

# THE MANAGEMENT OF ORGANISATIONAL CULTURE

Lesley Willcoxson & Bruce Millett

## ABSTRACT

Culture is a term that is used regularly in workplace discussions. It is taken for granted that we understand what it means. The purpose of this paper is to identify and discuss some of the significant issues relating to the management of an organisation's culture. As organisational cultures are born within the context of broader cultural contexts such as national or ethnic groupings, the paper will commence by defining 'culture' in the wider social context. This definition will subsequently form the basis for discussion of definitions of organisational culture and the paradigms and perspectives that underpin these. The paper will then discuss the issue of whether there is one dominant culture that typifies an organisation, or whether an organisation is really a collection or sub-set of loosely bound group identities. Finally, the paper identifies some implications for the management of culture management and change.

## KEYWORDS

Organisational culture, management, organisational change

## INTRODUCTION

Culture is a term that is used regularly in workplace discussions. It is taken for granted that we understand what it means. In their noted publication *In Search of Excellence*, Peters and Waterman (1982) drew a lot of attention to the importance of culture to achieving high levels of organisational effectiveness. This spawned many subsequent publications on how to manage organisational culture (eg. Deal & Kennedy 1982; Ott 1989; Bate 1994).

If organisational culture is to be managed it helps first to be able to define it, for definitions of culture influence approaches to managing culture. Defining organisational culture is, however, not an easy task, for while there is general agreement about the components of culture as a broad construct, there is considerable disagreement about:

- ❑ what constitutes organisational culture,
- ❑ whether the culture of a given organisation can ever be adequately described,
- ❑ whether culture management can ever be truly effective and, if so,
- ❑ which management strategies are most likely to succeed.

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Despite the claims of some authors, there are no simple or right answers to these questions and, as indicated previously, approaches to culture management are contingent upon the manager's or change agent's conception of organisational culture.

The purpose of this paper is to identify and discuss some of the significant issues relating to the management of an organisation's culture. As organisational cultures are born within the context of broader cultural contexts such as national or ethnic groupings, the paper will commence by defining 'culture' in the wider social context. This definition will subsequently form the basis for discussion of definitions of organisational culture and the paradigms and perspectives that underpin these. The paper will then discuss the issue of whether there is one dominant culture that typifies an organisation, or whether an organisation is really a collection or sub-set of loosely bound group identities. Finally, the paper identifies some implications for the management of culture management and change.

### **CULTURE IN A BROADER SOCIAL CONTEXT**

In its very broadest sense, culture serves to delineate different groupings of people on the basis of the extent to which each group is perceived and perceives itself to share similar ways of seeing and interacting with the animate, inanimate and spiritual world (Benedict 1934; Kluckhohn & Strodtbeck 1961; Trompenaars 1993). Australian culture, for example, may thus arguably be described as more similar to that of the United States of America than to that of Malaysia.

Cultures are based in history, developing over time as groups establish patterns of behaviour and belief that seem effective in helping them to interpret and interact with the world in which they find themselves. Australian 'mateship' behaviour, for example, served early male white settlers in a harsh and sparsely populated world much better than the maintenance of the hierarchical class distinctions typical of the world from which they had come. From such new, adaptive patterns of behaviour arise new beliefs, such as a belief in egalitarianism. These new behaviours, values and beliefs, together with the associated rituals, myths and symbols that arise to support them, combine over time to establish and then to reinforce the core assumptions of the culture. In addition to providing implicit guidelines for behaviour and the channelling of emotion (Trice & Beyer 1993), cultures serve to give people a sense of belonging through collective identity and thus break down the intrinsic isolation of the individual. It is also important to realise that culture can also define differences between groups. Culture identifies particular groups by their similarities as well as their differences.

Although cultures are dynamic to the extent that changed circumstances can lead to the incorporation of new patterns of behaviour or ideologies, typically these are overlaid on existing core assumptions and thus a culture may exhibit what seem to be complex ambiguities or paradoxes (Trice & Beyer 1993) until such time new behavioural adaptations to the environment give rise to a new belief system and set of core assumptions. This can be clearly seen in the case of egalitarianism, a value that is probably associated with a core assumption that life should be lived cooperatively, rather than competitively. While most Australians continue to proclaim egalitarianism as an Australian value, under the changed circumstances of greater urbanisation

and commercialisation of labour, they also now display enthusiasm for job or salary-related status which tends to be associated with competitive behaviour. It may be that over time, as behaviours and values move towards competitiveness, deeply held assumptions about the viability of cooperative relationships will also shift to emphasise the greater viability of competitive relationships.

