

What You Need to Know About Organizational Culture

Often reduced to a training buzzword, "cultures" reveal an historical process whose importance must be taken seriously.

By EDGAR H. SCHEIN

Hal Leavitt once gave a talk entitled, "Suppose we took groups seriously"¹—a title that reminds us how easy it is to invent a concept and then not take it seriously. What has happened to the concept of "organizational culture" in the last five years is sad because in principle it's both important and useful. But only if we take it seriously.

Trainers and consultants, especially OD consultants have used the concept seriously all along. We know that sensitivity training hinged on the ability to create

training often fails because participants return to cultures that do not support the newly learned concepts, values or assumptions.

One reason on-the-job training works is it occurs within the cultural context in which the new learning is applied. But, as trainers well know, if real creativity and innovation are required, OJT programs may have a much tougher time producing new ideas than off-site programs, because of the drag on change that tradition can effect.

managements are saying to us: "Hey, this culture stuff might be a useful new management tool for improving productivity, quality of work life, and helping us regain our competitive edge."

To respond intelligently to this managerial climate, we must avoid several pitfalls. Steer clear of the following six major mistakes.

■ *Superficial or incorrect definitions of culture*—As you read the training and OD literature, you find "culture" defined in surprisingly different ways. For some it is the same as "organizational climate," for others, "management style" and for still others, the rituals, symbols and behavior regularities that characterize the organization. Analyses may focus on overt behavior, major values, creeds and philosophies, and some refer to some underlying systems of symbols that give meaning to daily events.

Culture is a deep phenomenon, merely manifested in a variety of behavior. My own definition of culture focuses on these deeper cognitive layers. For any given group or organization that has had a substantial history, culture is the pattern of basic assumptions that the group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration, and that has worked well enough to be con-

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"cultural" islands. Frequently, we have referred to organization development as "culture change." We know that off-site

While we know about culture, the great need of many companies to "manage" their culture, to create "excellent" cultures and to "change" cultures that stand in the way of strategic directions has corrupted that knowledge. No doubt many trainers and consultants have already been asked to provide culture "audits." Certainly there is a ready market for lectures, demonstrations and exercises that show management how to create the right kind of organizational culture. It is as if our

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sidered valid, and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.

If a certain way of perceiving, thinking about and feeling, in relation to a problem, "works" repeatedly it makes us feel comfortable and successful. It helps us avoid the anxiety of figuring a new strategy each time we face that problem. If our way continues to work, we begin taking it for granted as *the* correct way. But we forget that at one time we had to learn the successful solutions. The more we practice the same methods of perceiving, thinking and feeling, the more we take them for granted.

As we accumulate solutions to various problems we face, in managing both our external tasks in business environments and internal tasks of organizing ourselves and learning to work with each other, we develop patterns of perceiving, thinking and feeling that tend to hang together and provide meaning to our daily events. Culture is this pattern of automatic assumptions, unconsciously held and taken for granted.

Why all this hairsplitting? If we do not recognize that the overt behavior, opinions and feelings are merely artifacts, not the underlying culture, we are in danger of rushing in with superficial culture audits and measuring instruments that give us only surface indicators. That's a problem. If we don't understand the underlying assumptions, we cannot help managers figure out either what the indicators mean or how they should be managed. We are then colluding and offering false promises.

To give one concrete example: I work with two companies both of which want to improve communication among top managers. In one company, the level of emotion and conflict is extremely high. I set about to train members in effective group skills, only to discover that their confrontive emotional style was absolutely integral to their fundamental way of solving business problems. They'd made the assumption that one cannot "discover whether an idea is any good or not in an uncertain environment without subjecting the idea to debate at all levels of the organization." To help this group I had to work within their culture by improving clarity of communication within the confrontive model they were using.

