

CORPORATE CULTURE

Glossary

CORPORATE CULTURE The combined beliefs, values, ethics, procedures, and atmosphere of an organisation together form its corporate culture. The culture of an organisation is often expressed as "the way we do things around here", and consists of largely unspoken values, norms and behaviours that become the natural way of doing things. An organisation's culture may be more apparent to an external observer than an internal practitioner. The first person to attempt a definition of corporate culture was Edgar Schein, who said that it consisted of rules, procedures, and processes that governed how things were done as well as the philosophy that guides the attitude of senior management towards staff and customers. The difficulty in identifying the traits of culture, and changing them, is borne out by the fact that culture is not merely climate, power, and politics, but all those things and more. There can be several subcultures within an organisation, for example defined by hierarchy - shop floor or executive - or by function - sales, design, or production. Changing, or renewing, corporate culture in order to achieve the organisation's strategy is considered one of the major tasks of organisation leadership, as it is recognised that such a change is hard to achieve without the will of the leader.

ORGANISATION STRUCTURE is the form of an organisation that is evident in the way divisions, departments, functions, and people link together and interact. Organisation structure reveals vertical operational responsibilities, and horizontal linkages, and is often represented by an organisation chart. The complexity of an organisation's structure is often proportional to its size, and its geographic dispersal. The traditional organisation structure for many businesses in the twentieth century was the bureaucracy, originally defined by Max Weber. More recent forms include the

flat, network, matrix, and virtual organisations. These forms have become more prevalent following the trend towards restructuring, and downsizing, and the developments in telecommunications technology, during the last decades of the twentieth century. Organisation structure is inextricably linked, according to Harold Leavitt, to the technology and people who carry out the tasks. According to Charles Handy, it also is directly linked to corporate culture.

SYNERGY is the harmonisation of the direction and operation of separate organisations into a whole. Whether cultural synergy can be achieved lies in the degree to which there is congruence of vision, mission, values, strategy, and operational processes of the different organisations. The lack of strategic and cultural fit is the main cause of failure of mergers, sometimes because of the major partner imposing its own corporate culture, rather than developing a shared culture. Cultural integration, therefore, needs to be carefully analysed, planned, and implemented.

CHAIN OF COMMAND is the line of authority in a hierarchical organisation through which instructions pass. The chain of command usually runs from the most senior personnel, through all reporting links based on an organisation's or department's structure, to a targeted person or to front-line employees. Line management relies on the chain of command in order for instructions to pass throughout an organisation.

MANAGEMENT STYLE is the general manner, outlook, attitude, and behaviour of a manager in his or her dealings with subordinates. Organisations may have, or seek to have, distinctive management styles, and sometimes train employees to try to ensure that a preferred style, fitting in with the desired corporate culture, is always used. Management styles can vary widely between extremes of control and consultation. The latter are generally thought to encourage degrees of employee participation in management with consequently improved employee commitment, employee involvement, and empowerment. More participatory styles are also usually related to more open organisational cultures and flatter

organisational structures. One well-known instrument for distinguishing individual management styles is Robert Blake and Jane Mouton's Managerial Grid

CORPORATE IDENTITY is the distinctive characteristics or personality of an organisation including corporate culture, values, and philosophy as perceived by those within the organisation and presented to those outside. Corporate identity is expressed through the name, symbols, and logos used by the organisation and the design of communication materials, and is a factor influencing the corporate image of an organisation. The creation of a strong corporate identity also involves consistency in the organisation's actions, behaviour, products, and brands, and often reflects the mission statement of an organisation. A positive corporate identity can promote a sense of purpose and belonging within the organisation and encourage employee commitment and involvement

ORGANISATIONAL DEVELOPMENT is a planned approach to far-reaching, organisation-wide, change, to enable an organisation to respond and adapt to changing market conditions and to set a new agenda. Organisational development is frequently linked to organisation structure, which can act either as an enabling or restrictive mechanism for change. For organisational development to succeed, any policies or strategies introduced must fit with the pervading corporate culture. Recently, organisations have sought to develop by embracing knowledge management and undertaking organisational learning

