

pioneered by Apple Computer and the other by IBM. Apple's ecosystem dominated the PC industry before IBM's entry. But IBM's ecosystem rapidly surpassed Apple's. IBM had a very powerful brand, and the open architecture of its PC induced new players to flock to it. Some of these players competed head on (for example, Compaq and Dell in hardware, Microsoft and Lotus in software). Others were related much like bees and flowers, each performing an indispensable service to the other. One symbiotic pairing was particularly fateful. As Microsoft gained control of the operating system and Intel of the microprocessor in the IBM ecosystem, the two increasingly became mutually indispensable. More sophisticated software needed faster microprocessors and vice versa, so the two had every reason to cheer each other on. "Intel giveth, and Microsoft taketh away," as some cynics put it. Two companies that began as servants to IBM eventually took over what became the "Wintel" ecosystem. IBM eventually dropped out of the business, and industry terminology changed to reflect the shift in power—what were once called "IBM clones" and proudly advertised as "100 percent IBM compatible!" became simply "Windows PCs."

Meanwhile, the Apple ecosystem, which nearly died in the 1990s, came back to life in stunning fashion early in the twenty-first century with the introduction of a series of highly successful mobile devices, including the iPod, iPhone, and iPad. Wintel continued to dominate the world of microcomputers, but most of the growth and excitement were in mobile. Microsoft was in the smartphone business before Apple or Google and invested billions of dollars in the business but fell to less than 1 percent market share by 2016.

POLITICAL DYNAMICS OF ECOSYSTEMS

The same factors that spawn politics inside organizations also create political dynamics within and between ecosystems. Organizations have parochial interests and compete for scarce resources. Ross Johnson again provides an example. After he became CEO of RJR Nabisco, Johnson made a fateful decision to engage in a management craze of the time—a leveraged buyout (LBO). The basic idea of an LBO is to find an undervalued company, buy up shares with someone else's money, fix it up or break it up, and sell it at a profit. It's a high-risk venture.

Johnson's plan was to use a leveraged buyout to take RJR Nabisco private. But once he had announced the LBO, the company was in play; it was open season for anyone to enter the bidding. *Anyone* in this case meant Henry Kravis and his secretive firm, KKR, with some \$45 billion in buying power. Johnson gave Kravis a cold shoulder, expecting Kravis to stay out because the deal was too big. He underestimated a dangerous adversary. What followed was one of business history's biggest six-week poker games. Huge coalitions formed around

both players. Millions of dollars in fees gushed into the laps of bankers, lawyers, and brokers. When the dust cleared, Henry Kravis and KKR had won by a nose. RJR Nabisco was theirs for a cool \$25 billion.

The bidding war created a fluid, temporary ecosystem illustrating many of the complexities of such arrangements. Dozens of individuals, groups, and organizations were involved, but the big prize in the contest, RJR Nabisco, was largely a bystander; its board was on the sidelines for most of the game. Johnson and his allies pursued their private interests more than the corporation's. Financial stakes were enormous, yet the game was often driven by issues of power, reputation, and personal animosity. Everyone wanted the prize, but you could win by losing and lose by winning. In the competitive frenzy, both sides bid too much, and the winner was stuck with an overpriced albatross.

The RJR Nabisco LBO ecosystem lasted only until the brutal bidding war was over. But many ecosystems, like Wintel's and Walmart's, are durable, lasting for decades. In such cases, an organization's role in an ecosystem affects how it can balance pursuit of its own interests with the overall well being of the ecosystem. This may not be a major issue for small players with only marginal influence, but is vital for "keystone" firms like Walmart that sit at the hub of an ecosystem:

Walmart is successful because it figured out how to create, manage, and evolve an incredibly powerful business ecosystem. Over the years Walmart took advantage of its ability to gather consumer information to coordinate the distributed assets of its vast network of suppliers. Walmart made a point of tracking demand information in real time. The key was that it decided to share this information with its supplier network. It introduced Retail Link, the system that still delivers the most accurate, real-time sales information in the industry to Walmart partners. Walmart was unique in the retail space in offering this kind of service, turning Retail Link into a critical supply chain hub (Iansiti and Levien, 2004, pp. 1–2).

Fishman agrees about Walmart's dominant role in its ecosystem, but sees less rosy results:

The ecosystem isn't a metaphor; it is a real place in the global economy where the very metabolism of business is set by Walmart. The fear of Walmart isn't just the fear of losing a big account. It's the fear that the more business you do with Walmart, the deeper you end up inside the Walmart ecosystem, and the less you are actually running your own business. Walmart's leadership virtually

never acknowledges this control, but the company clearly understands it, and even takes a sly pride in it (2006, p. 16).

But Walmart's ecosystem is not a gated community. Much as it might like to, Walmart has limited ability to exclude other players—including the firm's many competitors and critics—who choose to spend time in its neighborhood, even if uninvited. Walmart initiatives to build new stores are routinely countered by opponents who decry the economic and environmental costs that they claim the new outlet would create. Walmart's low wages and benefits create a tempting target for union organizers, though the company's antiunion stance has mostly been successful so far in keeping unions out.

Organizational ecosystems come in many forms and sizes. Some, like Walmart's, are huge and global. Others are small and local (like the ecosystem of laundries in Oslo or policing in Omaha). Next, we examine how ecosystem dynamics vary across sectors.

Public Policy Ecosystems

In the public sector, policy arenas form around virtually every government activity. One example is the commercial aviation ecosystem, in which air carriers, airplane manufacturers, travelers, legislators, and regulators are all active participants. In the United States, the Federal Aviation Administration has been a troubled key player for decades. Charged with divergent goals of defending safety, promoting the economic health of the industry, and keeping its own costs down, the FAA has perennially come under heavy fire from virtually every direction. Feeble oversight sometimes permitted marginal carriers to shortcut safety but continue flying. An air traffic modernization plan rang up billions of dollars in bills but 20 years later had yielded few results:

When Marion C. Blakey took over at the Federal Aviation Administration in 2002, she was determined to fix an air travel system battered by terrorism, antiquated technology, and the ever-turbulent finances of the airline industry. Five years later, as she prepares to step down on Sept. 13, 2007, it's clear she failed. Almost everything about flying is worse than when she arrived. Greater are the risks, the passenger headaches, and the costs in lost productivity. Almost everyone has a horror story about missed connections, lost baggage, and wasted hours on the tarmac (Palmeri and Epstein, 2007, p. 1).

Fast forward to 2016, and the story was little changed: "The Federal Aviation Administration has little to show for a decade of work on modernizing air traffic control, and faces

barriers and billions more in spending to realize its full benefits, says a report released Tuesday by a government watchdog” (Lowy, 2016).

Some of the FAA’s troubles were internal. An earlier report from what was then called the General Accounting Office had faulted the agency’s lack of a “performance-oriented culture essential to establishing a culture of accountability and coordination” (Dillingham, 2001). But almost every move it made to solve one constituency’s problem created trouble for others. Much of the fault lay in its ecosystem: “Nobody is in charge. The various players in the system, including big airlines, small aircraft owners, labor unions, politicians, airplane manufacturers, and executives with their corporate jets, are locked in permanent warfare as they fight to protect their own interests. And the FAA, a weak agency that needs Congressional approval for how it raises and spends money, seems incapable of breaking the gridlock” (Palmeri and Epstein, 2007).

In recent years, drones presented a new test of the FAA’s ability to balance conflicting interests and pressures. In August 2016, the FAA issued long-awaited drone regulations that sought to balance considerations of safety and commerce. At the time, there were about 20,000 commercial drones in operation in the United States, but the FAA was expecting that number to increase to approximately 600,000 in another year.

Education is another illustration of a complex policy ecosystem. Everyone thinks good schools are important. Families want their children to acquire the ingredients for success. Businesses need well-trained, literate graduates. Economists and policy analysts stress the importance of human capital. Teachers want better pay and working conditions. Taxpayers want to cut frills and keep costs down. Almost no one believes that American schools are as good as they should be, but there is little agreement about how to make them better.

One popular remedy, enshrined in the federal “No Child Left Behind” Act, emphasizes tests and incentives: measure how well schools are doing, reward the winners, and penalize the losers. But high-stakes testing may have generated more political heat than educational light. Some research suggests that the testing emphasis has improved learning outcomes (Wang, Beckett, and Brown, 2006), while others see “distortion, corruption, and collateral damage” (Nichols and Berliner, 2007) as the primary impact. The strenuous opposition to No Child Left Behind led the federal Department of Education into state-by-state negotiations to modify the requirements, making it even harder to assess how well the program is working (Sunderman, 2006).

Another popular cure for educational ills is giving parents more choice about which schools their children attend. One version of school choice is vouchers, grants that families can use to send their children to private schools. Another is charter schools—publicly

funded, quasi-independent educational enterprises. Proponents of choice argue that parents would seek the best school for their children and that the ensuing competition would have an invigorating effect on public schools. But school administrators maintain that vouchers and charter schools drain away resources and exacerbate the challenges for the neediest students. Coalitions have formed on both sides of the choice issue and have lobbied vigorously at the state and national levels. Available research suggests that, on the whole, some charter schools are very good and others are not, but, on average, student learning outcomes are neither better nor worse than conventional public schools.

Business-Government Ecosystems

Government and business inevitably intersect in a multitude of ecosystems. Perrow (1986) discusses one example: pharmaceutical companies, physicians, and government. A major threat to drug companies' profit margins is generic drugs, which sell at a much lower price than brand-name equivalents. In the United States, the industry trade association, an interorganization coalition, successfully lobbied many state legislatures to prohibit the sale of generic drugs, ostensibly to protect consumers. The industry also persuaded the American Medical Association (AMA) to permit drugs to be advertised by brand name in its journals. Consumers normally buy whatever the doctor prescribes, and drug companies wanted doctors to think brands rather than chemical names. As a result of the policy shift, the AMA's advertising income tripled in seven years, and the manufacturers strengthened the position of their respective brands (Perrow, 1986).

The ecosystem shifted with the rapid rise of a newly powerful group of players: insurers and managed-care providers. The growing market dominance of a few large insurers dramatically reduced the bargaining power of physicians and drug companies. Insurers used their growing political leverage to push physicians to prescribe less expensive generic drugs. In an effort to save consumers' money, state legislatures began to require pharmacists to offer the generic equivalent when a brand name is prescribed. Pharmaceutical companies fought back with televised ads encouraging patients to ask their doctors for brand name drugs.

Drug companies are not alone in their attention to politics. Government policy can be a powerful source of competitive advantage because it "determines the rules of commerce; the structure of markets (through barriers to entry and changes in cost structures due to regulations, subsidies, and taxation); the offerings of goods and services that are permissible; and the sizes of markets based on government subsidies and purchases. Consequently, gaining and maintaining access to those who make public policy may well be a firm's most important political goal" (Schuler, Rehbein, and Cramer, 2002, p. 659).

Politically active firms use a range of strategies for influencing government agencies (Schuler, Rehbein, and Cramer, 2002). FedEx illustrates the possibilities. In Chapter 7, we noted the company's sophisticated approach to managing people. FedEx has been equally agile in managing its political environment. The *New York Times* described it as "one of the most formidable and successful corporate lobbies in the capital" (Lewis, 1996, p. A17). FedEx CEO Fred Smith "spends considerable time in Washington, where he is regarded as Federal Express's chief advocate. It was Mr. Smith who hit a lobbying home run in 1977 when he persuaded Congress to allow the fledgling company to use full-sized jetliners to carry its cargo, rather than the small planes to which it had been restricted. That was the watershed event that allowed the company to grow to its present dominating position with almost \$10.3 billion in business" (p. A30).

FedEx's political action committee ranked among the nation's top ten, making generous donations to hundreds of congressional candidates. Its board was adorned with former political leaders from both major political parties. Its corporate jets regularly ferried officeholders to events around the country. All this generosity paid off. In October 1996, when FedEx wanted two words inserted into a 1923 law regulating railway express companies, the Senate stayed in session a few extra days to get it done, even with elections only a month away. A first-term senator commented, "I was stunned by the breadth and depth of their clout up here" (Lewis, 1996, p. A17).

A similar coevolution of business and politics occurs around the world:

No one would dispute that business and politics are closely intertwined in Japan. As one leading financial journalist puts it, "If you don't use politicians, you can't expand business these days in Japan—that's basic." Businessmen provide politicians with funds, politicians provide businessmen with information. If you wish to develop a department store, a hotel, or a ski resort, you need licenses and permissions and the cooperation of leading local political figures. And it is always useful to hear that a certain area is slated for development, preferably several years before development starts, when land prices are still low (Downer, 1994, p. 299).

The same intertwining of business and politics is even more dominant in China. It is almost impossible to start or build a business without the support of party and government officials. *Guanxi* (relationships) generally matters more than laws and regulations. Negotiating the ethical terrain is treacherous in a country where bribes are technically illegal but

the exchange of cash-filled “red envelopes” is deeply rooted in a culture that sees gift-giving as basic to building relationships.

Society as Ecosystem

On a still grander scale, we find society: the massive, swirling ecosystem in which business, government, and the public are embedded. A critical question in this arena is the power relationship between organizations and everyone else. All organizations have power. Large organizations have a lot: “Of the 100 largest economies in the world, 51 are corporations, and only 49 are countries. Walmart is bigger than Israel, Poland, or Greece. Mitsubishi is bigger than Indonesia. General Motors is bigger than Denmark. If governments can’t set the rules, who will? The corporations? But they’re the players. Who’s the referee?” (Longworth, 1996, p. 4).

This question is becoming more urgent as big companies get bigger. In 1954, it took more than 60 companies to equal 20 percent of the American economy; in 2005, it took only 20 companies. “We don’t often talk about the concentration of corporate power, but it is almost unfathomable that the men and women who run just 20 companies make decisions every day that steer one-fifth of the U.S. economy” (Fishman, 2006, p. 22). A number of writers (including Bakan, 2004; Korten, 1995; Perrow, 1986; and Stern and Barley, 1996) emphasize that whoever controls a multibillion-dollar tool wields enormous power. Bakan (2004, p. 2) sees the corporation as “a pathological institution, a dangerous possessor of the great power it wields over individuals and societies.” Korten’s view is similarly dark:

An active propaganda machinery controlled by the world’s largest corporations constantly reassures us that consumerism is the path to happiness, government restraint of market excess is the cause of our distress, and economic globalization is both a historical inevitability and a boon to the human species. In fact, these are all myths propagated to justify profligate greed and mask the extent to which the global transformation of human institutions is a consequence of the sophisticated, well-funded, and intentional interventions of a small elite whose money enables them to live in a world of illusion apart from the rest of humanity. These forces have transformed once beneficial corporations and financial institutions into instruments of a market tyranny that is extending its reach across the planet like a cancer, colonizing ever more of the planet’s living spaces, destroying livelihoods, displacing people, rendering democratic institutions impotent, and feeding on life in an insatiable quest for money (Korten, 1995, p. 12).