## **DEFINING ORGANISATIONAL CULTURE**

Like wider delineations such as national culture, an organisational culture may be generally described as a set of norms, beliefs, principles and ways of behaving that together give each organisation a distinctive character (Brown 1995). Like national cultures, organisational cultures form and are transformed over time. There is broad agreement amongst writers that around the time of its inception, an organisation responds to and reflects industry characteristics such as the competitive environment and customer requirements, together with the wider community values held by its employees, and also the values and behaviours of its founders or early leaders (eg. Schein 1985; Ott 1989; Gordon 1991). What may happen some years from the time of inception, however, is warmly debated, for at this point organisational culture writers and change agents divide into separate camps formed on the basis of distinct paradigms and perspectives.

For writers and researchers who take an 'anthropological' stance, organisations are cultures (Bate 1994) describing something that an organisation is (Smircich 1983) and thus, like national cultures, an organisation comprises:

1. a pattern of shared basic assumptions,
2. invented, discovered, or developed by a given group,
3. as it learns to cope with its problems of external adaptation and internal integration,
4. that has worked well enough to be considered valid, and, therefore,
5. is to be taught to new members of the group as the
6. correct way to perceive, think, and feel in relation to those problems (Schein 1991, p. 247).

In this paradigm, organisational culture is both defined and circumscribed by group parameters (e.g. language, concepts, boundaries, ideology) and by normative criteria that provides the basis for allocating status, power, authority, rewards, punishment, friendship and respect (Schein 1991). Culture determines what a group pays attention to and monitors in the external environment and how it responds to this environment. Thus, as Bate (1994) notes, for those who take an anthropological stance, organisational culture and organisational strategy are inextricably linked and interdependent. Culture, in this paradigm, is not a separable facet of an organisation, it is not readily manipulated or changed, and it is not created or maintained primarily by leaders. Over time, early leaders' beliefs and behaviours are likely to be translated into assumptions that subsequently guide the organisation. Because these assumptions operate often at a sub-conscious level and come to be shared by all organisation members, they are not easily displaced by new organisational values and beliefs articulated by later leaders. Although the use of rewards or sanctions may prompt changes in an employee's behaviour to bring it into line with new stated

values, it is usually a long time before these changes influence the deep assumptions held by members entrenched in the culture.

When researchers seek to investigate organisational culture using an anthropological paradigm, they tend to engage in ‘cultural audits’ which involve extensive observations of behaviour, interviews and examination of organisation documents and other artefacts. While the data collected is likely to provide a comprehensive overview of the distinct cultural features of a given organisation (albeit that these are usually derived by the researcher), the amount of material to be gathered and interpreted may render this method of organisational analysis time-consuming and unwieldy.

For the writers described by Bate (1994) as ‘scientific rationalists’, organisational culture is but one aspect of the component parts of an organisation, a facet that can be measured, manipulated and changed as can organisational variables such as skills, strategy, structure, systems, style and staff (Peters & Waterman 1982). In this paradigm, organisational culture is primarily a set of values and beliefs articulated by leaders to guide the organisation, translated by managers and employees into appropriate behaviours and reinforced through rewards and sanctions. ‘Scientific rationalist’ writers thus tend to talk about culture as if it is a definable thing — *the* culture of the organisation; the organisation *has* a service culture — and their strategies for change focus on ‘modular, design-and-build activity’ often related to structures, procedures and rewards (Bate 1994, p. 11).

