

2. Organizational Culture

Understanding Key Concept

- Organizational or corporate culture is the system of shared actions, values, and beliefs that develops within an organization and guides the behavior of its members.
- External adaptation involves reaching goals and dealing with outsiders. Issues concerned are tasks to be accomplished, methods used to achieve the goals, and methods of coping with success and failure.
- Subcultures are unique patterns of values and philosophies within a group that are consistent with the dominant culture of the larger organization or social system.
- Countercultures are the patterns of values and philosophies that outwardly reject those of the larger organization or social system.
- Sagas are embellished heroic accounts of the story of the founding of an organization.
- Rites are standardized and recurring activities used at special times to influence the behaviors and understanding of organizational members.
- Rituals are systems of rites.
- A cultural symbol is any object, act, or event that serves to transmit cultural meaning.
- Management philosophy is a philosophy that links key goal-related issues with key collaboration issues to come up with general ways by which the firm will manage its affairs.
- An organizational myth is an unproven and often unstated belief that is accepted uncritically.
- Organization development (OD) is the application of behavioral science knowledge in a long-range effort to improve an organization's ability to cope with change in its external environment and increase its problem-solving capabilities.

The Concept of Organizational Culture

Organizational or corporate culture is the system of shared actions, values, and beliefs that develops within an organization and guides the behavior of its members. In the business setting, this system is often referred to as the corporate culture. Just as no two individual personalities are the same, no two organizational cultures are identical. Most significantly, management scholars and consultants increasingly believe that cultural differences can have a major impact on the performance of organizations and the quality of work life experienced by their members.

FUNCTIONS AND COMPONENTS OF ORGANIZATIONAL CULTURE

Through their collective experience, members of an organization solve two extremely important survival issues. The first is the question of external adaptation: What precisely needs to be accomplished, and how can it be done? The second is the question of internal integration: How do members resolve the daily problems associated with living and working together?

External Adaptation External adaptation involves reaching goals and dealing with outsiders. The issues concerned are tasks to be accomplished, methods used to achieve the goals, and methods of coping with success and failure.

Through their shared experiences, members may develop common views that help guide their day-to-day activities. Organizational members need to know the real mission of the organization, not just the pronouncements to key constituencies, such as stockholders. Members will naturally develop an understanding of how they contribute to the mission via interaction. This view may emphasize the importance of human resources, the role of employees as cogs in a machine, or a cost to be reduced.

Closely related to the organization's mission and view of its contribution are the questions of responsibility, goals, and methods. For instance, at 3M, employees believe that it is their responsibility to innovate and contribute creatively. They see these responsibilities reflected in achieving the goal of developing new and improved products and processes.

Each collection of individuals in an organization also tends to (1) separate more important from less important external forces; (2) develop ways to measure their accomplishments; and (3) create explanations for why goals are not always met. Daimler-Chrysler's managers, for example, have moved away from judging their progress against specific targets to estimating the degree to which they are moving a development process forward. Instead of blaming a poor economy or upper level managers for the firm's failure to reach a goal, Daimler-Chrysler managers have set

hard goals that are difficult to reach and have redoubled their efforts to improve participation and commitment.

The final issues in external adaptation deal with two important, but often neglected, aspects of coping with external reality. First, individuals need to develop acceptable ways of telling outsiders just how good they really are. At 3M, for example, employees talk about the quality of their products and the many new, useful products they have brought to the market. Second, individuals must collectively know when to admit defeat. At 3M, the answer is easy for new projects: At the beginning of the development process, members establish “drop” points at which to quit the development effort and redirect it.

In sum, external adaptation involves answering important instrumental or goal-related questions concerning coping with reality: What is the real mission? How do we contribute? What are our goals? How do we reach our goals? What external forces are important? How do we measure results? What do we do if specific targets are not met? How do we tell others how good we are? When do we quit?