Greatest Hits from Organization Studies

Hit Number 2: Jeffrey Pfeffer and Gerald Salancik, *The External Control of Organizations* (New York: HarperCollins, 1978)

Pfeffer and Salancik's book fell out of print for several years and is little known outside academic circles, but scholars love it; it occupies the second rung in our ranking of most-cited works. As its title suggests, the book's principal theme is that organizations are much more creatures than creators of their environment. In the authors' words: "The perspective [in this book] denies the validity of the conceptualization of organizations as self-directed, autonomous actors pursuing their own ends and instead argues that organizations are other-directed, involved in a constant struggle for autonomy and discretion, confronted with constraint and external control" (p. 257). The authors follow Cyert and March (1963) in viewing organizations as coalitions that are both "markets in which influence and control are transacted" (p. 259) and players that need to negotiate their relationships with a range of external constituents.

Pfeffer and Salancik emphasize that organizations depend on their environment for inputs that they need to survive. Much of the job of management is to understand and respond to demands of key external constituents whose support is vital to survival. This job is made more difficult by two challenges:

- Organizations' understanding of their environment is often distorted or imperfect (because organizations act on only the information they're geared to collect and know how to interpret).
- Organizations confront multiple constituents whose demands are often inconsistent.

Organizations comply where they have to, but they also look for ways to increase their autonomy by making their environment more predictable and favorable. They may merge to gain greater market supremacy, form coalitions (alliances, joint ventures) to gain greater influence, or enlist government help (by seeking subsidies, tax breaks, or protective tariffs, for example). But there is a dilemma: every entanglement, even as it garners greater influence over a part of the environment, also produces erosion of the organization's autonomy. There's no free lunch.

Pfeffer and Salancik describe three roles for managers, two political and one symbolic: (1) a responsive role in which managers adjust the organization's activities to comply with pressures from the environment; (2) a discretionary role in which they seek to alter the organization's relationship with its environment; and (3) a symbolic role arising from the widely accepted myth that managers make a difference. If a team is losing but you can't change the players, you fire the coach, creating the appearance of change without actually changing anything (an important idea that we address in the next chapter).

Do sophisticated consumer marketing firms create and control consumer tastes, or do they simply react to needs created by larger social forces? Critics like Korten (1995) are

convinced that the advantage lies with the corporations, but Pfeffer and Salancik (1978) see it the other way around, as do many proponents of “the marketing concept”:

The marketing concept of management is based on the premise that over the longer term all businesses are born and survive or die because people (the market) either want them or don't want them. In short, the market creates, shapes, and defines the demand for all classes of products and services. Almost needless to say, many managers tend to think that they can design goods and services and then create demand. The marketing concept denies this proposition. Instead, the marketing concept emphasizes that the creative aspect of marketing is discovering, defining, and fulfilling what people want or need or what solves their life-style problems (Marshall, 1984, p. 1).

Proponents of this view note that even the most successful marketers have had their share of Edsels—products released with great fanfare and huge marketing budgets that fluttered briefly and then sank like stones. Consumers, in this view, are in charge because they can buy what they want and walk away from what they don't want.

Slee (2006) provides a contrary view. He uses game theory and the concept of market failures to argue that, even though consumers generally make rational choices in terms of the options they have, their collective behavior can lead to a world that is worse for everyone. If, for example, Walmart opens a store on the outskirts of a medium-sized community, consumers may flock to it for the low prices and wide variety of merchandise. At first everyone is happy. But then, downtown merchants who can't match Walmart go out of business, throwing employees out of work and making the town center bleak and empty. Not all the newly unemployed can get jobs at Walmart, and those who do get paid less. Some of the wealth that used to circulate in the community now flies away to Walmart headquarters in Arkansas. The community as a whole may be worse off, even though everyone still likes Walmart's low prices.

Are large multinational corporations so powerful that they have become a law unto themselves, or are they heavily constrained by the need to respond to customers, cultures, and governments? An ecological view suggests that the answer is some of both. Ecosystems and competitors within them rise and fall. Power relations are never static, and even the most powerful have no guarantee of immortality. Of the top twenty-five U.S. companies at the beginning of the twentieth century, all but one had dropped off the list or vanished altogether when the century came to a close. The lone survivor? General Electric.

Fishman frames both sides of this issue in the case of Walmart:

The easiest response to the Walmart critics comes from people who shrug and say, the United States economy is capitalistic and market-based. Walmart is large and ubiquitous—and powerful—because it does what it does so well. Walmart is winning for no other reason than personal choice: Customers vote for Walmart with their wallets; suppliers vote for Walmart with their products. Any consumer, any businessperson who doesn't care for the way Walmart does business is free to buy and sell products somewhere else.

The problem is that this free choice has become an illusion. In many categories of products it sells, Walmart is now 30 percent or more of the entire market. It sells 31 percent of the pet food used in the United States, 37 percent of the fresh meat, 45 percent of the office and school supplies bought by consumers, and 24 percent of the bottled water. That kind of dominance at both ends of the spectrum—dominance across a huge range of merchandise and dominance of geographic consumer markets—means that market capitalism is being strangled with the kind of slow inexorability of a boa constrictor. It's not free-market capitalism; Walmart is running the market. The newly merged Procter & Gamble and Gillette has sales in excess of \$64 billion a year—not only bigger by far than any other consumer products company, but bigger than all but 20 public companies of any kind in the United States. But remember: Walmart isn't just P&G's number-one customer; it's P&G's business. Walmart is bigger than P&G's next nine customers combined. That's why businesspeople are scared of Walmart. They should be. And if a corporation with the scale, vigor, and independence of P&G must bend to Walmart's will, it's easy to imagine the kind of influence Walmart wields over the operators of small factories in developing nations, factories that just want work and have almost no leverage with Walmart or Walmart's vendors (Fishman, 2006, p. 20. Copyright © 2006. Academy of Management).

Walmart's clout remains formidable, but its future is less clear. After years of embattled, slow growth, in 2016 Walmart's sales and profits declined for the first time in decades. Will it grow and prosper in the future? Or will it follow companies like Sears into a long downhill slide from the pinnacle it now commands? Whatever happens to Walmart, the battle over corporate power will continue on a global scale.

In recent years, across industries and around the globe, wealth and power have been increasingly concentrated in a shrinking number of very large "superstar" firms. This is not

always good news for workers because as industries become more concentrated, the share of the economic pie that goes to labor shrinks (Autor et al., 2017). The power of large multinational companies has continued to grow, but they must still cope with the demands of other powerful players: governments, labor unions, investors, and consumers. In a cacophonous global village, this is the biggest political contest of all.

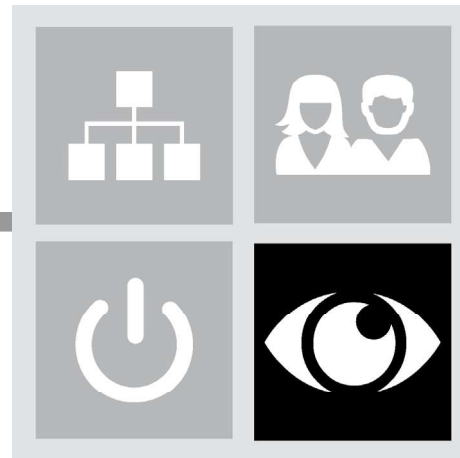
CONCLUSION

Organizations are both arenas for internal politics and political agents with their own agendas, resources, and strategies. As arenas, they house competition and offer a setting for the ongoing interplay of divergent interests and agendas. An arena's rules and parameters shape the game to be played, the players on the field, and the interests to be pursued. From this perspective, every significant organizational process is inherently political.

As agents, organizations are tools, often very powerful tools, for achieving the purposes of whoever controls them. But they are also inevitably dependent on their environment for needed support and resources. They exist, compete, and coevolve in business or political ecosystems with clusters of organizations, each pursuing its own interests and seeking a viable niche. As in nature, relationships within and between ecosystems are sometimes fiercely competitive, sometimes collaborative and symbiotic.

A particularly urgent and controversial question is the relative power of organizations and society. Giant multinational corporations have achieved scale and resources unprecedented in human history. Critics worry that they are dominating and distorting politics, society, and the environment. Optimists argue that organizations retain their clout only by adapting to larger social forces and responding to the needs and demands of customers and constituents.

PART FIVE



The Symbolic Frame

When the Catholic Church changed the liturgy from Latin to English many parishioners rebelled even though the change made sacred tenets more accessible. For many it was the first time that they could grasp and grapple with the sacred values of their faith. In *Hunger of Memory*, one parishioner describes vividly his reaction to the change:

But now that I no longer live as a Catholic in a Catholic world, I cannot expect the liturgy—which reflects and cultivates my faith—to remain what it was. I will continue to go to the English mass. I will go because it is my liturgy. I will, however, often recall with nostalgia the faith I have lost . . . The church is no longer mine (Rodriguez, 1997, p. 107).

In 1995 The Coca-Cola Company changed its 99-year-old recipe for its flagship soft drink. Pepsi, the company's chief competitor, was making inroads into Coke's market share; and in a series of blind taste tests, the new recipe was consistently preferred over Pepsi. This gave the company executives confidence that a new product would corner the market. The New Coke was launched with an elaborate advertising campaign.

Public reaction was swift and unanticipated. Some consumers filled their basements with the original Coke. Protest groups popped up across the country. Songs were written to

honor the old taste. Protestors at an event in Atlanta carried placards: “We want the real thing,” “Our children will never know refreshment.” Other reactions carried the same sentiment.

Both the Latin liturgy and Coca-Cola are laden with symbolism. Symbols carry powerful intellectual and emotional messages; they speak to the heart and the soul. They are embedded in myths which are truer than true. “It is through myths that men are lifted above their capacity in the ordinary, attain powerful visions of the future, and realize such visions” (Berger, 1974, p. 26).

The symbolic frame focuses on how myth and symbols help humans make sense of the chaotic, ambiguous world in which they live. Meaning, belief, and faith are its central concerns. Meaning is not given to us; we create it. There are, for example, many who revere the American flag and many others who burn it. The flag is symbolically powerful for both groups but for different reasons. It represents patriotism for one group, oppression or imperialism for the other. Symbols are the basic materials of the meaning systems, or cultures, we inhabit. Leaders are *bricoleurs*, people who survey and use the materials at hand to help construct meaning systems. We experience our way of life in the same way that fish live in water. Many contemporary leaders highlight the critical role culture plays in organizations:

- Lou Gerstner (IBM): “I came to see, in my time at IBM, that culture is not just one aspect of the game—it is the game.”
- Peter Drucker: “Culture eats strategy for breakfast.”
- Jim Sinegal (Costco): “What else have we got besides stories? It’s what brings meaning to the work we do.”
- Howard Schultz (Starbucks): “A company can grow big without losing the passion and personality that built it, but only if it’s driven not by profits but by values and people.”
- John Mackey (Whole Foods): “Culture is no less than ‘how we do things around here.’ Less tangible than other physical assets on a company balance sheet, it is nonetheless the most valuable asset a company has—for it stitches people together in common beliefs, values and purpose and represents the basis for authenticity of experience for both team members and customers.”

Chapter 12 explores the many forms cultural symbols take in social life, including myth, vision, story, heroes and heroines, ritual, and ceremony. It then uses a variety of examples to demonstrate what culture is and why it is so important.

In Chapter 13, we apply symbolic concepts to team dynamics. We use a detailed case of a legendary and highly successful computer development team to show that the essence of its success was cultural and spiritual. The team relied on initiation rituals, humor, play, specialized language, ceremony, and other symbolic forms to weld a diverse and fractious group of individuals into a spirited, successful team.

Chapter 14 highlights dramaturgical and institutional perspectives, viewing organizations as akin to theater companies seeking recognition and support by staging dramas that both please and influence their audiences. We show that many activities and processes in organizations—such as evaluation and strategic planning—rarely achieve their supposed goals. Yet they persist, because they convey vital symbolic messages that internal and external audiences yearn for.



Organizational Symbols and Culture

*A people without the knowledge of their past history, origin
and culture is like a tree without roots.*

—Marcus Garvey

For 800 years, neighborhoods in Siena, Italy, have competed twice each summer in a horse race known as the *palio*. Each side has its club, hymn, costumes, museum, and elected head. A crowd of more than 100,000 gathers to witness a 75-second event that people live for throughout the year. Riding under banners of the goose, seashell, or turtle, jockeys attack one another with whips and hang on desperately around 90-degree turns. The first horse to finish, with or without rider, wins. “The winners are worshipped. The losers embarrass their clan” (Saubaber, 2007, p. 42).

In July 2007, 22-year-old Giovanni Atzeni won the race in a photo finish. His followers were ecstatic. A young woman shouted, “We’ve waited 10 years,” as she showered him with kisses. An old man almost fainted with joy at the chance to see a victory before he died. The legendary Aceto, a 14-time winner, once said, “*Palio* is a drug that makes you a God . . . and then crucifies you.” The rest of Italy considers the event barbaric, but locals are proudly unfazed. Unless you were born in Siena, they insist, you will never understand the *palio*.

Rooted in a time when Siena was a proud and powerful republic, the occasion embodies the town's unique identity.

Building distinctive identity or community around a brand name in business updates ancient traditions based on tribe and homeland, like those surrounding the *palio*. Consider the characteristics of a unique modern business: Carnival-like zaniness. Free food and vending machines. Corporate values placing a premium on delivering “wow” and “creating fun and weirdness” (Heathfield, 2012). New recruits offered shots of vodka during hiring interviews and offered \$2,000 to quit after their first round of training (Chafkin, 2009).

