

Getting Control of the Corporate Culture

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The culture of an organization is a force field of energy. It is not a mechanical, a chemical, or an electrical energy. Culture is a social energy which has an existence and life all its own. The culture is distinct from the mission of the organization, its technologies, reward systems, policies, and job descriptions. While all these things may have been instrumental in shaping the initial culture, once formed, the culture becomes a separate force that controls members' behaviors and attitudes at the workplace.

Can management tap this separate source of energy or will the energy remain immobilized? Or worse yet, will the energy be working *against* management and the goals of the organization? I have found that most corporations are not in control of their cultures—the collective will of their members. Rather, the hidden culture is running the

show. Often, organizations are fighting their pasts, their traditions, their no-longer-relevant assumptions of the business environment. They are wearing social blinders—not able to see new ways of doing things, not able to be innovative and change directions. The culture simply won't allow it. A top manager can call subordinates into his office, one by one, and get verbal commitments for some new policy or plan. Then he finds that when each person leaves the office, and again becomes part of the corporate culture, the new plan is bitterly opposed!

Can one control this intangible, illusive, invisible thing we call culture? Or will it remain as an uncontrollable quality? Perhaps it is useful to think of culture as the part of the iceberg that is beneath the surface of the water. It is massive compared to the tip of the iceberg—the formal mission and tangible assets of the corporation. To guide the whole iceberg by pushing or pulling its tip is a precarious task. The sheer mass of what lies below, which is largely invisible, creates a tremendous inertia whose direction is not easily changed. The iceberg moves with the existing currents, gradually, in its own way, at its own pace. To get control of the mass itself, one must apply direct pressure below the surface of the water—closer to

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the center of gravity of the *whole* corporate system. This will steer the iceberg in a prescribed direction.

I have found that the culture can be touched, pressured, and controlled by management. I will suggest how this can be done after we first examine what culture is and from where it comes.

Social scientists speak of *norms* as the unwritten rules of behavior. At a company, for example, a norm might be: "Don't rush to get your work done on time." Sometimes these norms are very crystallized. This is when a strong consensus exists among a group of people concerning what is appropriate behavior. If a norm is violated—if someone behaves differently than the norm dictates—there are immediate and strong pressures to get the deviant to change his behavior. In the example above, if an individual completes a job way ahead of schedule, his coworkers will give him strong messages that this is not to happen again. On the other hand, where norms are not crystallized, it is possible for several, even contradictory, norms to be operating at the same time. Here a variety of behaviors are appropriate without engendering any harsh, negative reactions.

It seems that every person's need to be accepted by a group—whether family, friends, coworkers, or the neighborhood—gives a group leverage to demand compliance to its norms. If people did not care about group memberships at all, then a group would have little hold

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over individuals without any formal sanctions. The “rugged individualists,” the nonconformists, and the mavericks are the only ones who seem to defy pressures to adhere to group norms—but always at some price.

To give an example of just how powerfully the group can influence its deviants, I can recall a simple experiment conducted by Solomon Asch at Swarthmore College in the 1950s. The experiment was presented to subjects as a study solely in perception. Three lines A, B, and C, all of different lengths, were shown on a single card. Subjects were asked to indicate which of these three lines was identical in length to a fourth line D, shown on a second card. Seven persons sat in a row. One by one they indicated their choice. While line D was in fact identical to line C, each of the first six persons, confederates of the experiment,

indicated that line D was identical to A! Only the seventh person was the unknowing subject. As each person went in turn, this seventh subject became increasingly uneasy, anxious, and doubtful of his own perceptions. When it was his turn to respond, this seventh subject agreed with the rest of the group *40 percent* of the time. The error rate in choosing the wrong line without any other individuals present was less than *one percent*. Quite a difference!

In this experiment, which has been duplicated many times, there was no opportunity to discuss the problem among the seven persons. If there were such an opportunity, the effect would be stronger. The six would attempt to influence the seventh member. It's not easy being a deviant in a group with everyone else against you. People need acceptance from others, as mentioned earlier. As a result, they will deny their own perceptions when confronted with the group's norms of what is the “objective” reality. Objective reality becomes a *social* reality.

