

University of Ljubljana

FACULTY OF  
ECONOMICS

# How to support organizational culture through motivation and reward systems

dr. Nada Zupan



Workshop: Organizational culture,  
Macedonian HRM Association, 15.4.2011

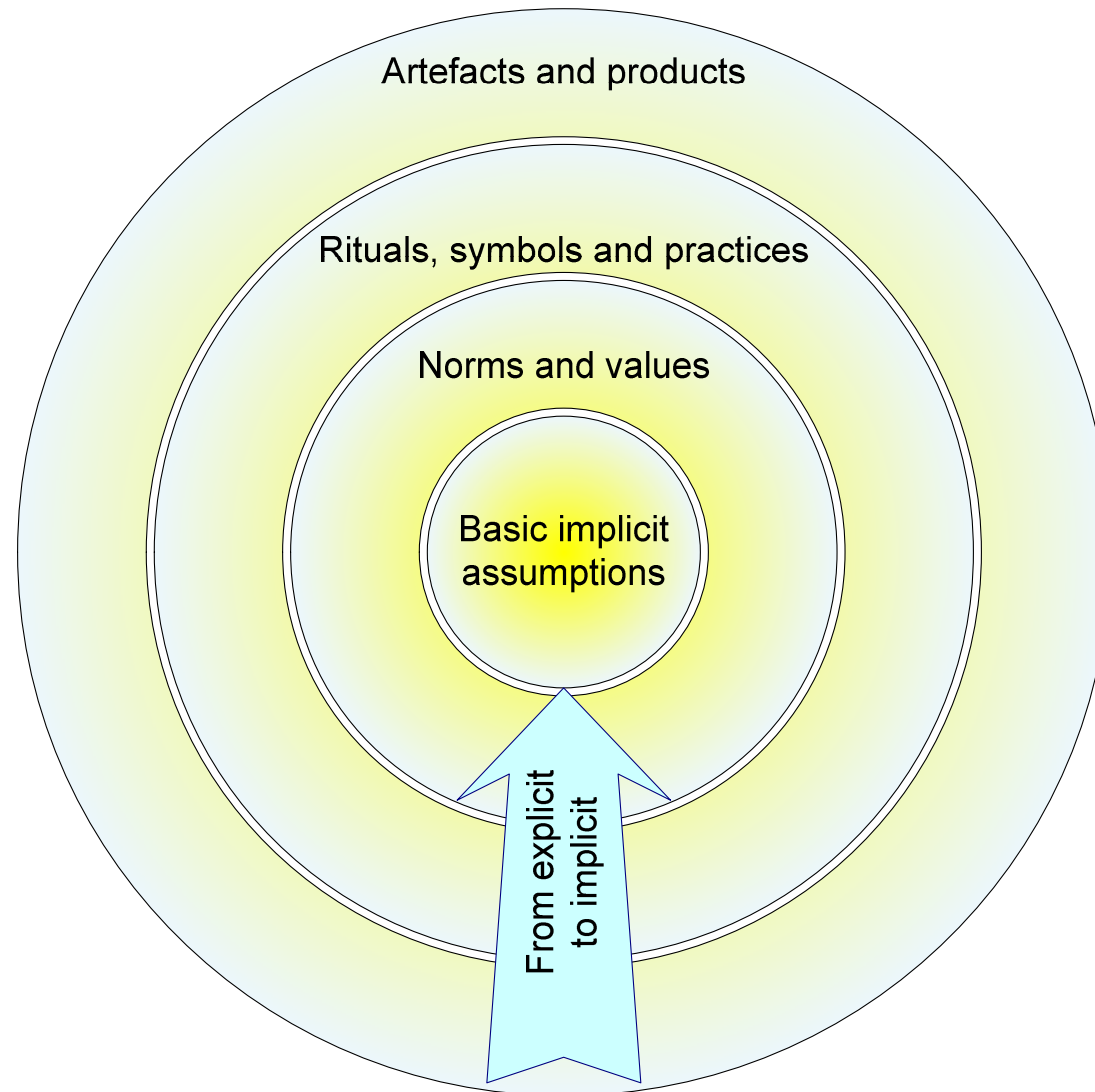
# Agenda

- Understand the role of organizational culture
- Mission, vision and values
- Keeping culture alive
- The role of motivation and reward systems in supporting organizational culture
- Organizational culture and HRM professionals

