

Reading: Who is Responsible for Corporate Culture?

How should a director think about the “corporate culture” of the company on whose board he or she serves?

Consult a management text on organization culture and you’ll find a chapter or more of definition which boils down to something like “*a pattern of shared basic assumptions.*” Peter C. Browning, dean of the business school at Queens University, North Carolina says: “*Every organization has a culture which manifests itself in everything from entrepreneurship to risk-taking all way the down to the dress code.*”

1. (G) In some cases, it can do both. Recall how IBM’s **insular**, conservative culture first helped the company **soar** to success – and then nearly destroyed it before a new CEO, Louis Gerstner, arrived in 1993 and saved the company.

Browning considers corporate culture an important part of a board’s responsibilities. And he’s not alone. In a recent survey, an overwhelming majority of directors say that culture has a powerful effect on their company’s ethics, risk-taking, and bottom-line performance. **2. ()** Furthermore, 79% say they believe a board can alter a company’s culture.

Even so, many directors are less comfortable dealing with issues of corporate culture than they are with more easily quantified concepts like profitability or market share. Says Edward Lawler, a professor at the University of Southern California: “**3 ()** *An understanding of corporate culture is one of the main things missing on boards, but they really need it if they’re going to monitor what’s going on inside the corporation.*”

So, what should directors be doing to evaluate corporate culture, and what actions can they to influence it?

Peter Browning’s favorite example is Nucor, the steel company. Nucor’s culture, which he describes as “*extraordinary powerful, effective, and unique,*” can be traced back to the values and vision of its legendary founder. F. Kenneth Iverson. The Nucor story –of an egalitarian, collaborative, high-performing business that’s been consistently profitable in a notoriously tough industry –has been recounted in dozens of newspaper and magazine articles and books: **4. ()** Although the company earns \$6.3 billion in revenues and has 9,900 employees, it has fewer than 60 people in management. There are no company cars or corporate jets. The company offers four-year scholarships to children of employees to help them pursue higher education or vocational training after high school.

When business is slow, Nucor reduces hours but doesn’t make workers redundant. There’s a highly effective incentive program.

5. () Ditto for the shareholders: Nucor’s total return to investors last year was 37.9%, better than almost two-thirds of the other companies in the Fortune 500.

To ensure that Nucor’s collaborative, trusting culture continued, Browning recounts how he “*went out and visited innumerable factories. I walked around, talked with people on different shifts.*” Then he made sure the other non-executive directors did the same.

6. () “*It was important for the board to get to know the culture so that we could support the next generation of management as they move forward, while preserving the values that really distinguish this company.*” Browning says.

Reading

1. Read this passage fairly quickly and find out:

- a) who is responsible for influencing the culture within a company?
- b) how company culture affects a company's performance.
- c) what weakness many companies have with regard to corporate culture.

2. Choose the correct sentence (A-G) from for each gap in the text (1-6). There is one sentence you will not need.

A. The result is that employees have come to trust management and share its vision.

B. And having a supportive culture can produce surprising gains in terms of productivity.

C. CEO, Daniel R. DiMicco, answers his own phone and email and shares an assistant with CFO, Terry Lisenby.

D. Most boards are poorly equipped to deal with their organization's corporate culture, because their staffing is not right.

E. The entire board now goes once every year to a mill or plant and spends two days observing operations and talking to workers and managers.

F. When asked to rate its importance for these issues on a scale where 1 equals "greatly affects" and 10 means "no effect", the respondents ranked corporate culture at 1.

G. It can be a very powerful influence for good, or it can get companies in lots of trouble.

Find out meaning of the following words and provide examples:

Example: 1). DITTO

noun

the same thing again (used in lists and accounts and often indicated by a ditto mark under the word or figure to be repeated).

INFORMAL

used to indicate that something already said is applicable a second time.

"if one folds his arms, so does the other; if one crosses his legs, ditto"

Origin

LATIN ITALIAN TUSCAN

dictus —→ detto —→ ditto
satis —→ said —→ in the aforesaid (repeated)

early 17th century

early 17th century (in the sense 'in the aforesaid month'); from Tuscan dialect, variant of Italian detto 'said', from Latin dictus 'said'.