Internal Integration The corporate culture also provides answers to the problems of internal integration. Internal integration deals with the creation of a collective identity and with finding ways of matching methods of working and living together. The process of internal integration often begins with the establishment of a unique identity; that is, each collection of individuals and each subculture within the organization develops some type of unique definition of itself. Through dialogue and interaction, members begin to characterize their world. They may see it as malleable or fixed, filled with opportunity or threatening. Real progress toward innovation can begin when group members collectively believe that they can change important parts of the world around them and that what appears to be a threat is actually an opportunity for change. Three important aspects of working together are (1) deciding who is a member and who is not; (2) developing an informal understanding of acceptable and unacceptable behavior; and (3) separating friends from enemies. Effective total quality management holds that subgroups in the organization need to view their immediate supervisors as members of the group who are expected to represent them to friendly higher managers.

To work together effectively, individuals need to decide collectively how to allocate power, status, and authority. They need to establish a shared understanding of who will get rewards and sanctions for specific types of actions. Too often, managers fail to recognize these important aspects of internal integration. For example, a manager may fail to explain the basis for a promotion and to show why this reward, the status associated with it, and the power given to

the newly promoted individual are consistent with commonly shared beliefs.

Collections of individuals need to work out acceptable ways to communicate and to develop guidelines for friendships. Although these aspects of internal integration may appear esoteric, they are vital. To function effectively as a team, individuals must recognize that some members will be closer than others; friendships are inevitable. However, the basis for friendships can be inappropriately restricted. At the U.S. Department of Interior, for example, recent budget cuts may have had a beneficial effect. At one time, the political appointees could be found eating together in their own executive dining room. Now, all employees eat at the Interior Department lunchroom, and even the political appointees are making new friends with the career civil servants.

In sum, internal integration involves answers to important questions associated with living together. What is our unique identity? How do we view the world? Who is a member? How do we allocate power, status, and authority? How do we communicate? What is the basis for friendship? Answering these questions is important to organizational members because the organization is more than a place to work; it is a place where individuals spend much of their adult life.

DOMINANT CULTURE, SUBCULTURES, AND COUNTERCULTURES

Smaller firms often have a single dominant culture with a unitary set of shared actions, values, and beliefs. Most larger organizations contain several subcultures as well as one or more countercultures. Subcultures are groups of individuals with a unique pattern of values and philosophy that is not inconsistent with the organization's dominant values and philosophy. Interestingly, strong subcultures are often found in high performance task forces, teams, and special project groups in organizations. The culture emerges to bind individuals working intensely together to accomplish a specific task. For example, there are strong subcultures of stress engineers and liaison engineers in the Boeing Renton plant. These highly specialized groups must solve knotty technical issues to ensure that Boeing planes are safe. Though distinct, these groups of engineers share in the dominant values of Boeing.

In contrast, countercultures have a pattern of values and a philosophy that reject the surrounding culture.¹²⁷ When Stephen Jobs reentered Apple computer as its interim CEO, he quickly formed a counterculture within Apple. Over the next 18 months, numerous clashes occurred as the followers of the old CEO (Gil Amelio) fought to maintain their place. Jobs won and Apple won. His counterculture became dominant.

Within an organization, mergers and acquisitions may produce countercultures. Employers and managers of an acquired firm may hold values and assumptions that are quite inconsistent with those of the acquiring firm. This is known as the “clash of corporate cultures.” When Coca-Cola bought Columbia Pictures, the soft-drink company found out too late that the picture business was quite different from selling beverages. It sold Columbia, with its unique corporate culture, to Sony rather than fight a protracted clash of cultures.

Importing Subcultures Every large organization imports potentially important subcultural groupings when it hires employees from the larger society. In North America, for instance, subcultures and countercultures may naturally form based on ethnic, racial, gender, generational, or locational similarities. In Japanese organizations, subcultures often form based on the date of graduation from a university, gender, or geographic location. In European firms, ethnicity and language play an important part in developing subcultures, as does gender. In many less developed nations, language, education, religion, or family social status are often grounds for forming societally popular subcultures and countercultures.