The 95 percent who turn down the \$2,000 graduate in full ceremony to “Pomp and Circumstance” in front of families and members of their new, nontraditional departments: “Each department has its own décor, ranging from the rain forest-themed to Elvis-themed, and employees are encouraged to decorate their work spaces . . .” (Rogers-Kante, 2011.)

Employees carrying cowbells and noisemakers lead spontaneous office parades in costume (Frei, Ely, and Winig, 2010). Departments sponsor cookouts and other fun events throughout the year. Managers are required to spend 10 to 20 percent of their hours “goofing off” with employees. Managers and employees are encouraged to fraternize outside normal office hours. Three big company events—a summer picnic, a January party at the Boss's home, and a vendor party—fill out the year's cycle of fun and happiness.

Welcome to Zappos, CEO Tony Hsieh's “Culture of Happiness” (introduced in Chapter 3). All the merriment and spirit captures the hearts of the company's employees. But it also pays off in employee satisfaction and business results. Hsieh credits the company's phenomenal success to its distinctive culture with carnival-like zaniness that bears some resemblance to Siena's *palio*.

Zappos and the *palio* are two examples of how symbols permeate every fiber of society and organizations. “A symbol is something that stands for or suggests something else; it conveys socially constructed meanings beyond its intrinsic or obvious functional use” (Zott and Huy, 2007, p. 72). Distilled to the essence, people seek meaning in life. Because life is mysterious, symbols arise to sustain hope, belief, and faith. They express themselves in analogies. Symbols are metaphoric expression of psychic energy. Their content is far from obvious; it is expressed in unique and individual ways while embodying universal and collective imagery (Ghareman, 2016). These intangibles then shape our thoughts, emotions, and actions. Symbols cut deeply into the human psyche and tap the collective unconscious (Jung, [1912] 1965).

Symbols are basic elements of culture that pop up to fit unique circumstances. Symbols and symbolic actions are part of everyday life and are particularly perceptible at weekly, monthly, or seasonal high points. Symbols stimulate energy in moments of triumph and offer solace in times of tribulation. After 9/11, Americans relied on symbols to cope with the

aftermath of a devastating terrorist attack. Flags flew. Makeshift monuments honored victims and the heroic acts of police and firefighters who gave their lives. Members of Congress sang “God Bless America” on the Capitol steps. Across the country, people gathered in both formal and informal healing ceremonies.

A comparably intense expression of shock, grief, and compassion came in the wake of the senseless 2012 shootings of 20 young schoolchildren and their adult caretakers at the Sandy Hook School in Newtown, Connecticut. Mourners from all over the nation sent flowers and toys, which were piled up in huge mounds in front of the school. Memorials of white angels appeared across the country. President Obama shed a tear in his nationally televised speech. It was another example of the spiritual magic that symbols represent.

The symbolic frame interprets and illuminates the basic issues of meaning and belief that make symbols so potent. It depicts a world distinct from popular canons of rationality, certainty, and linearity. This chapter journeys into the symbolic inner sanctum. We discuss symbolic assumptions and highlight various forms that symbols take in human organizations. We then move on to discuss organizations as cultures or tribes. Finally, we describe how two distinctive companies—BMW and Nordstrom department stores—have successfully applied symbolic ideas.

SYMBOLIC ASSUMPTIONS

The symbolic frame forms an umbrella for ideas from several disciplines, including organization theory and sociology (Selznick, 1957; Blumer, 1969; Schutz, 1967; Clark, 1975; Corwin, 1976; Hatch and Cunliffe, 2013; March and Olsen, 1976; Maitlis and Christianson, 2014; Meyer and Rowan, 1978; Weick, 1976; Davis et al., 1976; Hofstede, 1984), political science (Dittmer 1977; Edelman, 1971), magic (O’Keefe, 1983), and neurolinguistic programming (Bandler and Grinder, 1975).

Jung relied heavily on symbolic concepts to probe the human psyche and unconscious archetypes. Anthropologists have traditionally focused on symbols and their place in the lives of humans (Mead, 1928, 1935; Benedict, 1934; Goffman, 1974; Ortner, 1973; Bateson, 1972). In the early 1980s, business books began to apply cultural ideas to corporations, health care, and nonprofit enterprises (Deal and Kennedy, 1982; Peters and Waterman, 1982; Schein, 1992).

The symbolic frame distills ideas from diverse sources into five suppositions:

- What is most important is not what happens but what it means.
- Activity and meaning are loosely coupled; events and actions have multiple interpretations as people experience situations differently.

- In the face of uncertainty and ambiguity, symbols arise to help people resolve confusion, find direction, and anchor hope and faith.
- Events and processes are often more important for what they express or signal than for their intent or outcomes. Their emblematic form weaves a tapestry of secular myths, heroes and heroines, rituals, ceremonies, and stories to help people find purpose and passion.
- Culture forms the superglue that bonds an organization, unites people, and helps an enterprise to accomplish desired ends.

The symbolic frame sees life as allegorical, mystical, and more serendipitous than linear. Organizations are like constantly changing organic pinball machines. Issues, actors, decisions, and policies carom through an elastic labyrinth of cushions, barriers, and traps. Managers turning to Peter Drucker's *The Effective Executive* (1967) might do better to seek advice from Lewis Carroll's *Through the Looking Glass*. But apparent chaos has an underlying pattern and an emblematic order increasingly appreciated in corporate life (Kotter and Heskett, 1992).

ORGANIZATIONAL SYMBOLS

An organization's culture is revealed and communicated through its symbols: GEICO's gecko, Target's bullseye, Airbnb's Bélo or Aflac's duck. McDonald's franchises are unified as much by golden arches, core values, and the legend of Ray Kroc as by sophisticated control systems. Harvard professors are bound less by structural constraints than by rituals of teaching, values of scholarship, and the myths and mystique of Harvard. Symbols take many forms in organizations. Myth, vision, and values imbue an organization with deep purpose and resolve. The words and deeds of heroes and heroines serve as icons or logos for others to admire or emulate. Fairy tales and stories tender explanations, reconcile contradictions, and resolve dilemmas (Cohen, 1969). Rituals and ceremonies offer direction, faith, and hope (Ortner, 1973). Metaphor, humor, and play loosen things up and form communal bonds (Lewin, 1998; Romero and Cruthirds, 2006; Statler and Roos, 2007). We look at each of these symbolic forms in the following sections.

Myths, Vision, and Values

A myth is a collective dream (Jung, 1965). Myths, operating at a mystical level, are the story behind the story (Campbell, 1988). They explain, express, legitimize, and maintain solidarity and cohesion. They communicate unconscious wishes and conflicts, mediate

contradictions, and offer a narrative anchoring the present in the past (Cohen, 1969). All organizations rely on myths or sagas of varying strength and intensity (Clark, 1975). Myths can transform a place of work into a beloved, revered, hallowed institution and an all-encompassing way of life.

Myths often originate in the launching of an enterprise. The original plan for Southwest Airlines, for example, was sketched on a cocktail napkin in a San Antonio bar. It envisioned connecting three Texas cities: Dallas, Houston, and San Antonio. As legend has it, Rollin King, one of the founders, said to his counterpart Herb Kelleher, “Herb, let’s start an airline.” Kelleher, who later became Southwest’s CEO, replied, “Rollin, you’re crazy. Let’s do it!” (Freiberg and Freiberg, 1998, p. 15).

As the new airline moved ahead, it met fierce resistance from established carriers. Four years of legal wrangling kept the upstart grounded. In 1971, the Texas Supreme Court ruled in Southwest’s favor, and its planes were ready to fly. A local sheriff’s threat to halt flights under a court injunction prompted a terse directive from Kelleher: “You roll right over the son of a bitch and leave our tire tracks on his uniform if you have to” (Freiberg and Freiberg, 1998, p. 21). (That directive, of course, signaled resolve, not homicidal intent.) The persistence and zaniness of Southwest’s mythologized beginnings shape its unique culture: “The spirit and steadfastness that enabled the airline to survive in its early years is what makes Southwest such a remarkable company today” (p. 14).

Myths undergird an organization’s values. Values characterize what an organization stands for, qualities worthy of esteem or commitment. Unlike goals, values are intangible and define a unique character that helps people find meaning and feel special about what they do.

The values that count are those an organization lives, regardless of what it articulates in mission statements or formal documents. Southwest Airlines has never codified its values formally. But its Symbol of Freedom billboards and banners once expressed the company’s defining purpose: extending freedom to fly to everyone, not just the elite, and doing it with an abiding sense of fun. Other organizations make values more explicit. The Edina (Minnesota) School District, following the suicide of a superintendent, involved staff, parents, and students in formally articulating values in a document: “We care. We share. We dare.” The values of the U.S. Marine Corps are condensed into a simple phrase: “Semper Fi” (short for *semper fidelis*—always faithful). More than a motto, it stands for the traditions, sentiments, and solidarity instilled into recruits and perpetuated by veteran Marines: “The values and assumptions that shape its members . . . are all the Marines have. They are the smallest of the U.S. military services, and in many ways the most interesting. Theirs is the richest culture: formalistic, insular, elitist, with a deep anchor in their own history and mythology” (Ricks, 1998, p. 19).

Vision turns an organization's core ideology, or sense of purpose, into an image of the future. It is a shared fantasy, illuminating new possibilities within the realm of myths and values. Martin Luther King's "I have a dream" speech, for example, articulated poetically a new future for race relations rooted in the ideals of America's founding fathers.

Vision is deemed vital in contemporary organizations. In *Built to Last*, Collins and Porras profile a number of extraordinary companies and conclude, "The essence of a visionary company comes in the translation of its core ideology and its own unique drive for progress into the very fabric of the organization" (1994, p. 201). Johnson & Johnson's commitment to the elimination of "pain and disease" and to "the doctors, nurses, hospitals, mothers, and all others who use our products" motivated the company to make the costly decision to pull Tylenol from store shelves when several tainted bottles were discovered. 3M's principle of "thou shalt not kill a new product idea" came to life when someone refused to stop working on an idea that became Scotch Tape. The same principle paved the way for Post-it® notes, a product resurrected from the failed development of an adhesive. A vision offers mental pictures linking historical legend and core precepts to future events. Shared, it imbues an organization with spirit, resolve, and élan.

Myths, values, and visions often overlap. Take eBay, which emerged as a highly visible success amid a sea of 1990s dot-com disasters. Its interplay of myth, values, and vision contributes to its success even in a tough economic environment. Pierre Omidyar, eBay's founder, envisioned a marketplace where buyers would have equal access to products and prices, and sellers would have an open outlet for goods. Laws of supply and demand would govern prices.

But Omidyar's vision incorporated another element: community. Historically, people have used market stalls and cafés to swap gossip, trade advice, and pass the time of day. Omidyar wanted to combine virtual business site and caring community. That vision led to eBay's core values of commerce and community. Embedded in these are corollary principles: "Treat other people online as you would like to be treated, and when disputes arise, give other people the benefit of the doubt."

eBay is awash in myths and legends. Omidyar's vision is said to have taken root over dinner with his fiancée. She complained that their move from Boston to Silicon Valley severed her ties with fellow collectors of Pez dispensers. He came to her rescue by writing code and laying the foundation for a new company. Did it happen this way? Not quite. Mary Lou Song, an eBay publicist, hatched this story in an effort to get media exposure. Her rationale: "Nobody wants to hear about a 30-year-old genius who wanted to create a perfect market. They want to hear that he did it for his fiancée" (CNN Money, 2011). Her version persists because myths are truer than truth.

Airbnb, like Uber, is a young brand in the upcoming “sharing economy.” Success has come so quickly that the 2008 start-up is now valued at \$30 billion and has become a verb in everyday communication: “Let’s ‘Airbnb’ in Los Angeles this weekend.”

The company’s rise had not been without its challenges, but one of its key successes is its search for a mission. The cofounders have succeeded in identifying the company’s soul and how it interplays with employees, hosts, guests, and the outside world (Gallagher, 2016).

The quest for a unifying identity began in 2013 and was guided by key questions: Why does Airbnb exist? What’s its purpose? What’s its role in the world? The questions were put to founders, employees, hosts, and guests around the world. The answers would become the “rudder that guides the whole ship.”

Early on, consensus began to emerge around “belonging.” This formed the cornerstone for Airbnb’s new mission: to make people around the world feel like they could “Belong Anywhere.” Airbnb would become the place where anyone could engage with people and cultures as insiders, to meet the “universal human yearning to belong.” The Company fashioned a new logo, the “Bélo,” a cute squiggly shape resembling a heart, a location pin and the “A” in Airbnb. It stands for four things: people, places, love, and Airbnb (Gallagher, 2017).

Heroes and Heroines

Organizations often rely on CEOs or other prominent leaders as exemplars. They may not be media celebrities, like Jeff Bezos or Elon Musk, or symbols of corporate greed, like Ken Lay, Bernie Ebbers, and Dennis Kozlowski. They are solid leaders who build time-tested companies and deliver results.

One is Mary Barra, the first woman to serve as CEO of General Motors. She took the helm at a challenging time for the venerable automaker, which had barely survived bankruptcy and was under heavy fire for concealing a defective ignition switch that produced 13 deaths in GM Cobalts. Barra handled that with a directness and transparency that were new to General Motors and used it as an opportunity to begin to change GM’s sclerotic culture. Since becoming GM’s chief in 2014, she has tripled profits and engineered a dramatic revival (Colvin, 2014; Varchaver, 2016).

Another, Costco’s James Sinegal, took pride in his disdain for corporate perks. He answered his own phone and personally escorted guests to his spartan office—no executive bathroom, no walls, 20-year-old furniture. He commented: “We’re low-cost operators, and it would be a little phony if we tried to pretend that we’re not and had all the trappings” (Byrnes et al., 2002, p. 82).

Executives like Barra and Sinegal embrace their role as cultural heroes. They act as living logos, human icons, whose words and deeds exemplify and reinforce core values. Bernie

Marcus, cofounder of Home Depot, underscores the impact of well-placed cultural heroes and heroines: “People watch the titular heads of companies, how they live their lives, and they know [if] they are being sold a bill of goods. If you are a selfish son-of-a-bitch, well that usually comes across fairly well. And it comes across no matter how many memos you send out [stating otherwise]” (Roush, 1999, p. 139).