Translate Ditto to: Spanish

1. Idem

Internet Slang Term

"Ditto"

The internet slang term "ditto" means the same, also, me too or I agree with you.

Origin of Gooch:

The term "ditto" has been in use since the mid-1700s as part of everyday speech. The word is derived from the Italian word "detto" meaning to say or said. The term began as a noun and gradually became the adverb that we know it to mean today. "Ditto" is one of the words that has carried over from one realm to another while maintaining the same general meaning.

Example Conversations

A text exchange between two friends:

- **Friend 1:** *After this Christmas season is over, I am taking a long vacation.*
- **Friend 2:** **Ditto!** *Work has been crazy! Yesterday no one in the store got any break at all!*

Example: 2). Insular

Example: 3). Soar

Matching Activity: Business English idioms, expressions and phrases

1. A long shot ()	a) When things are highly uncertain when a decision has not been made yet. Example: We were hoping to sign the contract by the end of the month, but there are still too many things up in the air we need to deal with first.
2. Back to the drawing board ()	b) To learn the basics of a profession, a specific task or activity. Example: It took her a while to learn the ropes, but now she is confident, and we feel that we can count on her to manage her client portfolio effectively.
3. To corner the market ()	c) The process of learning, usually from trial and error. We often say that there can be a steep learning curve, which means that one must learn things quickly to meet the requirements of a specific job. Example: There was a steep learning curve when I started out trading stock options, but I now feel like I'm finally getting the hang of it (another idiom which means to master something).
4. Hands are tied ()	d) This phrase comes from sports, like basketball for example when a player is trying to shoot from a long distance. It means something unlikely to happen. With very little chance of success. Example: Getting a senior position in the corporation one day is a long shot, but if you don't try, you'll never find out if it's possible.
5. Up in the air ()	e) To control enough quantity of a product or service that enables one to then change the market price willingly. It can also mean to be the only one making or providing a given product or service. Example: Intel has pretty much cornered the market of microprocessors for servers. Their direct competition, AMD, is a distant second.
6. To learn the ropes ()	f) An expression that comes from boxing. To swing means to throw an arcing punch. The expression refers to someone who fights to the very end, who never gives up until it's completely over and there is no possibility of victory. Example: The future of our company is uncertain due to our massive debt, but I can guarantee that we will go down swinging, whatever happens, we will not give up easily.
7. A learning curve ()	g) This expression means to start something again from the beginning because it's not working as you would have liked or expected. Example: This project is not going as planned, let's get back to the drawing board and fix what's going wrong.
8. To go down swinging ()	h) When you are unable to carry out any meaningful action because of regulations, rules or other people with authority. Example: I wish I could help you cut through all this red tape (another business idiom meaning administrative procedures) but my hands are tied. My boss won't let me.
9. To cut corners ()	i) To start something from the very beginning, unfortunately, it can also mean that no progress has been made on your current project, therefore you are back to square one. Example: We tried our best to find the right sources and materials for the project, but unfortunately, we couldn't find anything relevant, so now we are back to square one.
10. To get down to business ()	j) To update someone on the current situation or to give them all the necessary information to allow them to complete their task or fulfil their mission. Example: Why don't you come to the office, and I'll take the time to get you up to speed before we go to the meeting.
11. To get someone up to speed ()	k) To touch base with someone means that you will contact them. Example: I will finish the project I am currently working on and then we can touch base later in the week.
12. It's not rocket science ()	l) Almost the opposite of the book. This means to do things most quickly and cheaply to save time and money but often compromising quality and bending the rules (another expression which means not strictly following all the rules). Example: The company's decision to cut corners ended up costing them dearly when they got caught red-handed and had to pay a huge fine for committing fraud.
13. To touch base ()	m) To start getting serious about something. Example: We've wasted enough time debating on the official launch date. Let's get down to business now, we have work to do.
14. In a nutshell ()	n) To summarise something into as few words as possible, as small as a nutshell. Example: This week's business meeting was, in a nutshell, extremely productive and informative.
15. Back to square one ()	o) Something not very complicated. Example: I don't understand why there are so many mistakes in this report. It's not rocket science!