

Corporate Culture Exercise (2 1/2-4 pages)

This exercise is to determine the personality of a corporation, what the leaders want to achieve (driving force) and the way they structure their business (strategy) which affects the way workers live day-to-day and long term.

To complete this fill in the following rubric (use both the write-up and the pictures):

1. What is the name, location, type of business, and business structure (privately held, stock held, profit, non-profit).
2. What is the goal (driving force) of the business; what do the owners want as their return? (remember for-profit businesses' goal is **not** to serve customers. That is perhaps part of their strategy).
3. What elements of appearance and physical setting, including traffic pattern do you see in the pictures and from the write-up?
 - 3a. What does this tell you about the goals of the business, whom management values, etc.?
4. What does the company say about itself and what does that tell you about what management thinks is important?
5. How does the company greet strangers and what does that tell you about what management thinks is important?
6. How are people compensated and what does that tell you about what management thinks is important?
7. What do employees say about their workplace (interviews) and what does that tell you about what management thinks is important?.
8. How do employees and managers people spend their time, how do they dress and what does that tell you about what management thinks is important?.
9. Do you see any glass ceilings to promotion and success (that is, where you see people like yourself (at all?; in what jobs?; how often promoted?)?)
10. What is their business strategy (model) to succeed?
11. What is their strategy in dealing with employees to make sure they succeed according to their business model?

Pennsylvania-Western Insurance We have a Tradition of Insuring Profitability for You.

Pennsylvania Insurance was founded in 1865. In 1981 it merged with Western Insurance, and moved its offices to Dallas Texas (see picture pages). The company specializes in liability and investor insurance for banks, investment houses, and large manufacturing companies. It has been a very profitable company, yielding high stock prices and good dividends. At this point they insure over \$500 billion dollars in assets. The company put out a stock offering in 1982, transforming it from largely family-held companies to a stock-held corporation. When the company moved they decided to split operations into two separate buildings, one for upper management with the lower floors rented to other companies' executives and the other for the middle managers and the workers: account servers, accountants, tech workers, advertising agents, etc.

Reflecting this split in operations, the way the company decided to design the two buildings is quite distinct. According to the Vice-President of Operations, the keyword for the worker building is function. He was quoted to say, "We think if workers see each other work, it encourages them to be more productive." The workers' floors are ringed by small offices of their immediate supervisors. Most of these people rose from the general workers rank. The supervisors report to the middle managers on the next floor up. These middle managers are responsible for putting the policies of the senior management team into practice, and sending reports on performance by the new computer center to the senior managers in the other building. The company provides what one senior manager calls a "cheery lunchroom." for the employees, but the lunchtimes of those employees have to stagger their lunch times because there are too many to fit at any one time. Middle managers mostly eat at a different time than the accountants and account servers. A warm meal at subsidized prices is offered, but the choices are limited. Many employees bring a bag lunch and buy a drink. In addition, the company has set up a call center in India, based on the same ground plan as the accountants' floor. A few hundred Dallas-based employees were let go because of the lower salaries and no benefits of the Indian center. There is no reception area in the workers' building. Only potential employees visit there and they are told to go directly to the Human resources office on the Middle Managers' floor.

The second building is quite different. The reception area for potential customers and vendors is bright and sunny. A person who was a middle manager staffs the desk and directs visitors to the appropriate office. Reflecting the company's history, the executive building is filled with artifacts and pictures, many from the Pennsylvania Company's past. The executive dining room is luxurious with teak wood paneling. An executive chef is drawn from local restaurants. The CEO's office is a model of design. It cost a million dollars to furnish.

The CEO, great great grandson of the founder of the Pennsylvania Company, is highly regarded in his field and participates in many high society events and the Chamber of Commerce of Dallas. He recruits most of his senior management team from Ivy League

educated people in his social circle from around the country. Two of the senior executive team were the CEO's classmates at Harvard. The company is a great contributor to the Dallas Museum of Art and the Dallas Symphony Orchestra.

