



Corporate culture

Getting started

1 Work in small groups. Match the sentence beginnings (1–7) with their endings (a–g).

- | | |
|---|--|
| 1 My company/organisation has a vision ; | a for example, it doesn't have a dress code . |
| 2 We have an entrepreneurial culture; | b I know where it's going; I share its goals . |
| 3 People in my company are highly competitive; | c the boss is autocratic , and we do as we're told without question. |
| 4 My company is pretty bureaucratic; | d there are lots of regulations and 'correct procedures'. We're encouraged to do things by the book . |
| 5 My company has a supportive culture; | e we battle each other for promotion and for bonuses . |
| 6 My company has a controlling culture; | f when we need them, we're sent on training courses. Every employee has a mentor . |
| 7 My company is quite informal; | g we're encouraged to look for new business and take risks. |

2 Look at the words and phrases in bold above and match them to the following definitions.

- 1 a person who gives another person help and advice over a period of time and often also coaches them in their job
mentor
- 2 a set of rules for what you can wear
- 3 aims
- 4 demands total obedience from staff
- 5 extra amounts of money given to you as a reward
- 6 follow the rules exactly
- 7 view of how the company will be in the future
- 8 involving risk-taking



Aspects of corporate culture

Talking point

Discuss these questions in small groups.

- Which of the things mentioned in Exercise 1 on page 10 are typical of your company's/organisation's culture?
- Which would you like to be part of your company's culture? (If you don't work for a company or organisation, talk about one you would like to work for.)

Listening

You will hear four students on an MBA course discussing their companies' cultures.

1 Before you listen, match these words or phrases (1–10) with their definitions (a–j).

- | | |
|------------------------|---|
| 1 cut-throat | a informal meetings |
| 2 back-up | b Internet company |
| 3 get-togethers | c making more efficient |
| 4 sink or swim | d paperwork |
| 5 red tape | e responsible to the government |
| 6 publicly accountable | f standard by which you can judge the success of something |
| 7 streamlining | g fierce; not involving consideration or care about any harm caused to others |
| 8 dotcom | h struggle of individuals in a competitive environment |
| 9 yardstick | i succeed or fail without help from anyone else |
| 10 rat race | j support |



02 2 Look at the list of aspects of company culture in *Getting started*. Listen to the four speakers, and for each one, decide which aspect of their company's culture he/she mentions. Write one number by each speaker. You will not use all the numbers.

Candela: Sonia:
 Henry: Omar:

Task tip

The speakers talk about the subject without using the exact words in the list. You must listen for clues in what they say to decide which is the correct answer.

Vocabulary

02 Complete each of the phrasal verbs below with one or two words (the definitions are given in brackets). When you have finished, check your answers by listening to the conversation again.

- starting *out*... (beginning)
- talk things (discuss thoroughly)
- come ideas and solutions (produce ideas and solutions)
- stick (follow, obey)
- up (arrive)
- ahead (making progress)
- it boils to (the essential thing is)

Speaking

Work in pairs or groups of three. Describe the culture of the company where you work, or a company you are familiar with, using the following procedure.

- Before you speak, plan what you are going to say and select words and phrases from the vocabulary you have studied so far in this unit.
- Speak for about a minute.
- When you are listening to your partner's talk, think of a question to ask at the end of it.

Useful language

I think there are three main aspects to my company's culture: first, there's ...
 Another feature is ...
 Finally, I should say that ...
 So, it's a good place to work, especially because ... /
 I'd prefer it to be more ...

Creating a corporate culture

Reading

1

1 Read this passage fairly quickly and find out:

- 1 who is responsible for influencing the culture within a company.
- 2 how company culture affects a company's performance.
- 3 what weakness many companies have with regard to corporate culture.

2 When you have finished, discuss your answers with a partner.

3 Choose the correct sentence (A–G) from page 13 for each gap in the text (1–6). There is one sentence you will not need.

Company background



Nucor Corporation is the largest steel producer in the United States. It is also the nation's largest recycler.



F. Kenneth Iverson

WHO IS RESPONSIBLE FOR CORPORATE CULTURE?

How should a director think about the "corporate culture" of the company on whose board he or she serves? Consult a management text on organizational culture and you'll find a chapter or more of definition which boils down to something like "a pattern of shared basic assumptions." Peter C. Browning, dean of the business school at Queens University, North Carolina says: "Every organization has a culture which manifests itself in everything from entrepreneurship to risk-taking all the way down to the dress code. **1** " In some cases, it can do both. Recall how IBM's insular, conservative culture first helped the company soar to success—and then nearly destroyed it before a new CEO, Louis Gerstner, arrived in 1993 and saved the company.