Not all icons are at the top of organizations. Ordinary people often perform exemplary deeds. The late Joe Vallejo, custodian at a California junior high school, kept the place immaculate. He was also a liaison between the school and its community. His influence knew few limits. When emotions ran high, he attended parent conferences and often negotiated a compromise acceptable to all parties. He knew the students and checked report cards. He was not bashful about telling seasoned teachers how to tailor lessons to student interests and needs. When he retired, a patio was named in his honor. It remains today, commemorating a hero who made a difference well beyond his formal assignment.

Some heroic exploits go unrecognized because they happen out of view. Southwest Airlines annually recognizes its behind-the-scenes employees in a “Heroes of the Heart” award ceremony. The honor goes to the backstage individual or group that contributes most to Southwest’s unique culture and successful performance. The year following the award, a Southwest aircraft flies with the winner’s name on its fuselage. A song written for the occasion expresses the value Southwest places on its heroes and heroines whose important work is often hidden:

Heroes come in every shape and size;
Adding something very special to others in their lives
No one gives you medals and the world won’t know your name
But in Southwest’s eyes you’re heroes just the same.

The Twin Towers tragedy reminded Americans of the vital role heroism plays in the human spirit. New York City police officers and firefighters touched people’s hearts by risking their lives to save others. Many perished as a result. Their sacrifices reaffirmed Americans’ spirit and resolve in enduring one of the nation’s most costly tragedies. Every day, less dramatic acts of courage come to light as people go out of their way to help customers or serve communities. NBC’s *Nightly News* airs a recurring segment recognizing people who “have made a difference.” In 2007, Colin Powell proposed an “Above the Call” citizen award, recognition on par with the Congressional Medal of Honor.

Exploits of heroes and heroines are lodged in our psyches. We call on their examples in times of uncertainty and stress. American POWs in North Vietnamese prisons drew upon

stories of the courage of Captain Lance Sijan, Admiral James Stockdale, and Colonel Bud Day, who refused to capitulate to Viet Cong captors. “[Their examples] when passed along the clandestine prison communications network . . . helped support the resolve that eventually defeated the enemy’s efforts” (McConnell, 2004, p. 249). During the Bosnian conflict, the ordeal of Scott O’Grady, a U.S. Air Force fighter pilot, made headlines. To survive after being shot down, O’Grady drew on the example of Sijan: “His strong will to survive and be free was an inspiration to every pilot I knew” (O’Grady, 1998, p. 83). Although drawn from nightmares of warfare, these examples demonstrate how human models influence our decisions and actions. We carry lessons of teachers, parents, and others with us. Their exploits, animated through stories, serve as guides to choices we make in our personal lives and at work.

Stories and Fairy Tales

It is said that God made people because he loves stories. “Human life is so bound up in stories that we are desensitized to their weird and witchy power” (Gottschall, 2012, p. 1). Stories, like folk or fairy tales, offer more than entertainment or moral instruction for small children. They grant comfort, reassurance, direction, and hope to people of all ages. They externalize inner conflicts and tensions (Bettelheim, 1977). We tend to dismiss stories as the last resort of people without substance. As an older retiree remarked, “Why, I have a perfect memory. I even remember things that never happened.” We denigrate professors and elders for telling “war stories.” Yet stories convey information, morals, and myths vividly and convincingly (Mitroff and Kilmann, 1975; Denning, 2005; Gottschall, 2012). They perpetuate values and keep heroic feats alive. This helps account for the recent proliferation of business books linking stories and leadership (Clark, 2004; Denning, 2004, 2005; Simmons, 2006, 2007; Seely et al., 2004). Barry Lopez captures poetically why stories are significant:

Remember only this one thing,
The stories people tell have a way of taking care of them.
If stories come to you, care for them.
And learn to give them away where they are needed.
Sometimes a person needs a story more than food to stay alive.
That is why we put these stories in each other’s memories.
This is how people care for themselves (Lopez, 1998).

Stories are deeply rooted in the human experience. It is through story that we can see into each other’s souls, and apprehend the soul of the organization. The stories that both

individuals and organizations tell about themselves anchor identity and hope. Vough and Caza (2017) note that when individuals experience career setbacks, they do better going forward if they tell a positive story. For example, one manager said about a career setback: “I actually don’t regret . . . [not being promoted], because it helped me better understand how to navigate the political landscape, to really trust myself, and not allow others’ opinions to influence my own sense of self-worth” (p. 203).

Stories are told and retold around campfires and during family reunions (Clark, 2004). David Armstrong, CEO of Armstrong International, notes that storytelling has played a commanding role in history through the teachings of Jesus, the Buddha, and Mohammed, among many others. It can play an equally potent role in contemporary organizations: “Rules, either in policy manuals or on signs, can be intimidating. But the morals in stories are invariably inviting, fun, and inspiring. Through storytelling our people can know very clearly what the company believes in and what needs to be done” (Armstrong, 1992, p. 6). To Armstrong, storytelling is a simple, timeless, and memorable way to have fun, train newcomers, recognize accomplishments, and spread the word. Denning (2005) puts the functions of stories into eight categories:

- Sparking action
- Communicating who you are
- Communicating who the company is—branding
- Transmitting values
- Fostering collaboration
- Taming the grapevine
- Sharing knowledge
- Leading people into the future

Effective organizations are full of good stories. They often focus on the legendary exploits of corporate heroes. Marriott Hotels founder J. W. Marriott Sr. died many years ago, but his presence lives on. Stories of his unwavering commitment to customer service linger. His aphorism “Take good care of your employees and they’ll take good care of your customers” is still part of Marriott’s philosophy. According to fable, Marriott visited new general managers and took them for a walk around the property. He pointed out broken branches, sidewalk pebbles, and obscure cobwebs. By tour’s end, the new manager had a long to-do list—and, more important, an indelible lesson in what mattered at Marriott.

Not all stories center on the founder or chief executive. Ritz-Carlton is famous for the upscale treatment it offers guests. It begins with the Ritz-Carlton credo and service values, reviewed at the daily “lineup” in every property and carried by every employee in a wallet-sized card. (Another hotel chain planned to implement a similar approach but then canceled the initiative to save the cost of the cards.) “My pleasure” is employees’ traditional response to requests, no matter how demanding or trivial. One hurried guest jumped into a taxi to the airport but left his briefcase on the sidewalk. The doorman retrieved the briefcase, abandoned his post, sped to the airport, and delivered it to the panicked guest. Instead of being fired, the doorman became part of the legends and lore—a living example of the company’s commitment to service (Deal and Jenkins, 1994).

Stories are a key medium for communicating corporate myths. They establish and perpetuate tradition. Recalled and embellished in formal meetings and informal coffee breaks, they convey and buttress an organization’s values and identity to insiders, building loyalty and support. At a company’s annual celebration banquet, a nervous executive serving as the night’s emcee introduced all the VIPs seated at the head dais. As he was completing his obviously compulsory assignment, a younger man stepped up behind him and whispered, “You forgot to mention the chairman.”

A red-faced, flustered emcee turned to the crowd and apologized, “Oh yes, and of course our esteemed chairman of the board, Dr. Frye. Excuse me, Dr. Frye, my secretary left your name off the list.” Frye turned to his COO: “John, I want that guy fired tomorrow. That’s not the way we do things around here. Honesty and owning your mistakes are a big part of who we are.” The story spread quickly through the cultural network. Point made.

Or take Costco, widely recognized for its low prices and high value. Jim Sinegal, founder and former CEO of Costco, is known as a masterful storyteller constantly spinning yarns that reinforce the value of putting the interests of customers and employees ahead of stockholders:

In 1996 we were selling between \$150,000 and \$200,000 worth of salmon fillet every week at \$5.99 a pound. Then our buyers were able to get an improved product with belly fat, back fins, and collarbones removed, at a better price. As a result we reduced our retail price to \$5.29. So they improved the product and lowered the price. The buyers weren’t finished with the improvements, though. Next our buyers negotiated for a product with the pin bone out and all of the skin removed, and it was at an even better price, which enabled us to lower our price to \$4.99 a pound. Then, because we had continued to grow and had increased our sales volume, we

were able to buy direct from Canadian and Chilean farms, which resulted in an even lower price of \$4.79 (Denning, 2005, p. 137).

The “salmon story” is a widely shared symbolic reminder that low prices and high value are central to Costco’s core purpose. The story’s meaning is reinforced by a “salmon award” given to an employee or supplier who shows great diligence in contributing to Costco’s mission. Each award celebrates new stories and creates new lore.

“What else have we got besides stories?” Sinegal asks, “It’s what brings meaning to the work we do” (Fisher, Harris, and Jarvis, 2008).

Costco does not advertise, because fans and the media tell their story for them. Costco couldn’t say it better than “GearheadGrrrl” in a *Daily Kos* post:

Been looking for a small tool set to carry in the cars and sidecars, and Costco had the best deal with an American made Craftsman set for \$100, now marked down to \$80 . . . I was still looking for a better floor jack and Costco had one for \$100 that goes down as low as 4” to get under my cars and up to 18” to get the car up where it’s easier on my back to work on. Shopped local, but anything equivalent was at least \$150 . . . My back is much happier now! So folks, that’s the “Costco effect.” How Costco saves consumers dollars on mass market merchandise in major markets, while leaving opportunities for small local businesses to cater to our needs for specialty merchandise. Add in the living wages that Costco pays that allow Costco employees to funnel more dollars back into the economy, and we have a “Costco effect” that benefits workers, consumers, and businesses of all sizes instead of funneling wealth to the few like Walmart does! (GearheadGrrrl, 2013).

CNBC ran a TV story that focused on low prices, customer loyalty, and the “treasure hunt,” crediting Costco with reinventing shopping; the clip has more than 500,000 periodic views on YouTube (CNBC, 2013). The webmaster for addictedtocosco.com maintained her devotion to the store even after moving from Texas to the United Kingdom, despite a longer and initially scarier drive. Similar fanaticism was exemplified by two customers who held their engagement party at a local Costco. The story garnered national media attention.

Ritual

As a symbolic act, ritual is routine that “usually has a stateable purpose, but one that invariably alludes to more than it says, and has many meanings at once” (Moore and Meyerhoff, 1977, p. 5). Enacting a ritual connects an individual or group to something

mystical, more than words or rational thinking can capture. At home and at work, ritual gives structure and meaning to each day: “We find these magical moments every day—drinking our morning coffee, reading the daily paper, eating lunch with a friend, drinking a glass of wine while admiring the sunset, or saying, ‘Good night, sleep tight . . . ’ at bedtime. The holy in the daily; the sacred in the single act of living . . . A time to do the dishes. And a time to walk the dog” (Fulghum, 1995, pp. 3, 254).

Humans create both personal and communal rituals. The ones that carry meaning become the dance of life. “Rituals anchor us to a center,” Fulghum writes, “while freeing us to move on and confront the everlasting unpredictability of life. The paradox of ritual patterns and sacred habits is that they simultaneously serve as a solid footing and springboard, providing a stable dynamic in our lives” (1995, p. 261).

The power of ritual becomes palpable if one experiences the emptiness of losing it. Campbell (1988) underscores this loss: “When you lose rituals, you lose a sense of civilization; and that’s why society is so out of kilter.” As mentioned earlier, many Catholics lost their faith in the 1960s when the Roman Catholic Church changed its liturgy from Latin to vernacular. Later the Church reversed its earlier position and gave local priests permission to conduct the mass in Latin. Conversely, when the Catholic Church was hit later with a series of scandals involving sexual abuse of children and adolescents by priests, shaken laypersons turned to rituals of the mass for comfort and reassurance.

Rituals of initiation induct newcomers into communal membership. “Greenhorns” often encounter powerful cultural pressures as they join a group or organization. A new member must gain entry to the inner sanctum. Transitioning from stranger to full-fledged member grants access to cherished organizational secrets. The key episode is the rite of passage affirming acceptance. In tribes, simply attaining puberty is insufficient for young males: “There must be an accompanying trial and appropriate ritual to mark the event. The so-called primitives had the good sense to make these trials meaningful and direct. Upon attaining puberty you killed a lion and were circumcised. After a little dancing and whatnot, you were admitted as a junior member and learned some secrets. The [men’s] hut is a symbol of, and a medium for maintaining, the status quo and the good of the order” (Ritti and Funkhouser, 1982, p. 3).

We are not beyond the primitive drives, sexism, and superstition that gave rise to age-old institutions such as the men’s hut. Consider the experience of a newly elected member of the U.S. Congress:

One of the early female novices was a representative who was a serious feminist. Soon after arriving in Congress, she broke propriety by audaciously

proposing an amendment to a military bill of Edward Hebert, Chief of the Defense Clan. When the amendment received only a single vote, she supposedly snapped at the aged committee chairman: “I know the only reason my amendment failed is that I’ve got a vagina.” To which Hebert retorted, “If you’d been using your vagina instead of your mouth, maybe you’d have gotten a few more votes” (Weatherford, 1985, p. 35).

That exchange seems particularly harsh and offensive, but its multiple interpretations take us to the heart of symbolic customs. A kinder and gentler anecdote would blunt the power in a multilayered transaction with multiple meanings. Let’s look at some possible versions.

One version highlights the age-old battle between the sexes. The female representative raises the specter of sexual discrimination; Hebert uses a sexist jibe to put her in her place. Another view sees the exchange as a classic give-and-take. Newcomers bring new ideas as agents of evolution and reform. Old-timers are supposed to pass along time-tested values and traditions. As an initiation ritual, the exchange is a predictable clash between a new arrival and an established veteran. The old-timer is reminding the rookie who’s in charge. Newcomers don’t get free admission. The price is higher for those who, because of race, gender, or ethnicity, question or threaten existing values, norms, or patterns. If newcomers succumb, an organization risks stultification and decay; if old-timers fail to induct new arrivals properly, chaos and disarray lie ahead. Only a weak culture accepts newcomers without some form of testing, rite of passage, or “hazing.” The rite of passage reinforces the existing culture while testing the newcomer’s ability to become a member.

Initiation rituals in other organizations also reveal cultural values and ways to the newcomer. At Ritz Carlton, the process is called “Onboarding.” The two-day experience is as intense as the Congressional example but not as coarse. Newcomers learn the Credo and Gold Standards from current employees and high-ranking executives. They are imbued with their role as “ladies and gentlemen serving ladies and gentlemen.” They learn about the “Wow Effect” and their role in assuring that each guest has a superlative experience (each Ritz employee has a \$4,000 discretionary fund to make sure this happens).