The company created a diversity plan in 1995 to recruit people, especially in the middle manager role. The Vice-President for Human Relations wrote in the company newsletter, "We think those who put our policies into effect should represent the wide variety of the peoples in America and the businesses of the countries we serve."

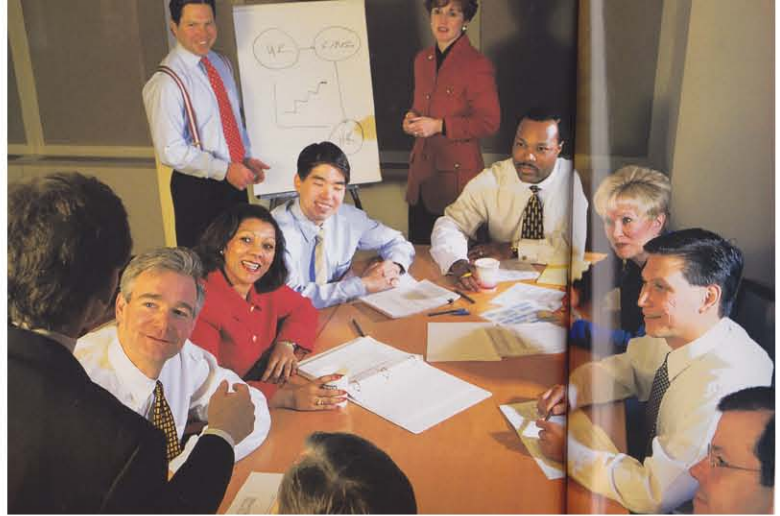
The salary of the CEO is \$8,000,000 per annum, and the senior management team on average makes \$2,000,000. In 1993, the Board created a generous bonus plan for the leadership of the company, which can add another 20% to those salaries. Even in 2008, when the company had to pay out very large sums for failing banks and industrial companies, the leadership team got bonuses. The people who work in the employees building earn the average salary for their positions, plus a medical insurance and childcare allowance, and a subsidy to the 401 (c) (3) investment accounts set up for every employee of about 2% of their gross salary. The Vice-President for Human Relations tasks one of the middle managers to do a salary survey every year to make sure that the salaries in the employees building are at that average, not too high or too low.

Most of the employees of the workers building seem satisfied with their jobs. They are not all happy with the dress code promulgated by the senior management team, since almost no one from outside ever sets foot in the building. One male employee said, "Why do I need to wear a tie; I talk all day on the phone and it restricts my throat." Another employee on the account servers floors was heard to say that, "The company seems to be very stable, and in modern economies having steady work is really important. We are mostly, except those fired when the India center was set up, feel pretty confident we will have jobs next year." Among the complaints heard in the employees building were the lack of variety of food in the lunchroom, the tight spaces in the accountant and account servers' floors, and having to try to coordinate with the India Center. One employee said, "We work really hard, and are always under the watchful eye of our supervisors, and the occasional middle manager who stops down, so we do not see why they created the India Center. One of my few real friends here was let go." Observing workers on any given day, they do seem busy and very focused on the work in front of them.