In the other company, I discovered very little lateral communication among managers, yet the company wanted to circulate the more innovative ideas. I couldn't understand why my recommendation to

hold more meetings and create lateral channels was so resisted. Only after the assumption arose that each manager "owns" his or her own job, has his or her own territory, was I aware that the kind of communication I was advocating generally would be perceived as an invasion of privacy. Here, managers felt responsible to educate themselves and did not rely on being "told things." Therefore, my intervention had to shift to introducing the new ideas that they were producing into an educational system, where I would be the one to circulate this information directly.

■ *Too limited a view of what cultural covers*—Not all organizations have cultures. Only if a fairly stable collection of people has had significant history (sharing emotionally involving problems) can one imagine the social learning process that would produce the possibility of culture. Organizations that have such histories also have resulting cultures that cover most organization functions.

it chooses to raise money, manufacture and distribute its products, and what kind of information and control system it uses all reflect its culture.

■ *Stereotyping total cultures into general types*—Calling certain human systems "culture types" is a mistake. It results from limiting our definition of culture to people's behavior and values. We talk of Theory Y cultures, System 4 cultures or Theory Z cultures. Such types may be perfectly accurate ways of describing one aspect of how particular cultures manifest themselves, but it is misleading to imply that such types are cultural types. The manager is then misled into believing that creating the right human relationships is creating a more effective organization.

Simply put, we have not studied nearly enough organizations to argue that cultures fall into types. From experience, I've concluded that every organization has its own particular pattern of assumptions about the world. We would be better

If we take seriously organizational culture, we must take seriously our own occupational culture

Currently, much that is incorrectly written and said about culture applies it only to human systems of interrelating. Yet cultural assumptions will apply to how the organization sets strategy, develops goals, chooses the means for reaching those goals, decides to measure its progress and controls its output, and how it decides to remedy situations that are out of line with goals.

I have called these the major external survival problems that the organization faces. They differ from the internal problems of developing a common language, common concepts of time and space, a view of human nature and personal communication, authority and intimacy and the roles and tasks that create the work and human organization. Cultural assumptions will eventually dominate all of these areas, so it is dangerous to say that we have deciphered a culture once we've figured out the basic assumptions underlying authority and relationships.

If we take culture seriously, we will help the manager recognize that cultural assumptions dominate managerial thinking about strategy, structure, and systems— not just about style and people. How a company defines its products and markets, what financial goals it sets, how

served if we tried to represent it accurately instead of looking for a type into which to classify it. Typologies are only useful if they accurately help us to reduce a large number of types into simpler more general categories. If we don't know yet how to describe the subtleties of culture, how can we possibly talk of culture types?

■ *Simplistic views of how culture begins, evolves and changes*—If culture is based on a social learning process, then we must take seriously what we know about human learning. Learning is based on both positive reinforcement (repeating what works) and avoidance or anticipation of pain (anxiety). In the case of cultural learning, one of the most painful situations that groups face is the discomfort of not having a common language and conceptual system, a common set of rules for relating to the environment and each other. Once such concepts and rules are formulated, they reduce anxiety. If the use of the concepts and rules also works in solving the external problems of survival, they are learned on the basis of *both* mechanisms and are, therefore, very stable.

An organization learns a set of assumptions that work to solve external and internal problems, and reduces the anxiety of uncertainty and stimulus overload. One

Deeper Culture: Mucking, Muddling, and Metaphors

by Terry E. Deal

Corporate Cultures came out of the experience and imagination of two people, Allen Kennedy and myself. And when I say imagination, I mean imagination—not a careful analysis of objective facts. We are an odd couple. Allen is a nuclear physicist who went through IBM and a couple of other places to arrive at McKinsey and Co. I'm a former policeman and teacher who became a principal and then went on to become a student of educational organizations.

We're not talking about anything new. And we're not talking about something that is going to go away. We're talking about something that is here to stay. But I'm worried about culture. I'm worried about the misuse of the term culture by practitioners and consultants. I see a lot of people doing exactly the same thing they have always done and calling it culture work. And I'm even more worried about the sterilization of the term by academics.