One new employee describes how the “Wow Effect” took place at the end of the event’s second day:

We took a break. But before being dismissed our leaders asked each of us to write down our favorite food. Mine was Belgian chocolate. We handed in our

slips of paper and left. Upon the return, there was a plate of our favorite food at each place. Belgian chocolate for me. I never forgot that and now look for any chance I have to make a guest exclaim “WOW.”

Initiation is one important role of ritual. Rituals also bond a group together and imbue the enterprise with traditions and values. They prepare combat pilots to slip into a fighter cockpit knowing they may not return:

For me, there can be no fighter pilots without fighter pilot rituals. The end result of these rituals is a culture that allows individuals to risk their lives and revel in it (Broughton, 1988, p. 131).

Some rituals become ceremonial occasions to recognize momentous accomplishments. When Captain Lance Sijan received his posthumous Medal of Honor, the president of the United States attended:

In the large room, men in impressive uniforms and costly vested suits and women [in uniforms] and cheerful spring pastels stood motionless and silent in their contemplation of the words. The stark text of the citation contained a wealth of evocative imagery, some of it savage, some tender to the point of heartbreak. President Ford left the rostrum: a group of senior officers drew up beside him to hand forward the glass-covered walnut case containing the medal. There was a certain liturgical quality to this passing of a sanctified object among a circle of anointed leaders (McConnell, 2004, p. 217).

At the other end of the scale are many light-hearted rituals, but even these have a more serious side:

On a Friday night at a base officers' club, four Marine A-6 Intruder pilots joined a packed crowd of Air Force officers. One of the Marine aviators put his cap on the bar while fishing for some money to pay for his drink. The bartender rang a foot-tall bell and yelled “Hat on the bar!” This infraction automatically means the guilty party buys a round of drinks. Surveying the size of the crowd, the Marine . . . refused to pay. An Air Force colonel approached him and asked him if he really intended to flout the tradition. When the Marine responded in the affirmative, the colonel called the base security and ordered the A-6

[aircraft] on the ramp impounded. The Marine left and called his superior to report the colonel's action. Shortly thereafter, he returned and asked sheepishly, "What's everyone having?" (R. Mola, cited in Reed, 2001, p. 6).

Rituals also delineate key relationships. One of the most important relationships in a fighter squadron is that between a pilot and crew chief.

A preflight ritual transfers ownership between someone who cares for an aircraft on the ground and the one who will take it aloft. The ground ritual has several phases. A first salute reinforces rank and signifies respect between mechanic and pilot. A handshake takes the formal greeting to a new level, cementing the personal bond between the two. A second salute after the pilot has checked the aircraft indicates the aircraft's airworthiness. It is now officially under the pilot's command. Finally, a thumbs-up is a personal gesture wishing the pilot a good flight. Interwoven, the many rituals of combat flying bond the participants and bind them to the service's traditions and values (R. Mola, cited in Reed, 2001, p. 5).

Ceremony

Historically, cultures have relied on ritual and ceremony to create order, clarity, and predictability—particularly around mysterious and random issues or dilemmas. The distinction between ritual and ceremony is elusive. As a rule of thumb, rituals are more frequent, everyday routines imbued with special meaning. Ceremonies are more episodic, grander, and more elaborate. Ceremonies often weave several rituals in concert and are convened at times of transition or on special occasions. Rain dances, harvest celebrations, the darkest days of winter, the new beginnings and hope of spring bring people together to remember the past and to renew faith, hope, and spirit. Annual business meetings invoke supernatural assistance in explaining dips in the stock price or in building new market share. Annual conventions renew old ties and revive deep, collective commitments. "Convention centers are the basilicas of secular religion" (Fulghum, 1995, p. 96).

Both ritual and ceremony are illustrated in an account from Japan:

It has been the same every night since the death in 1964 of Yasujiro Tsutsumi, the legendary patriarch of the huge Seibu real-estate and transportation group. Two employees stand an overnight vigil at his tomb . . . On New Year's, the weather is often bitter, but at dawn the vigil expands to include five or six

hundred top executives—directors, vice presidents, presidents—arrayed by company and rank, the most senior in front. A limousine delivers Yasujiro's third son, Yoshiaki Tsutsumi, the head of the family business and Japan's richest man. A great brass bell booms out six times as Yoshiaki approaches his father's tomb. He claps his hands twice, bows deeply, and says, "Happy New Year, Father, Happy New Year." Then he turns to deliver a brief-but-stern sermon to the assembled congregation. The basic themes change little from year to year: last year was tough, this year will be even tougher, and you'll be washing dishes in one of the hotels if your performance is bad. Finally, he toasts his father with warm sake and departs (Downer, 1994).

Ceremonies serve four major roles: they socialize, stabilize, reassure, and convey messages to external constituencies. Consider the example of Mary Kay Cosmetics. Several thousand people gather at the company's annual seminars to hear (now posthumous) personal messages from Mary Kay, to applaud the achievements of star salespeople, to hear success stories, and to celebrate. The ceremony brings new members into the fold and helps maintain faith, hope, and optimism in the Mary Kay family. It is a distinctive pageant and makes the Mary Kay culture accessible to outsiders, particularly consumers. Failure recedes and obstacles disappear in the "you can do it" spirit of the company symbol, the bumblebee—a creature that, according to mythical aerodynamics experts, should not be able to fly. Unaware of its limitations, it flies anyway.

Some events, like retirement dinners and welcoming events for new employees, are clearly ceremonial. Other ceremonies happen at moments of triumph or transition. When Phil Condit took over the reins of Boeing in 1996, he invited senior managers to his home for dinner. Afterward, the group gathered around a giant fire pit to tell stories about Boeing. Condit asked them to toss negative stories into the flames. It was an emblematic way to banish the dark side of the company's past (Deal and Key, 1998).

Condit resigned his chairman position at Boeing, under pressure, in 2003 but returned as part of the crowd to witness the ceremonial rollout of an aircraft his team had begun work on a decade earlier—the 787 Dreamliner. As the *Seattle Post-Intelligencer* reported, "With some 15,000 people gathered Sunday inside the world's largest building—Boeing's Everett factory—and tens of thousands more watching the event live around the world—Boeing opened the hangar doors to reveal the 787 Dreamliner, the first commercial passenger plane that will have a mostly composite airframe rather than aluminum . . . Those 15,000 employees, past and current executives, airline customers and others crowded around

the new jet for an up-close look” (“Thousands Welcome the Long-Awaited 787 Dreamliner,” 2007).

Condit mingled with employees to give and receive congratulations. Tom Brokaw served as master of ceremonies. Rock music roused the crowd. The event gave VIPs and politicians an opportunity to bask in the glory of a momentous accomplishment. As those who had launched every plane from the 707 through the 747 rubbed elbows and swapped tales, the roots of the past fused with the joy of the present and the promise of tomorrow’s next leap forward.

Ceremonies do not have to be as lavish as Boeing’s launch of the Dreamliner. Every organization has its moments of achievement and atonement. Expressive events provide order and meaning and bind an organization or a society together.

Ceremony is equally evident in other arenas. In the United States, political conventions select candidates, even though in recent decades the winner is usually determined well in advance. After the conventions come several months in which competing candidates trade clichés. The same pageantry unfolds each election year. Rhetoric and spontaneous demonstrations are staged in advance. Campaigning is repetitious and superficial, reporters play up the skirmish of the day, and voting often seems disconnected from the main drama. The denouement is often just what everyone expected, but occasionally the drama takes an unexpected turn, as in 2016 when Donald Trump won even though he was expected to lose.

Even so, the process of electing a president is still a momentous ceremony. It entails a sense of social involvement. It is an outlet for expression of discontent and enthusiasm. It stages live drama for citizens to witness and debate and gives millions of people a sense of participating in an exciting adventure. It lets candidates reassure the public that there are answers to important questions and solutions to vexing problems. It draws attention to common social ties and to the importance of America’s peaceful transfer of power (Edelman, 1977).

When properly conducted and attuned to valued myths, both ritual and ceremony fire the imagination and deepen faith; otherwise, they become cold, empty forms that people resent and avoid. They can release creativity and transform meanings, but they can also cement the status quo and block adaptation and learning. In some organizations, whining and complaining evolve as rituals of choice. Negative symbols perpetuate evil, just as positive symbols reinforce goodness. Symbols cut both ways.

Metaphor, Humor, and Play

Metaphor, humor, and play illustrate the important “as if,” “suppose that” quality of symbols. Metaphors make the strange familiar and the familiar strange. They capture subtle

themes that normal language can obscure. Consider these metaphors from managers asked to depict their agency as it is and as they hope it might become:

As the Agency Is	As It Might Become
A maze	A well-oiled wheel
Wet noodle	Oak tree
Aggregation of competing tribes	Symphony orchestra
Three-ring circus	Championship team
An unsolvable puzzle	A smooth-running machine
Twilight zone	Utopia
Herd of rampaging cattle	Fleet of ships

Metaphors compress complicated issues into understandable images, influencing our attitudes and actions. A university head who views the institution as a factory leads differently than one who conceives of it as a craft guild, shopping center, or beloved alma mater.

Humor plays a number of important roles: It integrates, expresses skepticism, contributes to flexibility and adaptiveness, and lessens status differences. Hansot (1979) argues that instead of asking why people use humor in organizations, we should ask why people are so serious. Humor is a classic device for distancing, but it also draws people together. It establishes solidarity and facilitates face saving. Above all, it is a way to illuminate and break frames, indicating that any single definition of a situation is arbitrary.

Play and humor are often distinguished from work. Play is what people do away from the office. Images of play among managers typically connote aggression, competition, and struggle (“We’ve got to beat them at their own game”; “We dropped the ball on that one”; “We knocked that one out of the park”) rather than relaxation and fun. But if play is viewed as a state of mind (Bateson, 1972; Goffman, 1974), any activity can become playful. Play relaxes rules to explore alternatives, encouraging experimentation, flexibility, and creativity. Playfulness has created many remarkable innovations. March (1976) suggests some guidelines for encouraging play in organizations: treat goals as hypotheses, intuition as real, hypocrisy as transition, memory as an enemy, and experience as a theory.

ORGANIZATIONS AS CULTURES

What is culture? What is its role in an organization? Both questions are contested. Some argue that organizations *have* cultures; others insist that organizations *are* cultures. Schein (1992, p. 12) offers a formal definition: “a pattern of shared basic assumptions that a group learned as it solved its problems of external adaptation and integration, that has worked well

enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.” Deal and Kennedy (1982, p. 4) portray culture more succinctly as “the way we do things around here.” Culture is both a product and a process. As a product, it embodies wisdom accumulated from experience. As a process, it is renewed and recreated as newcomers learn the old ways and eventually become teachers themselves.

There is a long-standing controversy about the relationship between culture and leadership. Do leaders shape culture, or are they shaped by it? Is symbolic leadership empowering or manipulative? Another debate swirls around the link between culture and results. Do organizations with robust cultures outperform those relying on structure and strategy? Does success breed a cohesive culture, or is it the other way around? Books like Kotter and Heskett’s *Corporate Culture and Performance* (1992), Collins and Porras’s *Built to Last* (1994), and Collins’s *Good to Great* (2001) offer impressive longitudinal evidence linking culture to the financial bottom line.

Over time, an organization develops distinctive beliefs, values, and customs. Managers who understand the significance of symbols and know how to evoke spirit and soul can shape more cohesive and effective organizations—so long as the cultural patterns align with the challenges of the marketplace. To be sure, culture can become a negative force, as it did at Volkswagen and Wells Fargo Bank. But two cases demonstrate how positive, cohesive business cultures can be fashioned and perpetuated.

BMW’s Dream Factory

In 1959, BMW was in a financial hole as deep as the one General Motors and Ford experienced more recently (Edmondson, 2006. Copyright © 2006. McGraw-Hill Companies, Inc.). During the 1950s, BMW executives misjudged the consumer market, and customers shunned two new models—one too big and pricey even for the luxury market, the other a two-seater too small and impractical for the sporty crowd. BMW almost went bankrupt and almost had to sell out to Mercedes. A wealthy shareholder stepped in and, with concessions from the unions, bailed the company out. The memory of this close call is part of BMW’s lore: “Near death experiences are healthy for companies. BMW has been running scared for years” (p. 4, Copyright © 2006. McGraw-Hill Companies, Inc.). The near-death story is retold often and is one of the first things newcomers learn.

Old ways become especially vulnerable in times of crisis. BMW shucked off its top-down mentality in 1959 and cultivated a new cultural mind-set to guard against making the same mistake again.

A visit to BMW's Leipzig plant shows how far the company has come. The plant's modern, artsy, open-air feeling reflects the company's cultural values and demonstrates its commitment to breaking down barriers among workers, designers, engineers, and managers. Openness encourages chance encounters and a freewheeling exchange of ideas. People "meet simply because their paths cross naturally. And they say 'Ah, glad I ran into you, I have an idea'" (Edmondson, 2006, p. 1. Copyright © 2006. McGraw-Hill Companies, Inc.).

At BMW, the bedrock value is innovation:

Just about everyone working for the Bavarian automaker—from the factory floor to the design studios to the marketing department—is encouraged to speak out. Ideas bubble up freely, and there is never a penalty for proposing a new way of doing things, no matter how outlandish. Much of BMW's success stems from an entrepreneurial culture that's rare in corporate Germany, where management is usually top-down and the gulf between workers and management is vast. BMW's 100,000 employees have become a nimble network of true believers with few barriers to hinder innovation (Edmondson, 2006, pp. 1–2. Copyright © 2006. McGraw-Hill Companies, Inc.).

Commitment to its workers is another core value of BMW. It is not easy to get a job at a company that fields 200,000 applications annually. Those who pass initial screening have to survive intense interviews and a day of working in teams. The goal: to screen out those who don't fit. The lucky few who are hired move into the mix right away. They are forced to rely on veteran workers to learn the ropes. But once part of the BMW workforce, workers have unparalleled job security. Layoffs, once common at Ford and GM, don't happen at BMW. The company is loyal to its employees, and they respond in kind.

From the start, workers receive indoctrination into the BMW Way. They are steeped "with a sense of place, history, and mission. Individuals from all strata of the corporation work elbow-to-elbow, creating informal networks where they can hatch even the most unorthodox ideas for making better Bimmers or boosting profits. The average BMW buyer may not know it, but he is driving a machine born of thousands of important brainstorming sessions. BMW, in fact, may be the chattiest company ever" (Edmondson, 2006, p. 2. Copyright © 2006. McGraw-Hill Companies, Inc.).

