

# Center Solutions

Ideas for Today's Workplace from the Center for Organization Effectiveness, Inc.

Volume 8

## The Role of Corporate Culture in Change Efforts

by Diane Hamilton, Partner

We're all familiar with the major changes affecting both our organizations and the world around us. The incredible pace of change. The speed. The often overwhelming complexity. Change is part of the way we work. The way we live. Since this has been a way of life for so long now, why is it that organizations often fail when trying to initiate change efforts. Shouldn't we be good at this by now? Doesn't practice make perfect?

At the Center, we've had the opportunity to work with numerous organizations during and after their organizational change efforts. The one constant we have seen, no matter the change, is the role and importance of organizational culture. By culture, we mean the beliefs, values, and assumptions that shape behaviors and help individuals understand the organization. Culture is often so strong and so powerful that when there is a discrepancy or inconsistency between the current culture and the objectives of the change, the culture will win if ignored.

These assumptions, beliefs, and values are established by leaders of the organization and present a powerful set of forces that are deep, broad, and stable. They result in behaviors that serve as a guide to employees about what is considered appropriate or inappropriate behavior in the organization. But lest you think that corporate culture is all about the "touchy-feely" part of the business, don't be fooled. It has everything to do with the bottom line. And, when it comes to the success or failure of

organizational change efforts, corporate culture has a major impact on the final outcome.

So what can you do to help ensure your current culture doesn't hinder the success of your change efforts? Here are some ideas based on our experience with culture and organizational change.

1. Never underestimate the power of organizational culture during times of change. Remember that corporate culture needs to be managed. Often organizations try to "throw out" their culture when implementing changes. They focus all their efforts on how their culture needs to change (e.g., moving from a paternalistic organization to one that stresses individual accountability) rather than enhancing the positive attributes of their culture. In managing corporate culture, it pays to build on the strengths and the positive aspects, while addressing those areas that don't serve the company well any more.
2. Understand your organization's current culture and identify the desired culture. A culture assessment can help you uncover this "gap" and determine appropriate strategies for culture change. While many organizations have conducted employee opinion surveys, they haven't conducted culture assessments. Culture studies are different from employee opinion surveys on a variety of dimensions (see chart for a highlight of the key differences) and are useful in informing organizational strategy.
3. Use culture as a competitive advantage during organizational change efforts. A strong culture (one in which beliefs and values are widely shared and strongly held) offers many advantages. These include:

*"Understanding and managing corporate culture can influence the final outcome of your change efforts."*

Center for Organization Effectiveness, Inc.

*Our purpose is to help foster and build effective organizations. Organizations that are enduring and great.*

*This newsletter is a part of that effort. If you know others who should be on our mailing list, please write or email their name and address.*

*The Center for Organization Effectiveness staff includes:  
Diane Hamilton  
Wayne Reschke  
Lori Gibson  
Margery Sorensen  
Richard Cederholm  
Shawn Kruckman*

- **Cooperation.** Shared values may enhance goodwill and mutual trust, encouraging cooperation.
- **Decision making.** Shared beliefs and values lead to more efficient decision making since there are fewer disagreements about which premises should prevail.
- **Control.** Strong culture serves as an informal control mechanism.
- **Communication.** Agreement on beliefs and values facilitates communication.
- **Commitment.** Strong cultures foster strong

identification and feelings through beliefs and values the employee can share with others.

- **Perception.** Shared beliefs and values provide organization members with shared interpretations of their experience.
- **Justification of behavior.** Culture helps organization members make sense of their behavior by providing justification for it.

So, while practice may never make perfect when it comes to organizational change, understanding and managing corporate culture can influence the final outcome of your change efforts.

### Culture Assessments versus Employee Opinion Surveys

	Culture Study	Opinion Survey
Purpose	<ul style="list-style-type: none"> <li>• To provide a description of the organization along various dimensions as input to managerial decision making</li> <li>• Descriptive in nature</li> </ul>	<ul style="list-style-type: none"> <li>• To assess the quality or adequacy of organizational policies, practices, procedures, and routines</li> <li>• Evaluative in nature</li> </ul>
Use of Findings	<ul style="list-style-type: none"> <li>• To inform strategy—do the organizational characteristics fit the business strategy?</li> </ul>	<ul style="list-style-type: none"> <li>• To improve practice—how can we make our operations more effective?</li> </ul>
Focus of Study	<ul style="list-style-type: none"> <li>• Attributes or characteristics</li> <li>• Drivers of behavior</li> <li>• Deeply rooted beliefs, values, and norms</li> <li>• Underlying variables</li> <li>• Constraints on performance</li> </ul>	<ul style="list-style-type: none"> <li>• Individual attitudes and satisfaction</li> <li>• Perceptions of organizational practices</li> <li>• Areas for improvement</li> <li>• Surface variables—looks at the “effectiveness of” or “satisfaction with”</li> </ul>
Type of Data/Nature of Findings	<ul style="list-style-type: none"> <li>• Patterns, connections, fit between data</li> <li>• Where the organization is on a continuum (e.g., conservative/innovative, responsive/slow)</li> </ul>	<ul style="list-style-type: none"> <li>• Levels of variables, ratings</li> <li>• The effectiveness of communication (excellent/poor); satisfaction with pay (satisfied/dissatisfied)</li> </ul>
Typical Items Measured	<ul style="list-style-type: none"> <li>• Autonomy</li> <li>• Task orientation</li> <li>• Openness to change</li> <li>• Diversity</li> <li>• Innovation</li> <li>• Social relations</li> <li>• Organizational controls</li> </ul>	<ul style="list-style-type: none"> <li>• Communication</li> <li>• Teamwork</li> <li>• Managerial behavior</li> <li>• Pay/benefits</li> <li>• Goal clarity</li> <li>• Career opportunities</li> <li>• Participation</li> </ul>



6515 Grand Teton Plaza  
Suite 145  
Madison, WI 53719

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PERMIT NO.1547  
MADISON, WI