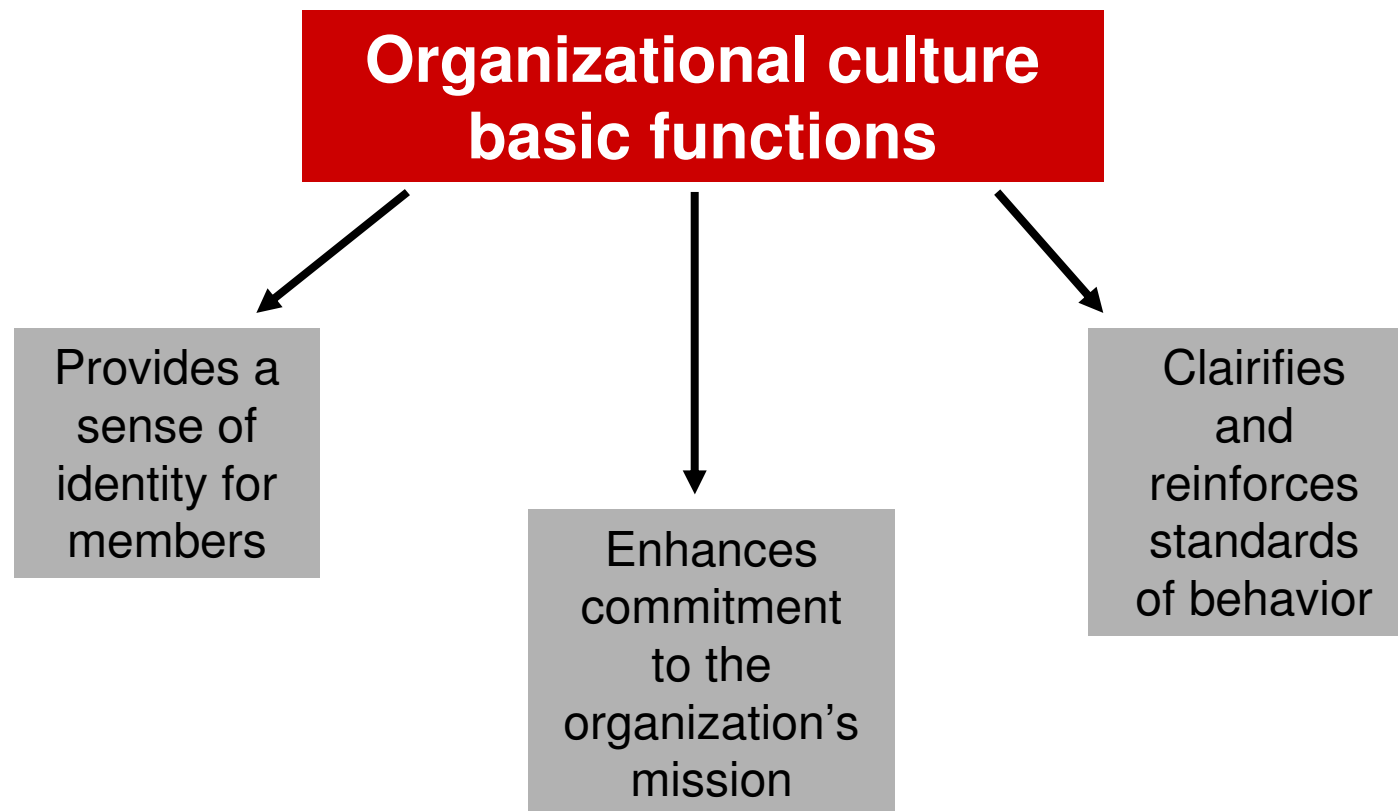
# The concept of organizational culture

- The basic ***assumptions, shared values*** and ***beliefs*** that *guide* the way organizational members *behave* toward each other and *approach* their work.
- Culture is the **social glue** that helps hold an organization together by providing appropriate standards for what employees should say or do.
- Culture is the **mental programming** of the mind that distinguishes members of one group from another.
- Organizational culture is the **personality of the organization.**

# Culture comes in layers



# The Basic Functions of Organizational Culture



# Culture as a Liability?

- Barrier to change
- Barrier to diversity
- Barrier to innovation
- Barrier to acquisitions and mergers

# Elements of organizational culture



# Every organization has organizational culture...

...even if they didn't intentionally spend even one minute to create it!

How do we know what is our organization's culture?

- Which 10 words would you use to describe our company?
- What is really important in our company?
- Who gets promoted?
- Which behaviors get rewarded/punished?
- Who fits and who looks out of place?