The difficulty with importing groupings from the larger societies lies in the relevance these subgroups have to the organization as a whole. At the one extreme, senior managers can merely accept these divisions and work within the confines of the larger culture. There are three primary difficulties with this approach.

First, subordinated groups, such as members of a specific religion or ethnic group, are likely to form into a counterculture and to work more diligently to change their status than to better the firm. Second, the firm may find it extremely difficult to cope with broader cultural changes. For instance, in the United States the expected treatment of women, ethnic minorities, and the disabled has changed dramatically over the last 20 years. Firms that merely accept old customs and prejudices have experienced a greater loss of key personnel and increased communication difficulties, as well as greater interpersonal conflict, than have their more progressive counterparts. Third, firms that accept and build on natural divisions from the larger culture may find it extremely difficult to develop sound international operations. For example, many Japanese firms have had substantial difficulty adjusting to the equal treatment of women in their U.S. operations.

Valuing Cultural Diversity Managers can work to eradicate all naturally occurring subcultures and countercultures. Firms are groping to develop what Taylor Cox calls the multicultural organization. The multicultural organization is a firm that values diversity but systematically works to block the transfer of societally based subcultures into the fabric of the organization. Because Cox focuses on some problems unique to the United States, his prescription for change

may not apply to organizations located in other countries with much more homogeneous populations.

Cox suggests a five-step program for developing the multicultural organization. First, the organization should develop pluralism with the objective of multibased socialization. To accomplish this objective, members of different naturally occurring groups need to school one another to increase knowledge and information and to eliminate stereotyping. Second, the firm should fully integrate its structure so that there is no direct relationship between a naturally occurring group and any particular job—for instance, there are no distinct male or female jobs. Third, the firm must integrate the informal networks by eliminating barriers and increasing participation. That is, it must break down existing societally based informal groups. Fourth, the organization should break the linkage between naturally occurring group identity and the identity of the firm. In other words, the firm should not be just for the young, old, men, women, and so on. Fifth, the organization must actively work to eliminate interpersonal conflict based on either the group identity or the natural backlash of the largest societally based grouping.

The key problems associated with fully implementing Cox's program are separating the firm from the larger culture in which it must operate and eliminating some societally based groupings that are relevant for achieving the firm's goals. For instance, the U.S. military is barred from fully implementing Cox's recommendations simply because it is not currently legal to put women into all combat roles. The issue of generational groupings provides another example. Implementing Cox's recommendations would call for 20 year olds to be represented proportionally in the senior management ranks; most corporations want and need the judgment honed by experience. However, astute senior managers are recognizing that they may be out of touch with younger employees. For example, Robert Hausman, chairman of Coventry Industries of Boca Raton, Florida routinely meets young employees once a month over pizza.

LEVELS OF CULTURAL ANALYSIS

Three important levels of cultural analysis in organizations are: observable culture, shared values, and common assumptions. These levels may be envisioned as layers. The deeper one gets, the more difficult it is to discover the culture.

The first level concerns observable culture, or “the way we do things around here.” These are the methods the group has developed and teaches to new members. The observable culture includes the unique stories, ceremonies, and corporate rituals that make up the history of a successful work group.

The second level of analysis recognizes that shared values can play a critical part in linking people together and can provide a powerful motivational mechanism for members of the culture. Many consultants suggest that organizations should develop a “dominant and coherent set of shared values.” The term shared in cultural analysis implies that the group is a whole. Every member may not agree with the shared values, but they have all been exposed to them and have often been told they are important. At Hewlett-Packard, for example, “quality” is part of everyone’s vocabulary. The firm was founded on the belief that everyone could make a creative contribution to developing quality products.

At the deepest level of cultural analysis are common assumptions, or the taken-for-granted truths that collections of corporate members share as a result of their joint experience. It is often extremely difficult to isolate these patterns, but doing so helps explain why culture invades every aspect of organizational life.

