

HOW TO CONSTRUCT THE BEST CULTURE TO PERFORM

a handbook based on research
and twenty-five years of work experience*

bob's model®
Strategy Culture Change
by bob waisfisz
and geert hofstede

** The research has been conducted by prof. Geert Hofstede and colleagues resulting in
The Model on Strategy, Culture and Change, while Bob developed all tools and applications*

Fully revised second edition

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PREFACE

Geert Hofstede, Bram Neuijen and Denise Ohayv conducted groundbreaking research on organizational cultures in the 1980s. This pioneering research was the input for the Model on Strategy, Culture and Change: an integrated set of applications which the author of this book developed. During the development of the Model on Strategy, Culture and Change, at several intervals the advice of Professor Geert Hofstede was sought and implemented.

Together with colleagues, I started to apply this model at the end of the 1980s. Technological evolution and insight into the needs of organizations made the Model ever more practical to apply, while the scientific foundations remained solid. Throughout the years -or even decades-, we have been able to compare the Model with other models on organizational culture and change. We also studied general approaches to organizational culture and were surprised by the amount of 'hot air'.

It is logical that people with a vested interest in such fallible approaches do not welcome a method based on solid scientific research. Some even talk with a certain disdain about scientific approaches - pointing out that scientists often err. These colleagues forget that scientists are just as human as they themselves are. Regardless of the number of errors we make, we human beings build our lives on a plethora of technological advances. It is intriguing that those who talk in derogatory terms about science, use the results of scientific discoveries continuously in their daily life - whether driving cars or using computers and mobile phones.

Over the past decades we have collected so much experience and data by applying the research by Hofstede et al., that we dare writing this book and challenge all those consultants on organizational culture who do not base their offerings on solid research.

Whom do we address?

We hope that this book will be read or at least be flipped through by leaders, strategists and HR managers, management consultants and change agents and certainly by scholars and students.

- By leaders, because organizational culture can be used as an extremely effective additional management tool once culture has been operationalized.
- By strategists, because strategy and culture are two sides of the same coin. If culture is not aligned with strategy, then the realization of strategies will remain sub-optimal.
- By HR managers to ensure that strategy, context and organizational culture are (and remain) aligned. By the way, by doing so, the importance of HR will increase tremendously.

- By management consultants and change agents, to help them to realize that dreaming up models or relying solely on experience is not sufficient to assist clients properly.
- By scholars and students, to assist us in continuously upgrading our know-how and tools. It is a serious challenge to deal with the most complex system in the work environment, being a group of people.

This book is called a “Handbook”, a manual that covers organizational culture and change management in the widest sense of the word. We will touch upon the work of others only if it is useful to point out the differences between our approach and theirs. This “Handbook” recounts the way we have been operating organizational culture and change, and all lessons learned during our journey. Our approach is constantly updated, as it appears to be a never-ending story. Every measurement of a culture or subculture and every transformation generates more insight into the infinite complexity of human beings working together.

We hope this Handbook will contribute to your journey and learning experience.

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1 ORGANIZATIONAL CULTURE: NOT ALWAYS WELL UNDERSTOOD

1.1 Introduction

Sometimes I meet people who claim that their organization has no culture. That is intriguing, because wherever a group of people are together for any length of time, a culture will arise. Primary school teachers can tell you that every class feels different - a reflection of different cultures. Children do not go to primary school in order to realize a common goal. Despite the lack of a common goal, every bunch of children will quickly develop their own culture in answer to the unconscious question: "How do we relate to each other inside the classroom and how do we deal with all others outside the classroom". Not only teachers experience this, but also newcomers. Kids of primary school age have never heard about culture, but newcomers beware! They soon find out that if they do not adjust they may be forever harassed by their peers.

When you question those claiming that their organization does not have a culture, it quickly transpires that what they mean is that their organization has a weak culture. A more appropriate word is "heterogeneous", as this term has less of a normative connotation. However, since the words "strong" and "weak" have become so much part of common parlance, we will use them here to describe the degree to which members of a group perceive their group reality similarly (strong) or dissimilarly (weak).

However weak a culture may be, at the very least a minimum set of unwritten rules will develop to give direction to the way members of a group are supposed to relate to each other and to the outside world. If people have come together to realize a common goal, then a minimum set of unwritten rules will also apply to the way members of the group will relate to their work or to their social activities in order to realize their common goal. Without such a set of unwritten rules groups cannot exist, because in the absence of such rules people would have to discuss ad infinitum how to behave and how to execute tasks. Without such elaborate discussion they would disagree about everything all the time as everybody is different, since no culture would then exist to act as a catalyst. Thus, every organization has a culture. This book will show you how to use culture to your advantage.

Every person is unique, as is every organizational culture. How can it be otherwise, as a group of people is more complex than each group member separately? The variance in nature and numbers of possible relationships between just ten different group members is mind-boggling. Group member A may have a close work relationship with B and they appreciate each other. A may have a distanced work relationship with C and they dislike each other. B and C do not work together but they know each other well, because they have mutual friends. C envies B as B is always able to make the best out of whatever situation B finds herself in, etc., etc.

Following publication of the book “In Search of Excellence” by Peters and Waterman - first published in 1982 and one of the bestselling and most widely read business books ever - the idea that “Excellence” was just within reach enjoyed a brief reign. Management only needed to warrant a strong organizational culture and excellence would blossom. Many organizations hired consultants to create a strong culture. The result was usually depressing. What’s more, the majority of the excellent companies described by Peters and Waterman ran into difficulties pretty soon after the book was published. As a consequence, quite a number of advisors argue that it is difficult or even impossible to change an organizational culture. Although we are not that pessimistic, we did find out by ourselves that it is no easy task.

Did Peters and Waterman then sell total nonsense? Certainly not. We will see later on that there is a convincing correlation between a strong culture and effectiveness and productivity. Three aspects however, weaken the relationship between the strength of a culture and excellence:

1. Follow-up research has shown that in very strong cultures almost everyone experiences their work reality so much alike that “outliers” are not heard. Not necessarily because differences may be viewed as threatening, but just because they fall outside people’s reality. Their colleagues cannot make any sense out of what these “outliers” say.
2. The strength of a culture does not tell us much about its content. How strong a culture is, tells us in how far people’s perceptions of their work reality coincide. It does not tell us much about what they perceive as their reality.
3. Peters and Waterman’s claim implies that they know what is good for companies. In reality it is hard to predict the most functional culture for a specific organization. What is most functional depends on the specific environment in which a culture is embedded and on the objectives and strategies management wants to pursue.

1.2 Definitions of culture

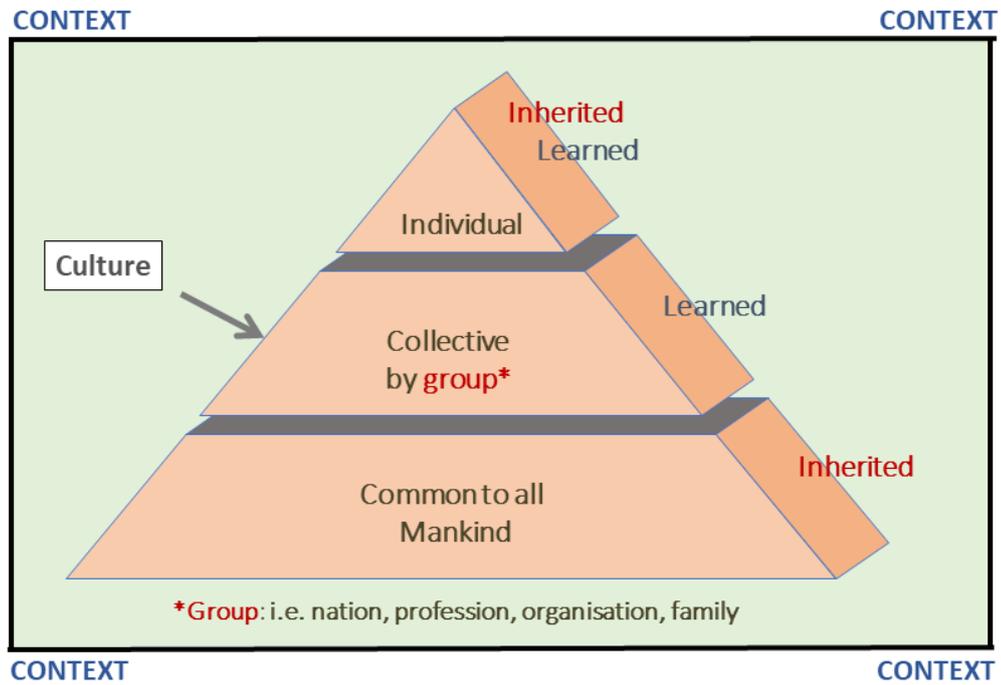
Geert Hofstede has defined national culture as the ‘collective programming of the human mind that distinguishes one group of people from another group’. That is a rather abstract definition, but then nations are abstract entities. Looking closely at this definition we discover the following:

1. Culture exists by comparison.
2. Culture is by definition about groups, not about individuals.
3. Culture is learned; it is not located in our genes.
4. The word “programming” may give the impression that people are hardware into which software has been put. That is not Hofstede’s intention. He chose this word for lack of a better one. It actually comprises all learning, consciously or unconsciously, by members of a certain group.

National culture is of course not the only factor that defines our behavior. Personality and the context in which we find ourselves are equally important in determining our behavior. Culture allows unique members of a group to bond together.

Diagram 1

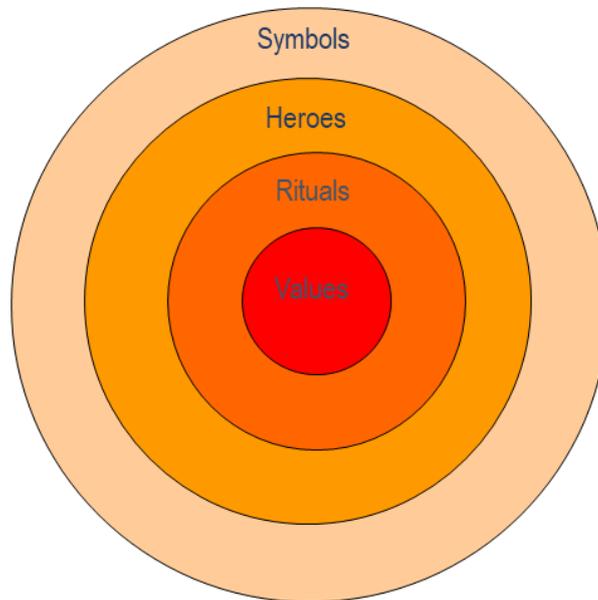
Human behaviour, the visible part, defined by”



National culture reflects itself on different levels of reality. A popular breakdown is shown below:

Diagram 2

THE DIFFERENT LEVELS OF CULTURE



Values, the core of national culture, have been defined as a broad preferences for one state of affairs above others to which strong emotions are attached and by which one group distinguishes itself from another group. This definition implies that:

1. Culture only exists by comparison and therefore also values only exist by comparison. This implies that it is hard to know them. This is the more true the less one has been exposed to other national cultures. "You had this American farmer who once said: if English was good enough for Jesus Christ, then it is good enough for me". This joke aims to show how stupid some people can be. But then, was this farmer all that stupid? Probably not - he had simply never left the area in which he had lived his long, productive life.
2. Individual members of a group differ among themselves. How, then, can we know the values of our own national culture, the "central tendency in society"? We can only see manifestations of these values and may have a nagging feeling that we do not always think and feel like the majority.
3. Values are not precisely defined, yet strong emotions are attached to them. Take this dilemma: "What is most important to you - liberty or equality? And to which degree?" It is impossible to answer such a question exactly, although some people are willing to die in the name of freedom or equality. In other words, it is hard to know these values unless we find ourselves in extremely threatening situations which may cause certain people to make an unequivocal choice. But even then it is impossible to quantify such a choice precisely.

Most values are imparted in us until around twelve years of age by people who are emotionally important to us. During early childhood these are usually parents and close kin. Most parents in the United States emphasize comparatively speaking liberty over equality and sympathy for winners over caring for the unfortunate. Most parents in Sweden emphasize comparatively speaking equality over liberty and caring for the unfortunate over sympathy for winners.

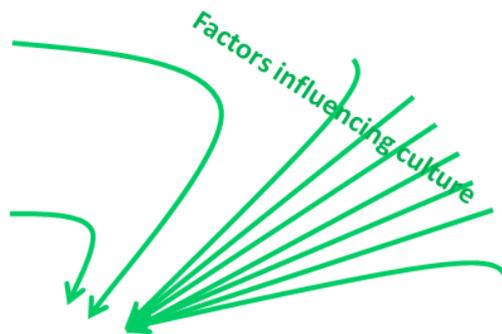
To complicate matters, there is not just one type of culture. In all countries regional cultures exist. In some countries these regional differences are large, in others small. Relatively speaking, cultural differences between north and south Italy are large. The same is true for cultural differences between the language groups in Switzerland, whereas they are small between the language groups in Belgium.

Indeed, it would have been helpful had the word “culture” not described so many different aspects of our reality. “Culture” is used in the sense of art and the tilling of land, but here we talk about the levels as shown in Diagram 3.

Diagram 3

Culture describes group differences in **comparative** terms on a number of levels

- **Countries**
- Regions
- Occupations
- **Gender**
- Age sets
- **Organizations**
- **Organizational units**
- Families



The arrows in diagram 3 indicate that many factors shape organizational culture. Of these two are cultural: One is national culture. The second one is the relative number of women working in an organization due to an average cultural difference between women and men. Of course, there are many non-cultural factors that shape the culture of an organization. This will be described later.

Through Hofstede's research and the research of others, we know quite a lot about the levels of culture printed in bold type: countries, gender, organizations and organizational units. Less is known about regional cultures, because:

1. In some countries, the authorities are not keen on discerning large regional cultural differences. Take Spain: Spanish authorities would not be happy if separatist movements could back up their claims with a scientific endorsement of the distinct culture of their regions.
2. In order to conduct proper research to identify regional cultural differences within country A, the same research needs to be undertaken simultaneously in at least nine more countries - although not necessarily on a regional level. This is required in order to know how big the regional differences identified in country A are. It is not easy to meet such requirements and therefore not much valid research has been undertaken until now on a regional level.
3. Without comparative data covering multiple countries we do not know whether regional differences within a certain country are small, average or large. What we do know, is that such regional differences are often perceived as much larger than they are in reality. People are well able to compare behavior in one's area or region with behavior of compatriots in other regions, because differences are usually much more noted than commonalities.

Also at organizational level, we can define culture as "the collective programming of the human mind of group members by which one group distinguishes itself from other groups". An organization is less complex and less diffuse than a nation. Organizations are often created with clear objectives in mind, such as profit making, and most activities within organizations are directed to achieve these objectives. Thus, the definition of organizational culture can be more specific than that of national culture.

Hofstede defines organizational culture as the way in which people in an organization relate to each other, to their work and to the outside world, compared to other organizations. The word "relate" shows that culture comprises more than just behavior. It includes many more elements, such as symbols, attitudes and beliefs. In order to differentiate between culture and religion we prefer the word "convictions" instead of "beliefs".

Let's consider the three components of the definition:

- a. How do we relate to each other internally?
- b. How do we relate to our work?
- c. How do we relate to the outside world?

How do we relate to each other?