# What is the culture of Macedonian HR Association?

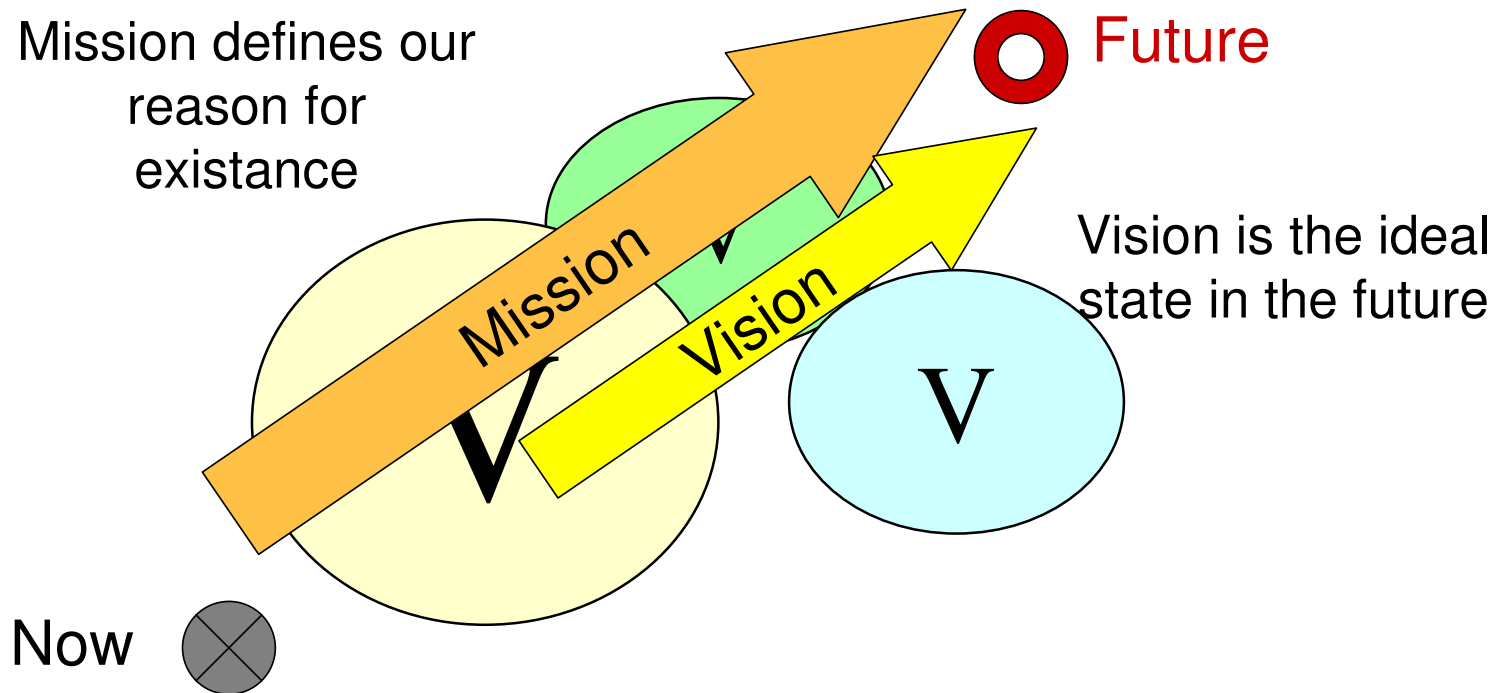
- Which behavior is valued?
- Which values are shared among memeber?
- Which title of the movie or song would best describe Macedonian HR Association?

# The sources of organizational culture

- National culture
- Dominant leader (founder)
- Type of business & environment

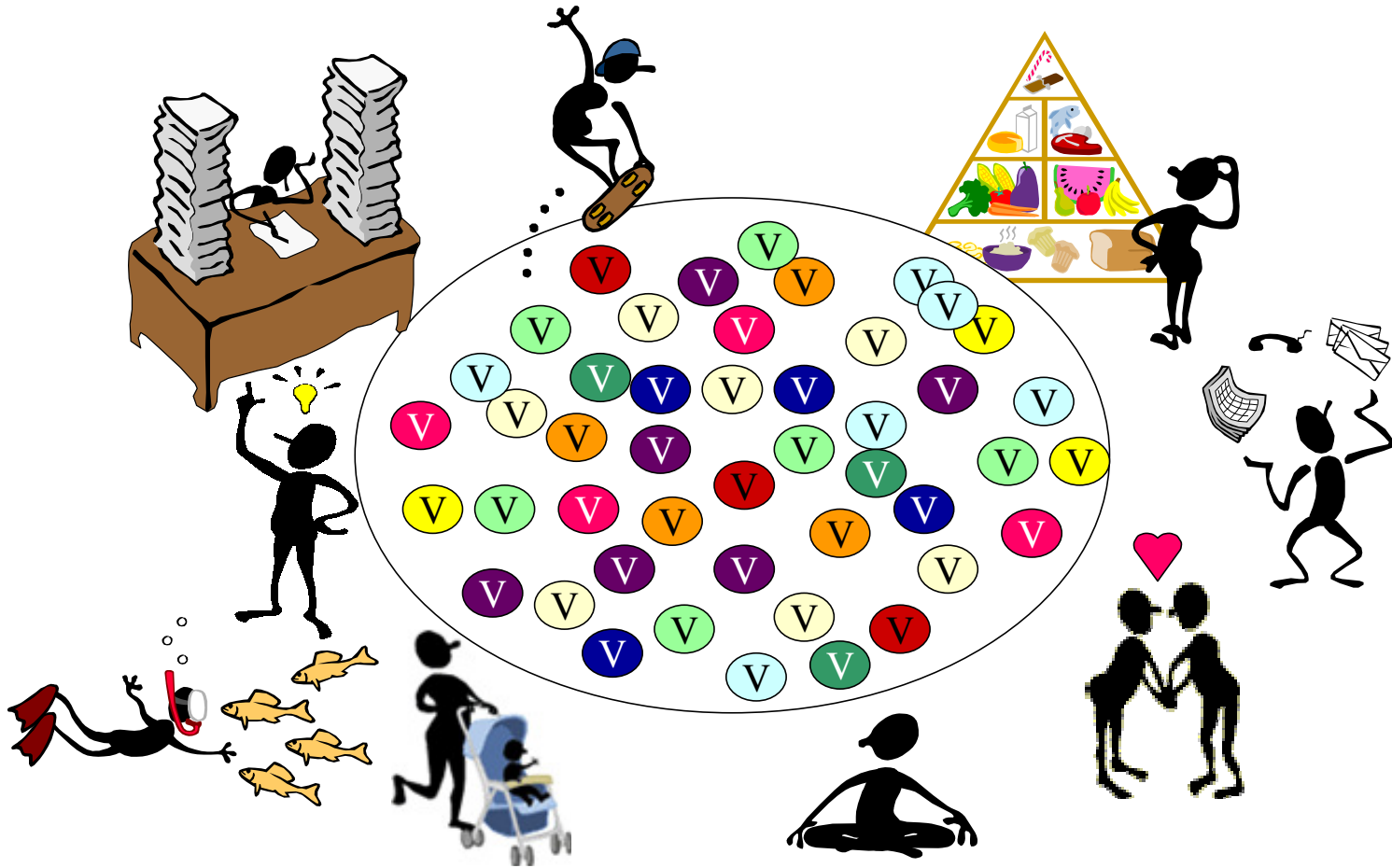
- Influence of a dominant leader
- Company history and tradition
- Technology, products and services
- The industry and its competition
- Customers
- Company expectations
- Information and control systems
- Legislation and company environment
- Procedures and policies
- Reward systems and measurement
- Organization and resources
- Goals, values and beliefs

