

culture eats strategy for breakfast

Professor of HBS

**An integrated pattern of human knowledge, belief,
and behavior influenced by circumstances,
events & social learning**

Alfred Kroeber and Clyde Kluckhohn, 1952

**The basic pattern of shared assumptions, values,
and beliefs considered to be the correct way of
thinking about and acting on problems and
opportunities faced by the organization**

*Professor Craig W Fontaine
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Layers of Organizational Culture

Edgar Schein, MIT



An individual's unique collage of multiple cultural identities yields a complex picture of the cultural influences on that person.

*Chao, Georgia T.; Moon, Henry
Journal of Applied Psychology, Vol 90(6), Nov 2005, 1128-1140.*

Organizational culture is shaped by multiple factors:

- Business / External environment
- Industry
- Size and nature of the organization's workforce
- Technologies the organization uses
- The organization's history and ownership
- Organizational values, role models, symbols and rituals

Edgar Schein, MIT

culture is the most difficult organizational attribute to change, outlasting organizational products, services, founders and leadership, and all other physical attributes of the organization.

Edgar Schein, MIT

strong cultures can provide organizations with significant advantages, but when the basis for survival rests on an organization's ability to change and adapt, a strong culture can be a liability.

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Denisen's Cultural Dimensions

Patterns...Trends... Market Place

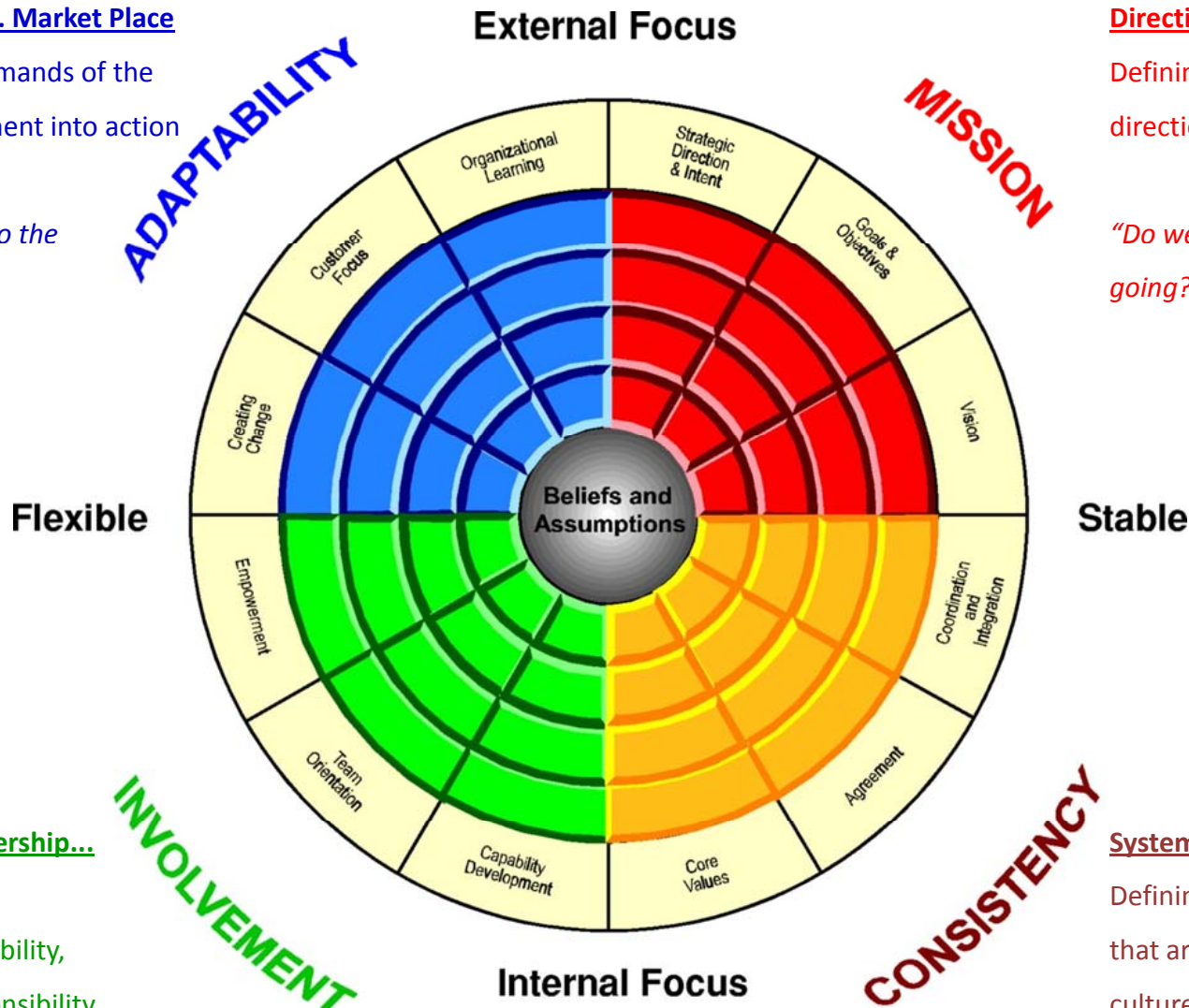
Translating the demands of the business environment into action

