

Culture and organization essay



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1. Introduction

1. An organisation

According to Paul Hill, Dr. Xiao-Jian Wu, Dr. Ron Beadle and Dr Guy Brown (2012), an organisation is “ social entities brought into existence and sustained in an ongoing way by humans to serve some purpose, from which it follows that human activities in the entity are normally structured and coordinated towards achieving some purpose or goals. ” It means that people group together to do something for the same purpose or goals, we can recognise it is an organisation. It may be a company, a association or a party.

2. Organisational Culture

“ The word culture has been used by many different to explain a variety of phenomena, and because each one tends to adopt a slightly different perspective, there is no universally accepted definition.”. (Paul Hill, Dr. Xiao-Jian Wu, Dr. Ron Beadle and Dr Guy Brown (2012))

Edgar H. Schein (1985) states culture is a phenomenon surrounds us, it can defined leadership. It is customs and rights, it is the accumulated shared learning from shared history. When you understand a company’s culture, you will understand the organisation. The Culture of an organisation always influences by many difference criteria, includes the organisation values, visions, norms, working language, systems, symbols, beliefs and habits. It can be formed by the founder, staff and also the consumers.

Edgar H. Schein (1985) also claimed that the organisational culture can be defined to three main levels: Artifacts and Creations, Values and Beliefs, and Basic Assumptions. The three levels refer to the structure to which the different cultural phenomena are foreseeable to the observer.

3. The Case Company

IKEA, from a Sweden small wholesaler in 1943 to the world's largest furniture retailer and home products company. It was founded by Mr. Ingvar Kamprad when he was only 17 years old. The main business is designs and sells all home articles such as ready-to-assemble furniture, kitchen appliances and home accessories often associated with a simplified eco-friendly interior design.

Furthermore, the firm is well-known for the cost control, automatic products development and functional product design. IKEA now is a brand representing trendy, quality and low price.

IKEA's strong organisational culture is one of the reasons makes IKEA to success. When you step in any store of IKEA, no matter in which country, you will have strong feeling their integrative culture. Why IKEA be successful to doing it? The following essay may analyse the successful ways of IKEA by using Schein framework, and explains how it applies into the case.

2. Schein Framework Edgar H. Schein organisational culture framework originated in the 1980s. It is one of the authoritative approaches popular used in analyst company cultures. Schein identifies three distinct levels in

organisational cultures. The three levels refer to the stage of which the various cultural phenomena are visible to the observer.

Figure 1. 1 Schein's Layered conceptualisation of culture

1. Artifacts and Creations The most visible level is artifacts and creations. This level of culture is observable. Artifacts include any visible, verbally or touchable definable elements in an organisation, such as interior design, decoration, dress code and staff uniform, even speech. All may be visible standards of culture, but difficult to interpret. Artifacts and creations also may make people know what a group is achieving.

2. Values and Beliefs Values and beliefs is a level next to visibility. They are the organisation's stated values and rules of behavior. But they are not directly observable, as behaviors are. It is how the members represent the organisation both to themselves and to others. This is often expressed in philosophies and public identity. It can sometimes often be a reflection for the future, of what the members hope to become. Examples of this would be employee professionalism. Problems may arise if espoused values by leaders are not in link with the general assumptions of the culture.

3. Basic Assumptions

Basic assumptions is in the deeply core of a culture, it help us to understand a organisational culture. It is deeply embedded, taken-for-granted behaviors which is usually unconscious, but constitute the essence of culture. These assumptions are typically so well integrated in the office dynamic that they are hard to explain from within. Schein contends that related assumptions

grow out of values, until they become taken for granted and drop out of awareness. As the definition above states, and as the cartoon illustrates, people may be unknown or unable to declaim the beliefs assumptions forming their deepest level of culture.

3. Schein Framework in IKEA case

It is no doubt that Edgar H. Schein is one of the authoritative people who investigate in organisational culture. His theory gave a clear definition on it. The three levels of culture is generally accepted and applied for academics. In IKEA case, there are many features can match with the Schein framework

1. The company name

The name of IKEA created by the founder, it is an acronym comprising from the founder, Mr. Ingvar Kamprad's initials and the first letters of Elmtaryd and Agunnaryd, the farm and village where the founder grew up.

Organisation name is the first impact of people know about yourself. For IKEA, it is a kind of symbols representing them, to make people recognise the origin and the meaning behind IKEA directly. IKEA easy to establish a distinctive image thru its name, at list everyone know that they are a Swedish company.

