What is corporate culture? Corporate culture is a fascinating topic because it has no clearly defined definition, yet it is something that nearly all employees within a corporation can feel. Members of the organization can feel, and recognize, this culture on a micro level down to their teams or close networks and on a macro level up to their departments or the organization in general. With a quick google search or UIU library search you will find any number of authors offering their definition of corporate culture:

“Company culture is the pattern of behavior that is accepted and promoted within an organization to foster the company's aims and achievements” (Kucharska, 2020).

“Organizational culture is the collection of values, expectations, and practices that guide and inform the actions of all team members” (Wong, 2020).

“Corporate culture refers to the beliefs and behaviors that determine how a company's employees and management interact and handle outside business transactions” (Tarver, 2021).

“The culture of a group can be defined as the accumulated shared learning of that group as it solves its problems of external adaption and internal integration; which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, feel, and behave in relation to these problems. This accumulated learning is a pattern or system of beliefs, values, and behavioral norms that come to be taken for granted as basic assumptions and eventually drop out of awareness” (Schein & Schein, 2017).

Ultimately, corporate culture is a vaguely defined term of growing intrigue within the business community due to its potential impact on overall productivity. A central thesis of corporate culture is that it is the behavioral norms, values, and practices that inform and guide the actions of group members. The text for this week discusses culture through it’s observability and, specifically, this is referred to as levels of culture. The three levels of culture are identified in the text as “artifacts, espoused beliefs and values, and basic underlying assumptions” (Schein & Schein, 2017). Artifacts are the visible behavior of the group, espoused beliefs and values are the ideals and goals of the group, and basic underlying behaviors are the unconscious, underlying behaviors of the group (Schein & Schein, 2017).

Why is corporate culture important? I think there are 2 primary reasons why corporate culture is important. The first is because there is anecdotal and researched evidence that a happy employee is a more productive employee. According to a study completed by Oxford University’s Said Business School where they studied contact centres in the British telecoms sector, they found that happy employees were 13% more productive (European Union News, 2019). Culture has a very direct impact on the happiness of employees so studies like this display the importance of leadership valuing building a strong culture. The second is because culture is difficult to shift, and toxically bad culture can require a complete rebuild to remediate. Braff discusses in the ABA Journal a story of a law firm, Harrity & Harrity in Fairfax, Virginia, that had an initial culture that was negative with no focus on innovation or customer service. Ultimately, the company had to revamp their entire hiring process, and let nearly their entire staff go. After revamping their hiring process and focusing on rooting out toxicity the firm, as of this story, was twice the size it was originally, and revenues had tripled (Braff, 2020). This story is emblematic of the challenges that can happen with a bad culture that is established in an organization.