# Mission, Vision and Values



Values reveal what is valued the most and what are guiding principles in order to fulfill our mission.

# People in organizations have different values!



# Some values become dominant – spontaneity or intentional actions?

Top down

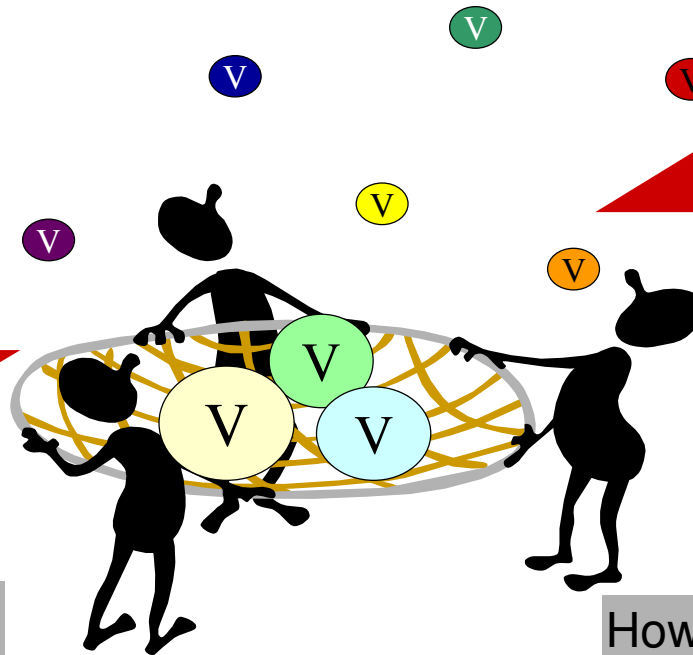
Founder/leader  
sets core values  
following  
his mission  
And vision

How to transfer core values  
to the employees

Bottom up

Core values  
reflect what  
employees  
perceive as  
being valued

How to assure that core values  
match mission and vision



# Why is it wise to develop clear organizational values?

- Only those values which are congruent with our mission and vision will contribute to value creation.
- In a constantly changing world clear values provide stability and framework for making decisions.
- With commonly shared values it is easier to cope with challenges and problem solving is more efficient.

# Most Frequent Corporate values

## Slovenia

Teamwork and co-operation  
Knowledge  
Creativity  
Integrity  
Innovation  
Communication  
Personal development  
Safe working environment

## USA

Customer satisfaction  
Ethics/integrity  
Accountability  
Respect for others  
Open communication  
Profit  
Teamwork  
Innovation  
Learning  
Positive work environment  
Diversity

But!

Writing down values does not create any  
value -  
unless values become part of every day  
life in an organization.

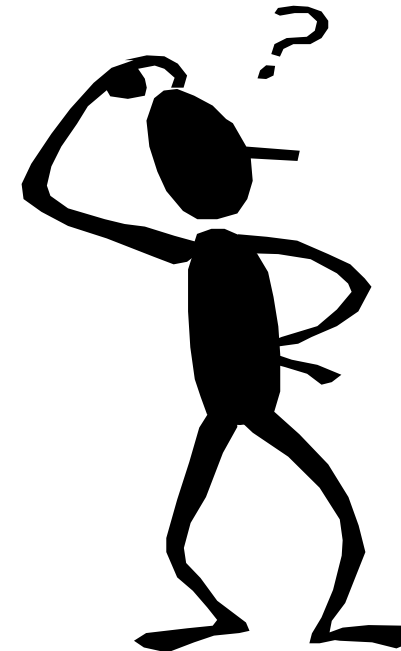
We have to see, feel and smell them in  
everything we do!