Here we can make a differentiation between:

- **How do we relate to our boss?**

It makes a lot of a difference whether we tell our boss what we think or whether we make ourselves small and tell the boss what we think (s)he wants to hear. Do we respect our boss or do we dislike him/her so much that we secretly try to obstruct what (s)he wants us to realize?

- **How does the boss relate to us?**

Does our boss support us to do a good job or does (s)he expect us to “sink or swim”? Does the boss look at me only as a replaceable human resource or is (s)he also interested in me as a person?

- **How do direct colleagues relate to each other?**

Do we harass those who behave differently or do we embrace diversity? Will I help my colleague out who is about to mess up things or will I step aside thinking “Good for me”?

- **How do internal groups relate to each other?**

Are we aware of the issues other groups are coping with or is that none of our business, even when we are dependent on timely and proper input from them? Are groups working well together or is it our group against the rest of the world?

How do we relate to our work?

Here we can make the following differentiation:

- **How are we supposed to do our work?**

Are we using resources in an efficient and meticulous manner or are we supposed to come up with maverick solutions? Are we busy just for the sake of being seen to be busy or are we really working smart?

- **How does the content of our work influence the way we execute our work?**

Do we experience our work as challenging or repetitive? Is it possible to plan our work precisely beforehand or is it completely unpredictable?

- **Under which conditions are we supposed to do our work?**

Are there safety hazards which can be reduced by prudence and control or by resilience, courage and mutual loyalty?

How do we relate to the outside world?

Here, we can differentiate between:

- **To which stakeholders do we give priority?**

Owners, whether shareholders or the family, clients, employees or a combination of all of these?

- **How do we relate to our stakeholders?**

Do we do whatever our stakeholders want us to do or do we know what is best for them? Do we take for granted what stakeholders want us to do or do we try to influence them?

- **How do we relate to the outside world?**

Do we perceive the outside world as threatening or do we approach the outside world with an open visor? Do we embrace new developments created in the outside world? Are we interested in learning from what happens in the outside world or do we believe that we already do things in the best possible way?

- **How do we relate to visitors and newcomers?**

Do we make newcomers feel welcome right away or do they have to prove themselves for a long time before they are accepted? Do we make visitors feel welcome right away or do we let them know that it is a privilege to enter our premises? Do we expect newcomers to adopt our way of behaving immediately or do we allow them to remain who they are?

These examples show that this definition of organizational culture can easily be operationalized. The definition of organizational culture covers real-life work within and among groups in the same organization and in comparison with other organizations.

We can also define culture as an enabler or a hindrance in making things happen. Culture may either support the highest productivity possible or it may hinder it. After all, no matter how sophisticated technology may be and how high capital intensity is, if employees do not use resources in an effective way - or even worse, try to frustrate realization of optimal results, then sophisticated technology and a lot of capital goods are of no avail. The same is true whether we look at efficiency, innovation or whatever goal management wants to realize.

If you are a precise reader, you may by now have noticed a certain contradiction. Culture has been defined as the way people in an organization relate to each other, to their work and to the outside world. In other words, culture describes how things are done. At the same time culture has been defined as an enabler or a hindrance, and then culture is a force that either empowers or hinders the organization to meet its objectives well. More precisely, if we take the definition of Geert Hofstede, culture will tell us whether, for example, the highest productivity possible can be realized - in combination, of course, with all the other factors that define productivity, such as capable employees and proper technology. When culture is defined as an enabler, it is an instrument that can contribute to the realization of the highest productivity possible, but not whether the highest productivity will actually be realized.

There is nothing wrong with the definition of Geert Hofstede, but we do not live in an ideal world and turning culture into an accurate tool comes with certain challenges:

1. Models present a simplification of reality. We need models, because without the help of models it is hard to talk and think meaningfully about complex reality.
2. Respondents and observers who describe work reality are always to a certain degree subjective. The challenge is to try to avoid socially desirable answers and ensure that observers are unbiased as much as possible. But there will always be a certain element of subjectivity when describing a culture, and we need to be well aware of this.

These two reasons create “background noise” when describing cultures. That’s why it makes sense to describe culture in its day-to-day operational form, as an enabler or a hindrance.

Let’s turn to the role of culture within the total picture a client’s work reality. Part of the Hofstede definition of culture is: *“How do employees relate to their work?”* It may well be that employees relate to their work in the most productive way possible, and that means that culture enables productivity to the highest degree identified¹, but culture is only part of reality. Productivity does not just depend on culture, but also on personalities of important players, capital intensity, type of technology used, know-how and work experience, just to mention some factors. What is then the role of culture? Well, if all non-cultural factors are in place and contribute to productivity to the highest degree possible, then all of this has little effect if the prevailing culture very much hinders a productive work attitude.

1.3 Perception of cultural differences

If we compare the cultures of different organizations in one and the same country in terms of the average values of their employees, these value differences prove to be relatively small, especially when organizations have more than twenty or so employees. The more people of the same national culture are put together, the more their individual characteristics fade away and common characteristics become visible. Though the actors themselves may not be able to see such similarities, outsiders certainly do. If, for example, Brits have to deal with a single Frenchman, they will notice his individual traits. But if they have to deal with a large group of French people, the individual traits of the single Frenchman will be less noticeable. Instead, the Brits will observe what the French have in common. The same applies, of course, the other way round.

¹ Note that we don’t say “to the highest degree possible”. Culture only exists by comparison. The lowest and highest score identified by us are put at respectively 0 and 100. We will never know, whether the highest scores that can be theoretically reached will ever be actually attained.

What citizens born and raised in the same national culture have in common is hard to perceive by themselves. But people with different cultural roots do notice those commonalities. The closer a relationship between individuals, the more they notice the individual differences between them, but fail to notice the shared traits.

Expatriates who make an effort to become familiar with the culture of their host country, will confirm this. For them, the longer they stay in their host country the more difficult it is to describe in a couple of sweeping statements their “new” culture. When they arrived, they noticed foremost the differences with their own culture. But as they stayed on and become more familiar with their host country, the differences between their new colleagues, neighbors, friends and others, became more evident. They started to perceive the people around them as individuals with each her or his own character, instead of members of a certain group with common characteristics.

For an explanation of the correlation of average values of employees in organizations with national average value patterns, please go to Annex 1.

What makes it even more complicated to perceive value differences, is that values as such cannot be seen. Values are global preferences and embedded in groups, not in individuals, and defined in comparative terms. A keen observer with lots of international experience can notice manifestations of those value patterns, notably in behavior. If we take similar groups in similar circumstances that only differ in their cultural patterns, differences in behavior become more obvious.

For example, comparing police officers in country A with medical nurses in country B will not be very helpful to obtain insight into the core of national cultural differences. In the same vein, if the conditions for police officers in country A and B are totally different, then it would not make sense comparing the police officers in country A with that of their colleagues in country B. If in country A relative peace and quiet reigns, the police force will behave differently compared to country B in which the general public is dissatisfied with the government and riots abound.

It is very difficult to be free of biases and judgments when looking at our own culture and that of others. We tend to cherish our stereotypes, which hinders us in observing the “others” in an unbiased way.

Of course, value differences among the various groups within one country do exist. If you know the Hofstede Model on national cultural differences, these examples will ring a bell:

- Groups of medical nurses tend to score more “Feminine”, meaning that they have more caring values, than groups of salesmen.
- Groups of bookkeepers may score higher on “Uncertainty Avoidance”, meaning that they feel more uneasy with unforeseen events than groups of entrepreneurs, who have chosen a career full of uncertainty.
- People who have been born and raised in rural areas will have a more collectivist outlook than city dwellers.

As these variances are found in all countries, they therefore do not affect the nature of national cultural differences.

Annex 2 gives a good overview of the Hofstede Model on national cultures, also called the 5-D Model. It is useful to have at least a rudimentary insight into this model in order to grasp some of the interrelationships between national culture and Bob’s Model on Strategy, Culture and Change. See also section 6.1.