Browning considers corporate culture an important part of a board's responsibilities. And he's not alone. In a recent survey, an overwhelming majority of directors say that culture has a powerful effect on their company's ethics, risk-taking, and bottom-line performance. **2** Furthermore, 79% say they believe a board can alter a company's culture.

Even so, many directors are less comfortable dealing with issues of corporate culture than they are with more easily quantified concepts like profitability or market share. Says Edward Lawler, a professor at the University of Southern California: "**3** An understanding of corporate culture is one of the main things missing on boards, but they really need it if they're going to monitor what's going on inside the corporation."

So what should directors be doing to evaluate corporate culture, and what actions can they take to influence it?

Peter Browning's favorite example is Nucor, the steel company. Nucor's culture, which he describes as "extraordinarily powerful, effective, and unique," can be traced back to the values and vision of its legendary founder, F. Kenneth Iverson. The Nucor story—of an egalitarian, collaborative, high-performing business that's been consistently profitable in a notoriously tough industry—has been recounted in dozens of newspaper and magazine articles and books: **4** Although the company earns \$6.3 billion in revenues and has 9,900 employees, it has fewer than 60 people in management. There

are no company cars or corporate jets. The company offers four-year scholarships to children of employees to help them pursue higher education or vocational training after high school. When business is slow, Nucor reduces hours but doesn't make workers redundant. There's a highly effective incentive program. **5** Ditto for the shareholders: Nucor's total return to investors last year was 37.9%, better than almost two-thirds of the other companies in the Fortune 500.

To ensure that Nucor's collaborative, trusting culture continued, Browning recounts how he "went out and visited innumerable factories. I walked around, talked with people on different shifts." Then he made sure the other non-executive directors did the same. **6** "It was important for the board to get to know the culture so that we could support the next generation of management as they move forward, while preserving the values that really distinguish this company," Browning says.

From Corporate Board Member

- A The result is that employees have come to trust management and share its vision.
- B And having a supportive culture can produce surprising gains in terms of productivity.
- C CEO, Daniel R. DiMicco, answers his own phone and email and shares an assistant with CFO, Terry Lisenby.
- D Most boards are poorly equipped to deal with their organization's corporate culture, because their staffing is not right.
- E The entire board now goes once every year to a mill or plant and spends two days observing operations and talking to workers and managers.
- F When asked to rate its importance for these issues on a scale where 1 equals "greatly affects" and 10 means "no effect", the respondents ranked corporate culture at 2.
- G It can be a very powerful influence for good, or it can get companies in lots of trouble.

Task tip

Look at the clues in the sentences, e.g. in **A**, what has caused the result that is mentioned? In **F**, what does *these issues* refer to?

Vocabulary

Match these words and phrases from the text (1–7) with their definitions (a–g).

- | | |
|---------------------------|---|
| 1 board | a dismiss employees, so they no longer have a job |
| 2 bottom-line performance | b group of people appointed to manage a company |
| 3 revenues | c money earned from sales |
| 4 make workers redundant | d people who own shares in a company |
| 5 shareholders | e set periods of time when people work, e.g. 6 a.m. to 2 p.m. |
| 6 return | f the amount of profit on an investment |
| 7 shifts | g whether the company makes a profit or a loss |

Grammar workshop

Defining and non-defining relative clauses



1 Read these five extracts from the text. Find and underline the five relative pronouns.

- How should a director think about the "corporate culture" of the company on whose board he or she serves?
- Consult a management text on organizational culture and you'll find a chapter or more of definition which boils down to something like "a pattern of shared basic assumptions."
- Every organization has a culture which manifests itself in everything from entrepreneurship to risk-taking all the way down to the dress code.
- An understanding of corporate culture is one of the main things missing on boards, but they really need it if they're going to monitor what's going on inside the corporation.
- Nucor's culture, which he describes as "extraordinarily powerful, effective, and unique," can be traced back to the values and vision of its legendary founder, F. Kenneth Iverson.

2 Decide which relative pronouns above could be replaced with *that*.

▶ **page 26** (Defining and non-defining relative clauses)

Talking point

Discuss these questions in small groups.

- Why is it important for a company to have a strong corporate culture?
- What sort of culture would work best for you?
- What aspects of corporate culture do you think can have a negative effect on performance?
- What things can managers do to change the corporate culture of the company where they work?

Task tip

- Before you start discussing, take a little time to think about what you want to say.
- You can talk in general, but try to give examples from your knowledge and personal experience, too.
- Make sure that everyone in your group has a chance to express their opinions.