Where Does Culture Reside?

Culture is a property of a group. Wherever a group has enough common experience, a culture begins to form. One finds cultures at the level of small teams, families and workgroups. Cultures also arise at the level of departments, functional groups and other organisational units that have a common occupational core and common experience. Cultures are found at every hierarchical level. Culture exists at the level of the whole organisation if there is sufficient shared history. It is even found at the level of a whole industry because of the shared occupational backgrounds of the people industry wide. Finally, culture exists at the level of regions and nations because of common language, ethnic background, religion and shared experience.

You as an individual, therefore, are a multicultural entity and display different cultural behaviours depending on what the situation elicits. But if you spend the bulk of your like in a given occupation and organisation, you take on many of the cultural themes that others in the occupation or organisation share. Thus the key to understanding whether a culture exists or not is to look for common experiences and backgrounds. Culture matters at this level because the beliefs, values and behaviour of individuals are often understood only in the context of people's cultural identities. To explain individual behaviour, we must go beyond personality and look for group memberships and the cultures of those groups.

The Bottom Line

Culture matters because it is a powerful, latent and often unconscious set of forces that determine both our individual and collective behaviour, ways of perceiving, thought patterns, and values. Organisational culture in particular matters because cultural elements determine strategies, goals and models of operating. The values and thought patterns of leaders and senior managers are partially determined by their own cultural backgrounds and their shared experience.

A More Realistic View of Culture Content

Culture is the sum total of *all the shared, taken-for-granted assumptions that a group has learned throughout its history.* It is the residue of success. This abstract definition does not help you understand the content of culture, and the popularized view I described earlier can actually mislead you. To give you a more realistic view of what culture covers, look at Exhibit 3.1. It outlines the areas in which cultural assumptions make a difference. The first thing to notice is that cultural assumptions involve not only the internal workings of the organization but, more important, how the organization views itself in relation to its various environments.

Exhibit 3.1 What Is Culture About?

External Survival Issues
  Mission, strategy, goals
  Means: structure, systems, processes
  Measurement: error-detection and correction systems
Internal Integration Issues
  Common language and concepts
  Group boundaries and identity
  The nature of authority and relationships
  Allocation of rewards and status
Deeper Underlying Assumptions
  Human relationships to nature
  The nature of reality and truth
  The nature of human nature
  The nature of human relationships
  The nature of time and space

Practical Implication

Ask yourself and others these questions:

- What is the fundamental mission of your organization? What is its reason for being? What justifies its existence in the larger scheme of things?

- How does your organization's strategy and the goals derived from it fit that mission?

- Where did this strategy and set of goals come from? Is the strategy completely based on formal reasoning and logic, or is it partly a product of the beliefs and biases of the organization's founders and leaders?

The complexity of cultural analysis is also revealed in this category in that an organization can have a shared mission and strategic intent, yet units may organize themselves differently in their efforts to achieve it. Subcultures are thus created within the organization's overall culture. As organizations grow and differentiate themselves into functional, product, market, and geographically based units, they also develop subcultures around each of these bases. Subcultures may be highly functional and efficient, because the parts of the organization have to succeed in different kinds of environments.

Practical Implication

Ask yourself and others:

- How did your own organization develop its approach to meeting goals?

- How and why did it develop the kind of structure that it has? Do the formal structure and the design of how work gets done largely reflect the beliefs of the founders and leaders of the organization?

- To what extent are the means used in the functional and geographic divisions the same (or different)?

- Is there evidence that your organization has strong subcultures within it? What are they based on?

Practical Implication

Ask yourself and others:

- What are the error-detection systems in your organization? How do you discover that you are not meeting goals and targets?
- What do you do about it if you discover that some important goals are not being met?
- Are there variations among parts of the organization in how they measure themselves and what they do about the results? Can you see evidence in such variation of important subculture differences?

Practical Implication

Ask yourself and others:

- Does your organization use special jargon or acronyms that you take for granted but that an outsider finds strange and undecipherable? What are some examples?

- What do your friends notice about your language and way of thinking that they associate with membership in your organization?

- If you have worked for more than one organization, what are the differences among them in how people talk and think?

Practical Implication

Ask yourself and others:

- What are the badges of membership in your organization?

- Do you use special symbols or privileges to symbolize degrees of membership?