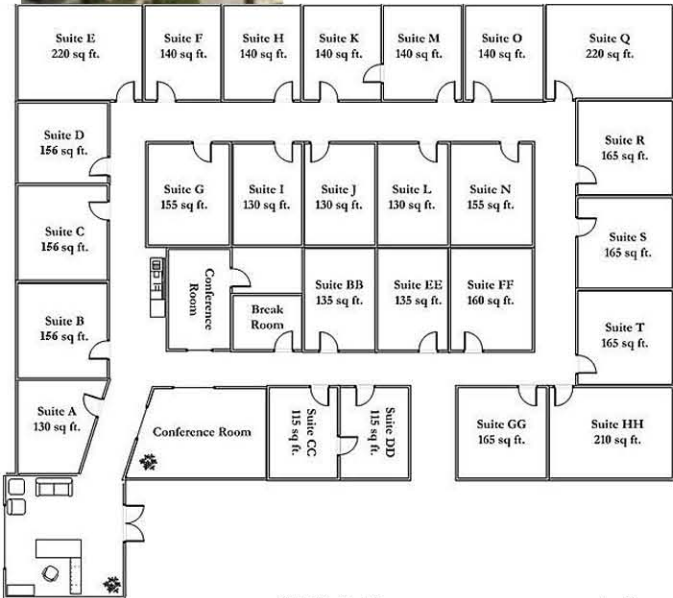
Pennsylvania Western Insurance



Middle manager office



Middle Manager meeting



Middle management floor



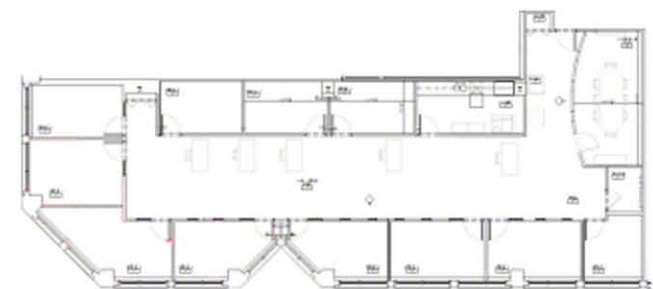
Account servers



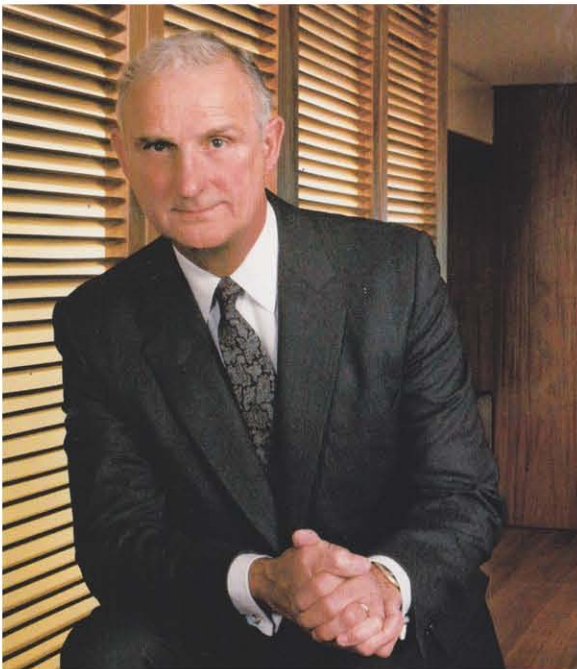
Employee Lunchroom



Accountants



Account Server floor



CEO



Senior Management Team

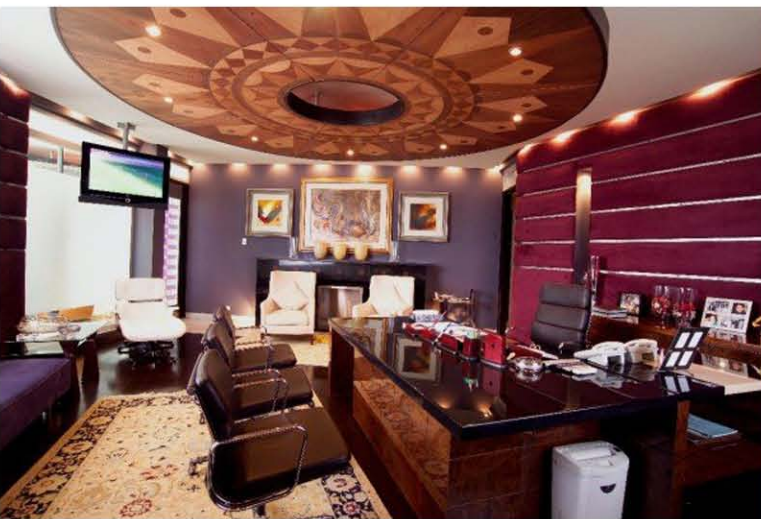


Executive Lunchroom



Board Room

Executive floor



CEO Office

Board of Directors



Reception