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## **IKEA Organizational Culture Practices**

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### ***Abstract:***

*IKEA is one of the leading furniture manufacturers in the world where it have been known as for the stylish, innovative and low-priced furniture. Ingvar Kamprad the CEO of IKEA aggressively maintained his principle and adapt it to be the core value of the company. IKEA is the proof of Ingvar Kamprad glory in business world. However, IKEA organizational cultural practices is in doubt to be the reason of IKEA moving forward. The case discusses IKEA organizational culture that have become IKEA practices from time to time.*

### **1. Introduction**

Ingvar Kamprad are the founder of IKEA where the acronym of IKEA stands for Ingvar Kamprad and Elmtaryd where the farm that he grew up is and Agunnaryd is his hometown. IKEA was founded in Sweden in 1943. IKEA well known with their modern and various types of product with low cost and eco – friendly that have tackle customer heart for ages. IKEA owns and operates 389 stores in the whole wide world and worth 42.9 billion. First IKEA in the world is in Almhult, Sweden but now has turn out to be IKEA Museum. IKEA have a few branches around the world such as Kungens Kurva in Huddinge Municipality Sweden, IKEA in Shen Zhen China, Frisco Texas in United States and so many others. IKEA has set an example of the trendiest, up to date and low cost furniture which wins peoples heart. Ingvar Kamprad is well known as the billionaire who lives in frugality yet succeed in his business which is IKEA. IKEA trust their co – worker and so IKEA innovating their skilled co – worker from time to time.

### **2. Findings**

Ingvar Kamprad is the founder of IKEA where he is one of the billionaire in the world who lives in frugality. Ingvar led his company by his action as the best example that can be followed by his co - workers. Ingvar Kamprad belief that frugality lifestyles would not be wasted and so do IKEA. From the very beginning, Ingvar Kamprad developed IKEA in his own way which now become cultural and values that are shared by the whole company as their principle and key to their success to moving forward. These principles are:

1. Humbleness and willpower  
Where IKEA believed the co-worker need to respect each other including their customer and suppliers. IKEA also believed that using their willpower and innovations are necessary to get things done.
2. Leadership by example  
Ingvar Kamprad are the best of leaders who set an example to his workers by action. His frugality lifestyle shows that he practices his preaches.
3. Daring to be different  
In “Working at IKEA” video in Youtube.com, one of the workers in IKEA state that “*It is about moving; we don't need to run faster but to find better ways; smarter ways to do it*”. Where IKEA workers can come out with a better idea if the old solutions can be questionable and therefore they willing to change if necessary.

4. Togetherness and enthusiasm IKEA believed they need to move as one in the company in order for them to achieve their mission.
5. Cost – consciousness  
IKEA motto to bring a low prices yet quality for the customer and proudly achieve good results with small resources to gain satisfied customer.
6. Constant desire to renewal  
IKEA do change according to their need and customer request. Every changes must come out with an innovative solutions that will saves money and contributes to better life.
7. Accept and delegate responsibility  
IKEA open for any of their co – workers who are creative and innovative and give them chances to develop their skill and promote any co-workers who with potential and stimulate them to surpass their expectations.

### 3. Discussion

*‘Maintaining a strong culture is one of the most crucial factors behind the continued success of the IKEA concept’* (IKEA corporate website).

Ingvar Kamprad are one the respected leaders in the world who are the founder of IKEA, one of the recognisable brand in the world. Ingvar practices frugality in his daily activity into his company IKEA. IKEA trademark is a wide range of well designed, functional home furnishing products at a very low price where in here frugality practices can be seen in IKEA where these specialties are the reason why IKEA becoming as a first choice for the customer compared to other brands. But these practices, it is questionable to the world whether his principle can bring competitive advantages to IKEA?

Kamprad is a businessman who passionate with low prices with quality and for him the only way to develop his business align with his principle which is to keep costs as low as he can. His addiction towards low price push him to always find another way to create a products where he can make a wider selection of the product where customer can choose from the catalogue and this is an advantages for IKEA compare to other traditional distributors who only displayed the readymade furniture.

In 1964, IKEA open their first warehouse scale store in Stockholm where it is unexpectedly receives a lot of customer in their first day. There were so many people to attend which sparked the idea to open the storage area where the customer can come and fetch their order furniture by themselves. By that time, IKEA was the first company who come out with the crazy idea but surprisingly the customer willingly complied with the IKEA new trend.

Kamprad principles is well adopted in the company where in the ‘Working at the IKEA’ in Youtube.com where the workers admitted that IKEA is a place where they can be themselves and be free to express themselves and working as one big family towards company mission and vision.

*‘The culture in IKEA is within each and everyone of us and that we as co – workers within IKEA, create, develop and move the culture everyday that we come to work’* said one of the co – workers in the video.

*‘We are actually living according to the vision we have’* is one of the example where Kamprad values and principles are being adapted well in the company and have been practice from time to time where they to work and move as one where it have become the core competency of the company against others company. Ingvar Kamprad principles has made his co – worker feel self – belonging towards IKEA where this is the essential part of IKEA glory these days.

IKEA focus onto 3 growth aspect, which are:

1. Quality products at low prices  
IKEA believe their design are built for everyone where it is practical, trendy, eco – friendly and the most important thing is the product must be align with their slogan which is ‘Home Is The Most Important Place In The World’ where they want the customer to feel any product that they have purchase must feel right and fit in to their home.
2. People & Planet Positive  
IKEA aiming for a better future where their products are eco – friendly and sustainable to the future use. IKEA also participate in renewable energy in their operation and system.
3. When people grow, IKEA grows too  
IKEA full with people who are straightforward and passion for IKEA product which is home furnishing where their stick to their vision *‘To Create a Better Everyday Life for The Many People’* where this vision is built by their shared humanistic values where it become the guidance of their work and build their inclusive, open and honest culture. This is the core of the togetherness and enthusiasm of the co – worker of IKEA.

IKEA value asset is their co – worker where IKEA belief every co – worker have their own talented skill that can be developed time by time personally and professionally that can be used to help IKEA in achieving it dreams. As IKEA grows, so as their co – worker where IKEA open many opportunities to their co – worker. The co – worker has freedom to practice their own value because IKEA realize with every co – worker value mix up with the IKEA values, it will bring more meaning to whole IKEA structure. Compare to other company, IKEA can be a set of an example where the culture of the company itself work as a fuel for them to go forward for the company.

### 4. Conclusion

To sum up, Ingvar Kamprad principles adaption to IKEA can be seen clearly in every hierarchy of IKEA and proved that frugality as a main principle of IKEA can succeed. Sense of self belonging co - workers to IKEA is one of the impossible thing to be reality in any

company but not in IKEA. Co – workers of IKEA proud to be part of IKEA where this is the part of when the co – worker been given a chance to practice their own values where automatically it turned out to be shared as one in IKEA. Ingvar Kamprad is one of the respectable leader that show his principles through action and become a significant trademark for IKEA to keep moving forward.

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