Another experiment, this time a study in an industrial plant, sheds further light on the nature of culture. Also done in the 1950s, Stanley Seashore at the University of Michigan studied the effect of group cohesiveness on work performance. Groups were found to vary on whether or not their norms supported company goals. That is, do the norms of the group encourage high levels of production or do the norms favor low production and doing the minimum to get by. The study found that the best condition for the organization was having highly cohesive groups with norms that supported company goals. These groups did in fact achieve the highest levels of output. The worst condition was having highly cohesive groups with norms unsupportive or even against company goals. Here the groups used their social energy to keep output levels low. The uncohesive groups were intermediate in performance, regardless of their norms. In this case, individuals were left on their own to decide how much to produce since the impact of any work group on their behavior was minimal.

Two important lessons can be learned from these classic studies. First, the impact of a group on its members is very powerful indeed—if the group is cohesive, if there is a strong sense of community, loyalty and well being. There will be strong pressures on each member to adopt whatever the cultural norms specify: the agreed-upon behaviors and attitudes of the work group. Second, if the cultural norms are supportive of the organization's goals, then the efforts of members will continue to yield high performance. This demonstrates a functional culture for the organization. Alternatively, if the norms endorsed by a highly cohesive group oppose the corporate goals, then the culture will foster low performance. It is better to have an uncohesive group with mediocre performance than to have a highly cohesive group with a counterculture. The latter will result in consistently low performance.

How does a culture first form? A culture seems to form rather quickly based upon the work setting and a few critical actions by key individuals. In a new organization, the business environment and the nature of the work to be done play a major role in shaping behavior. The formal reward systems, policies, procedures, and rules governing work, also have an impact on forming the initial culture. More than anything else, however, people seem to remember a critical incident—like the time that so-and-so got reprimanded for doing a good job just because she wasn't asked to do it beforehand; or, so-and-so got fired because he disagreed with the boss in public even though

While the culture becomes specific through the development of work-group norms, it does manifest itself in other ways. For example, the stories told about critical events in the life of the organization imply to members what is valued and rewarded. These stories can take on the quality of a myth, as previous events and characters are exaggerated in order to emphasize the corporation's traditions, its heroes and villains. Celebrated rites and rituals, whether conducted by management or the work group itself, are additional ways of reinforcing desired behaviors and attitudes. Symbols, in the form of a company logo, mascot, poster, or slogan, remind members

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he was clearly in the right. Incidents such as these become the folklore that people remember, indicating what the corporation *really wants* or what *really counts* in order to get ahead—the unwritten rules of the game. Work groups adopt these lessons as norms on how to survive and make it, how to protect oneself from the system, and how to retaliate against the organization for its “sins of the past.”

A culture may be very functional at first since it has formed around a particular business environment and specific task requirements. But over time, the culture becomes a separate social system, independent of the initial reasons and incidents which formed it. The culture becomes distinct from the formal mission, goals, structure, and technology of the organization. As long as it is the same as these documented systems, the culture remains in the background. When management attempts to shift the goals of the corporation or tries to adopt new work methods, the cultural norms may not support the intended changes. Now the power and separateness of the culture will become evident very quickly. The intangible quality of the culture gets revealed as management cannot pinpoint the source of apathy, resistance, or rebellion. Management is puzzled why the new work methods are not embraced automatically by the members. To management, it is so “obvious” how these proposed changes are for the good of the organization. Why can't everyone else see this?

as well as the public of the meaning behind the organization's existence—perhaps the intended culture.

To control the corporate culture by changing the stories, myths, symbols, and history itself, however, is undoubtedly a very difficult if not impossible task. The way to control the culture is by managing the norms. Even norms which dictate, “this is how you should behave, this is what you are to do, these are the opinions you should state, these are the expressions you should carry around on your face,” can be surfaced, discussed, and altered.