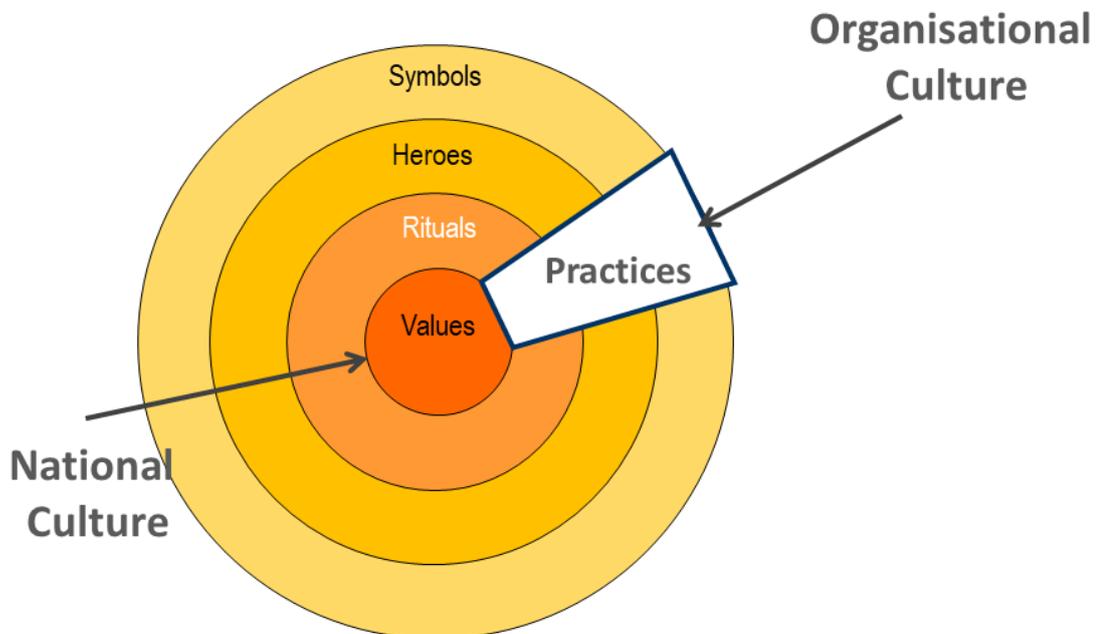
Social control is another force that exerts influence on the degree of diversity. Few people in society are able to resist social control - most of us do not want to be rejected. Social control is all pervasive, not only on the level of national culture, but also in organizational culture. Even groups that position themselves outside mainstream society may have amazingly strict codes of conduct. Think of dress codes and vocabulary, whether they be skateboarders, break dancers or Hells Angels.

Social control strengthens the uniformity of group behavior, whether on the national level – as perceived by “foreigners” - or on the level of organizations, as seen from outside the organization.

When comparing national cultures, the most salient differences are on the level of values. When comparing cultures among organizations in the same country or region, we will find differences particularly on the level of practices. See diagram 4 below.

Diagram 4

THE DIFFERENT LEVELS OF CULTURE



Differences among organizational cultures within one and the same national culture are especially determined by different practices. If we look, however, at the subsidiaries of a multinational, the national value differences immediately come to the foreground. So we should not compare cultural differences among these subsidiaries without taking national culture into account.

Queen Máxima of the Netherlands is of Argentinean origin. She once said that the Netherlands does not have a culture of its own. She had been looking for it, but she could not find it. Interestingly, she may well have found it just after she arrived in the country from Argentina. The longer one stays in a country, the more difficult it is to identify national culture, since it only exists by comparison. The same is true at organizational level. Those rising to the top of an organization are often true representatives of the actual organizational culture. Exactly because of that, they may lack the words and vision to describe their organizational culture adequately.

It was therefore a rare occasion, when some time ago a member of a Board of Directors was able to describe the organizational culture accurately in terms of the Model. He had recently joined the company and therefore was able to perceive his new culture clearly. Next to that, he was an excellent observer who had worked for a number of companies so that he was able to compare. His colleagues in the Board, however, could not accept that he, as a newcomer, would be able to tell them what was “wrong” about their culture. After all, how could he know, still being the new kid on the block?

1.4 Other determinant factors of organization culture

National culture is one of the factors shaping organizational culture, but certainly not the only one, considering the wide variety in organizational cultures within one country. Other determinants include size and complexity of the organization, personality of the founder, personality of the formal and informal leaders, intensity of competition and the requirements imposed by stakeholders, just to mention a few.

The history of an organization is a strong factor influencing culture. When people come together to achieve a common goal, group processes unfold, aimed at integration within the group and establishing successful relations with the outside world. Each group does so in a unique fashion, depending on, for example, the personality of the pioneer and the way in-group processes and interaction with the outside world have taken place.

National culture ≠ Organizational culture ≠ Individual qualifications

The consequence is that national and organizational culture are dissimilar concepts. A nation is a much more elusive entity than an organization. On these grounds alone, it would be strange if the cultures of such different entities could be adequately described by the same model.

We just mentioned that national culture is one of the many factors shaping organizational culture, but not the other way round. Some of the factors that shape organizational culture, but do not shape national culture are:

- Expectations of customers
- Number of employees
- Span of control
- Seniority of employees
- Type of activity, such as process industry or service industry

Yet, in the case of culture, never say “never” and never say “always”. One could philosophize about the influence of internet giants such as Google, Apple and Microsoft on national cultures, and whether their impact is strongest in small, less economically developed nations.

Not everyone is convinced though, that national and organizational cultures require each an appropriate model. Already some time ago, one of our colleagues was contacted by a Dutch company that was about to be acquired by an American conglomerate. As our colleague was specialized in intercultural management, she assumed that they wanted to discuss cultural differences between the USA and the Netherlands with her and how to ensure proper cooperation. Instead they asked her to assist them in changing their organizational culture.

They had already spoken with representatives of certain change management consultancies, including “Trompenaars”. It took her quite some time to convince them that a model describing national cultures cannot be used to describe organizational cultures, irrespective of the representative of Trompenaars who had told them that one model can capture both national and organizational culture, plus cultural change. The client listened intently when our colleague explained that claiming such a thing was the same as swearing in church.

The representative of another consultancy group who had been invited by the same company came up with another proposition. He equated individual reality with group reality. However, personality and culture cannot be equated, and therefore should not be described with help of the same vocabulary. The realities on individual, organizational and national level should not be confused, neither should they be equated.

Let’s analyze this by using an example:

Suppose you want to develop a successful R&D department within your firm. You decide to select twenty bright scientists by applying individual assessment centers and selection methods, such as IQ tests and personality tests. Now you have your brightest of the brightest, but this does not guarantee an innovative R&D department. If the subculture of this group does not enable innovation, then no matter how bright each individual is, your R&D department will not come up with bright innovations. Suboptimal performance can be caused by unrealistic expectations, envy, distrust, anxiety – in full or partly generated by dysfunctional management.

As a consequence, you may want to scan the organizational subculture of the new R&D department to find out how cooperation can be improved. After you have done so successfully, you may want to enlarge the R&D department by employing scientists from e.g. India. After a short while you find out that cooperation between your countrymen and the Indian colleagues does not go well. You may now want to make use of know-how on the level of cultural differences between nations in order to facilitate better cooperation.

Different bodies of know-how exist on different levels of reality. There is no reason to reject any of them. Nevertheless, we have come across a psychologist who claimed with a straight face: “After assessing the personalities of all top managers, I know the culture of the company”.