- Do you think about who is an insider, who is an outsider, and what this means in terms of your relationship to those people?

- Can you recall what it was like to enter your current organization?

- Have you brought anyone into your organization? How did you manage the process?

Practical Implication

Ask yourself and others:

- How appropriate is it to interrupt the boss when he or she is speaking?

- If you disagree with the boss, do you feel encouraged or discouraged to voice your disagreement face-to-face? Is it OK to disagree in front of others, or do you have to seek the boss out and disagree privately?

- Does your boss level with you about your performance, or do you have to guess how you are doing?

- If your boss asks you to evaluate him or her, how comfortable would you be saying exactly what you think and feel?

- How would your subordinates answer these questions in regard to you as the boss?

- Can you bring family and personal problems to work, or are you expected to keep them separate from work and private? Do you share with your colleagues or boss the problems you are having at home?

- If you and your partner are in a dual-career situation and you have to go home, say, to tend to a child, do you feel comfortable explaining the situation, or do you feel you have to invent an ironclad excuse to go home (perhaps taking a sick day or vacation day)?

- When you are at an informal event with your colleagues or boss, what kinds of things do you talk about? How comfortable are you in socializing with others in the organization? How many of them are friends whom you see regularly?

Again, keep in mind that there are no right answers. Cultures differ, and any given culture can work under one set of circumstances yet be completely dysfunctional under others.

Practical Implication

Ask yourself and others:

- In your work situation, what do you consider to be a reward or a punishment?

- What signals do you pay attention to in order to figure out how you are doing?

- When others get visible rewards, is it clear to you what they did to deserve them? When others get punished, how do you know they are being punished, and is it clear what they did to deserve the punishment?

- Can you identify the people with higher and lower status in your organization, and is it clear to you what their status rests on?

Once you answer questions such as these, you may think you have now deciphered your culture. Unfortunately, this too is still only a surface layer. Behind how organizations manage their external survival and internal integration issues are still deeper assumptions that need to be deciphered to understand culture fully.

Culture Content, Part Three:
Deeper Assumptions About Reality, Time, Space, Truth, Human Nature, and Human Relationships

To get at the underlying assumptions at this level, you must see where the artifacts and values do *not* mesh and ask the deeper question of what is driving or determining the observed artifacts and daily behavior. For example, in the organization that espouses teamwork, if all of the incentive, reward, and control systems are based on individual accountability then you can safely identify an operative deep assumption that the individual really counts, not the team. In organizations that espouse employee empowerment, you sometimes discover that management assumes it has the right and obligation to command, own the financial information and decisions that affect the company, and treat the employees as a replaceable resource. These deeper assumptions are often difficult to decipher, yet they are the real drivers of how the culture works at the operational level.

Assumptions About Human Nature

Practical Implication

Ask yourself and others:

- What are the assumptions or "messages" behind the incentive, reward, and control systems in your organization? Do these systems communicate trust of employees, or mistrust?

- If you had to rate your organization on a 10-point scale (with 1 being totally Theory X, 10 totally Theory Y), how would your organization score? Would units of the organization reflect different assumptions?

- Do you believe that employees and managers can be developed, or do you basically have to select them for the right qualities? Which qualities are developable, and which ones are not?

Assumptions About Human Relationships
Practical Implication

Ask yourself and others:

- How much does your organization reflect deep individualistic versus groupist assumptions?

- How are incentives, rewards, and controls organized? If teamwork is espoused, how does it work out in practice?

Assumptions About the Nature of Reality and Truth

Practical Implication

Ask yourself and others:

- If you think of one or two key decisions that your organization has made in the last several years, what were the decisions ultimately based on? How was information defined? What was treated as a fact versus an opinion? What facts were decisive in making a decision, and what ultimately did the decision rest on? Was it facts, or opinions? If opinions, whose opinions mattered, and what gave those opinions credibility?

- If you had to rate your organization's decision-making style (with 1 being completely moralistic and 10 being completely pragmatic), where would you place it on the scale?

Assumptions About Time and Space

Cultural assumptions about time and space are the hardest to decipher yet the most decisive in determining how comfortable we feel in any given environment. If we look at assumptions about time first, cultures vary in the degree to which they view time as a linear resource, once spent never to be regained (Hall, 1959, 1966).