# When values remain only words on a paper – case 1

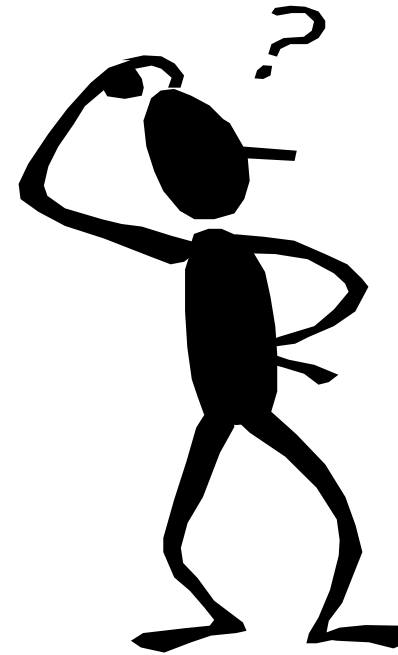
Top management participating at a strategic workshop remembers only that they have 7 corporate values, they do not know what they are!

Luckily, somebody found the document in the drawer ...



# When values remain only words on a paper – case 2

One of the written corporate values is knowledge – but board members do not come to a training program prepared for top management team!



# When values remain only words on a paper – case 3

## Written values:

- *knowledge, innovation, initiative*
- *teamwork and knowledge transfer*
- *positive attitude towards work, co-workers and company*
- *positive orientation*
- *adaptability to change*

## Employee survey on what is valued in the company:

- productivity
- obedience
- diligence
- compliance
- 24 hours availability
- loyalty

### One employee comment:

You have to be:  
diligent as a bee,  
hardworking as a horse,  
loyal and obedient as a dog.



# Southwest Airlines

*What do you LUV  
about your job?*



"Think of this as an adventure not just a job." -- Travis

"Fun! Fun! Fun! What a great job! Go for the best - fly with Southwest!" -- Sandy Collard

"Working for SWA is being able to color outside the lines, being able to be yourself and have fun!!" -- Vicki Simmons



**Chairman, President & CEO**  
**Herb Kelleher**  
**Southwest Airlines**





# Zappos

- The biggest online shoe store
- CEO philosophy – Tony Hsieh: "if we get the culture right, then everything else, including the customer service, will fall into place."





# Zappos

Annual 480-page "Culture Book," which is composed of two to three paragraph entries from employees describing Zappos' company culture.



# Strengthening of Organizational Culture



# Keeping culture alive

- **Company rituals & ceremonies**
- **Stories**
  - Describe real people
  - Assumed to be true
  - Known throughout the organization
  - Are prescriptive
- **Company heroes**
- **Language & symbols**
  - Slogans
  - Written principles
  - Code of conduct
  - Dress code
  - Status symbols
- **Physical layout**



# Keeping culture alive – the role of motivation and reward systems

- Motivation and rewards systems should build on values and support desired behavior
- We need to pay attention to:
  - Elements of motivation which company promotes
  - Relationship between reward & punishment
  - Reward criteria – what do we reward
  - Reward types
  - Reward ceremonies

# Mary Kay Cosmetics

"Make me feel important"



*"I envisioned a company in which any woman could become just as successful as she wanted to be. The doors would be wide open to opportunity for women who were willing to pay the price and had the courage to dream."*



"God first, family second and career third,"



# Mary Kay Cosmetics - Motivation & Rewards

<http://www.marykay.com/company/jobsatmarykay/default.aspx>

- training, leadership and mentoring programs
- life long benefits
- rewards for best sales personnel



<http://www.marykay.com.ph/mkpweb08/SellMaryKay/RewardsRecognition.asp>

# Semco



## The business revolution

- ❑ Employees, acting as partners and associates, make all their own decisions.
- ❑ They evaluate their managers every six months.
- ❑ They're even encouraged to start their own companies.
- ❑ Potential managers are interviewed by the people who will be working for them.
- ❑ All have access to company books.
- ❑ No first-class and second-class citizens.
- ❑ Managers set their own salaries, bonuses.
- ❑ No formality: a minimum of meetings, approvals and memos.
- ❑ Shopfloor workers set their own productivity targets and schedules.
- ❑ Managers take turns to operate as chief executive.
- ❑ "The truly modern company avoids an obsession with technology and puts quality of life first."

**RICARDO SEMLER**  
*Maverick\**

\* The story of Semco, the pace-setting Brazilian company: an example of choosing a book by a practical achiever. Published by Arrow, London.