Observable Aspects of Organizational Culture

Important parts of an organization’s culture emerge from the collective experience of its members. These emergent aspects of the culture help make it unique and may well provide a competitive advantage for the organization. Some of these aspects may be directly observed in day-to-day practices. Others may have to be discovered—for example, by asking members to tell stories of important incidents in the history of the organization. We often learn about the unique aspects of the organizational culture through descriptions of specific events. By observing employee actions, listening to stories, and asking members to interpret what is going on, one can begin to understand the organization’s culture.

STORIES, RITES, RITUALS, AND SYMBOLS

Organizations are rich with stories of winners and losers, successes and failures. Perhaps one of the most important stories concerns the founding of the organization. The founding story often contains the lessons learned from the heroic efforts of an embattled entrepreneur, whose vision may still guide the firm. The story of the founding may be so embellished that it becomes a saga—a heroic account of accomplishments.¹³⁶ Sagas are important because they are used to tell new members the real mission of the organization, how the organization operates, and how individuals can fit into the company. Rarely is the founding story totally accurate, and it often glosses over some of the more negative aspects of the founders. Such is the case with Nike.

If you have job experience, you may well have heard stories concerning the following questions: How will the boss react to a mistake? Can someone move from the bottom to the top of the

company? What will get me fired? These are common story topics in many organizations. Often, the stories provide valuable hidden information about who is more equal than others, whether jobs are secure, and how things are really controlled. In essence, the stories begin to suggest how organizational members view the world and live together. Some of the most obvious aspects of organizational culture are rites and rituals. Rites are standardized and recurring activities that are used at special times to influence the behaviors and understanding of organizational members; rituals are systems of rites. It is common, for example, for Japanese workers and managers to start their workdays together with group exercises and singing of the “company song.” Separately, the exercises and song are rites. Together, they form part of a ritual. In other settings, such as the Mary Kay Cosmetics company, scheduled ceremonies reminiscent of the Miss America pageant (a ritual) are used regularly to spotlight positive work achievements and reinforce high performance expectations with awards, including gold and diamond pins and fur stoles.

Rituals and rites may be unique to particular groups within the organization. Subcultures often arise from the type of technology deployed by the unit, the specific function being performed, and the specific collection of specialists in the unit. The boundaries of the subculture may well be maintained by a unique language. Often, the language of a subculture, and its rituals and rites, emerge from the group as a form of jargon. In some cases, the special language starts to move outside the firm and begins to enter the larger society. For instance, an ad for a Hewlett-Packard hand-held computer read: “All the features you need are built right in. MSDOS, Lotus 1-2-3……and a 512 K RAM version of the HP 95LX.” Not everyone found this a user-friendly ad, but it did appeal to knowledgeable individuals.

Another observable aspect of corporate culture centers on the symbols found in organizations. A cultural symbol is any object, act, or event that serves to transmit cultural meaning. Good examples are the corporate uniforms worn by UPS and Federal Express delivery personnel. Although many such symbols are quite visible, their importance and meaning may not be.

CULTURAL RULES AND ROLES

Organizational culture often specifies when various types of actions are appropriate and where individual members stand in the social system. These cultural rules and roles are part of the normative controls of the organization and emerge from its daily routines.¹³⁹ For instance, the timing, presentation, and methods of communicating authoritative directives are often quite specific to each organization.

In one firm, meetings may be forums for dialogue and discussion, where managers set agendas

and then let others offer new ideas, critically examine alternatives, and fully participate. In another firm, the “rules” may be quite different: The manager goes into the meeting with fixed expectations. Any new ideas, critical examinations, and the like are expected to be worked out in private before the meeting takes place. The meeting is a forum for letting others know what is being done and for passing out orders on what to do in the future.

THE EVOLUTION OF SHARED MEANINGS FROM OBSERVABLE CULTURE

What you see as an outside observer may or may not be what organizational members see. You may see NASA personnel on television filling the tanks of a booster rocket for the space shuttle. If you could ask the workers directly what they are doing, you might be surprised by the answer. They are not just filling booster tanks; they are assisting with an important part of exploring space. Through interaction with one another, and as reinforced by the rest of the organization, the workers have infused a larger shared meaning—or sense of broader purpose—into their tasks. In this sense, organizational culture is a “shared” set of meanings and perceptions that are created and learned by organizational members in the course of interactions. This set of shared meanings may be accompanied by shared values.

