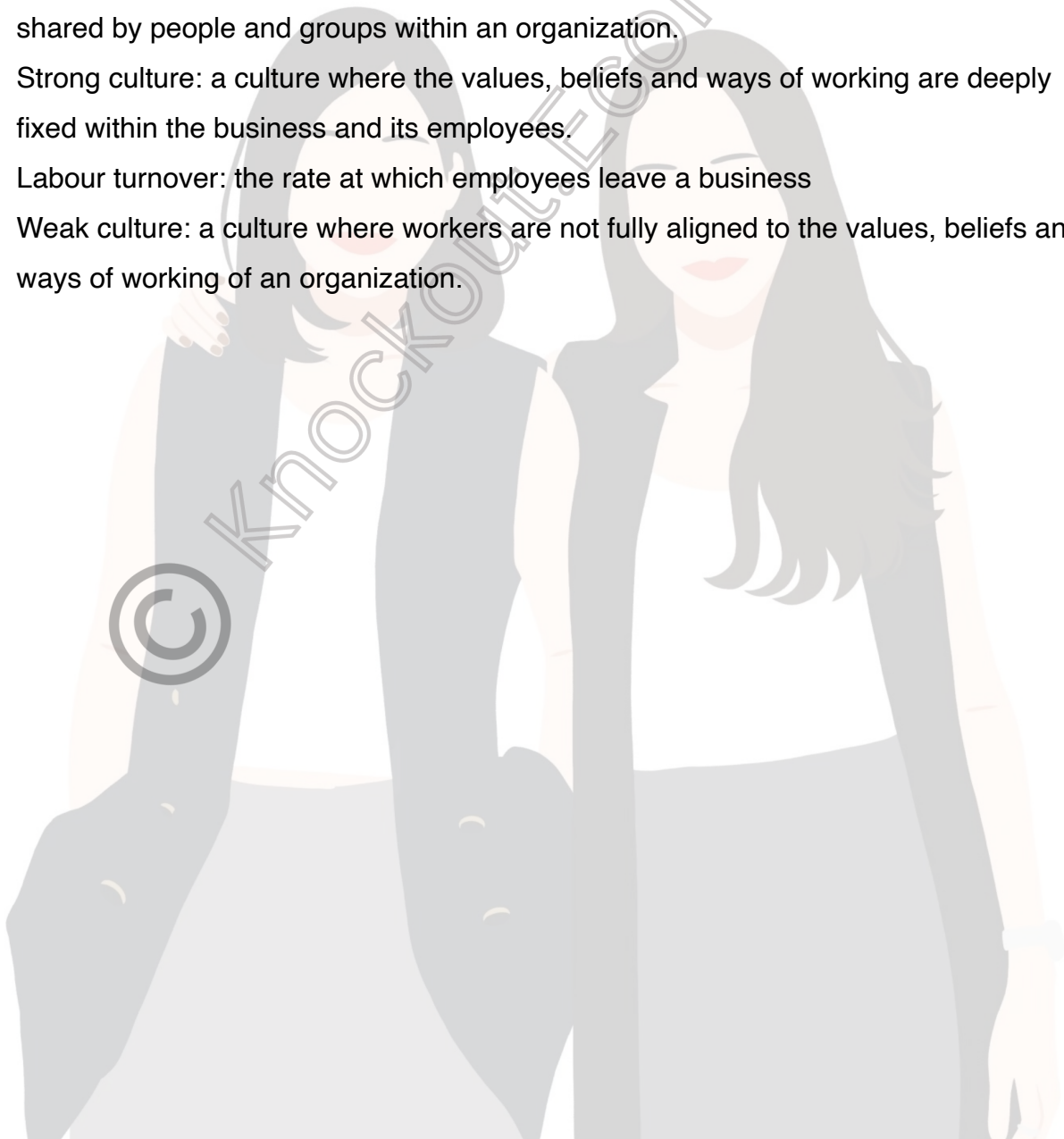


Section 4 Influences oh business decisions

Chapter 14 Corporate culture

Key terms

1. Bureaucracy: the system of rules
2. Cultural dimensions: a set of characteristics that form the international context of business culture.
3. Infrastructure: the basic physical and organizational structures and facilities needed for the operation of a society or enterprise.
4. Multinational: a business organization operating in serval countries.
5. Organizational culture: the value, attitudes, beliefs, meanings and norms that are shared by people and groups within an organization.
6. Strong culture: a culture where the values, beliefs and ways of working are deeply fixed within the business and its employees.
7. Labour turnover: the rate at which employees leave a business
8. Weak culture: a culture where workers are not fully aligned to the values, beliefs and ways of working of an organization.



1. What is corporate culture?

• **Organisational culture (organisation, corporate or business culture)**

is the values, attributes, beliefs, meanings and norms that are shared by people and group within organisation.

1.) Strong corporate cultures: is one that is deeply fixed into the way a business does things.

Advantages of a strong corporate culture

1. Workers feel they are a part of a business.
2. Workers identity with other employees may help teamwork.
3. It increases commitment of employees to the company. It prevents problems such as high labour turnover rate.
4. It motivates workers in their jobs.
5. It prevents miss understanding in operation or instruction passed to them.

2.) Weak corporate culture: where it is difficult to identify the factors that forms the culture or where a wide range of subcultures exist, making the culture difficult to define.

2. Classification of company cultures

4 types of company culture

- 1.) Power culture** ⇒ is a central source of power responsible for decision making
- 2.) Role culture** ⇒ decisions are made through well-established rules and procedures.
- 3.) Task culture** ⇒ in task culture, power is given to those who can complete tasks.
- 4.) Person culture** ⇒ A person culture is one where there are a number of individuals in the business who have expertise, but who don't necessarily work together particularly closely.

3. Hofstede's cultural dimensions.

Cultural dimensions: studying work-related values and identified S key variables, or dimensions that vary across businesses in different countries. These variables impact organisational culture and how the business may react in certain circumstances.