Rituals are a way of tribal life at BMW—building bonds among diverse groups, connecting employees' hearts with the company's soul, and pooling far-flung ideas for better products. After BMW acquired Rolls-Royce, an assemblage of designers, engineers, marketers, and line workers was thrown together to redesign the signature Rolls Phantom.

The result was a superluxurious best seller. When management decided to drop the Z3, a designer persuaded some other designers and engineers to join him in an “off the books, skunk-works” effort. The outcome of their collective endeavor: the successful Z4 sports car.

The flexibility of BMW’s manufacturing process allows buyers to select engine types, interior configuration, and trim, customizing almost every key feature. They can change their minds up to 5 hours before the vehicle is assembled—and they do. The assembly line logs 170,000 alterations a month. This level of personal attention lets assemblers visualize who the driver might be. Making identical cars only every nine months creates a sense of personal touch and creativity. That’s a prime reason work at BMW has meaning beyond a paycheck. Everyone’s efforts are aimed at building a distinctive automobile that an owner will be proud to drive.

The vitality and cohesiveness of the idea-driven BMW culture is reflected in the company’s bottom line. From its nadir in the 1950s, BMW grew past Mercedes to become the world’s largest premium carmaker (Vella, 2006). But that growth may also be its biggest vulnerability. “Losing its culture to sheer size is a major risk” (Edmondson, 2006, p. 3. Copyright © 2006. McGraw-Hill Companies, Inc.). So far, BMW seems to be meeting the challenge of nurturing recollections of 1959 as a defense against complacency. In 2012, *Forbes* named BMW the most reputable company in the world.

Greatest Hits from Organization Studies

Hit Number 28: Geert Hofstede, *Culture’s Consequences: International Differences in Work-Related Values* (Newbury Park, CA: Sage, 1984)

Geert Hofstede pioneered research on the impact of national culture on the workplace. Although other studies, such as GLOBE (House et al., 2004), are more current, his work remains the most frequently cited.

Defining culture as “the collective programming of the mind that distinguishes the members of one human group from another” (p. 21), Hofstede focused particularly on work-related values. The heart of his book is a survey of a large U.S. multinational company’s employees.

Approximately 117,000 surveys were collected from workers and managers in 40 countries and 20 languages. Data were collected in two waves, one in 1968 and another in 1972. Hofstede then identified variables that reliably differentiated managers of various nations. He ultimately settled on four dimensions of national culture:

1. *Power distance*: A measure of power inequality between bosses and subordinates. High power-distance countries (such as the Philippines, Mexico, and Venezuela) display more autocratic relationships between bosses and subordinates. Low power-distance countries (including Denmark, Israel, and Austria) show more democratic and decentralized patterns.

2. *Uncertainty avoidance*: The level of comfort with uncertainty and ambiguity. Countries high on uncertainty avoidance (Greece, Portugal, Belgium, and Japan) tend to make heavy use of structure, rules, and specialists to maintain control. Those low on the index (Hong Kong, Denmark, Sweden, and Singapore) put less emphasis on structure and are more tolerant of risk taking.
3. *Individualism*: The importance of the individual versus the collective (group, organization, or society). Countries highest on individualism (the United States, Australia, Great Britain, and Canada) put emphasis on autonomous, self-reliant individuals who care for themselves. Countries lowest on individuality (Peru, Pakistan, Colombia, and Venezuela) emphasized mutual loyalty.
4. *Masculinity-femininity*: The degree to which a culture emphasizes ambition and achievement versus caring and nurture. In countries highest in masculinity (Japan, Austria, Venezuela, Italy), men tend to feel strong pressures for success, relatively few women hold high-level positions, and job stress is high. The opposite is true in countries low in masculinity (such as Denmark, Norway, the Netherlands, and Sweden).

Hofstede argues that management practices and theories are inevitably culture bound. Most management theory has been developed in the United States, which is culturally similar to nations where people speak English and other northern-European languages but distinct from most countries in Asia (as well as those speaking Romance languages). To Hofstede, managers and scholars have too often assumed that what works in their culture will work anywhere, an assumption that can have disastrous results.

Hofstede also explores the relationship between national and organizational culture, noting that a common culture is a powerful form of organizational glue. This is most likely to occur in multinationals in which a home country culture reigns companywide, which in turn requires that managers from outside the home country become bicultural. Many American managers who work abroad, in Hofstede's view, tend to live in American enclaves and remain both monolingual and monocultural.

Hofstede's research was limited in many ways. His sample came from only one American company (IBM), and many nations were absent (China, Russia, most of Africa and Eastern Europe). His data are now about four decades old. But no other work has been as influential in demonstrating the pervasive impact of national culture on organizations.

Nordstrom's Rooted Culture

Nordstrom department stores are renowned for customer service and employee satisfaction. Customers rave about its no-hassle, no-questions-asked commitment to high-quality service: "not service the way it used to be, but service that never was" (Spector and McCarthy, 1995, p. 1). Year after year, Nordstrom has been ranked at or near the top in retail service ratings, and in 2016 it continued to hold the top spot for department stores. The company is consistently listed on *Fortune's* list of the 100 Best Companies to Work for.

Founder John Nordstrom was a Swedish immigrant who settled in Seattle after an odyssey across America and a brief stint hunting gold in Alaska. He and Carl Wallin, a shoemaker, opened a shoe store. Nordstrom's sons Elmer, Everett, and Lloyd joined the business. Collectively, they anchored the firm in an enduring philosophical principle: the customer is always right. The following generations of Nordstroms expanded the business while maintaining a close connection with historical roots.

The company relies on acculturated "Nordies" to induct new employees into customer service the Nordstrom way. Newcomers begin in sales, learning traditions from the ground up: "When we are at our best, our frontline people are lieutenants because they control the business. Our competition has foot soldiers on the front line and lieutenants in the back" (Spector and McCarthy, 1995, p. 106).

Nordstrom's unique commitment to customer service is heralded in its "heroics"—tales of heroes and heroines going out of their way:

- A customer fell in love with a particular pair of pleated burgundy slacks on sale at Nordstrom's downtown Seattle store. Unfortunately, the store was out of her size. The sales associate got cash from the department manager, marched across the street, bought the slacks at full price from a competitor, brought them back, and sold them to the customer at Nordstrom's reduced price (Spector and McCarthy, 1995, p. 26).
- According to legend, a Nordie once refunded a customer's payment for a set of automobile tires, even though the company had never stocked tires. In 1975, Nordstrom had acquired three stores from Northern Commercial in Alaska. The customer had purchased the tires from Northern Commercial, so Nordstrom took them back—as the story goes (Spector and McCarthy, 1995, p. 27).

Nordstrom's commitment to customer service is reinforced in storewide rituals. Newcomers encounter the company's values in the initial employee orientation. For many years, they were given a 5" × 8" card labeled the "Nordstrom Employee Handbook," which listed only one rule: *Use your sound judgment in all situations*. Newcomers still get the card, but Nordstrom has added a handbook that lists a few rules and legal considerations. The emphasis on pleasing the customer is still dominant. At staff meetings, sales associates compare and discuss sales techniques and role-play customer encounters.

Periodic ceremonies reinforce the company's cherished values. From the company's early years, the Nordstrom family sponsored summer picnics and Christmas dance parties, and the company continues to create occasions to celebrate customer service: "We do crazy stuff. Monthly store powwows serve as a kind of revival meeting, where customer letters of

appreciation are read and positive achievements are recognized, while coworkers whoop and cheer for one another. Letters of complaint about Nordstrom customer service are also read over the intercom (omitting the names of offending salespeople)” (Spector and McCarthy, 1995, pp. 120, 129).

At one spirited sales meeting, a regional manager asked all present to call out their sales targets for the year, which he posted on a large chart. Then the regional manager uncovered his own target for each person. Anyone whose target was below the regional manager’s was roundly booed. Those whose individual goals were higher were acclaimed with enthusiastic cheers (Spector and McCarthy, 1995).

The delicate balance of competition, cooperation, and customer service has served Nordstrom well. Its stellar identity has created a sterling image. In a sermon titled “The Gospel According to Nordstrom,” one California minister “praised the retailer for carrying out the call of the gospel in ways more consistent and caring than we sometimes do in the church” (Spector and McCarthy, 1995, p. 21).

Nordstrom, like every business, has stumbled occasionally. But its steadfast loyalty to proven values and ways keeps the company on a successful course.

CONCLUSION

In contrast to traditional views emphasizing rationality, the symbolic frame highlights the tribal aspect of contemporary organizations. It centers on complexity and ambiguity and emphasizes the idea that symbols mediate the meaning of work.

Myths, values, and vision bring cohesiveness, clarity, and direction in the presence of confusion and mystery. Heroes carry values and serve as powerful icons. Rituals and ceremonies provide scripts for celebrating success and facing calamity. Metaphors, humor, and play offer escape from the tyranny of facts and logic; they stimulate creative alternatives to timeworn choices. Symbolic forms and activities are the basic elements of culture, accumulated over time to shape an organization’s unique identity and character. In *The Feast of Fools*, Cox (1969, p. 13) summarizes: “Our links to yesterday and tomorrow depend also on the aesthetic, emotional, and symbolic aspects of human life—on saga, play, and celebration. Without festival and fantasy, man would not really be a historical being at all.”



Culture in Action

*Not a having and a resting, but a growing and becoming is
the character of perfection as culture conceives it.*

—Matthew Arnold

The public has been fascinated with the U.S. Navy’s secret SEAL strike teams ever since one of them, SEAL Team Six Red Squadron, tracked down Osama bin Laden in 2012. The public eye typically focuses on the modern weaponry, awesome firepower, and sheer bravado of the SEAL operators. At least three books and a hit movie, *Zero Dark Thirty*—each with its own interpretation of that operation—came out in 2013. But lurking beneath the surface of Red Squadron’s successful foray is another story about the culture of SEAL Team Six, which has not been fully told.

The books written by SEALs generally underscore the important contributions of the team’s tightly knit culture. The members of Team Six “are bound together not only by sworn oaths, but also by the obligations of their brotherhood” (Pfarrer, 2011, p. 28). As one SEAL described it, “My relationship with Team Six has been more important than my marriage” (Wasdin and Templin, 2011, p. 254). Posttraumatic stress disorder among returning soldiers has been attributed to the loss of brotherhood. Published sources sometimes mention pranks, humor, ritual, and specialized language, but they don’t describe in depth the essential cultural components that create these intense emotional and spiritual bonds.

Descriptions, prescriptions, and theories about improving teamwork often miss the deeper secrets and mysteries of how groups and teams reach the elusive state of grace and peak performance. Former Visa CEO Dee Hock captured the heart of the issue: “In the field of group endeavor, you will see incredible events in which the group performs far beyond the sum of its individual talents. It happens in the symphony, in the ballet, in the theater, in sports, and equally in business. It is easy to recognize and impossible to define. It is a mystique. It cannot be achieved without immense effort, training, and cooperation, but effort, training, and cooperation alone rarely create it” (quoted in Schlesinger, Eccles, and Gabarro, 1983, p. 173).

With a population of only slightly more than 2 million people in the 1770s, how was the United States able to produce an extraordinary leadership team that included John Adams, Benjamin Franklin, Alexander Hamilton, Thomas Jefferson, and George Washington? In World War II, did anyone believe that Britain’s Royal Air Force could defend the island nation against the overwhelming power of Hitler’s Luftwaffe? As Winston Churchill later commented, “Never have so many owed so much to so few.”

Did anyone expect the Iraqi soccer team to take home the Asian Cup in 2007? With all the turmoil and strife at the time in Iraq, it is hard to picture the country even fielding a team. And how could two graduate students who came from opposite ends of the earth (Michigan and Moscow), and who initially didn’t like each other, create a company whose name—Google—became a global household word?

Are such peak performances simply a great mystery—beautiful when they happen but no more predictable or controllable than California’s next earthquake? Too often we try to attribute success to extraordinary individuals, enlightened structural design, or political harmony. In this chapter, we scrutinize a classic case of a team that achieved a state of transcendence. Tracy Kidder spent a year embedded in a group of engineers, intimately observing it in operation. The unusually in-depth and close-grained story takes us directly to the symbolic roots of flow, spirit, and magic. Very few studies of teams can match Kidder’s rigor and attention to detail.

THE EAGLE GROUP’S SOURCES OF SUCCESS

Kidder’s *Soul of a New Machine* (1981) is the dazzling and detailed account of the extensive period of time he spent at the minicomputer firm Data General in the 1970s with a group of engineers who created a new computer in record time. Despite scant resources and limited support, the Eagle Group outperformed all other Data General divisions to produce a new

state-of-the-art machine. The technology they developed is now antiquated, but lessons drawn from how they pulled it off are as current and instructive ever.¹

Why did the Eagle Group succeed? So many groups of engineers—or educators, physicians, executives, or graduate students—start out with high hopes but falter and fail.

Were the project members extraordinarily talented? Not really. Each was highly skilled, but there were equally talented engineers working on other Data General projects.

Were team members treated with dignity and respect? Quite the contrary. As one engineer noted, “No one ever pats anyone on the back” (p. 179). Instead, the group experienced what they called mushroom management: “Put ‘em in the dark, feed ‘em shit, and watch ‘em grow” (p. 109). For over a year, group members jeopardized their health, their families, and their careers: “I’m flat out by definition. I’m a mess. It’s terrible. It’s a lot of fun” (p. 119).

Were financial rewards a motivating factor? Group members said explicitly that they did not work for money. Nor were they motivated by fame. Heroic efforts were rewarded neither by formal appreciation nor by official applause. The group quietly dissolved shortly after completing the new computer, and most members moved unrecognized to other parts of Data General or to other companies. Their experience fits later successes at Cisco Systems, about which Paulson concludes, “All personnel are driven by the desire to be a part of a winning organization” (2001, p. 187).

Perhaps the group’s structure accounted for its success. Were its members pursuing well-defined and laudable goals? The group leader, Tom West, offered the precept that “not everything worth doing is worth doing well.” Pushed to translate his maxim, he elaborated, “If you can do a quick-and-dirty job and it works, do it” (p. 119). Did the group have clear and well-coordinated roles and relationships? According to Kidder, it kept no meaningful charts, graphs, or organization tables. One of the group’s engineers put it bluntly: “The whole management structure—anyone in Harvard Business School would have barfed” (p. 116).

