

Nokia culture essay



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When we speak of corporate culture it is first important that we understand it. It is almost similar to the culture we follow in daily life however it differs in terms of behaviour when it comes to corporate environment. In corporate culture people behave according to the standards set by its management, it is corporate culture which encourages them to contribute to success of company by giving new ideas. Corporate culture also determines the way employees interact with its customers.

Few other things which contribute to corporate culture are Working style Management hierarchy whether it is authoritative or democratic How much freedom the staffs get in doing innovation Preferred way of working whether they prefer individual or team working Corporate culture is visible by the Way Company represents itself, their infrastructure, their way of advertising, the way they promote their business whether they are competitive or monopolist. It is also important to understand that corporate culture is not built overnight and it is a slow process which mainly starts from the leader of organisation. Leader of organisation delegates its vision to people and is achieved in the way leader wants. Hence the process of developing culture is slow as the results are not immediately visible. Nokia's culture When we take a look at the Nokia's history, organisation has been in existence for more than 100 years now. If we consider the past it is one of the most successful developer of phones and that too at a competitive price.

However the downfall or minimization in market share is because of its old culture which hasn't changed with time. If we look at their product range we understand that Nokia had almost everything to be still world leader in phone industry, however they lost because of weak culture where every little

or big thing had to go through extensive approvals. From the developments at Nokia it seems they were pioneer in smart phones as well as they were the first to introduce phone with stylus which was successful. Despite of that touch screen technology was seen as a high cost to production and the idea was dropped. Result of this was seen as Apple came up with iPhone and Nokia lost the battle before even entering the market. It had such a huge impact that in U.

It lost almost half of its market to Apple in smart phone market. From this we can agree to industry analysts that Nokia had a bureaucratic culture where ideas had to go through various hierarchies which were time consuming and still results were negative in terms of getting them approved. Read about Apple organizational structure According to company employees view upper and middle management were quite stiff in approving things which had low profit margins however a clear business strategy was missing that initial low profit margins could become more once market has been captured. Corporate culture influenced by nation In case of Nokia it is one of the largest employers in Finland and as a part of tradition of Finland which accepts people from different culture Nokia has also got people from different part of world in their research team. However one thing which is noticeable is that most of the board members are Finnish.

This shows the difference in approach in corporate culture as compared to national culture at different level. At lower level Nokia has employed people from different countries however when it comes to top management most of the board members are from that country. The effect of this is seen in decision making which is taking a long time and has been quite late in

responding to market demand. This clearly matches to Charles Handy's thinking of similarity between organisation structure and culture. He is of the opinion that corporate culture is linked directly with its structure.

Such an structure is called power culture where authority lies in hands of few and decision making is very time consuming and difficult. If we consider the culture cluster in case of Nokia it is exactly opposite to constructive culture which according to author Robert A Cooke is best suited to such organisation which needs constant innovation. Organizational objectives (Nokia) So far we have seen how Nokia had suffered due to its bureaucratic structure and want to change it to achieve newly aligned objectives. According to company's chief operating officer Nokia aims at getting new innovations in less time and take advantage of their existing technology.

It aims in taking Symbian user interface to next level looking at its potential which is much more than any other operating interface in smart phones. Using this as a platform Nokia is planning to re-price its mobile phone range in order to get more profit margins. In achieving this Nokia aims at following a low price strategy to increase growth to 10%. In order to achieve these objectives Nokia has to bring in positive changes to its culture. First and foremost thing they need to understand is the only way of achieving it is by getting people involved by means of their performance and contribution.

In Nokia's case which is not difficult as the employees have always been innovative right from beginning, it is just the management which needs to back them up. Leadership in such organisation should not be control based but should be more responsive and positive in accepting changes. Also

company needs to take some bold steps in accepting innovations which are challenging, although they might be low profit making initially however could be worth risk taking. These are the few things which Nokia need to do in order to achieve its objectives in becoming a market leader. However there is one more challenge with this and that is to implement this change at all levels and keep on changing accordingly with time to be a world wide leader. As a result of incorporating these changes it will motivate employees and they will have more confidence in management in approaching with new ideas.