They usually discuss organisational culture from the perspective of managers, rather than workers, and often emphasise the leader’s role in creating, maintaining or transforming culture: ‘leaders help to shape the culture. The culture helps to shape its members ... culture, then, stands at the apex of the leader’s responsibility hierarchy’ (Hampden-Turner 1990, pp. 7, 9). In this paradigm, ‘organisational culture’ is sometimes used interchangeably with ‘corporate culture’ which Linstead & Grafton Small (1992, p. 333) describe as

*the term used for a culture devised by management and transmitted, marketed, sold or imposed on the rest of the organization ...; with both internal and external images ... yet also including action and belief — the rites, rituals, stories, and values which are offered to organizational members as part of the seductive process of achieving membership and gaining commitment.*

When investigation of deeper distinctive characteristics of a particular organisational culture is called for, researchers or consultants who subscribe to the scientific rationalist paradigm tend to use survey instruments (such as those used by Hofstede et al. 1990 and Hofstede 1991). These instruments bring to the surface factors which purport to be features of particular cultures, but which are in actuality a quantitative summary of individuals’ responses to questions about how they *might* behave in a limited set of situations which the researcher predicts will be useful for highlighting cultural differences. In other words, the researcher determines what scenarios or concepts should be used to describe the culture and then tests to see which of the scenarios or concepts are accepted by the majority of respondents as most relevant to a given culture.

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## ONE CULTURE OR MANY?

The discussion so far has focussed upon organisational culture as if all organisations have one culture. But do they? Although some writers argue that organisational cultures are unitary and integrated, others argue for the existence of pluralism or differentiated sub-cultures in the one organisation, while yet others adopt a fragmented or anarchist perspective and claim that ‘consensus fails to coalesce on an organization-wide or subcultural basis, except in transient, issue-specific ways’ (Frost et al. 1991, p. 8).

Again, as with the anthropological or scientific rationalist paradigm, there is no one demonstrably right perspective, but the perspective adopted will certainly influence the change strategies used and it may be that certain types of organisations are more likely to have a single, unitarist culture whereas others are more likely to be pluralistic or anarchistic in nature.

Collins and Porras’ (1994, p. 8) study of visionary companies — Built to Last — provides a clear example of an anthropological paradigm combined with a unitarist perspective in its claim that:

*a visionary company almost religiously preserves its core ideology — changing it seldom, if ever. Core values ... form a rock-solid foundation and do not drift with the trends and fashions of the day.*

A unitarist perspective also underpins various category descriptions of organisational culture. For example, Handy (1993) asserts that organisations exhibit either role, task, power or person-orientated cultures. Change agents or writers who take a unitarist perspective generally argue for change or maintenance of organisational culture through top-down leadership and organisation-wide systems and programs. From the unitarist perspective, the essential unity of the organisation makes it possible for the leader or leadership group to effectively control or alter organisational direction. This sort of top-down organisational control may conceivably occur in transnational companies, in which national or professional cultures arguably exert less influence, but many writers or change agents perceive in most organisations the existence of sub-cultures which militate against the effectiveness of top-down cultural leadership.

Those who take a pluralist perspective and recognise the existence within organisations of diverse sub-cultures arising from factors such as professional affiliation, status, social or divisional interactions, argue that organisational success springs from the effective leadership and management of diversity, and that cultural change or maintenance efforts have to be undertaken through programs specifically designed for different segments of the organisation. International companies, with national subsidiaries tied to a parent company, often exhibit distinct cultures interacting with the parent company culture, but so also do many nationally-based companies where, for example, research and development divisions may form a sub-culture quite different from that of marketing divisions. Public sector healthcare organisations such as Queensland Health have long been subjected to cultural silos that have emerged from the development of powerful professional groups such as medical and nursing associations.

Ogbonna & Wilkinson’s (1990) study of the effects of a supermarket cultural change program (from a cost-minimisation to a customer-service focus) further demonstrates that, in some

organisations, not only do distinct sub-cultures exist (supermarket checkout operators vs managers), but that changes in training, rewards and structures may achieve change in the values of one group (the managers) and only superficial behavioural changes in the other group (the checkout operators). The checkout operators behaved in the way required but did this because they were required to do so, rather than because they had personally come to believe in the importance of better customer service.

