Types of Corporate Culture

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Corporate culture refers to the collective attitudes, beliefs, and codes of behavior that prevail among the staff, from top to bottom, of any business. The culture is generated by individuals and their relationships with each other, and by the basic goals, orientation and context of the business. Since resources and technology make it so that no company has a monopoly on any service, culture is one of the most important competitive elements of any business.

Traditional

This is the old-fashioned approach to the corporate environment. A traditional corporate culture relies on clearly defined roles and relationships between workers. Typically, there is a clear chain of command. Orders are given from the top and then implemented without much room for deviation or disagreement. In these types of organizations, procedures are normally standardized and strictly enforced. While this type of culture may sound unwelcoming or unreasonable, it does have its place. For industries or companies that have well-established, tried-and-true methods for conducting business, a traditional culture may actually be the most effective.

Highly Skilled

The name "highly skilled" for a business culture is not to say that other types of corporate cultures do not have highly skilled teams. In organizations with a highly skilled culture, sometimes referred to as a "baseball team" culture, what's prized and focused on is recruiting the top talent -- people who can get results that directly impact the bottom line. This is common in fields in which high-risk operations are the norm, such as financial speculation. Normally, these companies are doing whatever they can to stay ahead of the competition, and part of this is trying to lure big industry names to their businesses. The nature of this type of corporate culture involves constant, revolving-door type change and a high turnover rate.

Innovative

An innovative corporate culture in many ways is the opposite of a traditional one. In this situation, creative initiative and deviation from standard procedure are encouraged among the workers. The hope is that increased leeway, and the permission to take risks and to experiment, will result in creative breakthroughs on the part of the staff. This type of atmosphere is inherently risky because some experimentation will inevitably fail, and the absence of standard procedure could end up wasting enormous amounts of time and resources. Firms that attempt this type of culture must address the question of whether or not the risk gets paid for by the occasional breakthrough.

Social

A social corporate culture draws its strength from collaborative efforts, teamwork, and healthy, trusting relationships among the staff. A social corporate culture often emphasizes taking care of workers. This kind of philosophy holds that it's worthwhile to pay employees a bit more than usual, to recognize and reward accomplishments, and to encourage participation from everyone. This kind of company wants to nurture and develop loyal and skilled team members over time, rather than booting anyone who seems under-qualified. Social businesses are often held together by a sense of meaning, identity and pride that employees derive from their jobs.