CULTURE SHOCK is the effects on an employee or organisation when faced with new, unfamiliar, or rapidly changing circumstances. Symptoms of culture shock include uncertainty, stress, confusion, disorientation, or simply not knowing how to act in the circumstances. Culture shock can occur in a number of scenarios, for example, when expatriates come across new cultures and customs in a foreign country, new staff are thrown into the deep end of a busy department, two organisations merge with poor strategic, operational, or cultural synergy, or when public sector organisations adopt

private sector practices. The degree of shock can be reduced through careful analysis, planning, training, and consequent preparedness

BACKGROUND READING

• Read the article below:

Organizational Culture

Managers perform the planning, organizing, directing, and controlling functions within the context of the organization's culture. This culture is all-encompassing. An expert on organizational culture notes: "The organization itself has an invisible quality - a certain style, a character, a way of doing things - that may be more powerful than the dictates of anyone person or any formal system. To understand the soul of the organization requires that we travel below the charts, rule books, machines, and building into the underground world of corporate culture."

More precisely, organizational culture consists of the organization's norms, beliefs, attitudes, and values. This culture was initially shaped by the beliefs and values of the entrepreneur who founded the company and is maintained by the managers who follow. In successful companies, these managers shape and encourage the "right" values.

Cultural Values

What values are the right ones? Research shows that successful firms share three common cultural characteristics:

1. They stand for something; that is, they have a clear and explicit philosophy of how they should conduct their business.
2. They pay a lot of attention to shaping and encouraging values that conform to the environment in which they operate.
3. These values are known to and shared by the organization's personnel.

How Organizational Culture Develops

Despite their differences, the types of cultures develop and change through similar processes. The process of cultural development is complex. Creation of

a culture is based on three important elements: heroes, rites and rituals, and communications networks.

A hero is a role model who embodies the organizational culture - someone employees look up to and admire. The public sees such heroes as representatives of the company.

Rites and rituals reinforce desired behaviour. Examples are an employee-of-the-month award and an awards dinner at which the company's leading salespeople are honoured. Some organizations have even created their own reward rituals.

Communications networks are used to keep alive the stories of heroes and to ensure that employees adhere to the corporation's culture. The important roles in communications networks are storytellers and organizational priests.

A storyteller is a person who has been around for a long time and who tells stories of the "good old days" to reinforce the organizational culture. While these stories vary from one storyteller to another, the basic themes are usually that hard work will get you ahead and the firm really cares about its people.

An organizational priest helps guard the group's values, keeps everyone together, and offers recommendations for action. These people have usually been around the company for a long time and are familiar with its history. They use this experience to guide other employees. If a new manager has a proposed plan of action, the boss may say, "Check your idea out with Harry." Harry, the organizational priest, will either give the idea his blessing or tell the manager that it will not fly because top management always turns down such ideas. If the priest approves the idea, the manager then proceeds; otherwise, the manager drops it.

• From the text, write out equivalents to the following Russian expressions:

1. всеобъемлющий
2. значить, означать, символизировать
3. формировать ценности
4. иметь общие ценности
5. ответная реакция
6. воплощать в себе
7. смотреть с обожанием

- 8. награда
- 9. вознаграждение
- 10. рассказчик

• **Answer the following questions:**

1. Why is corporate culture important for managers?
2. Why is organizational culture sometime difficult to read from the outside?
3. What does the corporate culture consist of?
4. What are the roles of the entrepreneur and the manager in the development of the corporate culture?
5. What are the common cultural characteristics of successful companies?
6. What are the factors that have impact on the development of company's culture?
7. What does a hero do?
8. What is the role of rites and rituals?
9. Through whom do communication networks operate?
10. What is the main idea of the stories a storyteller tells? What is the difference between the storyteller and the priest?

Corporate culture and Management Styles

Recruiting new managers is a tricky business. Companies cannot rely solely on an individual's academic degrees and work experience in making a hiring or promoting decision. They must also consider the prospective manager's style and how it will fit into the company's style.