Values and Organizational Culture

To describe more fully the culture of an organization, it is necessary to go deeper than the observable aspects. To many researchers and managers, shared common values lie at the very heart of organization culture. Shared values help turn routine activities into valuable, important actions, tie the corporation to the important values of society, and may provide a very distinctive source of competitive advantage. In organizations, what works for one person is often taught to new members as the correct way to think and feel. Important values are then attributed to these solutions to everyday problems. By linking values and actions, the organization taps into some of the strongest and deepest realms of the individual. The tasks a person performs are given not only meaning but value; what one does is not only workable but correct, right, and important.

Some successful organizations share some common cultural characteristics. Organizations with “strong cultures” possess a broadly and deeply shared value system. Unique, shared values can provide a strong corporate identity, enhance collective commitment, provide a stable social system, and reduce the need for formal and bureaucratic controls. A strong culture can be a double-edged sword, however. A strong culture and value system can reinforce a singular view of the organization and its environment. If dramatic changes are needed, it may be very difficult to change the organization. General Motors may have a “strong” culture, for example, but the firm faces enormous difficulty in its attempts to adapt its ways to a dynamic and highly

competitive environment.

In many corporate cultures, one finds a series of common assumptions known to most everyone in the corporation: “We are different.” “We are better at…….” “We have unrecognized talents.” Cisco Systems at the opening of this chapter provides an excellent example. Senior managers often share common assumptions, such as, “We are good stewards.” “We are competent managers.” “We are practical innovators.” Like values, such assumptions become reflected in the organizational culture.

MANAGEMENT PHILOSOPHY

A management philosophy links key goal-related issues with key collaboration issues and comes up with a series of general ways by which the firm will manage its affairs. A well-developed management philosophy is important because (1) it establishes generally understood boundaries on all members of the firm; (2) it provides a consistent way of approaching new and novel situations; and (3) it helps hold individuals together by assuring them of a known path toward success. Wal-Mart has a clearly identified management philosophy linking growth and profitability with customer service and individual employee commitment. Each manager runs “a store within a store,” supported by more senior management and corporate buyers. This concept both liberates individuals to try new initiatives and binds their efforts within managerial constraints and purchasing realities. Once, the homespun comments of legendary CEO Sam Walton helped to help bind individuals together; now managers evoke his memory. The philosophy is expressed in some old-fashioned values, such as customer service, frugality, hard work, and service toward employees.

Elements of the management philosophy may be formally documented in a corporate plan, a statement of business philosophy, or a series of goals (see *The Effective Manager* 1.6). Yet, it is the unstated but well-understood fundamentals these written documents signify that form the heart of a well-developed management philosophy.

ORGANIZATIONAL MYTHS

In many firms, the management philosophy is supported by a series of organizational myths. Organizational myths are unproven and often unstated beliefs that are accepted uncritically. In a study of safety in nuclear power plants, senior managers were asked whether they felt there was a tradeoff between safeness and efficiency. The response was clear: A safe plant is an efficient plant. Yet, most of these executives had seen data showing that measures of safeness and efficiency were quite independent. To admit there was a tradeoff raised the issue of making choices between efficiency and safety. All wanted to believe that to do one was to promote the

other.

Whereas some may scoff at these organizational myths and want to see rational, hard-nosed analysis replace mythology, each firm needs a series of managerial myths. Myths allow executives to redefine impossible problems into more manageable components. Myths can facilitate experimentation and creativity, and they allow managers to govern. For instance, senior executives are not just decision makers or rational allocators of resources. All organization members hope these individuals will also be fair, just, and compassionate.

