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THE CONCEPT OF ORGANIZATIONAL CULTURE: WHY BOTHER?

Culture is an abstraction, yet the forces that are created in social and organizational situations deriving from culture are powerful. If we don't understand the operation of these forces, we become victim to them. Cultural forces are powerful because they operate outside of our awareness. We need to understand them not only because of their power but also because they help to explain many of our puzzling and frustrating experiences in social and organizational life. Most importantly, understanding cultural forces enables us to understand ourselves better.

What Needs to Be Explained?

Most of us in our roles as students, employees, managers, researchers, or consultants work in and have to deal with groups and organizations of all kinds. Yet we continue to find it amazingly difficult to understand and justify much of what we observe and experience in our organizational life. Too much seems to be “bureaucratic,” “political,” or just plain “irrational.” People in positions of authority, especially our immediate bosses, often frustrate us or act incomprehensibly, and those we consider the “leaders” of our organizations often disappoint us.

When we get into arguments or negotiations with others, we often cannot understand how our opponents could take such “ridiculous” positions. When we observe other organizations, we often find it incomprehensible that “smart people could do such dumb things.” We recognize cultural differences at the ethnic or national level but find them puzzling at the group, organizational, or occupational level. Gladwell (2008) in his popular book *Outliers* provides some vivid examples of how both ethnic and

organizational cultures explain such anomalies as airline crashes and the success of some law firms.

As managers, when we try to change the behavior of subordinates, we often encounter “resistance to change” at a level that seems beyond reason. We observe departments in our organization that seem to be more interested in fighting with each other than getting the job done. We see communication problems and misunderstandings between group members that should not be occurring between “reasonable” people. We explain in detail why something different must be done, yet people continue to act as if they had not heard us.

As leaders who are trying to get our organizations to become more effective in the face of severe environmental pressures, we are sometimes amazed at the degree to which individuals and groups in the organization will continue to behave in obviously ineffective ways, often threatening the very survival of the organization. As we try to get things done that involve other groups, we often discover that they do not communicate with each other and that the level of conflict between groups in organizations and in the community is often astonishingly high.

As teachers, we encounter the sometimes-mysterious phenomenon that different classes behave completely differently from each other even though our material and teaching style remains the same. If we are employees considering a new job, we realize that companies differ greatly in their approach, even in the same industry and geographic locale. We feel these differences even as we walk in the door of different organizations such as restaurants, banks, stores, or airlines.

As members of different occupations, we are aware that being a doctor, lawyer, engineer, accountant, or manager involves not only learning technical skills but also adopting certain values and norms that define our occupation. If we violate some of these norms, we can be thrown out of the occupation. But where do these come from and how do we reconcile the fact that each occupation considers its norms and values to be the correct ones? How is it possible that in a hospital, the doctors, nurses, and administrators are often fighting with each other rather than collaborating to improve patient care? How is it possible that employees in organizations report unsafe conditions, yet the organization continues to operate until a major accident happens?

The concept of culture helps to explain all of these phenomena and to “normalize” them. If we understand the dynamics of culture, we will be less likely to be puzzled, irritated, and anxious when we encounter the unfamiliar and seemingly irrational behavior of people in organizations, and we will have a deeper understanding not only of why various groups of people or organizations can be so different but also why it is so hard to change them.

Even more important, if we understand culture better, we will understand ourselves better and recognize some of the forces acting within us that define who we are. We will then understand that our personality and character reflect the groups that socialized us and the groups with which we identify and to which we want to belong. Culture is not only all around us but within us as well.

Five Personal Examples

To illustrate how culture helps to illuminate organizational situations, I will begin by describing several situations I encountered in my experiences as a consultant.

DEC

In the first case, Digital Equipment Corporation (DEC), I was called in to help a management group improve its communication, interpersonal relationships, and decision making (Schein, 2003). DEC was founded in the middle 1950s and was one of the first companies to successfully introduce interactive computing, something that today we take completely for granted. The company was highly successful for twenty-five years but then developed a variety of difficulties, which led to its sale to the Compaq Corporation in 1996. I will be referring to the DEC story many times in this book.

After sitting in on a number of meetings of the top management, I observed, among other things: (1) High levels of interrupting, confrontation, and debate, (2) excessive emotionality about proposed courses of action, (3) great frustration over the difficulty of getting a point of view across, (4) a sense that every member of the group wanted to win all the time, and (5) shared frustration that it took forever to make a decision that would stick.

Over a period of several months, I made many suggestions about better listening, less interrupting, more orderly processing of the agenda, the potential negative effects of high emotionality and conflict, and the need to reduce the frustration level. The group members said that the suggestions were helpful, and they modified certain aspects of their procedure, such as lengthening some of their meetings. However, the basic pattern did not change. No matter what kind of intervention I attempted, the basic style of the group remained the same. How to explain this?

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Ciba-Geigy

In the second case, I was asked, as part of a broader consultation project, to help create a climate for innovation in an organization that felt a need to become more flexible to respond to its increasingly dynamic business environment. This Swiss Chemical Company consisted of many different business units, geographical units, and functional groups. It was eventually merged with the Sandoz Company and is today part of Novartis.

As I got to know more about Ciba-Geigy's many units and problems, I observed that some very innovative things were going on in many places in the company. I wrote several memos describing these innovations, added other ideas from my own experience, and gave the memos to my contact person in the company with the request that he distribute them to the various business unit and geographical managers who needed to be made aware of these ideas.

After some months, I discovered that those managers to whom I had personally given the memo thought it was helpful and on target, but rarely, if ever, did they pass it on, and none were ever distributed by my contact person. I also suggested meetings of managers from different units to stimulate lateral communication but found no support at all for such meetings. No matter what I did, I could not seem to get information flowing laterally across divisional, functional, or geographical boundaries. Yet everyone agreed in principle that innovation would be stimulated by more lateral communication and encouraged me to keep on "helping." Why did my helpful memos not circulate?

Cambridge-at-Home

This third example is quite different. Two years ago I was involved in the creation of an organization devoted to allowing people to stay in their homes as they aged. The founding group of ten older residents of Cambridge asked me to chair the meetings to design this new organization. To build strong consensus and commitment, I wanted to be sure that everyone's voice would be heard even if that slowed down the meetings. I resisted Robert's Rules of Order in favor of a consensus building style, which was much slower but honored everyone's point of view. I discovered that this consensus approach polarized the group into those who were comfortable with the more open style and those who thought I was running the "worst meetings ever." What was going on here?

Amoco

In the fourth example, Amoco, a large oil company that was eventually acquired by British Petroleum, decided to centralize all of its engineering functions into a single service unit. Whereas engineers had previously been regular full-time members of projects, they were now supposed to "sell their services" to clients who would be charged for these services. The engineers would now be "internal consultants" who would be "hired" by the various projects. The engineers resisted this new arrangement violently, and many of them threatened to leave the organization. Why were they so resistant to the new organizational arrangements?

Alpha Power

In the fifth example, Alpha Power, an electric and gas utility that services a major urban area, was faced with becoming more environmentally responsible after being brought up on criminal