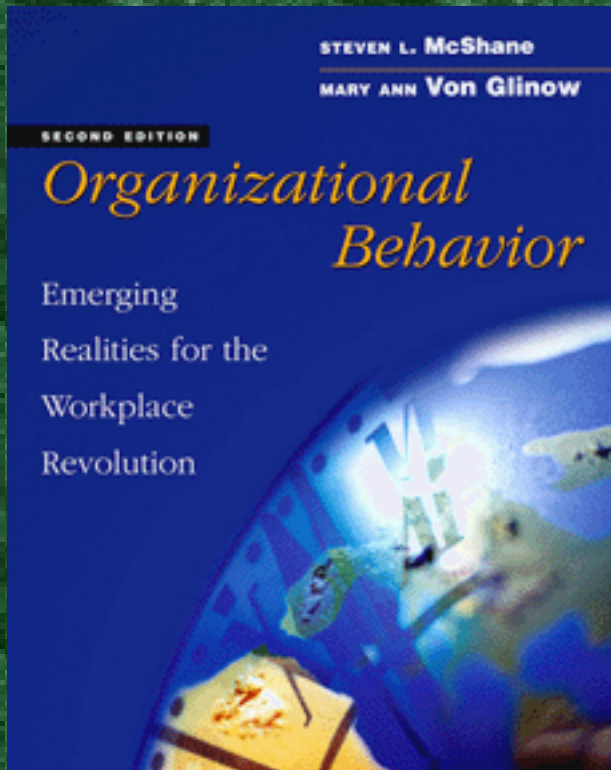


Strengthening Organizational Culture



CHAPTER

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Organizational Culture