NATIONAL CULTURE INFLUENCES

Widely held common assumptions may often be traced to the larger culture of the corporation's host society. The difference between Sony's corporate emphasis on group achievements and Zenith's emphasis on individual engineering excellence, for example, can be traced to the Japanese emphasis on collective action versus the U.S. emphasis on individualism. National cultural values may also become embedded in the expectations of important organizational constituencies and in generally accepted solutions to problems. When moving across national cultures, managers need to be sensitive to national cultural differences so that their actions do not violate common assumptions in the underlying national culture. In Japan and Western Europe, for example, executives are expected to work cooperatively with government officials on an informal basis. Informal business-government relations that are perfectly acceptable in these countries are considered influence peddling in the United States. Whereas some South American executives expect to pay directly for some government services, in the United States such payments are considered bribes.

Inappropriate actions that violate common assumptions drawn from national culture can have an important impact on performance and may alienate organizational members, even if managers have the best intentions. To improve morale at General Electric's new French subsidiary, Chi. Generale de Radiologie, American managers invited all the European managers to a "get acquainted" meeting near Paris. The Americans gave out colorful T-shirts with the GE slogan, "Go for One," a typical maneuver in many American training programs. The French resented the T-shirts. One outspoken individual said, "It was like Hitler was back, forcing us to wear uniforms. It was humiliating."

Managing Organizational Culture

The culture should be considered as critical as structure and strategy in establishing the organizational foundations of high performance. Good managers are able to reinforce and support

an existing strong culture; good managers are also able to help build resilient cultures in situations where they are absent. For instance, CEO Mike Walsh of Union Pacific has brought a new and fresh approach to the firm with what Fortune Magazine called an “introverted corporate culture.” Cultural changes under Walsh’s leadership included the empowerment of managers at all levels. A typical response: “We were so elated the company was willing to give new authority that we wanted it to work.”

Two broad strategies for managing the corporate culture have received considerable attention in the OB literature. One strategy calls for managers to help modify observable culture, shared values, and common assumptions directly. A second strategy involves the use of organizational development techniques to modify specific elements of the culture.

BUILDING, REINFORCING, AND CHANGING CULTURE

Managers can modify the visible aspects of culture, such as the language, stories, rites, rituals, and sagas. They can change the lessons to be drawn from common stories and even encourage individuals to see the reality they see. Because of their positions, senior managers can interpret situations in new ways and can adjust the meanings attached to important corporate events. They can create new rites and rituals. This takes time and enormous energy, but the long-run benefits can also be great.

Top managers, in particular, can set the tone for a culture and for cultural change. Managers at Aetna Life and Casualty Insurance built on its humanistic traditions to provide basic skills to highly motivated but underqualified individuals. Even in the highly cost-competitive steel industry, Chairperson F. Kenneth Iverson of Nucor built on basic entrepreneurial values in U.S. society to reduce the number of management levels by half. And at Procter and Gamble, Richard Nicolosi evoked the shared values for greater participation in decision making dramatically to improve creativity and innovation.

Each of these examples illustrates how managers can help foster a culture that provides answers to important questions concerning external adaptation and internal integration. Recent work on the linkages among corporate culture and financial performance reaffirms the importance of an emphasis on helping employees adjust to the environment. It also suggests that this emphasis alone is not sufficient. Neither is an emphasis solely on stockholders or customers associated with long-term economic performance. Instead, managers must work to emphasize all three issues simultaneously. This emphasis on customers, stockholders, and employees comes at a cost of emphasizing management. Large offices, multimillion-dollar salaries, golden parachutes (protections for executives if the firm is bought by others), as well as the executive plane, dining room, and

country club are out.

Early research on culture and culture change often emphasized direct attempts to alter the values and assumptions of individuals by resocializing them—that is, trying to change their hearts so that their minds and actions would follow. The goal was to establish a clear, consistent organizationwide consensus. More recent work suggests that this unified approach of working through values may not be either possible or desirable.