"Are we listening to the marketplace?"

Direction...Purpose...Blueprint

Defining a meaningful long-term direction for the organization

"Do we know where we are going?"



Commitment...Ownership...

Responsibility

Building human capability, ownership and responsibility.

"Are our people aligned and engaged?"

Systems...Structures...Processes

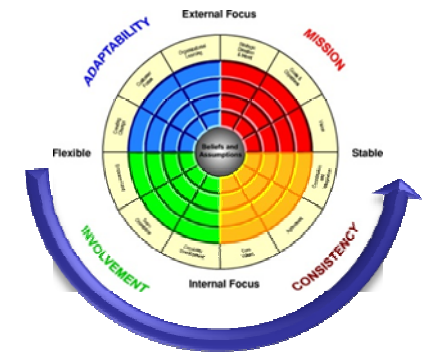
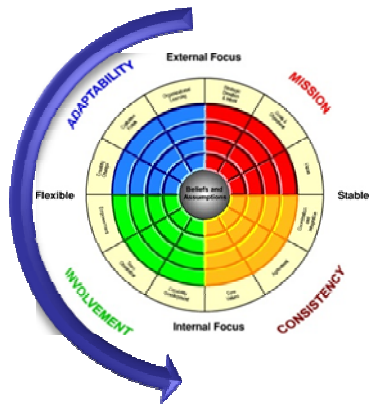
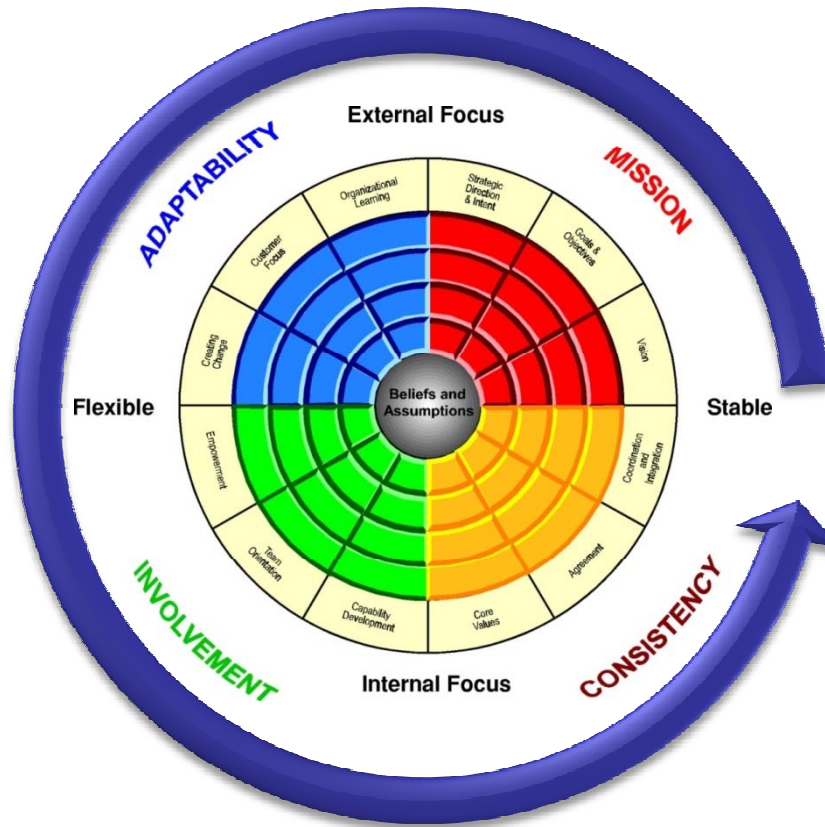
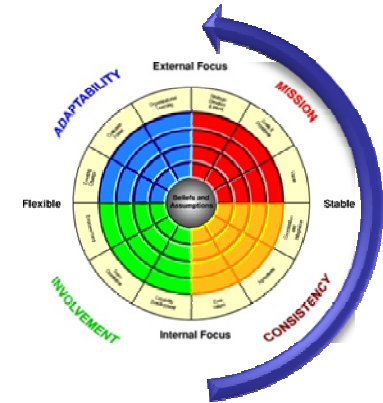
Defining values and systems that are the basis of strong culture