# Semco – Employee Powered Leadership

## Empowerment and decentralization

- Employees decide about projects – the only condition to start is to get enough people to support the idea
- Employees set their own goals
- Employees set their own pay
- Profitsharing
- Employees choose new hires and who to fire
- Employees choose their work equipment and design their workplace

**Treat employees as adults capable of making decisions**



<http://www.youtube.com/watch?v=gG3HPX0D2mU>



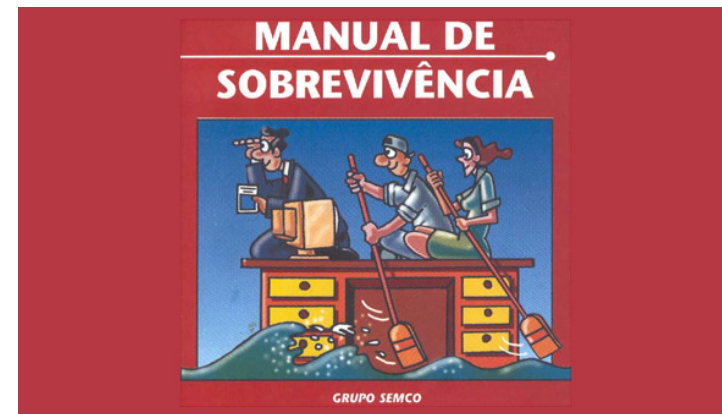
# Semco

<http://semco.locaweb.com.br/en/content.asp?content=3&contentID=566>

- flexible hours – employees decide when and how they will be working
- changing workplaces
- employees can live “boring” meetings

## Special programs

- Retire a little bit
- Out of your mind committee
- Date Semco



# Trimo mission

**Our basic mission is to deliver original and complete solutions to steel building construction**



# Trimo Values

<http://www.youtube.com/watch?v=bwKQOG7mkDU>



<http://www.youtube.com/watch?v=bwKQOG7mkDU>



# Trimo - We live our values



## RESPONSIBILITY

I take full responsibility for my work, actions, behaviour, and mistakes. I establish goals and take on assignments with full responsibility. Thus, they become my concern, and I do everything that I can, and involve my colleagues, in order to finish the job and achieve my goal.

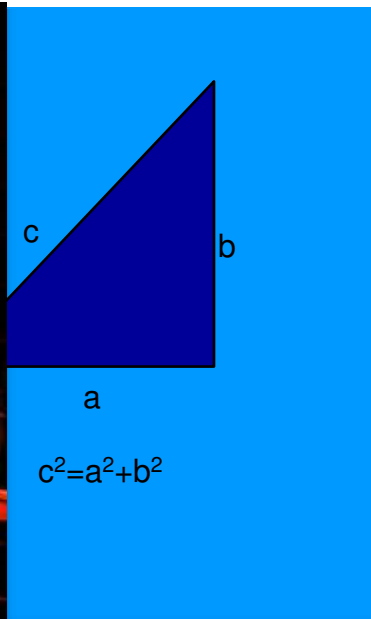
## PARTNERSHIP

I develop relations with the staff and clients. My choice is to be a partner and help in every situation. This relationship provides me with power, energy, and that special something that I could not obtain on my own. **I feel trust and support**, and I provide them to others.

## INNOVATIVENESS

Innovation is transformation of ideas into a new value. I change ideas into new products, processes, approaches, models, services, and technologies. This is how I generate a new value for the customer. To be able to innovate continuously, I walk with my eyes open; I keep changing, learning, and improving.

# Trimo - We live our values



## PASSION

Yes, I want. It gives me the energy to overstep boundaries of the possible. I do more and better, and I enjoy doing it. When I work with passion, nothing is too much; I remain focused on the target, and I am prepared to invest everything I have in achieving this target.

## RELIABILITY

I do what I say I will do. My colleagues and business partners can rely on me. **My word counts as a formula.**

## TRUST

Trust starts with a positive thought I carry in me. The first one you can believe in is yourself, then colleagues, the company's success, possibility of development, good co-operation, and mutually developed solutions. **When we trust each other, we are strong.**



# Trimo Leadership Tim





# Trimo employee



- We are creating an atmosphere of cooperation and achieving a balance of interests.
- We want to be recognised for our quality and professionalism in all business areas.
- We want to be the first choice and, therefore, operate according to the highest ethical standards.
- We are actively designing a work environment in which all employees have a number of challenges to stimulate professional and personal growth.

# Trimo employee



- All employees are aware of their personal responsibility for the success of the company and like to take initiative for their personal development, the development of their department and the company.
- We are open and receptive to changes and regularly encourage improvements.
- We think positively.
- We nurture a people-friendly atmosphere and are supportive to our colleagues, considerate towards our customers and are actively involved in the life of the community in which we operate.
- We are punctual and keep to our agreements.
- We are proud to be part of the Trimo team.