We need to recognize that the field of organizational development has spawned a literature that spends most of its time trying to define OD. With culture, we've got to take a different tack. We need to realize that there are a number of ways to approximate knowledge and that the people who are doing it differently ought to talk to one another rather than to put each other down. So, to me, this is the state of work in culture: There's something very powerful about the idea and it's here to stay. But we run the risk of doing something terrible to a potentially powerful movement if we behave exactly the way we have in the past.

We are caught squarely between two

poles. What Urie Bronfenbrenner characterizes as: "between a rock and a soft place." The rock symbolizes an approach to knowledge that involves defining, operationalizing, measuring, testing, and then trying to link culture to outcomes. I think that's needed, but we ought to realize that there is another possibility: to name, observe, apprehend, and being to explore. The "soft place" is another way of approaching knowledge. It has its own systematic basis, but it's not quite the same as the more rational approach that often governs what researchers do.

I think Ed Schein's work represents one side of the issue. I want to take the softer route so that we can begin to make choices between two approaches or find a hybrid that blends them in some unique way.

The real issue that we have to engage, those of us who are interested in studying and managing organizations, is that science is about understanding. It's about our ability to predict. I am finding, of late, that my ability to predict has risen substantially. In class the other day, I began to sense something in the air. I expected something to happen because I knew our little culture was due for an event, what Victor Turner calls a social drama. Lo and behold, someone started to talk, there was a breach of the norms and we were into high social theater. To be able to predict that, to be able to dance with it, and then to be able to interpret its meaning for students is very liberating.

It is delightful to be surprised once in a while, but to be regularly surprised because the world never conforms to our expectation can be distressing. Culture ideas have taken me into a realm where it's a little easier for me to understand what goes on around me, even when I'm not always able or willing to control it. Symbolism gives me the ability to be out of control comfortably.

cannot simply change pieces of that stable culture without creating potentially massive anxiety. Even proposing to change cultural assumptions often creates anxiety. It explains why people often won't even discuss such ideas.

If trainers and OD consultants get serious about culture change, then they must base their work on correct conceptual models of what the change process involves. It will require a period of unfreezing that includes the pain of disconfirmation—old assumptions no longer work. OD consultants must provide psychological safety, communicating the possibility of bearing the temporary anxiety of giving up old assumptions while new ones are learned. Leadership is critical in this stage; it requires strength to help the group cope with and not avoid anxiety. Leaders not only develop and articulate new visions but they create trust. They help members of the group to survive the anxieties that accompany transitions?

Should trainers and consultants attempt to be change agents in this sense or should they limit their role to helping those in power be clearer in their own thinking? Leaders do have to change cultures if their vision tells them that to stay the course threatens extinction. But in producing such change, in using their power and vision to induce anxiety and start a new learning process, leaders have to take the responsibility both for the process and ultimate outcomes. Are consultants and trainers who advocate certain kinds of cultures really prepared to accept this responsibility?

■ *Ignoring the effects of different organizational life stages on cultural issues*—Many have advocated "strong" cultures as a prescription for organizational success. Apart from its obvious fallacy (strong cultures have undeniably led to the demise of companies and even whole industries), this line of argument ignores a more important issue: Culture plays a different role at different organizational life stages.

Young companies that are still under the influence of founders and founding families appear to need a strong and clear culture as a way of finding themselves. Their culture becomes a source of identity and strength in overcoming the threats and resistance that environments and competitors pose. The trainer/consultant in this kind of organization often has to work as a kind of therapist, helping the organization articulate and evolve with what it really wants to be. Change here is evolutionary, and efforts to identify dysfunctional elements of the culture are often ignored or actively resisted.

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Mid-life companies (reasonably diversified, stable organizations) will have developed strong cultures within the larger company culture. Those cultures may reflect functional, geographic or divisional units, but the company, as a whole, will be ready to deal with and use their multicultural situation. Culture management becomes possible. Senior management can bias the ultimate shape of the total culture by systematically allocating resources and power to those subcultures that best fit into the organization's long-range strategy. The trainer/consultant can be most helpful in this period by helping diagnose subcultures and developing planned change programs that enhance the cultural assumptions most desired by senior management.