"Does our system create leverage?"

Creating new business models



Achieving stability



The Innovative Organization

Involvement and consistency

**strong culture can become agile without losing
their basis of strength by allowing certain
types of subcultures to emerge**

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DOs & DONTs

Drive, don't be driven

Professor of Stanford

base the culture on principles, not relations

CEO, Granti Bank - Turki

**Top management establishes the organization's
culture , and defines what will and
what will not be acceptable behaviors**

**Reward and promote people whose behaviors are
consistent with desired cultural values**

**stimulate progress and
preserve the core**

*It is not an either/or proposition - high performance
organizations must be able to do both at the same time*

Examples around us

- Safety : ARL, Engro, FFCL, AOL, Airlines, BP
- Health Care : Agha Khan, SIUT, SKMT
- Education : LUMS, GIKI, NUST, FAST, KE, AKUH
- Customer Focus : Call Centre, Service Centre, Mobilink
- Market Competition : Pepsi-Coke, Olpers-Milkpak
- Product Quality : IBM, Sony, TOYOTA, IKEA
- Brand : Pak Footballs, BBQ-2nite
- Traffic : Motorway vs City , ISB vs RWP
- City : KHI (Commercial), LHR (Warmth), RWP (Relaxed)

Culture of excellence

Adapt externally - integrate internally

M. Ali Imam Naqvi

Culture of excellence @ ARL



- 1910** **Beginning of operations by AOC**
- 1915 First discovery of oil at Khaur District by AOC
- 1922** **Commissioning of two small refining units at Morgah near Rawalpindi with the capacity of 2,500 BPD**
- 1937 Discovery of oil in Dhulian and installation of Dubbs and Lummus Plants with the capacity of 5,500 BPD
- 1968 Discovery of oil at Meyal and Toot oilfields
- 1978** **Incorporation of ARL**
- 1979 Conversion of ARL into a Public Limited Company and its listing on three stock exchanges of the country
- 1981 Refining capacity was increased by the addition of two distillation units of 5,000 & 20,000 BPD capacity each
- 1987** **Commissioning of dispatches of petroleum products through pipeline to Oil Marketing Companies (OMCs) with computerized metering**
- 1996 Effluent Treatment Plant
- 1999 Expansion and upgradation project with the installation of Heavy Crude Unit of 10,000 BPD and Catalytic Reformer Complex of 5,000 BPD
- 2000 Commissioning of Captive Power Plant with the capacity of 7.5 MW
- 2001** **ISO-9001: 2000 certification**
- 2001 Production of Polymer Modified Bitumen (PMB)
- 2002** **ISO-14001 certification**
- 2005** **ARL's current nameplate capacity is 40,000 BPD and has the capability to process heaviest to lightest (12-65 API) crudes**
- 2006** **OHSAS - 18001 certification**

Benefits of a healthy and robust organizational culture:

- Competitive edge derived from innovation and customer service
- Consistent, efficient employee performance
- Team cohesiveness
- High employee morale
- Strong company alignment towards goal achievement

HR & organizational culture:

- Socialization practices
- Communication practices
- Selecting the “right” people
- “Weeding out” the “wrong” people
- Training & development
- Promotion and Reward systems
- Succession leadership