# Trimo Motto of the Year

- 1992 – A satisfied customer is bringing the highest profit
- 1993 – A settled business system ensures repeated quality
- 1994 – A lean organizational structure and new approaches of rewarding and promoting of employees are encouraging development
- 1995 – Process of continues improvements
- 1996 – Trimo takes care of its assets and tidy factory
- 1997 – Trimo business excellence is our common objective
- 1998 – Trimo value are patents and trademarks
- 1999 – Trimo takes care of the environment
- 2000 – Changes are becoming challenges
- 2001 - Trimo creates trends
- 2002 - Trimo nurtures talents
- 2003 – Innovativeness of processes
- 2004 - Innovativeness and creativity
- 2005 - Competent and satisfied employees create enthusiastic customers
- 2006 - Employee loyalty is the solid groundwork for Trimo's existence and development
- 2007 - Innovativeness for sustainable growth and development of Trimo
- 2008 – Excellent execution accelerates our development
- 2009 – Just do it. The best you can.

<http://www.trimo.eu/work-with-us/competitions/boldest-idea/>

## DARE YOU... THINK DIFFERENTLY?

Trimo R&D organises an internal contest for Trimo creativity award.

### AWARD FOR THE BOLDEST IDEA.

**The first prize is a trip for two to New York, USA, with a visit of the world's first nuclear submarine, USS Nautilus.**

The purpose of the contest is to encourage an innovative, different, unconventional thinking of all the employees, to create an innovative atmosphere, to actively include the employees into thinking about the spheres of work outside our everyday scope of work, to search for fresh ideas, to encourage people to start thinking differently... in short, to create a company climate, where thinking differently would be a quality, not an impediment!

#### Areas of the contest:

- Proposals for new products from the areas of the already existing Trimo activities;
- proposals for new products from the areas outside the existing Trimo activities - eventual expansion of Trimo activities (entertainment, relaxation, sports, toys, car industry, components for the car industry,...);
- proposals for new innovative processes, organisation of work, way of planning,...;
- other more or less bold, fresh ideas...

The contest is intended for individuals and is anonymous. All the employees of Trimo, those, employed in representative offices and Trimo selling companies except members of the board can participate in the contest.

The Trimo employees hand over the proposals in the canteen, at the place marked for the submission of proposals. Upon the submission, the first part of an identification label is to be stuck on a proposal (envelope, paper, box...). The other part of a label is to be kept by an individual for identification in case selection.

The employed in representative offices and Trimo selling companies should open a special e-mail address under a pseudonym on [www.yahoo.com](http://www.yahoo.com) (e.g. zimal@yahoo.com) and submit their proposals from this e-mail to an e-mail: [boldestidea@trimo.si](mailto:boldestidea@trimo.si), from which they will receive the confirmation of the receipt of their proposal and an identification number, under which the commission will grant awards.

The proposal in the Slovene or English language shall be in a form of sketch, text, drawing, photography, model or photography of a model, or a combination of the possibilities enumerated.

The material which could not be handed over to a box, should be left in a Reception. The form, contents and design of proposals is left to the creativity of an individual. The goal is to present one's own idea as convincing and understandable, as possible.

**Beginning of the contest: Tuesday, 28 November 2006**

**Deadline for the submission of proposals: Wednesday, 13 December 2006, until 15:00.**

**Granting of awards: at the new year's celebration, (Friday 22 December 2006) at Trimo, Slovenia.**

**Information for the contestants from abroad: in case you will be selected to the finals, you shall be informed online on yahoo.com by 15 December 2006.**

Miloš Ebner, Chairman and the Members Tatjana Fink, Danijel Župenčič, Tomaž Poptič, Bojan Adamovič Jug and Maja Lepajne, will select the person awarded on the basis of the following criteria:

- Originality of an idea, level of innovativeness, freshness of an idea and newness in the existing practice,
- persuasiveness of the proposal submitted,
- potential financial effects of the proposal and
- potential feasibility.

The selection of the board will be final. It is not possible to enter a complaint against the board's decision, unless in case of authorship assessment.

#### 1. AWARD:

**The first award is a trip for two to New York, USA, with a visit of the first nuclear submarine in the world, USS Nautilus.**

The proposals, selected to the finals, shall be granted symbolic prizes.

Prizes cannot be redeemed for cash.

The rules on the contest can be inspected online on the Internet and Intranet, Trimonet and in the Legal Department of Trimo d.d.

So:

