

Unit 2.5 Organization and corporate culture

[HL Only]

Task 1: Complete the missing words

Corporate culture refers to the shared _____, values and attitudes of the people within an organization. These norms subsequently determine the way in which the business operates on a daily basis. It also underpins corporate _____ and influences the organization's corporate image. Senior management will seek to create a positive culture in order to _____ workers to deliver a first-rate product or service to their customers. If people are united and committed to the organisation's _____ statement, then a _____ corporate culture will be developed.

Culture _____ exist when there is conflict or incompatibility between two or more cultures within an organization. This can exist when firms merge, when a business _____ overseas (if workers are ignorant of international cultural differences) or when there is a change in _____.

Task 2: True or false?

		True/False
a.	Corporate culture informs employees of how things are done in an organization.	
b.	An understanding and awareness of organizational culture is important to managing change.	
c.	Senior management strives to determine a corporate culture to reflect the aims and objectives of the organization.	
d.	The leaders of an organization establish organizational culture through their actions and direction.	
e.	Culture frequently resembles the existing management style in an organization.	
f.	Within an organization only one culture is likely to exist.	
g.	Charles Handy suggested that there is no direct link between a firm's organizational structure and its corporate culture.	
h.	A culture gap tends to help strengthen corporate culture.	
i.	If there is a lack of trust within the organization, this provides a valid reason for a necessary change in the corporate culture.	
j.	The growth of firms through international mergers and acquisitions is a potential source of organizational conflict.	

Task 3: Multiple choice

1. Corporate culture is based on
 - A. The management and leadership styles in an organization
 - B. The set of beliefs and values held by the people within an organization
 - C. The traditions and customs of a country
 - D. The rules and regulations set out by the prevailing government

2. Cultural intelligence refers to a person's
 - A. Cultural awareness
 - B. Ability to fit into a particular culture
 - C. Willingness to comply with a particular culture
 - D. Level of enthusiasm to blend into a culture

3. Although _____ have a large part in defining and determining organizational culture, all _____ contribute to the culture.
 - A. Directors, stakeholders
 - B. Shareholders, stakeholders
 - C. Executives, employees
 - D. Leaders, stockholders

4. Which of the statements below does not apply to team norms?
 - A. Effective interpersonal communication is critical to the functioning of the team
 - B. Team members interact with one another based on an established culture
 - C. The way in which a team makes decisions influences the degree of the team's success
 - D. Team norms are well established so do not change over time

5. When management and employees of an organization have different beliefs and values, there is said to be
 - A. Conflict
 - B. An industrial dispute
 - C. A culture gap
 - D. Corporate diversity

6. Which of the following is the least likely reason for a necessary change in corporate culture?
 - A. The existing culture restricts organizational growth
 - B. There is a high degree of staff absenteeism and staff turnover
 - C. Profits are in decline
 - D. Conflict is not being managed within the organization

7. Organizational cultural change is often met with resistance for several reasons. Which option is not one of the valid reasons?
 - A. Employees fear change
 - B. A significant event, such as a financial crisis, has occurred
 - C. Stakeholders have not been informed or consulted
 - D. People find it difficult to change their behaviour to suit the newly desired culture

8. An organization without an agreed framework for decision-making is likely to face the potential of
- A. Misunderstandings and conflict
 - B. Industrial action
 - C. Redundancies and retrenchment
 - D. Prompt decision-making
9. An organization with one dominant decision-making individual or group has what type of culture?
- A. Task culture
 - B. Power culture
 - C. Person culture
 - D. Role culture
10. According to Kotter and Heskett (1992), which type of culture is resistant to change because people hold negative views about the organizational culture change?
- A. Inert cultures
 - B. Adaptive cultures
 - C. Process cultures
 - D. Command and rule cultures
11. In Hofstede's model of organizational culture, what is the term used to measure the extent to which people feel they should care for themselves or be cared for by others in society?
- A. Power distance
 - B. Individualism versus collectivism
 - C. Masculinity versus femininity
 - D. Uncertainty avoidance
12. According to Deal and Kennedy, which model of organizational culture best describes fast-paced, high-risk and high-stress organizations such as financial markets, the police force and professional sports clubs?
- A. Tough guy macho culture
 - B. Work-hard, play-hard culture
 - C. Process culture
 - D. Bet-the-company culture
13. Which of the following is least likely to be a cause of cultural clashes?
- A. A hostile takeover from a rival company
 - B. A change in the senior leadership team
 - C. A common language of communication within the organization
 - D. Inorganic growth and evolution of the organization

14. Which of the reasons below best describes how organizational culture influences individuals in an organization?
- A. The various mix of ethnicity, languages and gender within an organization
 - B. Leaders can have a huge influence on organizational culture
 - C. A strong and effective culture can be shaped by an individual, such as a school principal
 - D. Centralised decision-making whereby managers keep hold of authority and control
15. Which of the following is not a consequence of cultural clashes?
- A. Misunderstandings and miscommunications in the workplace
 - B. High costs of training workers
 - C. Demoralised and motivated workers
 - D. Past rivalries between workers