*Strategic Management*, 9e: Chapter 4 study guide

Ten guidelines for analysing organisational culture and its strategy implications

The Exhibit below lists ten guidelines for analysing cultural issues within an organisation. Both Brown[[1]](#endnote-1) and Handy[[2]](#endnote-2) have provided longer questionnaires than are captured in the exhibit.

Ten guidelines for analysing organisation culture and its strategy implications

**1.** How old is the organisation? Does it exist in a stable or fast-changing environment?

**2.** Who owns it? Shareholding structure? Small company owner-proprietor? Government shareholding? Large public company? What are the core beliefs of the leadership?

**3.** How is it organised? Central board? Divisions? Clear decision-making structure from the top? Are structures formal or informal? Is competition encouraged between people in the company or does the organisation regard collaboration as being more important?

**4.** How are results judged? Sympathetically? Rigorously? What elements are monitored? Is the emphasis on looking back to past events or forwards to future strategy?

**5.** How are decisions made? Individually? Collectively and by consensus? How is power distributed throughout the organisation? Who can stop change? And who can encourage it?

**6.** What qualities make a good boss? And a good subordinate?

**7.** How are people rewarded? Remuneration? Fear? Loyalty? Satisfaction in a job well done?

**8.** How are groups and individuals controlled? Personal or impersonal controls? Enthusiasm and interest? Or abstract rules and regulations?

**9.** How does the organisation cope with change? Easily or with difficulty?

**10.** Do people typically work in teams or as individuals? What does the company prefer?

**Overall**: Is the *whole* organisation being analysed or just a *part*?

Tests for strategic relevance include:

 *Risk*. Does the organisation wish to change its level of risk?

 *Rewards*. What reward and job satisfaction?

 *Change*. High or low degree of change needed?

 *Cost reduction*. Is the organisation seeking major cost reductions?

 *Competitive advantage*. Are significant new advantages likely or will they be needed?

1. Brown, A (1995) Op. cit., pp62–65. [↑](#endnote-ref-1)
2. Handy, C (1993) Op. cit., pp210–216. [↑](#endnote-ref-2)