

## Unit 4: Developing Corporate Culture

**Unit code:** L/602/2063

**QCF Level 7:** BTEC Professional

**Credit value:** 5

**Guided learning hours:** 15

### Unit aim

This unit provides the learner with an understanding of the importance of corporate culture in an organisation's success, and the managerial skills to influence the achievement of that culture.

### Unit introduction

The development of an appropriate culture is vital to the success of an organisation. It could be said that all the best policies, procedures, and technologies are supported by a culture that reinforces consistently what the organisation is about. This unit focuses on the importance of understanding culture and climate in a globalised, diverse and repeatedly restructured working environment, and how to develop a climate appropriate to the desired culture. The unit explores cultural issues at national and organisational levels and the differences between culture, climate and values. Learners will find out that establishing an organisation's vision and values is an important step in developing the desired culture. They will have the opportunity to investigate the development of these values, the climate in the workplace and the extent to which they, as managers, can influence it.

This unit gives learners the opportunity to explore the dynamic link between an organisation's objectives and its desired culture, and how a manager can interact effectively in different cultural settings and influence the development of a desired organisational culture.

Learners will explore work that has already been carried out to develop an understanding of both national and organisational cultural dimensions. This understanding will allow them to consider how this affects their interaction with stakeholders from different cultural groups.

Although the unit is underpinned by an exploration of relevant theory, the intention is that learners apply their learning to specific organisations and situations. They will develop realistic strategies for interacting effectively with people from different cultures and for contributing to the development of organisational culture. This will include the development of communications strategies for stakeholders that take into account of differences in beliefs, values, customs and language.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

### On completion of this unit a learner should:

Learning outcomes	Assessment criteria
1 Understand how the characteristics of corporate culture affect the achievement of organisational objectives	1.1 explain how models of organisation culture can be used to achieve organisational objectives 1.2 explain the difference between organisational and national culture 1.3 analyse the corporate cultural profile in an organisation 1.4 discuss the impact of an organisation's corporate culture in achieving its objectives
2 Be able to propose organisational values that will influence corporate climate	2.1 evaluate the existing climate of an organisation 2.2 recommend ways to improve corporate climate in an organisation 2.3 propose a framework of organisational values that meet the specific strategic and operational needs of an organisation
3 Be able to develop strategies to communicate with stakeholders of an organisation who belong to different cultural groups	3.1 identify internal and external stakeholders of an organisation 3.2 evaluate the effectiveness of an organisation's existing communication strategies 3.3 develop new communication strategies for stakeholders of an organisation that address differences in belief, values, customs and language

## Unit content

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### 1 Understand how the characteristics of corporate culture affect the achievement of organisational objectives

*Culture*: culture as shared values, practices and customs; definitions of organisational culture; culture at ascending levels; sub-cultures; professional cultures

*Models of organisational culture*: Charles Handy – power, role, person and task cultures; Johnson and Scholes cultural web; organisational change programmes – activities, effectiveness, successful and unsuccessful cases, links to organisational objectives

*Organisational culture*: industry culture; national and supranational culture; models of culture eg Trompenaars's implicit-explicit factors, Schein's three levels

*National cultures*: methods of classifying national culture eg the work of Laurent, Hofstede and Trompenaars

*Impact on achievement of organisational objectives*: areas of differences and potential misunderstandings – communications; management, negotiation; buyer behaviour; misinterpreting conflicting cultural signals eg work of Trompenaars and Hampden-Turner 1998; cultural shock, importance of developing cohesive culture in merged organisations

### 2 Be able to propose organisational values that will influence corporate climate

*Climate profile*: how climate is defined; difference between climate and culture; key aspects of organisational climate eg flexibility; responsibility; standards; rewards; clarity; team commitment; impact of management practices on climate; impact of climate on efficiency and effectiveness

*Methods of improving climate*: recognising that 'improve' may mean change because a particular climate is no longer appropriate; understanding the climate that is required; understanding management styles; effective communications and rationale; continual review

*Values*: values or core values as a part of organisational culture; crisis of ethics in business and the new emphasis on value leadership – framework for developing and supporting strong corporate core values

**3 Be able to develop strategies to communicate with stakeholders of an organisation who belong to different cultural groups**

*Stakeholders:* customers, consumers, employees; shareholders; governments; communities, business partnerships and alliances – the increasing need to cooperate with people from different cultural groupings (including beliefs, values, customs and language)

*Communicating effectively:* strategies; identifying potential barriers and ensuring strategies overcome them; developing self-awareness of own and organisational culture; benefits of a diverse workforce; acculturation programmes; intercultural communication skills

## Essential guidance for tutors

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### Delivery

It is recommended that a range of strategies are used to deliver this unit to facilitate the integration of theory, its application to practical situations and the development of an awareness of learners' own cultures. As this is a Level 7 unit, learners need to actively consider how the insights they gain can be applied within an organisational context at a strategic level.