Trying to change people's values from the top down without also changing how the organization operates and recognizing the importance of individuals does not work very well. Take a look at Cisco Systems. Here managers realize that keeping a dynamic, change-oriented and fun culture is a mix of managerial actions, decisions about technology, and initiatives from all employees. The values are not set and imposed from someone on high. The shared values emerge, and they are not identical across all of Cisco's operating sites. Subtle but important differences emerge across their operations in Silicon Valley, the North Carolina operation, and the Australian setting.

It is also a mistake for managers to attempt to revitalize an organization by dictating major changes and ignoring shared values. Although things may change a bit on the surface, a deeper look often shows whole departments resisting change and many key people unwilling to learn new ways. Such responses may indicate that the managers responsible are insensitive to the effects of their proposed changes on shared values. They fail to ask whether the changes are contrary to the important values of participants within the firm, a challenge to historically important corporatewide assumptions, and inconsistent with important common assumptions derived from the national culture, outside the firm. Note the example of Stephen Jobs at Apple earlier in this chapter. He did not make all the changes. Rather, he worked with others to make changes in strategy, structure, products, and marketing and to build on deep-seated common assumptions that long-term employees shared.

Few executives are able to reshape common assumptions or “the taken-for-granted truths” in a firm without taking drastic, radical action. Roger Smith of General Motors realized this challenge and established a new division to produce the Saturn.

At Harley Davidson, a new senior management team had to replace virtually all of the company's middle managers in order to establish a new, unique, and competitive culture. All too often, however, executives are unable to realize that they, too, can be captured by the broadly held common assumptions within their firms. Just as executives in Eastern European firms must reexamine the philosophical foundation of their firms as their countries adopt market economies,

so must managers in the United States and other Western nations, as they anticipate the exciting challenges of a new century.

CONTINUOUS CULTURAL DEVELOPMENT

To keep the culture fresh and competitive, the challenge today is to engage in a process of continuous self-assessment and planned change in order to stay abreast of problems and opportunities in a complex and demanding environment. Organization development (OD) is a comprehensive approach to planned change that is designed to improve the overall effectiveness of organizations. Formally defined, OD is the application of behavioral science knowledge in a long-range effort to improve an organization's ability to cope with change in its external environment and to increase its internal problem-solving capabilities.

Organization development is used to improve performance in organizations of many types, sizes, and settings. It includes a set of tools with which any manager who is concerned about achieving and maintaining high levels of productivity will want to be familiar. Because of its comprehensive nature and scientific foundations, OD was frequently implemented with the aid of an external consultant. As OD techniques have been combined with a better understanding of organizational culture, its basic concepts can and should be used routinely by all managers.

Self Assessment on 'Which Culture Fits for You?'¹⁾

Instructions

Check one of the following organization “cultures” in which you feel most comfortable working.

1. A culture that values talent, entrepreneurial activity, and performance over commitment; one that offers large financial rewards and individual recognition.
2. A culture that stresses loyalty, working for the good of the group, and getting to know the right people; one that believes in “generalists” and step-by-step career progress.
3. A culture that offers little job security; one that operates with a survival mentality, stresses that every individual can make a difference, and focuses attention on “turnaround” opportunities.
4. A culture that values long-term relationships; one that emphasizes systematic career development, regular training, and advancement based on gaining of functional expertise.

Scoring

These labels identify the four different cultures: 1 = “the baseball team,” 2 = “the club,” 3 = “the fortress,” and 4 = “the academy.”

Interpretation

To some extent, your future career success may depend on working for an organization in which there is a good fit between you and the prevailing corporate culture. This assessment can help you learn how to recognize various cultures, evaluate how well they can serve your needs, and recognize how they may change with time. A risk taker, for example, may be out of place in a “club” but fit right in with a “baseball team.” Someone who wants to seek opportunities wherever they may occur may be out of place in an “academy” but fit right in with a “fortress.”

1) *Source: Developed from Carol Hymowitz, “Which Corporate Culture Fits You?” The Wall Street Journal (July 17, 1989), p. B1.*