2. The Founder

Mr. Ingvar Kamprad was born in a farm called Elmtaryd , the south of Sweden in 1926. When he is 17 years old, his father gives him money as a reward for succeeding in his studies, and he establishes IKEA since 1943.

Referring to the IKEA website, it mentions that the IKEA founder, Ingvar Kamprad, his talent of business sense was shown when only aged 5, he starts to sell matches to his neighbors and he starts to sell afield using his bicycle when he was 7 years old.

On the other hand, Ingvar Kamprad is an economical person, although he is one of the richest persons of the world. He does not drive expensive cars and only flies with economy class., encourage staff use two sides in a piece of paper. He recycles tea bags and is known to pocket the salt and pepper packets at restaurants. In addition, Kamprad usually visits IKEA for a low price meals and purchasing presents during post-Christmas sales.

According to Schein's framework, narratives are the stories such as legends and myths in the organization. Most of the stories are referred to let internal and external individuals to proud of. IKEA set up a model for the staff and the public from Kamprad's successful stories, his attitude for life established IKEA's vision and future marketing strategies. This is the reason that IKEA aims to create better everyday for people in low price. 3. The Nation

Sweden is a northern country in Europe. She is a modern, free and democratic country. Her citizens enjoy a high quality of life standard.[1] The government also attaches great importance to environmental protection. Effective political structure, well social welfare and stable economic environment made the World Economic Forum rank Sweden as the second most competitive country in the world in 2010. (Klaus Schwab, 2010) Also, Sweden's design factory is getting more popular around the world. She is

headquartering some of well-known brands, for example, IKEA and fashion wholesaler Hennes & Mauritz (H & M).

National Culture make a profound impression on Kamprad. You may recognise that the colour tone of IKEA logo and staff uniform, are as same as the Sweden national flag. The blue color represents trust, and the yellow color depicts happiness, optimism and imagination, that is another symbol of IKEA culture.

Moreover, When you visit the IKEA store, you will find most of them have restaurant or café inside. IKEA present meals, snacks, soft drinks, and some Sweden cuisine like Kottbullar (Swedish meat ball) and Kutfish, Swedish culinary culture have been introduced to the world through IKEA restaurant.

4. Vision and Business Idea

Most of Organisations have their own Vision, Mission and Core Values (VMV). IKEA's vision and business idea (beliefs) have a large paragraphs exposed on their company website.

The website claims that IKEA's vision is “ to create a better everyday life for the many people. Our business idea supports this vision by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them. “ The target customers of IKEA who is looking for value and is willing to do a little bit of work serving themselves, transporting the items home and assembling the furniture for a better price.

The typical IKEA customers are young and low to middle income families. Therefore, IKEA offers a range of flexible designed, multi functional and reasonable price products for consumers. Their core value can be defined in three parts:

1. Product Range

“ The IKEA product range focuses on good design and function at a low price. It offers home furnishing solutions for every room in the home. It has something for the romantic at heart, the minimalist and everyone in between. It is co-ordinated so that no matter which style you prefer our designers and product developers work hard to ensure that our products meet your day-to-day needs and eliminates the unnecessary. “[2]

IKEA provides over 1, 500 different products in wide range in different styles, from ready-to-assemble furniture to small home accessories, to make sure customers are able to find everything they need in the stores. Moreover, IKEA provides customer-made services and professional advises for the customers, help to build up their own interior style.

2. Low Prices

“ Low prices are the cornerstone of the IKEA vision and our business idea. The basic thinking behind all IKEA products is that low prices make well-designed, functional home furnishings available to everyone. We are constantly trying to do everything a little better, a little simpler, more efficiently and always cost-effectively. “[2]

IKEA understand their target customers is low-income and middle class. Therefore, they always do the products best to combine good quality, nice design and low price together, to make sure customers enjoy a reasonable price and long lasting goods. Also, they provide packing applications to encourage consumer to pick up and assemble products by themselves rather than via delivery service, make space IKEA to minimise the selling price.

3. A better everyday life

“ We have taken the straightforward approach to the furniture business, by starting with developing furniture with the price tag in mind. This is the IKEA way, to maximise the use of raw materials in order to fulfil people’s needs and preferences by offering quality products at an affordable price.” [2]

IKEA believe that everybody have the right to improve living quality and environment. They design the price tag first before they develop products means that they design from the human-being perspective, to popularise the concept of “ home design”.

Besides, IKEA is a eco-friendly company. their raw material such as swedwood has manufacturing units in 11 countries, In every step of production, IKEA will ensure strives for cost-efficiency while taking social and environmental responsibility.