**DARE YOU...  
THINK DIFFERENTLY?**



# Trimo Events

- Open day
- Sport's day
- Day of environment
- Reward ceremonies







**Motto**  
Just do it.  
The best you can.

**Vision**  
We will become the leading European company offering complete solutions of steel buildings

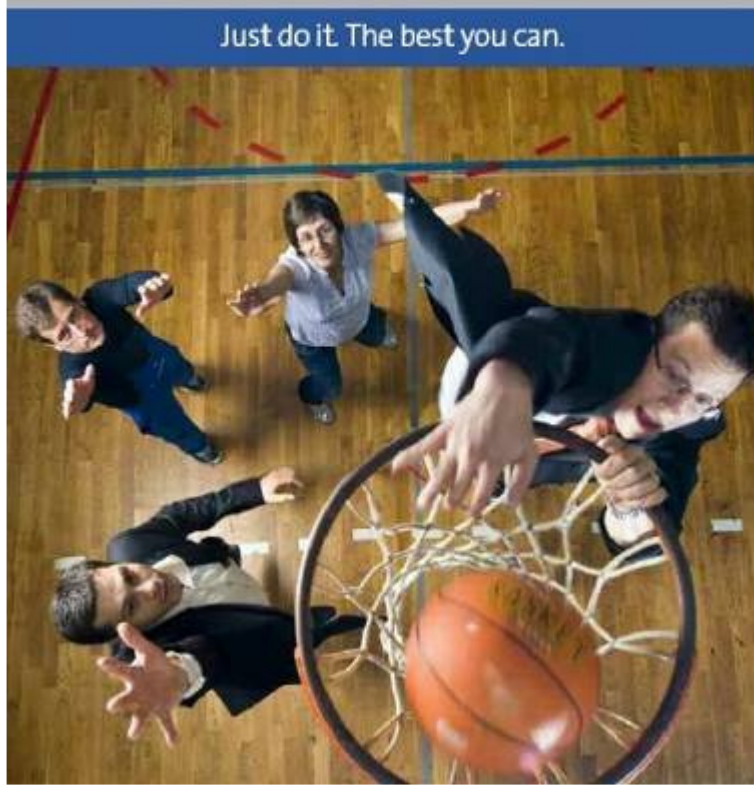
**Mission**  
Our basic mission is assurance of original and complete solutions of steel buildings

Trimotim

TRIMOTIM

06/2009

TRIMONFORMER

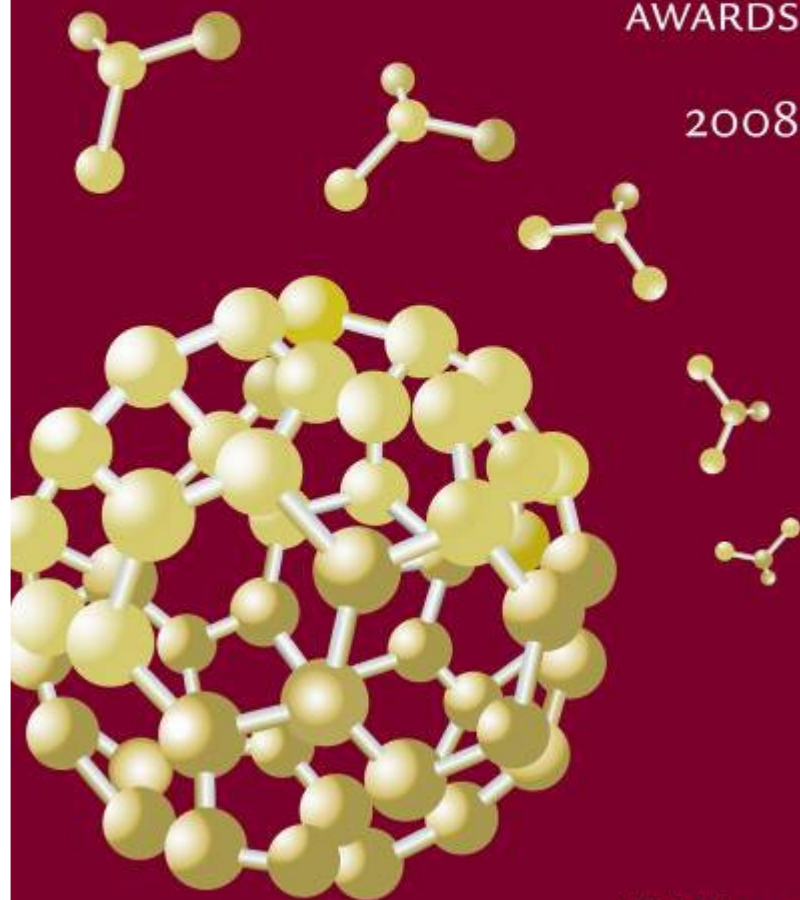




7. TRIMOVE  
RAZISKOVALNE  
NAGRADE

7<sup>TH</sup> TRIMO  
RESEARCH  
AWARDS

2008



 Trimo





# Trimo Architectural Awards



 Trimo

Trimo  
arhitekturne  
nagrade 2005  
za izvirno  
izvedene rešitve s  
Trimo proizvodi

Trimo  
Architectural  
Awards 2005  
for Most Creative  
Performed Solutions,  
using Trimo products



# The role of HRM professionals in keeping organizational culture alive

- Company values are our guidelines to make decisions which HRM activities and methods are the best.
- Develop employer brand & make the culture visible
- Different HRM activities can effectively help keeping organizational culture alive: selection, socialization, training, leadership development, talent management, employee retention, compensation and reward systems, communication ...
- By observing undesired behavior (mis-behavior) and reacting properly to eliminate it we can foster company values and culture.
- **We set example with our own behavior!**

# Kontakt

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