Can the political frame unravel the secret of the group’s phenomenal performance? Possibly group members were motivated more by power than by money: “There’s a big high in here somewhere for me that I don’t fully understand. Some of it’s a raw power trip. The reason I work is because I win” (p. 179). They were encouraged to circumvent formal channels to advance group interests: “If you can’t get what you need from some manager at your level in another department, go to his boss—that’s the way to get things done” (p. 191).

Group members were also unusually direct and confrontational: “Feeling sorely provoked, [David] Peck one day said to this engineer, ‘You’re an asshole.’ Ordered by his boss to

apologize, Peck went to the man he had insulted, looking sheepish, and said, ‘I’m sorry you’re an asshole’” (p. 224).

The group was highly competitive with others in the company: “There’s a thing you learn at Data General, if you work here for any period of time . . . that nothing ever happens unless you push it” (p. 111). They also competed with one another. Their “tube wars” are a typical example. Carl Alsing, head of a subgroup known as the Microkids, returned from lunch one day to find that all his files had become empty shells: the names were there, but the contents had vanished. It took him an hour to find where the real files were. Alsing counterattacked by creating an encrypted file and tantalizing the team, “There’s erotic writing in there and if you can find it, you can read it” (p. 107).

Here we begin to encounter the secrets of the group’s success. The tube wars—and other exchanges among group members—were more than power struggles. They were a form of play that released tensions, created bonds, and contributed to an unusual group spirit. A shared and cohesive culture rather than a clear, well-defined structure was the invisible force that gave the team its drive.

From the Eagle Group’s experience, we can distill several important tenets of the symbolic frame that are broadly applicable to groups and teams:

- How someone becomes a group member is important.
- Diversity supports a team’s competitive advantage.
- Example, not command, holds a team together.
- A specialized language fosters cohesion and commitment.
- Stories carry history and values and reinforce group identity.
- Humor and play reduce tension and encourage creativity.
- Ritual and ceremony lift spirits and reinforce values.
- Informal cultural players contribute disproportionately to their formal roles.
- Soul is the secret of success.

Becoming a Member

Joining a team involves more than a rational decision. It is a mutual choice marked by some form of ritual. In the Eagle Group, the process of becoming a member was called “signing up.” When interviewing recruits, Alsing conveyed the message that they were volunteering to climb Mount Everest without a rope despite lacking the “right stuff” to keep up with other

climbers. When the new recruits protested they wanted to climb Mount Everest anyway, Alsing told them they would first have to find out whether they were good enough. After the selections were made, Alsing summed it up this way: “It was kind of like recruiting for a suicide mission. You’re gonna die, but you’re gonna die in glory” (p. 66).

Through the signing-up ritual, an engineer became part of a special effort and agreed to forsake family, friends, and health to accomplish the impossible. It was a sacred declaration: “I want to do this job and I’ll give it my heart and soul” (p. 63).

Diversity Is a Competitive Advantage

Though nearly all the group’s members were engineers, each had unique skills and style. Tom West, the group’s leader, was by reputation a highly talented technical debugger. He was also aloof and unapproachable, the “Prince of Darkness.” Steve Wallach, the group’s computer architect, was a highly creative maverick. According to Kidder (p. 75), before accepting West’s invitation to join the group, he went to Edson de Castro, the president of Data General, to find out precisely what he’d be working on:

“Okay,” Wallach said, “what the fuck do you want?”

“I want a 32-bit Eclipse,” de Castro told him.

“If we can do this, you won’t cancel it on us?” Wallach asked. “You’ll leave us alone?”

“That’s what I want, a 32,” de Castro assured him, “a 32-bit Eclipse and no mode bit.”

Wallach signed up. His love of literature, stories, and verse provided a literary substructure for the technical architecture of the new machine. Alsing, the group’s microcode expert, was as warm and approachable as West was cold and remote. Alsing headed the Microkids, the group of young engineers who programmed the new machine. Ed Rasala, Alsing’s counterpart, headed the Hardy Boys, the group’s hardware design team. Rasala was a solid, hyperactive, risk-taking, detail-oriented mechanic: “I may not be the smartest designer in the world, a CPU giant, but I’m dumb enough to stick with it to the end” (p. 142).

Diversity among the group’s other top engineers was evident in specialty as well as personality. One engineer, for example, was viewed as a creative genius who liked inventing an esoteric idea and then trying to make it work. Another was a craftsman who enjoyed fixing things, working tirelessly until the last bug had been tracked down and eliminated.

West buffered the team from upper management interference and served as a group “devil.” Wallach created the original design. Alsing and the Microkids created “a synaptic language that would fuse the physical machine with the programs that would tell it what to do” (p. 60). Rasala and the Hardy Boys built the physical circuitry. Understandably, there

was tension among these diverse, highly specialized individuals and groups. Harnessing the resulting energy galvanized the parts into a working team.

Example, Not Command

Wallach's design generated modest coordination for Eagle's autonomous individuals and groups. The group had some rules but paid little attention to them. Members viewed de Castro, the CEO, as a distant god. He was never there physically, but his presence was. West, the group's official leader, rarely interfered with the actual work, nor was he around in the laboratory. One Sunday morning in January, however, when the team was supposed to be resting, a Hardy Boy happened to come by the lab and found West sitting in front of one of the prototypes. The next Sunday, West wasn't in the lab, and after that they rarely saw him. For a long time he did not hint that he might again put his hands inside the machine.

West contributed primarily by causing problems for the engineers to solve and making mundane events and issues appear special. He created an almost endless series of "brush-fires" so he could inspire his staff to douse them. He had a genius for finding drama and romance in everyday routine. Other members of the group's formal leadership followed de Castro and West in creating ambiguity, encouraging inventiveness, and leading by example. Heroes of the moment gave inspiration and direction. Subtle and implicit signals rather than concrete and explicit guidelines or decisions held the group together and directed it toward a common goal.

Specialized Language

Every group develops words, phrases, and metaphors unique to its circumstances. A specialized language both reflects and shapes a group's culture. Shared language allows team members to communicate easily, with minimal misunderstanding. To the members of the Eagle Group, for example, a *kludge* was a poor, inelegant solution—such as a machine with loose wires held together with duct tape. A *canard* was anything false. *Fundamentals* were the source of enlightened thinking. The word *realistically* typically prefaced flights of fantasy. "Give me a *core dump*" meant tell me your thoughts. A *stack overflow* meant that an engineer's memory compartments were too full, and a *one-stack-deep mind* indicated shallow thinking. "Eagle" was a label for the project, and "Hardy Boys" and "Microkids" gave identity to the subgroups. Two prototype computers received the designations "Woodstock" and "Trixie."

Shared lingo binds a group together and is a visible sign of membership. It also sets a group apart and reinforces unique values and beliefs. Asked about the Eagle Group's headquarters, West observed, "It's basically a cattle yard. What goes on here is not part of the real world." Asked for an explanation, West remarked, "Mm-hmm. The language is different" (p. 50).

Stories Carry History, Values, and Group Identity

In high-performing organizations and groups, stories keep traditions alive and provide examples to channel everyday behavior. Group lore extended and reinforced the subtle yet powerful influence of Eagle's leaders—some of them distant and remote. West's reputation as a "troublemaker" and an "excitement junkie" spread through stories about computer wars of the mid-1970s. Alsing said of West that he was always prepared and never raised his voice. But he coolly conveyed intensity and the conviction that he knew the way out of whatever storm was currently battering the group.

West also possessed the skills of a good politician. He knew how to develop agendas, build alliances, and negotiate with potential supporters or opponents. When he had a particular objective in mind, he would first sign up senior executives.

Then he went to people one at a time, telling them the bosses liked the idea and asking them to come on board: "They say, 'Ah, it sounds like you're just gonna put a bag on the side of the Eclipse,' and Tom'll give 'em his little grin and say, 'It's more than that, we're really gonna build this fucker and it's gonna be fast as greased lightning.' He tells them, 'We're gonna do it by April'" (p. 44).

Stories of persistence, irreverence, and creativity encouraged others to go beyond themselves, adding new exploits and tales to Eagle's lore. For example, as the group neared completion, a debugging problem threatened the entire project. Jim Veres, one of the engineers, worked day and night to find the error. Ken Holberger, one of the Hardy Boys, drove to work early one morning, pondering the state of the project and wondering if it would ever get done.

He was startled out of his reverie by an unexpected scene as he entered the lab. "A great heap of paper lies on the floor, a continuous sheet of computer paper streaming out of the carriage at [the] system console. Stretched out, the sheet would run across the room and back again several times. You could fit a fairly detailed description of American history . . . on it. Veres sits in the midst of this chaos, the picture of the scholar. He's examined it all. He turns to Holberger. 'I found it,' he says" (p. 207).

Humor and Play

Groups often focus single-mindedly on the task, shunning anything not directly work related. Seriousness replaces playfulness as a cardinal virtue. Effective teams balance seriousness with play and humor. Surgical teams, cockpit crews, and many other groups have learned that joking and playful banter are essential sources of invention and team spirit. Humor releases tension and helps resolve issues arising from day-to-day routines as well as from sudden emergencies.

Play among the members of the Eagle project was an innate part of the group's process. When Alsing wanted the Microkids to learn how to manipulate the computer known as Trixie, he made up a game. As the Microkids came on board, he told each of them to figure how to write a program in Trixie's assembly language. The program had to fetch and print contents of a file stored inside the computer. The Microkids went to work, learned their way around the machine, and felt great satisfaction—until Alsing's perverse sense of humor tripped them up. When they finally found the elusive file, a message greeted them: "Access Denied."

Through such play, the Microkids learned to use the computer, coalesced into a team, and practiced negotiating their new technical environment. They also learned that their playful leader valued creativity.

Humor was a continuous thread as the team struggled with its formidable task. Humor often stretched the boundaries of good taste, but that too was part of the group's identity:

[Alsing] drew his chair up to his terminal and typed a few letters—a short code that put him in touch with Trixie, the machine reserved for the use of his micro coding team. "We've anthropomorphized Trixie to a ridiculous extent," he said.

He typed, WHO.

On the dark-blue screen of the cathode-ray tube, with alacrity, an answer appeared: CARL.

WHERE, typed Alsing.

IN THE ROAD, WHERE ELSE! Trixie replied.

HOW.

ERROR, read the message on the screen.

"Oh, yeah, I forgot," said Alsing, and he typed, PLEASE HOW.

THAT'S FOR US TO KNOW AND YOU TO FIND OUT.

Alsing seemed satisfied with that, and he typed, WHEN.

RIGHT FUCKING NOW, wrote the machine.
WHY, wrote Alsing.
BECAUSE WE LIKE TO CARL (pp. 90–91).

Throughout the year and a half it took to build their new machine, engineers of the Eagle project relied on play and humor as a source of relaxation, stimulation, enlightenment, and spiritual renewal.

Ritual and Ceremony

Rituals and ceremonies are expressive occasions. As parentheses in an ordinary workday, they enclose and define special forms of symbolic behavior. What occurs on the surface is not nearly as important as the deeper meaning communicated below ground. With little time for anything not related to the task of building the machine, the Eagle Group intuitively understood the importance of symbolic activity. From the beginning, leadership encouraged ritual and ceremony.

As one example, Rasala, head of the Hardy Boys, established a rule requiring that changes in public boards of the prototype be updated each morning. This activity allowed efforts to be coordinated formally. More important, the daily update was an occasion for informal communication, bantering, and gaining a sense of the whole. The engineers disliked the daily procedure, so Rasala changed it to once a week—on Saturday. He made it a point always to be there himself.

Eagle's leaders met regularly, but their meetings focused more on symbolic issues than on substance. "We could be in a lot of trouble here," West might say, referring to some current problem. And Wallach or Rasala or Alsing would reply, "You mean you could be in a lot of trouble, right, Tom?" It was Friday, they were going home soon, and relaxing, they could half forget that they would be coming back to work tomorrow" (p. 132). Friday afternoon is a customary time at the end of the workweek to wind down and relax. Honoring such a tradition was all the more important for a group whose members often worked all week and then all weekend. West made himself available to anyone who wanted to chat. Near the end of the day, before hurrying home, he would lean back in his chair with his office door open and entertain any visitor.

In addition to recurring rituals, the Eagle Group members convened intermittent ceremonies to raise their spirits and reinforce their dedication to a shared, intensely zealous mission. Toward the end of the project, Alsing instigated a ceremony to trigger a burst of renewed energy for the final push. The festivities called attention to the values of creativity, hard work, and teamwork. A favorite pretext for parties was presentation of the Honorary

Microcoder Awards that Alsing and the Microcoder Team instituted. Not to be outdone, the Hardy Boys cooked up the PAL Awards (named for the programmable array logic chips used in the machines). The first presentation came after work at a local establishment called the Cain Ridge Saloon. The citation read as follows (p. 250):

Honorary PAL Award

In recognition of unsolicited contributions to the advancement of Eclipse hardware above and beyond the normal call of duty, we hereby convey unto you our thanks and congratulations on achieving this "high" honor.

The same values and spirit were reinforced again and again in a continued cycle of celebratory events:

Chuck Holland [Alsing's main submanager] handed out his own special awards to each member of the Microteam, the Under Extraordinary Pressure Awards. They looked like diplomas. There was one for Neal Firth, "who gave us a computer before the hardware guys did," and one to Betty Shanahan, "for putting up with a bunch of creepy guys." After dispensing the Honorary Microcoder Awards to almost every possible candidate, the Microteam instituted the All-Nighter Award. The first of these went to Jim Guyer, the citation ingeniously inserted under the clear plastic coating of an insulated coffee cup (p. 250).

The Contribution of Informal Cultural Players

Alsing was the main organizer and instigator of parties. He was also the Eagle Group's conscience and nearly everyone's confidant. For a time when he was still in college, Alsing had wanted to become a psychologist. He acted like one now. He kept track of his team's technical progress but was more visible as the social director of the Microteam and often of the entire Eclipse Group. Fairly early in the project, Chuck Holland had complained, "Alsing's hard to be a manager for, because he goes around you a lot and tells your people to do something else." But Holland also conceded, "The good thing about him is that you can go and talk to him. He's more of a regular guy than most managers" (p. 105).