Practical Implication

Ask yourself and others:

- What norms about time do you have in your organization?
- What does it mean to be late or early, or to come in early or leave early?
- Do meetings start on time? Do they end on time?
- When you make an appointment with someone, how much time do you feel is normal?
- Does it bother you to be doing two or more things at the same time?
- How does your organization react to missed targets or schedules?

Practical Implication

Ask yourself and others:

- How does the physical layout in your organization reflect working style and status?
- How do people express their rank through physical and spatial behavior?
- How do you organize the space around you, and what are you trying to communicate with how you do it?
- How is privacy defined in terms of physical layout?

In other words, what is often labeled the "desired culture" is a set of espoused values that may simply not be tenable in the existing culture. We can espouse teamwork, openness of communication, empowered employees who make responsible decisions, high levels of trust, and consensus-based decision making in flat and lean organizations until we are blue in the face. But the harsh reality is that in most corporate cultures these practices don't exist because the cultures were built on deep assumptions of hierarchy, tight controls, managerial prerogatives, limited communication to employees, and the assumption that management and employees are basically in conflict anyway—a truth symbolized by the presence of unions, grievance procedures, the right to strike, and other artifacts

How to Get at Your Own Culture
Practical Implication

Think through what groups and communities you belong to. Rank them in terms of their importance to you in the present and in the future. For each group or community, list some key assumptions, attitudes, beliefs, and values it holds. Use the categories in Exhibit 3.1 as a guideline.

Allow yourself to be surprised by how much of your personality and character—your thought processes, perceptions, feelings, and attitudes—are shared with other members of the communities to which you belong. Though we operate in life as individual actors, we are far more embedded in groups than we realize.

Deciphering Your Company's Culture: A Four-Hour Exercise

Remember that cultural assumptions are tacit and out of awareness. Even so, this does not mean they are repressed or unavailable. If you want to access your organisation's culture, get together with several colleagues (and maybe some newcomers to the organisation), bring in a facilitator who knows a little about the concept of culture along the lines described here, and interview yourselves about those areas that seem to matter to the continuing success of your organisation. The steps are as follows.

Define the "Business Problem"

Meet in a room with a lot of wall space and a bunch of flipcharts. Start with a "business problem": something you would like to fix, something that could work better, or some new strategic intent. Focus on concrete areas of improvement, or else the culture analysis may seem pointless and stale.

Review the Concept of Culture

Once you agree on the strategic or tactical goals – the thing you want to change or improve – review the concept of culture as existing at the three levels of visible artifacts, espoused values, and shared tacit assumptions. Make sure that all the members of the working group understand this model.

Identify Artifacts

Start with identifying lots of the artifacts that characterize your organisation. Ask the new members of the organisation what it is like to come to work here. What artifacts do they notice? Write down all the items that come up. Use Exhibit 4.1 as a thought starter to make sure you cover all of the areas in which cultural artifacts are visible. You will find that as the group gets started, all the participants chime in with things they notice. You might fill five to ten pages of chart paper. Tape them up so that the culture's manifestations are symbolically surrounding you.

Exhibit 4.1 Some Categories for Identifying Artifacts
- Dress codes
- Level of formality in authority relationships
- Working hours
- Meetings (how often, how run, timing)
- How are decisions made?
- Communications: How do you learn stuff?
- Social events
- Jargon, uniforms, identity symbols
- Rites and rituals
- Disagreements and conflicts: How handled?
- Balance between work and family.

Identify Your Organisation's Values

After an hour or so, shift gears and ask the group to list some of the espoused values that the organisation holds. Some of these may have already been mentioned, but list them on pages separate from the artifacts. Often these have been written down and published. Sometimes they have been reiterated as part of the "vision" of how the organisation should be operating in the future to remain viable and competitive.

Compare Values with Artifacts

Next, compare the espoused values with the artifacts in those same areas. For example, if customer focus is espoused as a value, see what systems of reward or accountability you have identified as artifacts and whether they support customer focus. If they do not, you have identified an area where a deeper tacit assumption is operating and driving the systems. You now have to search for that deeper assumption.

