

# Culture Trumps Strategy

Case duration (Min): **45-60**  
Organizational Behaviour (OB)  
Principles of Management (PoM)  
**Organization culture**  
**Managing human resources**

**Worldwide**

## Case summary:

See Background notes

With reference to the Silicon Valley Bank Financial Group, discuss what is meant by the term culture and its importance to the organization. Students discuss key concepts and explore manifestations of culture.

## Learning objectives:

Evaluate why it is important to understand corporate culture

## Case problem:

How important is the concept of organizational culture?

Money Center Banks

## Company

Silicon Valley Bank Financial Group

<http://www.svb.com/>

For 25 years, Silicon Valley Bank (SVB) Financial Group and its subsidiaries, including Silicon Valley Bank, have been dedicated to helping entrepreneurs succeed. SVB Financial Group provides diversified financial services to emerging, growth and established technology companies and the life science, venture capital/private equity and premium wine markets. Headquartered in Santa Clara, Calif., the company offers its clients commercial, investment, merchant and private banking, as well as value-added services. SVB Financial Group has more than 1,200 employees and \$11 billion in assets. Founded in 1983, SVB Financial Group serves nearly 11,000 clients around the world through 27 domestic offices, and international subsidiaries in the U.K., Israel, India and China, and an extensive network of relationships with venture capitalists in Asia, Australia, Europe, India, and Israel.

#### Pre class activities...

- |          |  |              |
|----------|--|--------------|
| <b>1</b> | Gather high level information about Silicon Valley Bank Financial Group<br>Download and review the Code of Conduct from <a href="http://www.svb.com/corp/coc.pdf">www.svb.com/corp/coc.pdf</a> | <b>45-60</b> |
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First, if you are taking a taught management course then consult with your tutor and ensure that the case has not been scheduled into a teaching class or tutorial. If it has not:

1. Play/ read the media associated with the case. You may need to access the Internet and enter a URL to locate any video clips.
2. Attempt the Case study questions.

Consider attempting the case study as a group exercise; you could form a study group with fellow students.

3. Check the suggested answers - remember these are suggestions only and there are often many possible answers.

Discuss questions and answers with other students.

4. If you feel your answer(s) were weak then consider reading the relevant suggested readings again (also see the case study suggested references).

## Title/ Media type

## URL/ Media description

Culture Trumps Strategy

<http://ecorner.stanford.edu/authorMaterialInfo.html?mid=1965>

### Film

Building great corporate culture is more than just metaphors; it's what motivates a winning team. Most people at corporations in the US are unhappy, says Silicon Valley Bank CEO Ken Wilcox. The Organizations can craft a pleasant and productive environment by hiring diverse and intelligent people and keeping them onboard. Knowing how to work together under an organization's guiding principals (Respect, Trust, Integrity, Ownership, Empathy, Teamwork, Innovation and Excellence) is critical. Past experience in commercial banking is not.

### NOTES:

## Case study questions...

Action	Pre/During/After class
<p><b>1 WHAT IS CORPORATE CULTURE AND WHY IS IT AN IMPORTANT MANAGEMENT CONCEPT?</b></p> <p>Ken Wilcox initiates the film clip with an argument that culture is very important - more important than strategy.</p> <p>In groups, discuss what is meant by culture and more specifically organizational culture and then strategy. Why does culture matter?</p> <p>(Option 1: class groups should be allocated the task of either arguing culture is more important than strategy or strategy is more important than culture. Groups should have 15 minutes to prepare to debate the matter with a matched group)</p> <p>OR</p> <p>(Option 2; in groups discuss the statement, culture is more important than strategy).</p>	During
<p><b>2 LEVELS OF CULTURE</b></p> <p>There are many manifestations of culture - basic explicit company values being just one. Wilcox discussed the companies guiding principles. The principles (Respect, Trust, Integrity, Ownership, Empathy, Teamwork, Innovation and Excellence) represent what the organization values, what they see as important.</p> <p>- brainstorm further manifestations of culture</p> <p>- discuss how explicit values statements, guiding principles, codes of conduct and other similar documents can both describe and contribute to the development of the corporate culture.</p>	During
<p><b>3 MANAGING AND MAINTAINING CULTURES</b></p> <p>1. Discuss why "culture" is not simply another tool at the managers disposal.</p> <p>2. Identify and discuss possible culture change mechanisms</p>	During