Corporate Cultures

Just as every individual has a unique personality, so every company has a unique identity - its corporate culture. Corporate culture is the shared experiences, stories, beliefs, and norms that characterize an organisation. Different corporate cultures are effective. What is important to managers is establishing and maintaining a strong, clear culture. A strong corporate culture serves a number of purposes. For one thing, it directs employees' efforts and helps everyone work toward the same goals. Second, it helps newcomers learn accepted behaviors. Finally, a strong culture

gives each organization its own identity, much the same way that personalities do to people.

A number of forces shape corporate cultures. First, the values held by top management help set the tone of the organization and influence its business goals and strategies.

Corporate culture is an important ingredient in organizational success. Japanese companies have been quite successful in building strong cultures by creating shared experiences and values among their employees. These executives are participating in a traditional purification ceremony at 4:30 in the morning. Later in the day they will remember this common experience as they work together.

The firm's history also helps shape its culture. Maintaining a corporate culture draws on many dimensions of business life. Shared experiences resulting from norms sustain culture. Thus, working long hours on a special project becomes a shared experience for many employees. They remember it, talk about it among themselves, and wear it as a badge of their contribution to the company.

Stories and legends are also important.

Finally, strong behavioral norms help define and sustain corporate culture. Corporate culture influences management philosophy, style, and behavior. Managers need to carefully consider the kind of culture they want for their organization and work to nourish it and communicate it to everyone.

Management Styles

As you might expect, corporate cultures affect not only which people a company hires but also the styles of individual managers. Many styles are possible, depending on the manager and the circumstances.

Management styles run all the way from autocratic to democratic to free-rein. Most managers do not fall clearly into any neat box. But these three major types of management styles involve very different types of responses to a problem. Thus studying them should help you to identify tendencies in the managers you will interact with in business and may help you identify the style that best suits you as a manager.

Managers who adopt an autocratic style simply issue orders and expect those underneath them to obey unquestioningly. Probably the strongest example of autocratic style is a military commander on the battlefield. The autocratic style allows for rapid decision making, since no one else is consulted. However, subordinates of autocratic managers often feel frustrated and angry at their lack of input.

In contrast, managers who adopt a democratic style ask their subordinates for suggestions prior to making decisions but retain final decision-making power. Hence, the manager of a technical group may ask other members of the group to interview an applicant for a position and give their opinion. But the manager will ultimately make the decision to hire or not hire the individual. Employees usually respond positively to a democratic management style and are motivated to work hard for managers who use it. However, managing democratically can require a great deal of extra time and effort.

Finally, managers who adopt a free-rein style serve as advisors but allow subordinates to make most decisions. This style is sometimes called a *laissez-faire* style, from the French for "let them do it." A person chairing a local committee of volunteers to raise funds for a new library may find a free-rein style most effective. The free-rein style can increase creativity, helping a firm or other organization find new solutions. However, not all subordinates have the necessary background to make all decisions.

• From the text, write out equivalents to the following Russian expressions:

1. будущий, предполагаемый (начальник)
2. подходить к чему-либо, соответствовать
3. совместные переживания
4. зависеть от, полагаться на
5. реакция на что-то
6. беспрекословно подчиняться
7. сохранять за собой, оставлять
8. собирать деньги на какие-то цели

• Answer the following questions:

1. How is a company similar to a person?
2. What kind of corporate culture is considered effective?
3. What should managers do?
4. What purposes does a corporate culture have?
5. Name the forces that shape corporate cultures.
6. In what do different management styles differ?
7. What does the autocratic style imply? What are its advantages?
8. What is characteristic of democratic style? What are its disadvantages?
9. What are the features of the laissez-faire style?

ACTIVE VOCABULARY Business Class Unit 9 Corporate Culture

p. 84 INTRODUCTION

1. fragmented - разносторонний, нецелостный
2. to read culture - вычлеть культуру, разобраться в ней
3. strong culture - сильный культуру
4. cohesive culture - целостная культура

p. 84 DISCUSSION

1. shared values (behind the culture) - общие ценности
2. commitment to sth - преданность чему-л.
3. to identify the values - определять ценности

p. 84-85 CARTOON

1. positive approach to sth - позитивный подход к чему-л.
2. to retain the values - сохранить ценности
3. corporate integrity - честность по отношению к клиентам

pp. 86-87 TEXT 1 THE CARING COMPANY

1. to be living proof of sth
2. to instill (culture) = to ingrain - вливать, внедрять
3. performance -
1. to stifle [staɪfl] innovation - гасить новые порывы
2. economic performance - эк-ми показатели
3. to score highest / lowest / worst
4. a theorist - теоретик
5. an obstacle to change - препятствие на пути изменений
6. notorious - печально известный
7. to increase by three times as much as - ↑ в 3 раза
8. an analyst - аналитик
9. high / low performers - успешные компании
10. to hinder performance - мешать работе
11. to share a characteristic - иметь общую черту