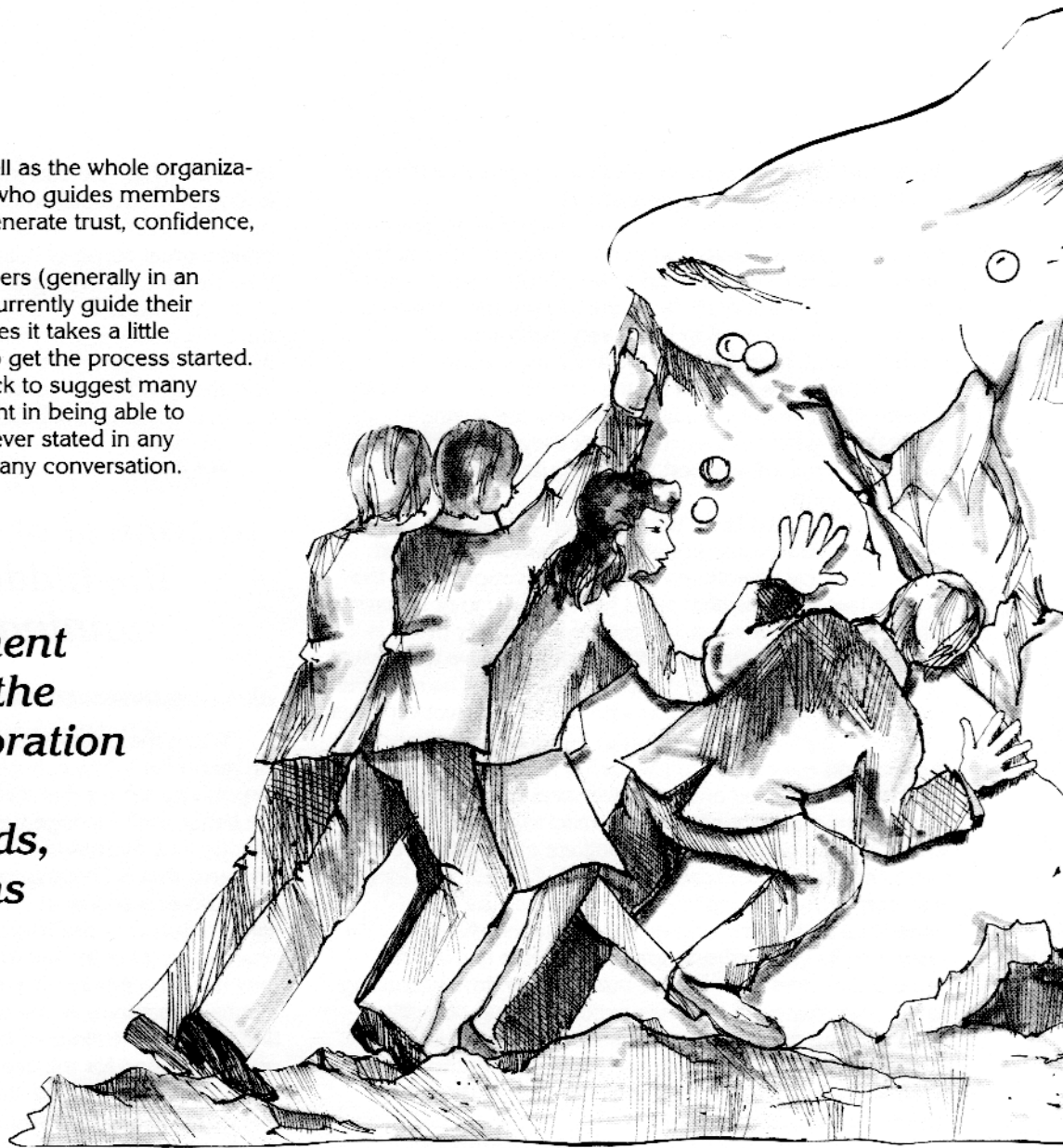
Now we come to the all important question of how to assess and change cultural norms. How can management find out what the current culture is, and if it does not support the new directions of the organization, how can it be changed? How can the culture be controlled?

Members can be asked to write out what previously was unwritten. I have done this many times with a variety of organizations. I have found that members are willing and able to write out their norms *under the right conditions*. These right conditions include individual confidentiality (that no member will be identified for stating or suggesting a particular norm), and that these norms are developed when supervisors and managers are not present (that norms are made explicit in a peer-group setting). Further, the members have to trust that the “norm list” will not be used against them. Instead, the listing of norms

will be used to benefit them as well as the whole organization. The consultant or facilitator who guides members to state norms, therefore, must generate trust, confidence, and commitment.

The first step is to ask members (generally in an auditorium setting) what norms currently guide their behaviors and attitudes. Sometimes it takes a little prodding and a few illustrations to get the process started. Once it begins, members are quick to suggest many norms. In fact, they seem to delight in being able to articulate what beforehand was never stated in any document or rarely mentioned in any conversation.