Even more fragmentation in organisational cultures than is evidenced in the supermarket example may result from recent changes in organisational configurations, such as the growth of project work, network organisations or strategic alliances in which individuals from across an organisation or from several separate organisations join together temporarily to undertake a specific task. In such instances, the transient and diverse nature of the work grouping is clearly unlikely to foster the formation of an organisation-wide culture or even a sub-culture. The anarchist perspective argues that in any case, all organisations are comprised of individuals who bring with them their own values and assumptions and thus there really can be no underlying cultural unity at any level except on a transient basis (Frost et al. 1991). Such fragmentation may be found even in traditionally structured firms for, in their study of twenty organisational cultures, Hofstede et al. (1990, p. 311) found:

*shared perceptions of daily practices to be the core of an organization's culture ... employee values differed more according to the demographic criteria of nationality, age, and education than according to membership in the organization per se.*

The anarchist perception of organisational culture implies the impossibility of effecting cultural change through concerted change efforts, but it also highlights the centrality of effective communication and management of diversity if the loosely-coupled organisation is to remain functional and not break apart (Weick 1991). The question of whether there is one culture or many operating within the organisational context is an important issue for managing culture. Each of the three perspectives discussed above provide some valuable insights into addressing the question.

## **IMPLICATIONS FOR CULTURE MANAGEMENT AND CHANGE**

There exist two basic approaches to culture and, by implication, strategy: conforming (maintaining order and continuity) and transforming (changing and breaking existing patterns) (Bate 1994). As demonstrated by the subsequent poor performance of many of Peters and Waterman's (1982) so-called 'excellent' companies, the effectiveness of the chosen approach to organisational culture and strategy at any given time is dependent upon contextual factors relating to both the internal and the external environment (Bate 1994). Thus, context determines a culture needs to be maintained or changed, but the strategies adopted are very much determined by the paradigm and perspective subscribed to by the manager or change agent.

In dealing with the management of organisational culture, it is firstly necessary to identify as fully as possible the attributes of the existing or new target culture — the myths, symbols, rituals, values and assumptions that underpin the culture. Subsequently, action can be instigated in any of

several key points of leverage (Allen 1985; Davis 1985; Trice & Beyer 1985; Kilman et al. 1986; Schneider & Rentsch 1988):

- ❑ recruitment, selection and replacement — culture management can be affected by ensuring that appointments strengthen the existing culture/s or support a culture shift; removal and replacement may be used to dramatically change the culture;
- ❑ socialisation — induction and subsequent development and training can provide for acculturation to an existing or new culture and also for improved interpersonal communication and teamwork, which is especially critical in fragmented organisational cultures;
- ❑ performance management/reward systems — can be used to highlight and encourage desired behaviours which may (or may not) in turn lead to changed values;
- ❑ leadership and modelling — by executives, managers, supervisors can reinforce or assist in the overturning of existing myths, symbols, behaviour and values, and demonstrates the universality and integrity of vision, mission or value statements;
- ❑ participation — of all organisation members in cultural reconstruction or maintenance activities and associated input, decision-making and development activities is essential if long-term change in values, and not just behaviours, is to be achieved;
- ❑ interpersonal communication — satisfying interpersonal relationships do much to support an existing organisational culture and integrate members into a culture; effective teamwork supports either change or development in and communication of culture; and
- ❑ structures, policies, procedures and allocation of resources — need to be congruent with organisational strategy and culture and objectives.

The above constitute a number of many strategies and leverage points that can be used in organisations to manipulate an organisation in terms of its overall culture and the sub-cultures that are contained within. The management of culture is based on a sophisticated understanding of the tacit and explicit aspects that make-up the existing culture.

## **CONCLUSION**

What constitutes organisational culture and its perceived role in organisational success are contested, resting on perceptions of culture either as a historically-based, change-resistant, deep social system which underpins all organisational strategy and action, or as just one aspect of the total organisational system, manipulable through surface structures such as rewards. The paradigm adopted will determine which of the key points of leverage are deemed most likely to achieve the desired outcome of cultural maintenance or change. The perspective adopted will determine the focus of cultural change, development or maintenance activities, that is, whether they are to involve the whole organisation, identified sub-cultures, or small cells brought together for specific projects. There are no definitive answers to questions about the most appropriate way to change or maintain an organisational culture in order to provide for success or, indeed, whether change or maintenance is required in a given context — to answer these questions is the essential challenge facing the strategic leader.

## INSTRUCTIONAL COMMENTARY

From the above discussion, answer the following questions:

1. What definition of culture best reflects what you observe as going on in the organisations you are familiar with?
2. Are the organisations you are familiar with more unitarist in terms of culture? Or pluralist? Or anarchist?
3. Can you change organisational culture?
4. What particular strategies do you see as fundamental to changing culture?

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