There are many complex theories within this unit and relatively few guided learning hours. It is essential that tutors share the delivery plan with learners so they can research topics and undertake relevant reading in advance. This will reduce the need for tutor input and facilitate discussion of the theories which will be the real vehicle for the understanding and development of ideas. The use of case studies and scenarios is strongly recommended. Wherever possible, learners need to receive the case study in advance of the class so they can read and research the issues, again facilitating better debate. Advantage can be taken of the wide range of experience within the group to facilitate understanding further and provide a breadth of examples for comparison and debate.

The use of investigative tools is recommended to encourage both self-awareness and the practical application of the insights learners gain.

Learning outcome 1 covers many theories and models that learners could research in advance. This can be supported by tutor provided summaries and guidelines on sources. It is recommended that learning is supported by case studies on well known organisations.

For learning outcome 2, full use could be made of learners' work experience. Wherever learners work or have worked, there will be some sort of climate. It is important that learners understand that there is no such thing as a wrong climate – what works in one organisation might not work in another, depending on what culture the organisation has or is striving to have.

For learning outcome 3, case studies could be used to enable learners to appreciate the range and complexity of the stakeholders an organisation has. There needs to be opportunities for class studies on stakeholders from individual learner's organisations to enhance this appreciation.

### Outline learning plan

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way in planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
Introduction to unit and programme of assignments – this could include the tutor arranging one-to-ones with learners to look at opportunities for assessment based on their workplace
Short, tutor-led discussion on the concept of organisational culture. Learners break into groups to research assigned models of organisational culture
Group presentations on models, each followed by a tutor-led discussion
Formal theory input on impact of culture on organisations achieving their objectives. Learners to be directed to produce a report on their own workplace Learners start work on <b>Assignment 1: Culture and Objectives</b> and complete in their own time
Tutor-led discussion on climate and how it differs in organisations Group work on features of climate in learners' own organisations (learners to be directed to research core values in their organisation or on one they know well)
Each learner to give a presentation on core values in a chosen organisation. Tutor to build on presentations through class discussions and then lead on framework of organisational values Learners start work on <b>Assignment 2: Improving Corporate Climate</b> and complete in their own time
Discussion on stakeholders and differing demands – tutor to use case studies from well-known organisations Learners start work on <b>Assignment 3: Communicating the Culture</b>
Theory-led tutor input on communication strategies supported by case studies
Learners complete <b>Assignment 3: Communicating the Culture</b>
Review of unit and programme of assignments

## Assessment

A key feature of assessment for this unit is the practical application of the theoretical content to an organisational situation at a strategic level.

It is important that during formative assessment, full use is made of the learner's own organisation. However, for the formal assessment, it is important that learners have opportunity to show their understanding and ability to apply the models and techniques they have learned to develop a strategy and make recommendations if appropriate.

It is recommended that there is discussion between the tutor and learners at the beginning of the learning programme to establish whether their organisation provides a large-enough scope to use as the basis of assessment for this unit. If there is any doubt, it is recommended that a case study is used to cover the assessment criteria in learning outcomes 1 and 2. In the case study, learners could role play a consultant who is helping an organisation to develop its corporate culture (often the case in the real world as organisations do not always have the required expertise). Learners' own experiences could be used as examples in the case study and also any examples they have learned about from research or in class. It is anticipated that, for most learners, this type of case study would be the most appropriate means of assessment.

An assignment to cover the assessment criteria in learning outcome 3 could be an extension of the assignment covering learning outcomes 1 and 2. But, wherever possible, it is recommended that assessment is based on the learner's own place of work. It is vital that learners understand the needs of stakeholders in their own organisations and that, in most cases, they have the range of opportunity needed in their own organisation. Careful checking of whether there is a wide-enough range of stakeholders in the learner's organisation is needed.

For all assessment criteria, wherever possible, it is recommended that learners use examples from their own experience or from real-life organisations.

For AC1.1, learners need to explain two organisational models which would help achieve the organisational goals in the context of the scenario.

For AC1.2, learners need to explain the difference between national and organisational culture in the context of the scenario as well as two theories of national culture and two of organisational culture. In each case, the explanation needs to relate to the context.