Here we see the ecological fallacy at work:

- Individual reality is not the same as group reality. Putting ten clever managers together does not make necessarily a clever management team.
- The subculture of top management can and often should differ widely from the subcultures of other groups. Suppose top management and workers on the conveyor belt relate the same way to their work, then something is definitely wrong: either top management is micro-managing, unable to realize its strategic intentions, plus they do not have a clue about what is happening in the outside world. Or instead time, workers on the conveyor belt are making a mess: They are unable to focus steadily on the work at hand and become totally bored by the repetitiveness of their work, because they are engaged in strategic thinking.

1.5 Culture and identity

Let's return to the discussion started by our Queen Máxima to probe into culture and identity. Geert Hofstede defines culture as the collective programming of the human mind that distinguishes one group or category of people from another². In other words, that which many members of a group share and by which they distinguish themselves from other groups is called culture.

These commonalities are transferred from generation to generation, especially from parents to their children. This does not happen through what parents and others who are emotionally important to children say, but through how they behave in emotionally crucial situations. This implies that at the deepest level, i.e. the level of values, cultures can only change slowly. If the members of one generation - all born at the same time - find themselves in a totally different situation from the previous generation -, say, twenty years earlier then culture may change somewhat more rapidly. But this is not how generations renew themselves; generations overlap each other fully. Consequently, a devastating war that lasts for five years will have much less impact on culture than natural events which will happen intermittently for ages - such as earthquakes, volcanic eruptions, tsunamis and typhoons in Japan.

Identity is a totally distinct concept. Immigrants may choose to continue identifying with their country of birth or with the host country or with both simultaneously. People may identify with their football club, with the area where they live, a group of friends or whatever group that suits them. Identities can easily change at will, at least in individualist cultures. But one's culture cannot be changed at will, not in a collectivist nor in an individualist culture. The core of national culture, its values, are securely implanted in us by approximately the age of twelve.

² Cultures and Organisations; Software of the Mind, by Geert Hofstede, Gert Jan Hofstede and Michael Minkov, ISBN 978-0-07-166418-9

In the case of national cultures, identity and culture are entirely different concepts. In the case of organizational cultures, however, identity is one of the many characteristics by which a culture can be described, as we will see later. In the discourse about the influence of immigrants on the culture of host countries identity and culture are continuously mixed up. It would help politicians and the public at large to understand the dynamics of both identity and culture.

1.6 Culture and labor satisfaction

Often, management prefers labor satisfaction surveys over organizational culture surveys, because they claim that:

- With labor satisfaction surveys, we know what we are getting. With a culture scan we do not.
- We have been conducting labor satisfaction surveys for many years, and we like to compare the development of labor satisfaction among our employees over time.
- We are also interested in our culture, but we do not want to bother our employees with too many surveys.

These arguments sound very plausible, but do they really make sense? In other words, is it wise to conduct labor satisfaction surveys? There are of course many professionals who have a vested interest in labor satisfaction surveys, but that in itself is not proof of the usefulness of such surveys. By the way, we have a vested interest in culture scans, so reader beware!

What are the benefits of labor satisfaction surveys?

People conduct labor satisfaction surveys because they assume that a happy worker is a productive worker. But is that so? And even if it is, can employers actually raise happiness among employees through labor satisfaction?

What can employers do about their employees' happiness?

Since Frederick Herzberg's theory on job motivation was published in 1968, it has become common knowledge that there is a distinction between factors causing job satisfaction and hygienic factors. Hygiene factors can cause dissatisfaction if missing, but do not necessarily motivate employees if being there. Take salary as an example. According to Herzberg, the top six motivators leading to satisfaction and the top six hygiene factors leading to dissatisfaction, are:

Table 1

| Motivators | Hygienic factors |
|---|--|
| Leading to satisfaction if met: <ol style="list-style-type: none">1. Achievement2. Recognition3. Content of the job4. Responsibility5. Advancement6. Growth | Leading to dissatisfaction if not met: <ol style="list-style-type: none">1. Company policy2. Supervision3. Relationship with boss4. Work conditions5. Salary6. Relationship with peers |

There are nowadays quite some misgivings about Herzberg's theory. People question whether such a distinction really exists or whether it is simply so that people naturally tend to take credit for their feelings of satisfaction and to blame their feelings of dissatisfaction on external factors, rather than on themselves.

Does this imply that the distinction which Herzberg made has become obsolete? And does this also imply that employers cannot do anything about employees' happiness? According to scholars in the field of psychology personality is the most important factor in defining the degree of job satisfaction, not the motivators as defined by Herzberg. Thus, if this is correct, part of the theory of Herzberg has become to a degree obsolete, but the hygienic factors are still playing a dominant role as well. If that would not be the case work environment and organizational culture would not have a strong impact on job satisfaction, whereas it has. Only very few among us are not affected by our work environment and our culture in the way we feel

The next question is what the relationship is between happiness and performance.

What is the relationship between happiness and performance?

A happy worker is not necessarily a productive worker. Let's have a look at two forms of motivation: motivation to stay and motivation to work . There are quite a number of factors influencing why people stay or move on. Culture is one of them. In the same vein, culture can stimulate employees to work hard and be productive, or on the contrary, hinder productivity. A cultural analysis of work and stay motivation shows that they are only weakly correlated, meaning that all combinations of high/low work motivation with high/low stay motivation exist.

The cultural factors loading stay motivation coincide with what used to be known as "Work climate". A pleasant work environment will make people happy and induce them to stay.

Think of employers who take co-responsibility for the welfare of their employees. This might make people happy, but does not necessarily induce them to work harder. In other words, Hofstede's findings support research that asserts that happiness and performance correlate only to a minor extent.

Again: What are the benefits of labor satisfaction surveys?

In labor satisfaction surveys there is no distinction made between stay and work motivation, and therefore, no distinction is made between factors leading to happiness or to higher performance. Labor satisfaction surveys ask respondents "how it feels"- but "how it feels" does not as such relate to productivity. The challenge in organizational culture surveys is to describe objective work reality. Work reality encompasses many more aspects than labor satisfaction, among others, inducement or hindrance to work productively and efficiently.

Labor satisfaction surveys assess specifically whether hygienic factors are prevalent and to which degree. This may be useful, but a culture scan can also measure this. A culture scan will of course not cover everything related to labor satisfaction. The degree to which respondents are happy or unhappy with their salary is not measured by a culture scan- yet this can be part of a labor satisfaction survey. The question is whether such factual questions are useful, since the answers can also be found out in other ways. Unhappiness with one's salary is not defined by the absolute level of income but by the income received in comparison to those with whom people compare themselves. If employees receive clearly less than their colleagues in other organizations doing more or less the same work – and they are aware of this - will demotivate them. One does not need a labor satisfaction survey to identify such a grievance.

Another aspect of labor satisfaction surveys that may not be fully covered by culture scans is the degree of break-down of groups into small sub-groups. In the case of culture scans, sub-groups should not be too small because then the scan will measure not culture, but either small group dynamics or the perceptions of some individuals. In the case of labor satisfaction, one may want to define as many small work groups as possible.

Employers should be prudent in conducting labor satisfaction surveys. Such surveys imply, seen from the perspective of respondents, that something will be done with the results. If respondents are dissatisfied, and if the employer does not take any corrective actions, then employees will become even more dissatisfied. This of course makes sense.

Let us examine another scenario: A labor satisfaction survey shows that employees are very happy. The result will then be that employers see no reason for action. The sheer fact that a labor satisfaction survey has been conducted will nevertheless create expectations, because how happy is happy?

A perfect world only exists in paradise so that there is always scope for improvement. By not doing anything, and rightfully so, employers run the risk that their inactivity diminishes labor satisfaction.

A culture scan eliminates this risk, on the condition that it is clearly communicated that such surveys are meant to realize objectives in the best possible way, not necessarily to please employees.

How to integrate the two bodies of know-how?