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For an organization whose culture is rooted deeply in the past, some of the norms that get listed are: don't disagree with your boss; don't rock the boat; treat women as second-class citizens; downgrade your organization; don't enjoy your work; don't share information with other groups; treat subordinates as incompetent and lazy; cheat on your expense account; look busy even when you are not; don't reward employees based on merit; laugh at those who suggest new ways of doing things; don't smile much; openly criticize company policies; complain a lot; don't trust anyone who seems sincere. Ironically, the one norm that has to be violated so that this list can be developed is: don't make norms explicit!

As these norms are listed on a blackboard for everyone to see, there is considerable laughter and amazement. The members become aware that they have been seducing one another to abide by these counterproductive directives. But it is not that each individual made a conscious choice to behave this way. Rather, as each individual entered the organization, each was taught what is expected behavior—often in very subtle ways. The more cohesive the group, the more rapidly this learning took place and the more strongly the sanctions were applied. In the extreme case, a highly cohesive group that has been around a long time has members that look, act,

think, and talk like one another. Does such similarity lead to effectiveness for the organization?

The second step is to discuss where the organization or work group is headed, what new changes have to take place, what innovations need to be adopted, what type of behavior is necessary to move the organization forward. Even when a corporation has a very dysfunctional culture from the past, members, *as individuals*, are aware of what changes are needed for the organization to survive and be effective in the future. Members are aware, similarly, of what work environment they prefer for their own sanity and satisfaction. It is the culture that holds everyone back.

The third step is for the members to develop a list of new norms that would improve both performance and satisfaction. By now the members have caught on to the impact that the unwritten rules have had on their behavior. They experience a sense of relief as a new way of life is considered. They realize that they no longer have to pressure one another to behave in dysfunctional ways. The members can create a new social order within their own work groups.

For organizations needing to be more adaptive, flexible, and responsive to modern times, some of the norms that get listed are: treat everyone with respect and as a potential source of valuable insights and expertise; be willing to take on responsibility; initiate changes to improve performance; congratulate those who suggest new ideas and new ways of improving work methods; be cost conscious so that the organization remains efficient relative to its competitors; speak with pride about your organization and work group; budget your time according to the importance of tasks for accomplishing objectives; don't criticize the organization in front of clients or customers; enjoy your work and show your enthusiasm for a job well done; be helpful and supportive of the other groups in the organization.

The contrast between these desired norms (Step 3) and the actual operating norms (Step 1) can be immense. I and a colleague of mine, Mary J. Saxton, are referring to this contrast as a *culture-gap*. We have developed an instrument, The Kilmann-Saxton Culture-Gap Survey, to measure this gap for any type of organization. We expect to find that this gap is larger for older firms that were effective under different circumstances. Firms whose cultures were created recently, are expected to have a smaller gap, all else equal. Effective firms are expected to have a smaller culture-gap than ineffective firms—measured by a variety of indicators. Currently we are investigating a number of causes and consequences of a culture-gap to see just how it impacts on the organization's performance and members' satisfaction.

How can this culture-gap be closed? How can a corporation move its culture from the actual to the

desired? When the current culture is at least hopeful, it is almost miraculous what impact the listing of desired norms has on members. As mentioned before, there is often a great sense of relief as people become aware that they can live according to different norms *and that they have the power to change*. Surprisingly, some change from the actual to the desired norms can take place just by listing the new set of norms. Members start "playing out" the new norms soon after these are discussed!

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When the current culture is cynical and depressed, the response to the culture-gap is quite different. Members respond by saying that their work group cannot change for the better until management and the rest of the company change first. Members believe that it is the external "system" that is keeping them down. Curiously, when I do a culture-gap survey at the next highest level, the very same arguments are heard again: "We have no power to change; we have to wait for the next level to let us change; they have the power." It is shocking to conduct the culture-gap survey at the top management level only to find the same feelings of helplessness. Here top management is waiting for the economy to change! In actuality, it is the *corporate culture* that is saying: "Don't take on responsibility; protect yourself at all costs; don't try to change until everyone else has changed; don't lead the way, follow!"

A major lesson to learn for changing corporate cultures, especially very dysfunctional and depressed cultures, is that people do not have to feel powerless and inept. If managers and members decide that taking on responsibility for change and feeling the power to change should be part of the new culture, then it can be done. Power and control are more a *social* reality than some objective, physical reality. Many times individuals and organizations have moved forward and then achieved great success when everyone else "knew" it was impossible.