Declining organizations have a different problem. They often recognize that some of the most basic assumptions on which the organization was built and that led to the organization's success now may be disfunctional because of environmental changes. The sacred cows not only must be brought into the open but also challenged and maybe destroyed. Such processes, often associated with turnarounds and the large-scale replacement of people, usually involve a battle between two strong sets of cultural assumptions.

For example, a diversified company decided that, in order to survive, it had to close some of its divisions and delegate much more authority to its geographical units. This strategic decision meant massive layoffs in the headquarters organization. However, everyone assumed that this one group would never be laid off. It had *created* the company and was responsible for its past success. The would-be firing finally was challenged by an equally strong assumption that the company always dealt fairly with its employees.

So, they invented a program that embodied early retirement, generous buy-outs, extensive individual counseling, massive retraining opportunities and no replacing of retirees. This solution matched their self-assumptions and allowed them to cut back without feeling that they'd abandoned principles. They had figured out how to use one part of their culture to change another.

Training and OD played a significant role, both in identifying the assumptions and in inventing processes that would support those assumptions. The organization's leaders, however, were responsible for the direction of the change.

If the present leadership cannot separate itself from disfunctional cultural assumptions, broad cultural destruction may pre-

cede any building of a new group with a new culture. The role of training and OD in this situation depends entirely on the way management characterizes it.

■ *Failure to recognize training and organization development's occupational cultures*—Just as somewhat stable groups with a shared fate develop an individual culture, the training and OD community also has developed an occupational culture that has come to be taken for granted. Several aspects of that culture are striking. Until very recently, we assumed that the American model of organizations, management and the change process was the universal one. We have accepted readily the assumption that we know best and can teach the rest of the world.

This American model is based on assumptions of "proactive optimism" (if we confront problems we can always improve the situation) and "egalitarian individualism" (all good things eventually derive from individuals and, therefore, opportunities for individual contribution must be as equally available as possible³).

One simply cannot change pieces of a stable culture without creating potential mass anxiety

Team building probably would not be so necessary and common if we did not have to overcome the consequences of this individualism. In Japanese organizations, team building appears to be a much more routine managerial task, not an intervention.

Second, many trainers and OD practitioners espouse optimistic "humanistic" values, i.e. that individual and organizational goals can and should be integrated, that higher levels of involvement and participation will lead to higher levels of organizational performance, that if given a chance the individual will exercise self-control and work on behalf of the organization, that the work place can and must be physically and psychologically healthy, that decision processes work best under conditions of high trust, openness, and confrontability of issues, and, perhaps most controversial, that organizations work better the more power is "equalized."

Whether or not there is scientific evidence to support these various assumptions and values is not the issue here. Many organizational cultures that we work in, however, will be built on different assumptions from these. They will have their own historical validity, and our espoused values will simply be ignored and

dismissed. More telling and selling will not solve the problem. Many clients will not even entertain the values we hold.

Third, we face an ethnocentric trap in assuming that organizational effectiveness and efficiency are ultimate goals, viewed by leaders and managers as more important than maintaining face, power and survival as individuals, families or social castes. We are not prepared to consider how training and OD would help in a highly structured class-bound society where power and status are more important than effectiveness, where religious values supersede economic ones, where openness and trust are considered signs of weakness and stupidity, where power equalization is tantamount to destroying the social fabric and where labor and management are considered to be intrinsically in conflict with each other.

If we take organizational culture seriously, we must take our own occupational culture seriously and consider it against other possible sets of operating assumptions. Culture is morally neutral; different

societies and groups develop different notions of what is right and moral. The same is true of organizations. If we take culture seriously we must face the possibility that our own assumptions and values will not fit every situation.

Understanding the depth of culture is a prerequisite to learning what does and does not change in organizations. As trainers and OD practitioners, we have a special responsibility to take culture seriously, to keep managers from misunderstanding it and to correct the superficial and ineffective technologies presently being touted as culture change and management.

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