Every group or organization has a "priest" or "priestess" who ministers to spiritual needs. Informally, these people hear confessions, give blessings, maintain traditions, encourage ceremonies, and intercede in matters of gravest importance. Alsing did all these

things and, like the tribal priest, acted as a counterpart to and interpreter of the intentions of the chief:

West warned him several times, “If you get too close to the people who work for you, Alsing, you’re gonna get burned.” But West didn’t interfere, and he soon stopped issuing warnings.

One evening, while alone with West in West’s office, Alsing said: “Tom, the kids think you’re an ogre. You don’t even say hello to them.”

West smiled and replied. “You’re doing fine, Alsing” (pp. 109–110).

The duties of Rosemarie Seale, the group’s secretary, also went well beyond formal boundaries. If Alsing was the priest, she was the mother superior. She performed the usual secretarial chores—answering the phones, preparing documents, and constructing budgets. But she found particular joy in serving as a kind of den mother who solved minor crises that arose almost daily. When new members came on, it was Rosemarie Seale who worried about finding them a desk and some pencils. When paychecks went astray, she would track them down and deliver them to their intended recipients. She liked the job, she said, because she felt that she was doing something important.

In any group, a network of informal players deals with human issues outside formal channels. On the Eagle project, their efforts were encouraged, appreciated, and rewarded outside the formal chain of command; they helped keep the project on track.

Soul Is the Secret of Success

The symbolic tenor of the Eagle Group was the actual secret of its success. Its soul, or culture, created a new machine: “Ninety-eight percent of the thrill comes from knowing that the thing you designed works, and works almost the way you expected it would. If that happens, part of you is in that machine” (p. 273).

All the members of the Eagle Group put something of themselves into the new computer. Individual efforts went well beyond the job, supported by a unique way of life that encouraged each person to commit to doing something of significance. Their deep commitment and unwavering spirit jelled in the ritual of signing up. Both were then intensified and expanded by diversity, exceptional leaders, common language, stories, rituals, ceremonies, play, and humor. In the best sense of the word, the Eagle Group was a team, and the efforts of the individual members were interwoven by symbolic fibers. Cultural elements were the heart and soul of the group’s success.

The experience of the Eagle Group is not an outlier. After extensive research on high-performing groups, Vaill (1982) concluded that spirit was at the core of every such group he studied. Members of such groups consistently “felt the spirit,” a feeling essential to the meaning and value of their work. Bennis (1997) could have been writing about the Eagle Group when he concluded, “All Great Groups believe that they are on a mission from God, that they could change the world, make a dent in the universe. They are obsessed with their work. It becomes not a job but a fervent quest. That belief is what brings the necessary cohesion and energy to their work” (p. 1).

More and more teams and organizations, like the Eagle project or SEAL Team Six, realize that culture, soul, and spirit are the wellspring of high performance. The U.S. Air Force, in the aftermath of the Vietnam War, embarked on a vigorous effort to reaffirm traditions and rebuild its culture. The air warfare arm of the U.S. military added “Cohesion is a principle of war” to its list of core values. Project Warrior brought heroes—living and dead—forward as visible examples of the right stuff. The Air Force also instituted a “reblueing” ceremony to encourage recommitment to its traditions and values.

Other organizations have taken similar steps. In 2006 Starbucks’s performance had begun to slide, then dip. By 2007, the company’s stock price had fallen by 42 percent. In February, Starbucks Chairman Howard Schultz sent a confidential memo to top executives linking the downturn to slippage in the firm’s culture: “Over the past 10 years, in order to achieve the growth, development and scale necessary to go from less than 1,000 stores to 13,000 stores and beyond, we have had to make a series of decisions that, in retrospect, have led to the watering down of the Starbucks Experience, and what some might call the commoditization of our brand” (Schultz and Gordon, 2011, p. 23).

The “confidential” memo became public, and bedlam reigned at Starbucks. Schultz resumed his former role as CEO and took immediate steps to breathe new spirit into the company’s once vibrant way of life:

- A brainstorming meeting of company leaders to ponder the question: What is the soul of Starbucks?
- A ritual closing of 7,100 Starbucks outlets nationwide for an evening to refresh baristas in the texture and magic of a perfect espresso
- A meeting of top executives and managers to review, refine, revive, and recommit themselves to the company’s values
- A large meeting of shareholders featuring, with dramatic panache, new products, a frequent customer reward program, and a new espresso machine

- A meeting in New Orleans of almost 10,000 Starbucks managers—a gigantic celebration with themes of “Onward” and “Believe”; a recommitment to the company’s cultural history, values, and ways; and, to seal the deal, a rousing speech from Bono

The Air Force and Starbucks confirm that too much emphasis on sorties flown or quarterly numbers can divert attention from sustaining and revitalizing culture. That, in turn, can jeopardize the outcomes an organization or team is trying to maximize. Team Six, Starbucks, Zappos, and other successful companies and teams understand and live this lesson. When asked, “How much of your time do you spend dealing with cultural issues?” a wise executive said, “Not enough—maybe half my time.”

CONCLUSION

Symbolic perspectives question the traditional view that building a team mainly entails putting the right people in the right structure. The essence of high performance is spirit. If we were to banish play, ritual, ceremony, and myth from the workplace, we would destroy teamwork, not enhance it. There are many signs that contemporary organizations are at a critical juncture because of a crisis of meaning and faith. Managers wonder how to build team spirit when turnover is high, resources are tight, and people worry about losing their jobs. Such questions are important, but by themselves, they limit imagination and divert attention from deeper issues of faith and purpose. Managers are inescapably accountable for budget and bottom line; they have to respond to individual needs, legal requirements, and economic pressures. Leaders serve a deeper and more durable function if they recognize that team building at its heart is a spiritual undertaking. It is both a search for the spirit within and creation of a community of believers united by shared faith and shared culture. Burton Clark calls this an organization’s saga, a story “between the coolness of rational purpose and the warmth of sentiment found in religion or magic . . . it includes affect that turns a formal place into a beloved institution” (Baldrige and Deal, 1975, p. 98). Peak performance emerges as a team discovers its soul.

NOTE

1. Unless otherwise attributed, page number citations in this chapter are to Kidder’s book. From *The Soul of a New Machine* by Tracy Kidder. Copyright © 1981 by John Tracy Kidder. Reprinted by permission of Little, Brown and Company, Inc. All rights reserved.



Organization as Theater

*All the world's a stage, and all the men and women
merely players.*

—William Shakespeare, *As You Like It*

More than 400 years ago, Shakespeare captured an enduring truth we sometimes neglect in our love affair with facts and logic. Much of human behavior aims at getting things accomplished. The assumption of linear causality works sometimes when outcomes are tangible and a link between means and ends is clear. A factory, we surmise, rises or falls on what it produces. But the logic falters when outcomes are less tangible and the connection between actions and outcomes is more elusive.

Think about a church or temple. Shall we rely on income statements and congregation size to gauge success? How do we capture the value of souls saved and lives enriched? Such elusive variables are hard to quantify, but focusing on what we can measure rather than what we care about is a formula for disappointment and failure. In theater, what appears on stage is draped in perception. The same is true of organizations. We judge them by how they appear and how well they follow the script we expect. Shared faith and liturgy tie believers together and bestow legitimacy. As in theater, performance, faith, and devotion matter more than data and logic.

This is illustrated in a story and its accompanying drama that are central to the faith of Ethiopian Christians. The existence and location of the Ark of the Covenant is one of

history's greatest mysteries . . . but not to Ethiopians. They know that the Ark is now enshrined in a modest Chapel surrounded by a small courtyard in Azum. The Ark is overseen by a High Priest who, it is alleged, chooses his successor on his deathbed. Very few Ethiopians have seen the Ark's caretaker. No one, including religious leaders and the president of Ethiopia, has ever laid eyes on the Ark, though they have seen models because every Orthodox church in Ethiopia has one (Raffaele, 2007).

A reporter once approached the chapel and was able to talk briefly to the guardian. He said, "I have heard of the Ethiopian tradition that the Ark of the Covenant is kept here . . . in this Chapel. I have also heard that you are the Guardian of the Ark. Are these things true?"

"They are true."

"But in other countries, nobody believes these stories."

"People can say what they wish. People can believe what they wish. Nevertheless, we do possess the Ark of the Covenant and I am its Guardian. It is not a lesson. It is history."

"But no one has seen the Ark. Don't people need some proof that it's really here?"

"I've seen the Ark as did my predecessor and will my successor. The story of the Ark has passed through generations. What other proof do we need? In the very distant past, the Ark was brought out for religious rituals at Tikrit. But we don't do that anymore because of the turmoil and civil war around us. It is much too dangerous to have the Ark exposed."

"Do people have memories of seeing it before, in more peaceful times?"

"The Ark was always draped. Its brilliance would have blinded onlookers."

The ongoing drama surrounding the Ark creates its own kind of proof. Belief suffices; facts are irrelevant. Any attempt to challenge the truth of the historical interpretation is thwarted by a dramatic explanation that reinforces the prevailing account.

Even in technical environments, a dramaturgical view of situations offers enlightenment. The story of the U.S. Navy's Polaris missile system is a classic example of the role show business can play. One of its outstanding attributes was reliance on modern management techniques such as PERT (Program Evaluation Review Techniques) and PPBS (Program Planning and Budgeting Systems)—both better known by their acronyms than by their names. Specialist roles, technical divisions, management meetings, and the Special Projects Office embodied the methods.

In the wake of the project's success—on time and under budget—analysts credited the project's innovative management approach. The admiral in charge received recognition for his leadership in bringing modern management techniques to the U.S. Navy. A team of British experts visiting the project were impressed and, upon returning home, highly recommended PERT and PPBS to their Admiralty.

A later study by Sapolsky (1972) revealed a very different explanation for the project's accomplishments. Management innovations were highly visible but only marginally connected to the actual work. Specialists' activities linked loosely to other elements of the project. Plans and charts produced by the technical division received scant attention. Management meetings served as public arenas to chide poor performers and to stoke the project's religious fervor. The Special Projects Office served as an official briefing area. Visiting dignitaries were regaled with impressive diagrams and charts almost entirely unrelated to the project's progress. The team from the British Navy apparently surmised all this and still recommended a similar approach back home (Sapolsky, 1972).

Instead of serving intended rational purposes, modern management techniques contributed to a saga that built external legitimacy and support and kept critics and legislators at bay. The myth afforded breathing space for work to go forward and elevated participants' spirits and self-confidence. The Polaris story demonstrates the virtues of drama in engaging the attention and appreciation of both internal and external audiences: "An alchemist's combination of whirling computers, bright-colored charts, and fast-talking public relations officers gave the Special Projects Office a truly effective management system. It mattered not whether the parts of the system functioned, or even existed. It mattered only that certain people, for a certain period of time, believed that they did" (Sapolsky, 1972, p. 129).

Of course, not all theater has a happy conclusion. The drama in theater or on television features tragedy as well as triumph. U2's music video "The Saints Are Coming" demonstrates the power of drama in driving home the meaning of an experience. The video, which focuses on the effects of Hurricane Katrina, opens with scenes of the storm's traumatic aftermath: New Orleans under water, survivors trapped on roofs pleading for help, the horror of conditions at the Superdome, widespread devastation. The song lyrics plaintively call for the next act: When will aid arrive?

CNN news flashes appeared periodically on the screen below images of the ravaged city: "U.S. Iraq Troops Redeployed to New Orleans," "U.S. Troops Come Home to Help Katrina Victims," "Air Force Launches Aid Drops." With the melancholic lyrics as musical background, the video shows swarms of Black Hawk helicopters arriving to pluck victims from roofs, and larger helicopters and Harrier fighters dropping food and medical supplies. The video fades and a large sign appears: "Not as seen on TV."

The U2 video packs a wallop for several reasons: Bono himself is a heroic symbol on the world stage. The opening acts reveal the pathos all Americans observed initially. The "troops to the rescue" imagery conveys what everyone wanted to believe; the final scene transports us back to the reality viewers actually saw firsthand on their television sets.

During previous hurricanes, drama played quite differently. The Federal Emergency Management Agency (FEMA) came onstage as a heroic rescuer. The script was clear. A hurricane hits, bringing devastation and suffering. FEMA arrives with symbolic fanfare to dispense aid and hope to victims. A world audience applauds the performance. FEMA takes a bow. In New Orleans, the drama went off track. The hero missed most of the show. The audience waited for an actor who arrived too late and then muffed his lines. The world saw a once-heroic agency become a bumbling performer in a bad play.

The juxtaposed theatrical masks of comedy and tragedy capture the different dramas played out by Polaris and FEMA. Polaris staged a drama that wowed its audience and became a smash hit. FEMA blew its act. Hurricane Sandy in 2012 gave FEMA an opportunity for a comeback with a new director, a new cast, and a revised script from a skilled playwright. This time the performance received an ovation from the audience, including the governor of New Jersey and the mayor of New York City.

Theater arouses emotions and kindles our spirit or reveals our fears. It reduces bewilderment and soothes open wounds. It provides a shared basis for understanding the present and imagining a more promising tomorrow. Dramaturgical and institutional theorists have explored the role of theater in organizations, and we begin this chapter by discussing their views. We then look at structure and other organizational processes as theater.

DRAMATURGICAL AND INSTITUTIONAL THEORY

Institutional theory, a fairly recent addition to the management literature, draws on ideas from earlier dramaturgical theories. We can identify two traditions (Boje, Luhman, and Cunliffe, 2003): one represented by the work of Erving Goffman (1959, 1974), who pioneered in the use of theater as a metaphor for understanding organizations, and the other by the work of Kenneth Burke (1937, 1945, 1972), who drew his inspiration from philosophy and literary criticism. Goffman approached organizations as if they were theatrical; Burke saw them as theater. Despite their differences, both theorists opened a window for seeing organizations in a new way: “Most of our organizational life is carefully scripted; we play out our scenes in organizationally approved dress codes and play the game by acceptable roles of conduct” (Boje, Luhman, and Cunliffe, 2003, p. 4).

Whereas dramaturgical theorists focus on social interaction among individuals and on internal situations, institutional scholars extend theatrical examples like Polaris and FEMA to the interface between organizations and their various publics. Scott (2014) sees the institutional view encompassing three schools of thought, each embedded in different literatures.