How to integrate the deceptive relationship between happiness and performance with the findings of Hofstede? In regard to stay motivation, both bodies of know-how coincide. Stay motivation and happiness with the work situation correlate strongly. Work motivation and happiness do not correlate strongly.

Why has culture been overlooked as an important factor that co-defines work motivation next to personality? Probably because labor satisfaction surveys ask respondents to describe their feelings about their work environment and the content of the job; i.e. whether they are happy or unhappy about it. With the help of culture scans we try to describe objective work reality; i.e. we want to describe how it is by comparing the work reality in as many different organizations as possible.

Respondents have strong feelings about questions that load the scores on stay motivation in the model of Hofstede. For example, most people have a strong preference for an open culture over a closed culture. This is one of the autonomous dimensions in Bob's Model on Strategy, Culture and Change, which adds up to stay motivation. Because of such strong feelings about work reality, the two bodies of know-how about labor satisfaction and stay motivation coincide to a strong degree. Respondents, however, have weak preferences regarding questions that load the scores on work motivation in Bob's Model on Strategy, Culture and Change. Culture exists by mutual adjustment, by direction, by social control and by socialization. Newcomers may be surprised about how "they" do things over here. But, if those newcomers remain surprised, they will either leave by themselves or will be rejected by "them". Thus, the way we do things over here is the "normal" way. Only when people have strong feelings about certain aspects of their work reality can they easily reflect on them. When their feelings are not strong, it is not easy to reflect about them in a meaningful way - particularly because culture only exists by comparison.

If it is hard for respondents to reflect about that part of their work reality that defines work motivation and it is also therefore hard to collect meaningful information about it. That may be the reason why, until recently, no meaningful information had been collected about what we call "work motivation".

Actually, motivation may in this respect be a misleading “word”, as respondents are not necessarily aware of the fact that their work reality either induces or hinders them to be very productive. Things are just as they are; they are normal. Nevertheless, in order to compare stay motivation with work motivation, we will maintain the use of the word “motivation”.

We can also look at it from another perspective: “Why is it that Hofstede’s findings were not identified when using labor satisfaction surveys”? Labor satisfaction surveys can be easily construed, as the questions are straightforward. How do you feel about this and how do you feel about that; that type of questions. In the case of culture scans, one wants to avoid socially desirable answers, in order to come as close as possible to a description of objective reality - with the help of subjective respondents. Proper formulation of such questions is therefore much more demanding. We do not know of many people who are able to do a really good job in this field. The author of this book does not belong to those rare specimen.

1.7 Culture and core values

Core values seems to enjoy an ever growing popularity. Since the late eighties a good number of multinationals have invited us to measure their culture. When we started out in the late 80s, technologies only allowed us to survey certain departments and sub-groups in large companies, but over time the cultural surveys and scans nevertheless covered a substantial part of those organizations.

These days, technologies allow for very complex and large assignments, cultural scans and reporting.

Then and now all these multinationals cherish their core values. They often spent a lot of time, energy and money in identifying and formulating them in a catchy way. Then why do these core values rarely surface when analyzing data for organizational culture scans?

One possible answer: Bob's Model on strategy, culture and change does not include core values

The most obvious reason may be that our approach does not include “core values”. After all, if the model does not cover core values, one will not find them when applying the model. Let’s have a look at some definitions.

As so often is the case in social sciences, there is no single calibrated definition of “core values”. For us, “Core values” form the glue that bonds people in an organization together on the deepest level possible. Core values give meaning to work life, they give identity and create common purpose and direction. This definition suggests that “core values”, if they exist, are shared by on a deeper level than “normal” values. Can this really be the case?

Geert Hofstede defines values as “broad preferences for one state of affairs over others to which strong emotions are attached and by which one group distinguishes itself from other groups.” Hofstede’s research has shown that we find such value differences particularly among groups in different nations, though in some cases, among different regions or linguistic groups within one country - such as North and South Italy or between the German and French speaking people in the different cantons in Switzerland.

When comparing organizations **within** one country, we do not find significant value differences due to the law of the big numbers (see Annex 1). The average value pattern of employees within different organizations in the same country tend to cluster closely around the average value pattern of that country or region.

These values are about the way we, as individuals, relate to groups; it is about the way we deal with the insecurities of life; about the way we deal with power differences; the differentiation of gender roles and its effect on society. Or to put it more mundanely: it is about the way we define ourselves as social beings, i.e. in terms of I or we, about the uncertain future, politics and our attitudes towards losers and winners.

Core values are about customer focus, quality, stewardship, innovation. Issues that are far more superficial than the issues listed above. The question therefore is: Why are such things named, “core values”? The reason is that these two words sounds so convincing. It is part of American culture, where the concept of core values has been developed, to talk in an assertive and convincing way. In reality core values are neither values nor virtues, but beliefs and practices.

When person X from company Y tells us that one of their core values is “customer focus”, the message behind it is: “we all believe that it is in our interest to service our clients well”. The term “core values” may sound indeed very convincing, but in essence, “customer focus” is no more than common sense if the success of your company depends on its clients.

Organizational culture exists on various levels: on the surface we find symbols and deep down the beliefs or convictions that are held in a certain organization. In other words, Bob’s Model on Strategy, Culture and Change covers among other things “core values”. Incidentally, the definition of core values as in “Core values form the glue that bonds people in an organization together on the deepest level possible” still applies when we substitute “core values” with “convictions”. Common convictions in an organization give meaning to work life, create identity and common direction.

By the way, we are not into semantics and would not forbid use of the term “core values”, even if we had the power to do so. We do believe, though, that the term is rather confusing.

Second possible answer: Bob's Model on Strategy, Culture and Change includes core values to a limited degree only

Bob's Model on Strategy, Culture and Change allows us to compare between a huge number of organizations, across and between various branches, industries, services or countries, just to name a few, because of the huge database that has been built up.

It allows us to compare how various organizations have dealt with similar issues across widely differing branches. This is possible because the survey questions are the same for each and every organization.

Yes, we can include specific questions if you want. But what will the answers mean? We would not be able to compare them with other organizations, and therefore they are meaningless. Culture only exists by comparison, and a stand-alone result is worthless in this respect.

Bob's Model on Strategy, Culture and Change covers a lot of ground exactly because of this approach. Certainly, it has its limits, just like any other model. But we can safely state that this model, which consists of six autonomous variables (dimensions) and two semi-autonomous dimensions, covers much more ground than, for example, the well-known model of Quinn and Cameron, with just two dimensions.

Let's examine a number of often quoted core values using the Model. Core values frequently embraced by organizations are:

- Change (drive for change)
- Customer focus (meeting demands of customers)
- Entrepreneurial spirit
- Excellence
- Global (creation and maintenance of one global company)
- Individual (respect for the individual)
- Innovation
- Integrity
- Learning (continuous learning)
- Quality
- Safety (drive for safety)
- Stewardship (support in order to get the best out of people)
- Value (creation of stakeholders value)
- Walk the talk

These core values can be interpreted as "Convictions" - the most important aspects in our work life to be realized-, or in terms of practices –prioritizing the activities.

It is not always easy to translate the core values of an organization in terms of the model without explaining what is actually meant. Take “Quality”: a broad concept that needs to be narrowed down before it can be rendered in terms of the Model. Once management has described precisely what they mean by “Quality”, we can convert it to the terms of the Model. So far, we have been able to translate every core value of our clients into the model jargon.

In other words, the Model covers enough ground to measure whether and to what degree the actual culture of clients will support or hinder the realization of most fashionable core values. What’s more, it has helped our clients to reflect and define what they really mean with their core values.

Third possible answer: There is more to reality than culture

A group of intelligent people does not necessarily make an intelligent group. Whether such a group will come up with amazing solutions not only depends on the capacity of each individual separately, but also on the way they relate to each other and to their work. In other words, it also depends on their culture. The capacities of the group do not necessarily equate to the sum of the individuals. Culture may either increase or decrease the sum of the individuals.

