Chapter 1
Building Corporate Culture for Competitiveness in Entrepreneurial Firms

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ABSTRACT
The dichotomy posed by Mandel goes to the root of every corporate plan and every CEO’s concern. Professional bodies like the All India Management Association and business collectivities like the various Chambers of Commerce have been grappling with this for decades now, and with very little success too. Given that, the CEO implements the desired organisational change it remains the task of the culture to sustain this change and make the organisation vibrant. Traditionally Indian organisations are hierarchically positivist and therefore the quality of leadership determines the form and content of the internal environment of the organisation. This chapter accordingly will not deal with a treatment of leadership but refer the reader to Geometry of HR (2002) and What Every MBA Should Know about HRM (2005). Instead, it will treat corporate culture building for global competitiveness on the line of Business Ethics and Corporate Governance (2011).

INTRODUCTION
Ultimately, the impossibility of a genuine coordination between the economic plans of different private companies is not due-as bourgeois economists claim—to the uncertainty and discontinuity of technical progress but to the fact that behaviour which is rational for individual companies can lead and periodically must lead to irrational results for the economy as a whole. -Ernest Mandel: Late Capitalism

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MEANING AND DEFINITION

Culture refers to the commulative deposit of knowledge, experience, beliefs, values, meanings, hierarchies, notions of time, roles acquired by a group of people through individual and group striving. There is wider agreement on the definition of culture itself than on how to use and apply it in understanding the unique set of dynamics and human behaviours that characterise and distinguish one organisation from the next. Culture, in its simplest meaning, is the sum total of how an organisation accomplishes all that it has to do to fulfil its purpose or mission. This definition is applicable across broad spectrum of any type of organisation and its overall aim to achieve its mission. Culture can be observed in the many ways that things are done, in the processes that everyone in the organisation knows must be followed for work to be accomplished. Culture is embodied in the phrase: “This is the way we do things around here or Do you think any other organisation can compete with us “. Management researcher and writer Fons Trompenaars defines culture as the way in which a group of people solves problems and resolves dilemmas. This view is a very hands-on, pragmatic and desire to excel approach. Geert Hofstede has described culture in a somewhat more philosophical way: culture is a deeply rooted value or shared norm, moral or aesthetic principles that guide action and serve as standards to evaluate one’s own and others’ behaviours. In simplistic form, we can define organisational culture as the set of shared values and norms that characterise a particular organisation.

All these definitions, and those of others who work in the management and behavioural sciences, leave one convinced that culture is indeed a “first principle” of organisational functioning. That even though it is not concrete, corporate culture is surely a potent force that either fosters and supports or impedes and frustrates the mission set by the group. If one accepts these definitions, then it can be seen that all the overt and subtle patterns of behaviour in organisations weave themselves together to create an unmistakeable personality and identity for the organisation. This personality endures over time, and it is this time-wearing quality that is both the blessing and the curse of culture as an attribute of organisational functioning. If the organisation succeeds over time, this abiding culture is identified as deeply embedded causes of its capacity to not only cope in challenging times but also to thrive and prosper. The organisation’s ability to resist forces that would sap its energy, distract from its mission or weaken its brand are all positive characteristics attributed in the same final analysis to its culture because that is how we do things around here, e.g. Aditya Vikram Birla Group.

If an organisation fails, its culture can be blamed for being change-resistant, closed to new ideas, lacking an innovative spirit and too slow to respond to fast-changing customer needs. Culture is thus seen as closing the windows on life-saving information that would allow the organisation to recognise and deal with environmental forces...
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