12. a stakeholder - заинтересованные стороны
13. a company constituency - составляющие компании

p 89 LANGUAGE PRACTICE PHRASAL VERBS

1. to stand down - покинуть должность
2. to stand for - соответствовать, символизировать
3. to stand out - выделяться
4. to stand by - быть готовым
5. to stand up for - защищать
6. to stand in - заступить вместо
7. to keep up - поддерживать, продолжать без остановки
8. to keep up with - быть в том же направлении
9. to keep on - продолжать
10. to keep to - твердо придерживаться
11. to keep in with - держать в курсе
12. to keep down - приотсележивать
13. to keep off - avoid
14. to keep from - prevent

p 90 LISTENING

1. to run along rigid lines - идти в строгих рамках
2. autocratic - авторитарный
3. to exhibit a (facilitating) culture - демонстрировать культуру
4. to devolve responsibility to sbd - передавать полномочия
5. to express oneself - самовыражаться
6. laissez-fair to - полная самостоятельность
7. to cope with -
8. peers - люди того же возраста и социального статуса
9. practicalities of culture - культурные особенности
10. absenteeism - прогулы на работе
11. a living wage - прожиточный минимум

p 90 TEXT 2

1. a tough [tʌf] manager - жесткий начальник
2. to maintain the pace - удерживать темп
3. peer group respect - одобрение коллег
4. a sense of deliberateness - осторожность, осознанность
5. a person of proven success - человек с кор. результатами
6. to reinforce values - укрепить ценности
7. to be held in high esteem - цениться
8. a deliberate approach - осторожность
9. to derail a career - разрушить карьеру

p. 92 CASE STUDY

1. to receive strong criticism from -
2. a dress code -
3. to cause a stir - вызвать возмущение
4. to violate personal liberty - нарушать свободу
ввод 11

• **Translate the following words and expressions from the unit:**

1. Она – живое тому свидетельство.
2. Ее покойный муж внушал ей такой страх, что она до сих пор относится к нему с пиететом.
3. Бюрократия душит реформы. Она – главная помеха на пути к переменам.
4. Наилучшие результаты были у датчан, голландцы же оказались среди последних.
5. Что же есть такого в системе взаимоотношений внутри компании, что делает ее работу успешной?
6. Принятый в компании стиль взаимоотношений влияет на людей сильно, но не всегда явно.
7. Нашего зам. по кадрам обхаживает наш конкурент.
8. Это подающий надежды молодой менеджер, знающий себе цену.
9. Я не могу работать в том бешеном темпе, в котором все здесь работают.
10. Он берет усидчивостью. Ему подойдет компания, где все делают неторопливо и вдумчиво.

VOCABULARY FILE

Cultural awareness

To succeed in today's global market place, it is essential to learn as much as possible about the (0) A conditions in overseas markets. In the past, companies with international aspirations simply familiarised themselves with any differences in the legal system or in the (1) used in the day-to-day business of import and export.

Modern trade, however, (2) more. Today the company seeking international success must also understand the people who live and work in countries they deal with, how they think, behave and do business. In short, today's market leaders must (3) greater cultural awareness.

Business people operating in foreign markets often fail to consider that cultural differences can result in a (4) of approaches to everyday business activities such as the way a cross-cultural team (5) or how it conducts its meetings.

One of the main (6) of investing in our cultural awareness programmes is that they can help you to fully (7) your business potential, leaving you better placed to succeed. Our cultural awareness training seminars will (8) the importance of taking into account how other nationalities think and behave and how they might see you. We can