In this recording we summarise the content of chapter 13 Developing an Organisation Culture. Studying this chapter should help you explain what is meant by organization culture; discuss types of culture; differentiate several dimensions of organization culture; list factors that may be a source or manifestation of organization culture; Discuss culture change; .

Note that there is a case study for this chapter to help relate theory to practice

Introducing the chapter, the authors start with 1. Switzerland is home to six of the largest companies in Europe, one of which is Nestlé. Nestlé has a 145-year history and operations in virtually every country in the world –their success is built, in part, on a recognition that their, "principal assets are not office buildings, factories, or even brands. Rather, it is the fact that we are a global organization comprised of many nationalities, religions, and ethnic backgrounds all working together in one single unifying corporate culture". The quotation is of interest to us in several ways. In this chapter we define culture and explore its impact upon organizations. This may, however, be difficult as several leading scholars believe culture to be extremely difficult to define and one of the most contentious concepts in business! If Nestlé attribute success to embracing diverse cultures then competitors may want to emulate this. Emulation may, however, prove either impossible or very difficult as some scholars see culture as something an organisation 'is' rather than something it has. Nestlé see culture as a means to unify (integrate) employees, leading to cost efficiencies since employees are almost self regulated (self controlled) as opposed to being controlled through tight supervision and excessive bureaucracy. When culture is used as a unifying mechanism and when employees are more homogenous in their collective ways of thinking and behaving, we can say that a strong culture exists. Strong cultures are seen as efficient and more appropriate for stable environments but in a dynamic environment the organization may emphasise the importance of creativity. It has been argued that this is a more likely outcome from weaker, more heterogeneous cultures.

2. Culture has many functions (and dysfunctions) and deals with how things are done in a company (practice) therefore impacting upon many aspects of the organization, including its performance. It can help with motivation, recruitment, retention, sales and investment. In this chapter we start by explaining what we mean by and consider to be the main types of culture (national and organizational); we also identify how managers recognise culture in the work place. We then develop our concept of culture by considering leading thinkers' (Handy, Schein, Hofstede, and Trompenaars and Hampden-Turner) ideas on the matter. Having defined organizational culture we then consider its relationship with theories of motivation and leadership outlined in the first part of the book. Finally, we discuss the development of organizational culture, asking whether it is possible and why organizations might try to change their culture and how they might go about the task..

The key concepts discussed within this chapter are:

Corporate culture - Defined by Bower (1966) as 'the way we do things around here'. Trice and Beyer (1984) elaborated this as: 'the system of ... publicly and collectively accepted meanings operating for a given group at a given time'. Hofstede (1994) describes corporate culture as 'the psychological assets of an organization, which can be used to predict what will happen to its financial assets in five years time'. See also 'Culture'.; Culture - Shared ways of thinking and behaving (Uniformity); Organisational (corporate) culture - A set of values, beliefs, goals, norms and rituals that members of an organisation share; .

Other terms discussed include:

Basic assumptions; Belief system (Formal); Core values; Cultural artefacts; mission statement; Person culture; Power culture; Practice; role culture; Symbols; .

Summarising and concluding, the author(s) make the following comments - 25. In this chapter we introduced and defined culture, noting it to have many functions but also arguing that it can be dysfunctional, ultimately impacting upon organizational performance. It is a very important but imprecise concept as it exists in many levels and is diffused throughout the organization. Culture is always about groups and the way they behave; in some cases we might also consider the way they

think and their assumptions about the problems they face. Culture can be strong or weak and this is a measure of how similar thinking and behaviour is within the group. We noted that strong culture may be more appropriate in stable or predictable environments where efficiency is emphasised but that weak cultures may encourage the creativity and constant challenging attitude of employees needed to question their goals and ways of achieving them. Cultural differences encourage a contingency approach to management and cultural changes should reflect environmental changes. Culture change is difficult and incremental and relies heavily on organizational leaders..

We have now reached the end of the chapter 'Developing an Organisation Culture'.

There are a number of references for this chapter where further reading opportunities are identified for you.
Additionally, there are questions or activities to help develop and test your understanding of this chapter