# Answers...

## CULTURE

A set of shared meanings that influence or determine behaviour

## CORPORATE CULTURE

The organization's norms and value systems

## VALUES

Abstract ideas about what a society believes to be good, right, and desirable

## ATTITUDE

An individual's enduring evaluation, feelings and behavioural tendencies towards an object or activity

## BEHAVIOUR

the term given to the things that people do that can be directly observed.

## Question/ Answer

### 1 What is corporate culture and why is it an important management concept?

Ken Wilcox initiates the film clip with an argument that culture is very important - more important than strategy.

In groups, discuss what is meant by culture and more specifically organizational culture and then strategy. Why does culture matter?

(Option 1: class groups should be allocated the task of either arguing culture is more important than strategy or strategy is more important than culture. Groups should have 15 minutes to prepare to debate the matter with a matched group)

OR

(Option 2; in groups discuss the statement, culture is more important than strategy).

See terms explained.

Schein (1999:14) argues that culture matters because it is a powerful force determining the way we see things and behave. It therefore determines strategy, goals and modes of operating.

Culture matters because it can motivate behaviours which may lead to a productive and satisfying work environment, to better performance and the attainment of goals.

Wilcox argues that a winning strategy is useless without people and that people will create and implement the strategy.

Kelly (2009:143) includes both culture and strategy as transformational change variables. The McKinsey 7s model lists strategy as a "Hard" and Culture/Style as a "Soft" "S". Both concepts occupy side by side spaces in the Burke and Litwin (1992) change model.

The discussion may be extended with consideration of culture strength. A homogenous culture is said to be "strong" whilst a heterogeneous is "weak". The former is said to be best in stable/predictable environments when the focus is on efficiency whilst the latter is arguably better in dynamic environments where the emphasis may be placed more on being effective.

### 2 Levels of culture

There are many manifestations of culture - basic explicit company values being just one. Wilcox discussed the companies guiding principles. The principles (Respect, Trust, Integrity, Ownership, Empathy, Teamwork, Innovation and Excellence) represent what the organization values, what they see as important.

- brainstorm further manifestations of culture

- discuss how explicit values statements, guiding principles, codes of conduct and other similar documents can both describe and contribute to the development of the corporate culture.

**Culture manifestations:** artifacts (structures, processes), espoused values (strategies, goals, philosophies) and basic underlying assumptions (beliefs). Culture may manifest in symbols, language, stories and practices.

Explicit values statements, guiding principles, codes of conduct and other similar documents communicate how the organization would want to think and behave if it were a living entity; what the founders and leaders see as important.

### 3 Managing and Maintaining cultures

1. Discuss why "culture" is not simply another tool at the managers disposal.

2. Identify and discuss possible culture change mechanisms

**1. Culture has collective origins and cannot be imposed or manufactured at will. It takes time to develop (years)**

**2. Schein (1999:98) discusses what leaders pay attention to, measure and control; how they allocate resources, reward etc; who they recruit, promote and fire. The organization design, structure, systems, procedures, rites, rituals, stories, formal statements and the design of physical space and buildings...**

## Case study references

Cole, G A. and Kelly, P P. (2011) 'Management Theory and Practice', Ed. 7. Cengage EMEA.

Hofstede, G. (1998) 'Attitudes, values and organizational culture: Disentangling the concepts', *Organization Studies*, 19 (3), p. 477 - 492.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

Schein, E. (1999) 'The Corporate Culture Survival Guide', Jossey Bass.

Schein, E. (1997) 'Organizational Culture and Leadership', Ed. 2. San Francisco: Jossey Bass.