

**TITLE: "UNDERSTANDING CORPORATE CULTURE"**

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*"All companies have a culture. In order for employees to function and succeed, it is essential they understand and believe in the culture."  
- Bryce's Law*

**INTRODUCTION**

The subject of "corporate culture" seems to be on everyone's mind these days; from the college graduate entering the job market, to the IRM executive who is trying to improve management and productivity in his organization. It is the topic of interest at social and professional gatherings.

The perceptive manager understands the importance of establishing and controlling the work environment, including both logical and physical considerations. Unfortunately, many managers do not appreciate the concept of corporate culture and how to use it to their advantage.

Corporate culture pertains to the identity and personality of the company we work with, either in the private or public sectors. All companies have a culture; a way they behave and operate. They may be organized and disciplined or chaotic and unstructured. Either way, this is the culture the company has elected to adopt. In order for an employee to function and succeed, they must be able to recognize, accept and adapt to the culture.

**MEMBER VS. ALIEN**

Have you ever noticed how people react to foreign visitors; whether an exchange student or a visiting professional? The stranger may be welcomed, but may never be accepted unless that person can adapt to the norms of their new environment. If they do not, the members will shun the stranger and reject the alien from their culture. The same is true in business. If the new employee, consultant or visitor cannot adapt to the corporate culture, their chances for success are slight. The members

of the culture will reject the person outright and will work against them.

The reason for this phenomenon is because people tend to prefer conformity in their culture. Conformity represents a harmonious environment where the behavior and actions are predictable. Most people have a deeply rooted desire for a sense of order and stability in their lives, which is what conformity provides. A stable environment promotes self-confidence in the members of the culture and allows them to concentrate on their work.

**HUMAN PERSPECTIVE**

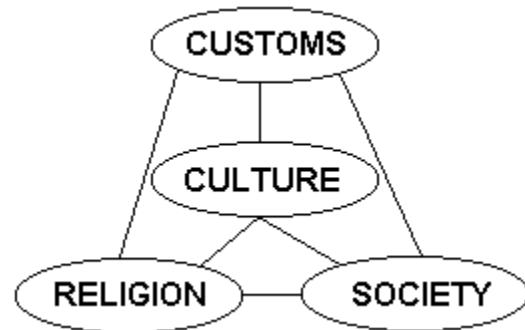
Corporate culture deals with how we see ourselves and others. We act on our perceptions, not necessarily what occurs in reality. The culture greatly influences our perceptions and behavior. For example, our values and beliefs may distort what happens in fact. Gossip, propaganda, and a sensational press, deals with what people want to hear, not necessarily what happens in reality.

**DEFINING CULTURE**

Before we can alter the culture, we must first understand it. Culture is defined as the characteristics of the members of a civilization. Ultimately, culture defines the quality of life for a group of people.

Culture doesn't appear suddenly, it evolves over time as people grow and learn. The older the heritage, the more ingrained the culture is in its members.

There are essentially three parts to any culture: Customs, Religion and Society. Each influences the others.



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## CUSTOMS

Webster defines custom as a "long-established practice considered as unwritten law." Custom dictates the expected manner of conduct for the culture. It prescribes the etiquette to be observed in dress, speech, courtesy and politics (gamesmanship). Several companies, most notably IBM, have long understood the power of customs. These norms are established to project a particular image the company wishes to convey.

## RELIGION

Religion is the philosophy of life and the basis for our values. It influences our judgement in terms of what is ethical and what is not. Although uniform morality sounds attractive to executives, it can be quite dangerous if unethical practices are allowed to creep into the moral fiber of the company.

## SOCIETY

Society defines our interpersonal relationships. This includes how we elect to govern and live our lives. Society defines the class structure in an organization, from Chairman of the Board to the hourly worker. It defines government, laws and institutions which must be observed by its members. More often than not, the society is "dictated" by management as opposed to "democratically" selected by the workers.

