Chapter Ten
Organizational Culture and Ethical Values
Levels of Corporate Culture

Observable Symbols
Ceremonies, Stories, Slogans, Behaviors, Dress, Physical Settings

Underlying Values, Assumptions, Beliefs, Attitudes, Feelings
A Typology of Organizational Rites and Their Social Consequences

<table>
<thead>
<tr>
<th>Type of Rite</th>
<th>Example</th>
<th>Social Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passage</td>
<td>Induction and basic training; US Army</td>
<td>Facilitate transition of person into new social roles and statuses</td>
</tr>
<tr>
<td>Enhancement</td>
<td>Annual awards night</td>
<td>Enhance social identities and increase status of members</td>
</tr>
<tr>
<td>Renewal</td>
<td>Organizational development activities</td>
<td>Refurbish social structures and improve organization functioning</td>
</tr>
<tr>
<td>Integration</td>
<td>Office holiday party</td>
<td>Encourage and revive common feelings that bind members together and commit them to the organization</td>
</tr>
</tbody>
</table>

Relationship of Environment and Strategy to Corporate Culture

Needs of the Environment

- Flexibility
  - Adaptability Culture
- Stability
  - Mission Culture

Strategic Focus

- External
  - Adaptability Culture
- Internal
  - Mission Culture

Ethical Values in Organizations

- Ethics
  - Rule of Law
  - Managerial Ethics
  - Social Responsibility
  - Ethical Dilemma
Forces That Shape Managerial Ethics

Is Decision or Behavior Ethical and Socially Responsible?

Personal Ethics
- Beliefs and Values
- Moral Development
- Ethical Framework

Organizational Culture
- Rituals, Ceremonies
- Stories, Heroes
- Language, Slogans
- Symbols
- Founder, History

Organizational Systems
- Structure
- Policies, Rules
- Code of Ethics
- Reward System
- Selection, Training

External Stakeholders
- Government Regulations
- Customers
- Special Interest Groups
- Global Market Forces
Formal Structure and Systems of the Organization

- Ethics committee
- Chief Ethics Officer
- Whistle-blowing
- Code of ethics
- Training programs
# Shop ‘Til You Drop

<table>
<thead>
<tr>
<th>Culture Item</th>
<th>Discount Store</th>
<th>Department Store</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mission of store:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Individual initiative:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Reward system:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Teamwork:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Company loyalty:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Dress:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Diversity of employees:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Service orientation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Human resource development:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>