This can be also turned around: A culture may not support customer focus, whereas customers may still be satisfied. Remarkable and possibly because:

- Competitors are not doing any better, but worse.
- Customer focus has been integrated into systems rather than in employees, such as internet interface.
- Call centers have been outsourced so that interaction with the provider is limited to a minimum.

In such cases the core value “customer focus” may still apply even if culture does not explicitly support it. This, however, seems to be an exception to the rule. Such exceptions can be thought up for customer focus, but it would be harder to imagine this for “continuous learning” or “continuous innovation”.

Although in the case of culture, it is safer to abstain from saying “always” or “never”. Life is too complex for culture to explain everything that happens in a group. In addition, models are shortcuts to reality – barring any claim to “absolute truth”. There is more to reality than culture and Bob’s Model on Strategy, Culture and Change just helps to put matters in a sound perspective and context.

The fourth and most likely answer: “Core values - a sweet ideology”

Could it be, that despite all the talk about core values, these values often remain just lip service? Even when one of the core values is: “We walk the talk”?

Based on the numerous culture scans we and our associates have conducted among many and very diverse companies, we have to draw the conclusion that quite commonly lip service is paid to an ideal work situation. On occasions we did find core values, but in general we did not find even a hint of such core values.

Managers can become upset about such findings because:

- They claim that other recently conducted surveys clearly showed that their core values were fully embraced by their people. But when we looked closer at such results, it appears that the surveys did not measure their actual culture. They were opinion polls. In these polls people were asked whether they were aware of the newly introduced core values. The fact that people know about such values does not mean that they are embraced. Certainly not when top management only talks about such core values, but does not apply them.
- Frequently, such opinion polls ask respondents whether the core values have become part of their daily working life. If respondents reply affirmative it does not necessarily imply that these core values have really become part of their daily life and therefore of actual culture. Respondents may give socially desirable answers for a number of reasons:
 - The introduction of core values is often accompanied by many conferences, meetings, workshops and other flows of communication in which these core values are hammered into people’s minds. It becomes difficult to deny the existence of such core values, even if they are not evident in behavior.
 - Employees have become aware that these core values are important to top management by the amount of time, energy and money invested in the effort. It would be hard to deny that these core values are really the guiding principles of work life.
 - Despite all these efforts, much less time, energy and money has been invested in changing the content of culture in such a way that these core values can become part and parcel of their culture. In such situations, what people claim conflicts with how they behave. It is not always easy to acknowledge such inconsistencies.
 - Worse, it is not uncommon that top managers themselves do not behave according to the core values and try to justify why they had to put them aside for this “special occasion”.

- Core values tend to be rolled out uniformly throughout the organization, negating the need for functional diversity. It is unlikely that everybody should relate to their work in the same way. This regards different hierarchical levels, but also different function groups. By claiming that core values should apply to everybody in the same way and to the same degree it begs the question: “Okay top management, show us”!
- Things are made even worse if one of the core values is “We walk the talk” and top management does not comply. The implicit yet overpowering message is: “We say that we walk the talk, which we don’t really do, but please don’t tell anybody”. This is a rather cynical position, which may create dysfunctionalities in cultures instead of doing any good.

In such situations respondents are very likely to give socially desirable answers.

Managers can also become upset by our findings because they have invested an incredible amount of time, money and energy in introducing core values. The sad thing about life is that good intentions and huge efforts do not guarantee success. The path to hell is paved with good intentions, as the saying goes. Efforts invested in the wrong direction will not take you any further.

In a separate chapter we will go deeper into this and discuss change philosophy and change management.

So far, we have not come across core values relating to profit making and pushing competitors out of the market. Yet, this is normally what a commercial company tries to realize: large profits and a big market share. This alone is clear evidence that core values often serve sweet ideology. That does not mean that creating an ideology which does not cover work reality will always backfire and increase cynicism among employees. It can serve the realization of “core” objectives. We know of a successful multinational that nurtures its core value “balanced work life”. In reality, if you leave the office before 8.00 p.m. you stand little chance of being promoted. A “correct” core value reflecting their work life attitude should have been: “Only tough cookies will survive here”. Management is of course fully cognizant of the discrepancy between the core value “balanced work life” and work reality. But they would not dream of espousing the “tough cookie core value” - fewer young people would apply for a job with them. Those who do not like the tough cookie approach would leave, though not before having contributed significantly to their own education and to the turnover of their employer.

1.8 Proper use of core values

There is nothing against using “core values”, or whatever the deepest level of organizational culture may be called. Formulating mission, vision, convictions and strategies is normally very useful. Here are some handy recommendations:

- Be aware that culture and ideology are different concepts. Culture is a tool of management to ensure optimal realization of objectives. Ideology - if not intended to be transformed into culture - is meant to have people believe in something that might not come true. This may create cynicism among employees. Check whether the disadvantages of a certain degree of cynicism among employees will be outweighed by the expected advantages of a sweet ideology. Customers may also be turned off if they find out that e.g. a dynamic brand of a company is not at all reflected in its culture.
- Ask yourself whether the costs of formulating and communicating “core values” are worth the money if they remain sweet ideology. As the MD of a major advertising agency involved in designing and communicating core values confided to us: “The amount of money we earn for the purpose of window dressing is mind-boggling”.
- Ask yourself whether the core values you have embraced or will embrace will help you in creating a common destiny, a common purpose and a common identity. It is amazing how much time and energy is spent on identification and formulation of core values which at the end of the exercise do not really differ from core values formulated by the competition.
- Ask yourself whether it is sensible to use the term “core values”. It is easier for people to relate to “convictions” than to “core values”, although “core values” sounds very convincing.

1.9 Values and virtues

As we have seen, the concepts of culture and ideology are not always clearly delineated. What adds to the confusion are the equally confusing concepts “values” and “virtues”. Values as defined by Geert Hofstede are “value free”. They are not about good or bad; they are about different preferences for one state of affairs over others to which strong emotions are attached. Everybody is free to define the concept of values in a different way, but it is helpful to make it clear what is meant by them.

Virtues, in contrast, are about “Good” and “Bad” in capital letters. A virtue can be defined as a positive trait or quality subjectively deemed to be morally excellent. The opposite of a virtue is a vice.

At the deepest level, national cultures differ at the level of values, not at the level of virtues and vices. If this distinction is not taken into consideration, one can easily confuse culture with ideology. If values are used to describe core differences between organizational cultures within the same nation, this confusion can spill over to work reality.

That does not mean that we should refuge to cultural relativism and explain away immoral behavior. Everywhere in the world things happen which are morally despicable, irrespective of culture. Power holders who claim that it is part of their culture to torture commoners are talking nonsense. It is a human characteristic that we want to be treated in a decent way, irrespective of the culture in which we were born and raised. What is seen as “decent” may vary per culture, but it will certainly not include deprivation, starvation, torture and assassination.

When translating this to organizational culture, we can state that we should try to be as non-normative as possible when looking at a particular organizational culture. In other words, we should not assume that it is possible to say beforehand whether a particular culture is functional or dysfunctional, something that is implied in the model used by e.g. Daniel Denison (www.denisonconsulting.com).

Yet, cultures can be dysfunctional or functional in hindering or enabling organizational objectives. It is just hard to predict this beforehand. After having analyzed the context in which a team has to operate and considering the objectives to be realized, it can be concluded that a culture is either functional or dysfunctional.

Looking at our definition of organizational culture, it is better to draw such conclusions for a sub-culture, rather than for the culture of the whole organization. Part of the definition of organizational culture describes “the way people relate to their work”. This may well differ within organizations per function group, per hierarchical level or per location.