## INFLUENTIAL FACTORS

Obviously, it is people, first and foremost, that influence any culture. In terms of corporate culture, the only external factor influencing the enterprise is the "resident culture," which is the culture at any particular geographical location. The resident culture refers to the local customs, religion and society observed in our personal lives, outside of the workplace. The resident culture and corporate culture may differ considerably in some areas but are normally compatible.

Anthropologists have long known the physical surroundings, such as geography and climate, greatly influence the resident culture. The resident culture, in turn, influences the corporate culture. The corporate culture, which affects the behavior of its members, will greatly influence the resident culture.



## SUB-CULTURES

Within any culture there are those people exhibiting special characteristics distinguishing them from others within an embracing culture; this is what is called "sub-cultures." In a corporate culture, sub-cultures take the form of cliques, special interest groups, even whole departments within a company. This is acceptable as long as the sub-culture does not violate the norms of the parent culture. When the characteristics of the sub-culture differ significantly from the main culture, it becomes a culture in its own right. This situation can be counterproductive in a corporate culture, a company within a company. For example, we have seen several IT organizations who view themselves as independent of the companies they serve. They "march to their own drummer" doing what is best for the IT Department, not necessarily what is best for their company. Conversely, we have seen management regulate the IT department as a separate, independent group as opposed to a vital part of the business.

## CHANGING THE CORPORATE CULTURE

Changing the corporate culture involves influencing the three elements of the culture: Customs, Religion and Society. This is not a simple task. It must be remembered that culture is learned. As such, it can be taught and enforced. However, the greater the change, the longer it will take to implement. It should evolve naturally over time. A cultural revolution, such as the one experienced in communist China, is too disruptive for people to understand and accept. As a result, they will resist and rebel.

A smaller company can change its culture much more rapidly than a larger company, simply because of communication considerations. In addition, an organization in the private sector can change faster than one in the public sector (such as a government agency), only be-

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cause a commercial company isn't encumbered with government regulations. This is an instance where a "dictatorship" works more effectively than a "democracy."

To change the corporate culture, one must begin by defining the current corporate and resident cultures, including the customs, religion and society observed. There are several indicators for measuring the pulse of the culture: Absenteeism, Tardiness, Turnover, Infractions of Rules, Employee Attitudes, Productivity, etc. All of these can be used to gauge how people behave within the corporate culture. To this end, we offer the "PRIDE" Survey on Corporate Culture to assist in this analysis:

<http://www.phmainstreet.com/mba/pride/eespcc.htm#survey>

This is followed by a set of requirements for the culture and a plan to implement them. In a corporate culture, a policy and procedures manual can usually stipulate the customs and society to be observed. Developing a corporate consciousness is far more difficult to implement and involves considerable training and demonstration. Great care must be taken to avoid the *"do as I say, not as I do"* situation.

It is one thing to enact legislation, quite another to enforce it. Without an effective means to monitor and control the culture, it is quite futile to establish any formal policies or guidelines.

## **SUMMARY**

Management is much more than just meeting deadlines. It is a people-oriented function. If we lived in a perfect world, there wouldn't be a need for managers. People would build things correctly the first time and on schedule, on costs. The fact of the matter is that we live in an imperfect world. People do make mistakes; people do have different perspectives, etc. Management is getting people to do what you want them to do, when you want them to do it. The corporate culture is a vital part of the art of management. Failure to recognize this has led to the demise of several managers. But for those managers who take it into consideration, the corporate culture can greatly influence the productivity of any organization.

Within the "PRIDE"-Enterprise Engineering Methodology (EEM), Corporate Culture is defined in Phase 3, Activity E, *"Prepare Organization Analysis"*:

<http://www.phmainstreet.com/mba/pride/ee300e.htm>

**END**

*"PRIDE" Special Subject Bulletins can be found at the "PRIDE Methodologies for IRM Discussion Group" at:*

<http://groups.yahoo.com/group/mbapride/>

*You are welcome to join this group if you are so inclined.*

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