Merely listing and stating the new norms, however, is not enough to instill these throughout the organization. Also, norms cannot be altered by just requesting a norm change. Members have to develop agreement that the new norms will replace the old norms, and that this change will

be monitored and sanctioned by the work groups. Specifically, questions to be answered include: how will members reinforce one another for enacting the new behaviors and attitudes; how will members confront one another when the old set of norms creeps back into the work group; how can the leadership of the group reward members who help foster the new culture; can any formal management system be altered to support the development of the new culture; how will new members be socialized to the new norms; how will management accept a change in the work group's culture and will they begin to question their own ideology and values; can members show management the benefits of supporting the cultural change?

For example, consider the new norm: Congratulate those who suggest new ideas and new ways of doing things. If any member notices that a coworker frowns when some new product idea is suggested, the coworker would be given suitable stares and reminders of the new norms. He may even be confronted with some statement as: "I thought you were part of the team and had agreed to make the switch. What's your problem?"

In a major corporation undergoing a cultural change, each new norm was written on an index card and given a number. Each member in a work group was responsible for monitoring several norms and bringing attention to behavior that did not conform to these norms. It got to the point where group members did not cite the norms anymore, only the numbers. Statements would be heard like: "You just committed a number twelve," or "you pulled a seven on me." These members found it very effective to enforce their new norms in this lighthearted manner, yet the point of adopting the norms was made unequivocally.

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Of course, when "outsiders" heard such interchanges they certainly were confused. But this seemed to add to the group's cohesiveness since the members now had their own secret code.

If any corporation determined the extent of its culture-gap using the aforementioned steps, it would be in a position to chart the directions for a cultural change. Conducting sessions for *each* division and work group, including the ways in which the new norms will be

monitored and enforced, would begin the change process. If top management were committed to such a cultural change then it could institutionalize the change. Formal control and reward systems would be adapted to monitor and reward behavior that reflected the new norms—the performance appraisal system, for example. Now the formal management and organization systems would be working *with* the informal work-group pressures to move the corporation in the desired direction. The social energy of the members would be behind the organization. Building highly cohesive groups around the new norms that support company goals would lead to high performance and satisfaction.

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Several corporations have conducted such a cultural assessment and then changed their old culture to a more functional one. The experiences thus far reveal some interesting mixtures of company-wide cultures versus division-specific subcultures. I have found that each company has some norms that are active in virtually every division and work group. Some examples of company-wide norms for an effective organization are: speak with pride about the company; help other departments whenever possible; look at the problem from the others' point of view. In addition, each division or department in the company has norms that are unique to its work and its members. In the latter case, the norms in one department can be completely different than the norms in another department.

Should a company's culture be widespread or should it be different for each division? Preliminary research findings are similar to the results reported by Harvard professors Paul Lawrence and Jay Lorsch in their studies of organization design. In particular, if a company is centralized and its divisions are operating in similar business environments, then a company-wide culture is more effective. On the other hand, if a company is largely decentralized and diversified, then division-specific subcultures should dominate. This would allow the norms in each division to be geared directly to the specific objectives and business environment of the division. In this way, each division can attain its own brand of effectiveness.

It is fair to state, however, that a special problem emerges when each division of a company has different cultural norms. Going from one division to another is like traveling from one foreign country to another. Communications and conflicts across divisions are more difficult to manage. The divisions have different jargons, values, objectives, decision-making styles, work habits and attitudes. As long as different divisions are mostly independent of one another, then each one can proceed with its own culture with little need to cross boundaries and work with the other divisions. Otherwise, if divisions have to work together frequently, then the different cultures will get in the way of cooperative efforts.

A general rule that can resolve this dilemma is: let each division develop the subculture which is conducive to its own effectiveness, but encourage each division to retain those company-wide norms that promote company-wide effectiveness. The latter would include norms that support cooperation and coordination among divisions. In the case

where divisions are not that different, the division subcultures and the company-wide culture are one and the same.

Getting control of the corporate culture is not only possible but is necessary for the turbulent times that contemporary organizations now face. As changes in corporate directions are planned and implemented, a new culture may have to replace the old culture—in one or more divisions or for the whole organization. But just as old cultures can become out-of-date and dysfunctional, the same can happen with any new culture. Further changes in the business environment, the technological process, the structure of jobs and the characteristics of new members, can make any culture less functional than before. An important part of controlling the corporate culture, therefore, is to continue monitoring and assessing norms. This is what is meant by "culture management." Culture is subject to decision-making and action-taking just like any other management function.