To use another examples, you may espouse the value of open communication and open-door policies with respect to bosses, yet you may find that whistle-blowers and employees who bring bad news are punished. You may have detected, among your artifacts, that employees are not supposed to mention problems unless they have a solution in mind. These inconsistencies tell you that at the level of shared tacit assumption your culture is really closed, that only positive communications are valued, and that if you cannot come up with a solution you should keep your mouth shut.

As a general principle, the way to deeper cultural level is through identifying the inconsistencies and conflicts you observe between overt behaviours, policies, rules, and practices (the artifacts) and the espoused values as formulated in vision statements, policies, and other managerial communications. You must then identify what is driving the overt behaviour and other artifacts. This is where the important elements of the culture are embedded. As you uncover deep shared assumptions, write them down on a separate page, You will begin to see what the patterns are among those assumptions, and which ones seem to really drive the system in the sense that they explain the presence of most of the artifacts that you have listed.

Repeat the Process with Other Groups

If the picture formed from this meeting is incomplete or muddy, repeat the process with one or more other groups. If you think there might be subgroups with their own shared assumptions, test your thought by bringing together groups that reflect those possible differences. If you need to repeat this process several times (using about three hours each time), you are still far ahead of the game in terms of time and energy invested relative to doing a major survey by either questionnaire or individual interviews. The data you obtain are also more meaningful and valid.

Assess the Shared Assumptions

It is now time to assess the pattern of shared basic assumptions you have identified in terms of how they aid or hinder you in accomplishing the goals you set out in the first

step of this process (defining the business problem). Since culture is very difficult to change, focus most of your energy on identifying the assumptions that can help you. Try to see your culture as a positive force to be used rather than a constraint to overcome. If you see specific assumptions that are real constraints, then you must make a plan to change those elements of the culture. These changes can best be made by taking advantage of the positive, supportive elements of your culture.

Culture can be described and assessed at the levels of artifacts, espoused values, and shared tacit assumptions. The importance of getting to the assumption level derives from the insight that unless you understand the shared tacit assumptions, you cannot explain the discrepancies that almost always surface between espoused values and observed behavioral artifacts.

Exhibit 5.1 How Leaders Embed Cultural Elements

I. **Primary embedding mechanisms**

- What leaders pay attention to, measure, and control regularly
- How leaders react to critical incidents and organizational crises
- Observed criteria by which leaders allocate scarce resources
- Deliberate role modeling, teaching, and coaching
- Observed criteria by which leaders allocate rewards and status
- Observed criteria by which leaders recruit, select, promote, retire, and excommunicate organizational members

II. **Secondary articulation and reinforcement mechanisms**

- Organization design and structure
- Organizational systems and procedures
- Organizational rites and rituals
- Design of physical space, façades, and buildings
- Stories, legends, and myths about people and events
- Formal statements of organizational philosophy, values, and creed

It is especially crucial to understand some subcultures, especially engineering and top management, because the reference group—the group to which members compare themselves—lies outside the organization in the occupational community (Schein, 1996; Van Maanen and Barley, 1984). Thus, for engineers and other organizational designers it is the design profession that dictates many of the values and assumptions they live by. They are likely to share assumptions that perfect designs are free of people and that it is people who make mistakes and should be engineered out of processes as much as possible. The subculture of engineering and design, then, is potentially in conflict with various operator, line, and sales units that depend on people and teamwork for effective performance.

In the case of CEOs it is their board, the financial markets, the analyst community, and fellow CEOs in the industry that define the environment and thereby create some of the assumptions that CEOs learn to live by. However much they believe that people are important, their job demands primary attention to the financial affairs of the organization; inevitably, people come to be seen as a cost factor. In practice, the CEO subculture is also out of sync with the engineering subculture because of the latter's desire to build the most elegant system, which is usually too costly. Hence the degree to which these occupational subcultures are aligned with each other is a major determinant of how well the organization as a whole functions. Your role as a culture leader might well be to

Exhibit 6.1 A Model of Transformative Change

Stage One

Unfreezing: creating the motivation to change

- Disconfirmation
- Creation of survival anxiety or guilt
- Creation of psychological safety to overcome learning anxiety

Stage Two

Learning new concepts and new meanings for old concepts

- Imitation of and identification with role models
- Scanning for solutions and trial-and-error learning

Stage Three

Internalizing new concepts and meanings

- Incorporation into self-concept and identity
- Incorporation into ongoing relationships