For AC 1.3, the analysis of the corporate cultural profile needs to contain a minimum of five key features and to be contextualised.

For AC1.4, learners need to show an understanding in their discussion that culture should consistently reinforce what the organisation is about, shown through the organisational objectives.

For AC 2.1 and 2.2, learners need to evaluate the existing corporate climate of an organisation. The evaluation needs to be in the context of what the organisation wants to achieve in terms of its culture. Learners need to demonstrate that they understand that a climate that is right for one organisation may not be right for another, or that a climate may be appropriate for the present but not the future. Therefore, in recommending improvements, learners need to show that the improvement might be a future need rather than the fact that the climate is 'wrong' now.

For AC2.3, learners need to have a clear rationale in their proposal for a framework for the values that are linked to organisational objectives. Learners need to show in the proposal a clear distinction in how different values may support operational and strategic needs.

AC3.1 is really a precursor to developing a communication strategy that differentiates its message depending on the stakeholder (AC3.3). Here, learners need to identify stakeholders of an organisation before tailoring their communication strategy to suit the needs and expectations of stakeholders in AC3.3.

For AC3.2, the evaluation of the effectiveness of an existing organisational communication strategy needs to begin with a description recognising strengths and weaknesses. Learners need to show understanding that some of the current strategy may be fine in the current context of the organisation, but may need to change for a new context.

For AC3.3, learners need to develop new communication strategies tailored to different groups of stakeholders, with a clear differentiation between the treatment of internal and external stakeholders.

### Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the criteria in the assessment grid. This is for guidance only and it is recommended that centres either write their own assignments or adapt Edexcel assignments to meet local needs and resources.

Assessment criteria covered	Assignment title	Scenario	Assessment method
AC 1.1, 1.2, 1.3	Culture and Objectives	Case study/ work-based study	Report
AC 2.1, 2.2, 2.3	Improving Corporate Climate	Case study/ work-based study	Report
AC 3.1, 3.2, 3.3	Communicating the Culture	Case study/ work-based study	Report and presentation

### Essential resources

There are no essential resources required for this unit.

## Indicative resource materials

### Textbooks

- Brooks I – *Organisational Behaviour: Individuals, Groups and Organisations, 4th Edition* (Financial Times/Prentice Hall, 2008) ISBN 0273715364
- Brown A – *Organisational Culture, 2nd Edition* (Financial Times/Prentice Hall, 1998) ISBN 0273631470
- Chaney L and Martin J – *Intercultural Business Communication, 4th Edition* (Prentice Hall, 2005) ISBN 0131860097
- Goffee R and Jones G – *The Character of a Corporation* (Profile Business, 2003) ISBN 1861976399
- Handy C – *Understanding Organizations* (Allen Lane, 2005) ISBN 0713997796
- Handy C – *Gods of Management* (Souvenir Press Ltd, 2009) ISBN 0285638440
- Hofstede G – *Culture's Consequences, 2nd Edition* (Sage, 2001) ISBN 0803973233
- Hofstede G and Hofstede G J – *Cultures and Organizations: Software for the Mind* (McGraw-Hill Professional, 2004) ISBN 0071439595
- Rollinson D – *Organisational Behaviour and Analysis: An Integrated Approach, 2nd Edition* (Financial Times/Prentice Hall, 2003) ISBN 0582820766
- Schein E H – *Organizational Culture and Leadership, 3rd Edition* (Jossey-Bass, 2004) ISBN 0787968455

### Journals

- Academy of Management Perspectives* (Academy of Management)
- Business Strategy Review* (John Wiley and Sons)
- Harvard Business Review* (Harvard Business Publishing)
- International Journal of Project Management* (Elsevier)
- Journal of World Business* (Elsevier)
- Management Today* (Haymarket Business Media)
- People Management* (Chartered Institute of Personnel and Development)
- Copies of articles from the above journals can be obtained from the Chartered Management Institute.

**Websites**

<a href="http://www.ccl.org">www.ccl.org</a>	Center for Creative Leadership – a non-profit educational institution offering research findings in areas of creative leadership
<a href="http://www.haygroup.co.uk">www.haygroup.co.uk</a>	Hay Group – information on assessing climate in work groups
<a href="http://www.hbsp.harvard.edu">www.hbsp.harvard.edu</a>	Extracts from <i>Harvard Business Review</i> articles
<a href="http://www.managers.org.uk">www.managers.org.uk</a>	The Chartered Management Institute – searchable database which members can use to access journal articles and other publications
<a href="http://www.nationmaster.com">www.nationmaster.com</a>	International statistics on a variety of subjects