UNIT # 44 Ref mat

UNIT IV STUDY GUIDE

Cultural Influences on Training and Development

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McKinlay, A., & Starkey, K. (1994). After Henry: Continuity and change in Ford Motor Company. *Business History, 36*(1), 184-195.

Morical, K., & Tsai, B. (1992). Adapting training for other cultures. *Training & Development*, *46*(4), 65-66.

Singh, A. K. (2011). HRD practices & managerial effectiveness: Role of organisation culture. *Indian Journal of Industrial Relations*, *47*(1), 138-148.

**Unit Lesson**

You may have been asked the following question or have asked it yourself: “What can you tell me about the company culture?” Have you often wondered what that really means? What is a culture? There are so many opinions and definitions of culture, which makes answering that question daunting. It is important to define what culture means in any communication.

Do we define culture by the friendliness of coworkers? Or, is it coming to work on time or a sense of urgency to get things done? Many may think that organizational culture is defined by thoughts and actions of employees and managers, both inside and outside of the organization. This definition is pretty accurate, but culture is something difficult to define because organizations do not always expressly define it. Culture is something that is implied and can be felt. It is also important to note that culture can change over time as new employees enter the organization and others leave. A company's culture can be reflected in the dress code, business hours, office layout (such as cubicles), employee benefit programs, the amount and kind of turnover, who is hired and how hiring decisions are made, and the treatment of clients. Culture may not be discussed often, but it affects many decisions and can even affect the reputation of a company. We all know those companies who treat their customers well and those who do not. Does customer service influence yourdecisions about where you shop, what restaurants you attend, or what companies you want to work for in the future?

One company that stands out for its employee-friendly culture is Google. Google likes to be unconventional and offers many unique benefits. Employees are offered telecommuting, flex time, tuition reimbursement, free employee lunches, and on-site doctors. At its corporate headquarters in California, Google offers on-site services, including oil changes, massages, fitness classes, car washes, and a hair stylist (Jackson, 2015). Many of these benefits are quite unique. You may even be thinking of how nice it would be to work for such a company. How could these benefits affect the company culture? Are employee benefits all that is needed for a culture that positively impacts employees and clients?

Many organizations today are successful because of cultural continuity. General Electric (GE) is a good example of creating a culture that has been working for decades for a very successful organization. At GE, they encourage integrity, responsibility, and creativity. Through their training and development efforts, they have created team and individual learning activities that reward performance, volunteerism, and career-long learning. They have a “corporate university” that invests in the future of leadership in the General Electric way (culture). Succession planning is a large part of cultural continuity. GE, like many large corporations, trains their managers from the ground up. Hiring of high-level managers from outside the organization is not an option since that would impact the way GE does things (cultural continuity). Succession planning at GE is taken very seriously as the staff at each GE strategic business unit (SBE) has been groomed for many years to replace upper-level managers in the organization.

On the other hand, there are many cultures that are ineffective and require change, and culture change can be challenging; Denny’s Restaurant Company is a good example. In 1993, six African American U.S. Secret Service agents walked into a Denny’s restaurant and were refused service while as many as fifteen fellow agents were being served and even had second helpings. A class action lawsuit was filed by these six U.S. Secret Service agents. In California, there were similar lawsuits filed where many young African Americans were asked to prepay for their meals. Denny’s was on its way to becoming a “poster child” for racism. In 1995, Denny’s was required to pay $54 million to $294,000 to customers. There was no deliberate policy on encouraging discrimination, but discriminatory practices were widespread and well known within the corporation. Restaurant managers had policies that required them to ask for identification, request prepaying of meals, and “blackouts” or locking minority customers out of the restaurant (Rice & Faircloth, 1996).

However, Denny’s was committed to changing the culture and hired the former head of Burger King USA to lead the chain’s culture transformation. Ray Hood-Phillips was then hired to develop a diversity program that would make the restaurant chain less vulnerable to charges of racism and discrimination. The CEO became a champion for change; diversity training was required throughout the organization, and the company created new minority supplier contracts and developed aggressive minority franchising and hiring and standardized performance evaluations. As a result of this culture change, 49% of the workforce are people of color, 33% of officers and managers are people of color, and 27% of senior management are women and people of color (Rice & Faircloth, 1996). Without this change, the corporation of Denny’s may not be what it is today. By recognizing the faults in their culture and taking the steps to correct them, Denny’s has a model for diversity.

So, how is this accomplished? How can a company train its employees in a way that fosters a positive corporate culture? To create strong cultures, organizations need to consider a continuity of leadership. Major organizations are successful in part because they train their leaders versus hiring leaders from outside the organization. This creates a continuity of leadership that supports a continuity of culture.

Employees inthe organization have a great impact on organizational culture. Social media can be used to create experiences for employees that would impact the culture. Communication is an example of this. How and where an organization communicates with its employees will have an impact on the culture. If an employee is unhappy with the organization and communicates over social media, it can have an impact onmany employees.

Jackson, L. (2015). Google’s culture infographic. Retrieved from http://www.corporateculturepros.com/2013/07/the-real-secret-of-googles-corporate-culture/

Rice, F., & Faircloth, A. (1996). Denny’s changes its spots not so long ago, the restaurant chain was one of America’s most racist companies. Today it is a model of multicultural sensitivity. Here is the inside story of Denny’s about-face. Retrieved from http://archive.fortune.com/magazines/fortune/fortune\_archive/1996/05/13/212386/index.htm

**Suggested Reading**

Within the Unit Lesson, we discussed Google’s organizational culture. Google has a very unique organizational culture, and you are encouraged to research this. The below video explains some of their employee benefits and the reasons why Google made this decision:

Rathod, R. S. (2013). *Culture inside Google* [Video file]. Retrieved fromhttps://www.youtube.com/watch?v=c1jlmdkApTQ