1.10 Individual reality versus group reality

The personalities of the employees also influence organizational culture, though culture is not the sum of all those individual personalities. Individual and group reality may differ considerably. The ten bright scientists we mentioned earlier, do not necessarily make up a bright group. They may distrust or dislike each other so much that as a group, they do not act in a very intelligent way.

Characterizations of culture such as introvert, aggressive and formal should be mistrusted. Obviously, you might find introvert behavior in one organization and more aggressive behavior in another, and this may be a reflection of cultural characteristics. Introvert behavior can be a reflection of a closed system, aggressive behavior of a goal oriented culture in combination with a work oriented culture.

In order to set personality traits apart from cultural characteristics, it is helpful to use different labels; one set to characterize personalities and another set to characterize cultures.

For example, the personality of the founder may influence the actual culture, even if he or she retired years ago. This does not mean that personnel has more or less the same personality and values as the pioneer, but rather that they have copied part of the visible reflections of the personality and values of the founder by behaving accordingly. People continuously adjust their behavior without changing their personality or values. Personality and values limit the range of behavioral patterns of people, but not to the extent that they have only one fixed set of responses. After all, criticism from a loved one may cause a different response than criticism from your boss.

The personality of the founder can be kept alive, not by people who are similar to him, but rather through the work practices that were put in place by the pioneer ages ago.

1.11 Generic management principles versus culture

Generic management principles can be assessed from the perspective of national cultural as well as from an organizational cultural perspective.

National culture:

Research shows that generic management principles apply in general everywhere in the world when the “What” is addressed. When the “How” is addressed, national cultural differences will override generic management principles, and even more so when emotions come into play, as in the case of conflicts.

It is every manager's challenge everywhere to solve conflicts, if not, smooth cooperation will be disrupted. The way conflicts are solved may differ per national culture. In Sweden there is a tendency to talk it out. In China the boss tends to simply overrule internal conflicts and tries to solve external conflicts through mutually trusted intermediaries.

Organizational culture:

Let's look at organizational culture and generic management principles. After all, organizational culture is an additional tool of management. **Generic** management principles are principles that supposedly apply to all situations that managers face. Whether they really do depends, of course, on the content of those principles, but that is not what will be discussed here.

Contrary to generic management principles, organizational culture as a tool of management focuses on the specific mission and vision statements, objectives and tasks that management wants to realize. In other words, culture goes above and beyond generic management principles without belittling the importance of these principles.

Daniel Denison once proudly stated on his website that his model on organizational culture was **not** based on scientific research, but on “common sense and experience”. He thought that this would be seen as a recommendation, but apparently the public considered him a wise crack, because it was removed later. Now Denison claims that his model is based on scientific research.

Many models used to measure culture have been thought up. One can always collect data as an afterthought, analyze them and then claim that the model is the result of scientific research. The question then is: *“In which peer-reviewed scientific magazine has the research been published so that other scholars can check the results?”*

You may think that Denison is some obscure consultant, but no: he has been visiting professor at IMD in Lausanne for quite some time - the same position Geert Hofstede held much earlier. He is a well-respected professor working for one of the most prestigious management schools in the world.

Models consisting of dimensions with one pole only can be elegantly presented, e.g. in the form of a web. In that case, all dimensions run from the center outwards. In this way, all results can be presented in a concise and handy way, with the best culture predetermined; positioned at the outer layer of his model. Assuming that Denison did not falsify any results, we have to assume that the success of his clients and their scores in his model correlate indeed highly.

But then again, should a nuclear power plant and an advertising agency share the same culture in order to be successful? This is extremely unlikely. Requirements to be successful differ tremendously when comparing these two organizations. The emphasis in a nuclear power plant should be on ensuring that nothing goes wrong, expressed by continuous preventive maintenance and control. The emphasis in an advertisement agency should be on monitoring emotional and technological trends among customers and on creativity. We may therefore safely assume that Denison's model is about generic management. Generic management covers general management principles which every manager should consider irrespective of the goals and environment of an organization. In other words, any consultancy claiming that there exists one best culture (Denison is not the only one who claims so) is abusing the concept of culture for its own commercial purposes.

Denison's model is in all likelihood valuable if you want to know to which degree generic management principles are being applied in your company. Whether that is worthwhile is questionable, as there are more straightforward ways to educate people about generic management principles and to find out whether these are applied. It has no value whatsoever if you wish to assess to which degree culture caters for the unique situation your company finds itself in.

1.12 The BEST culture is not predetermined

Contrary to what Denison and others claim, the best, i.e. the most functional, culture cannot be predetermined because:

- Organizations are established for different reasons
- Every organization may choose different strategies to realize their objectives
- Every organization culture is embedded in a different environment
- Within organizations of any size and complexity people have to relate differently to their work. Different subcultures arise and for good reasons.

1.12.1 Different objectives

Organizations are established for varying reasons. A church is established for different reasons than a company, at least let us hope so. Normally churches do not pay taxes, whereas companies do. A church wants to lead its members to salvation and companies want to realize profits.

Both types of organizations require different cultures if the leadership want to realize their goals. Take the Catholic church. The leadership of the Catholic church is there to provide moral guidance and sense. Most companies want by definition to please their customers - requiring a much less normative and a more pragmatic culture.

You may recognize this example, but then, can there be one Best Culture among commercial enterprises?

Let's have a closer look at the objectives of churches and companies. Objectives among religious groups may widely differ. Take certain Evangelical groups, that advocate mission to reach out to non-believers and compare them to conservative Protestant groups, that practice isolation from the mundane world.

Same for companies: some strive for short-term profit maximization, urged by the stock market, while family-owned companies strive for long-term market share optimization. The diversity in objectives within both groups requires diversity in culture in order to achieve their goals in the best possible way.

1.12.2 Different strategies

Every organization may choose its unique strategy to realize its objectives. In spite what has been said above, there are of course many companies which share exactly the same objectives. That does not invalidate our point that a single 'Best' culture does not exist. Take retail outlets as an example. Even if the owners or managers have the same objectives, e.g. expanding market share, they still may choose different strategies to realize their goal. Some companies may opt for a greenfield start, others for a takeover. Some want to own the shops themselves, others may look for franchisees or a combination of both.

Some chain stores go for non-perishable articles, others for perishable articles or a combination of both. Or take franchising: do franchisees have a lot of leeway or is everything meticulously prescribed, as with McDonalds? The culture befitting these two strategic approaches will be quite different.

In all such cases cultures may need to vary, because strategy and culture belong together. Ideally, realization of one's strategy requires a culture befitting that strategy. As the saying goes, many roads lead to Rome. In the same vein, there are many strategies which lead to the realization of the same goal and objectives.

The challenge is to ensure that the culture supports the realization of one's goals in the best possible way. Or, in other words, the challenge is to align culture with strategy.

1.12.3 *Different environments*

Every organization and therefore every organizational culture is embedded in a unique environment, comprising many aspects of work reality. Some of these aspects are external to the organization, such as expectations of clients. Some are internal to the organization, but external to its culture, such as the personality of the founder. These internal aspects form part of the environment in which the culture is embedded – together with the external aspects. Take the degree to which government imposes laws and directives on different business sectors. Pharmaceutical industries are much more limited in what they are allowed to do than management consultancy firms. This clearly affects the organizational cultures of both types of companies. Pharmaceutical companies cannot be very pragmatic. They are not allowed to take new medicines to the market - despite an urgent demand for it - as long as it has not been tested for a prolonged period. Management consultancy firms can take anything to the market and they will be successful, as long as it appeals to the client. There is no authority which checks beforehand whether new ideas, approaches and tools regarding organizational theory and managerial practices have been scientifically validated. Cultures of management consultancy firms can be very pragmatic, although this need not always be the case. Another example of an internal aspect is the degree to which employees feel frightened by top management. The more anxious employees are, the more their organizational culture will be closed to newcomers and outsiders.

We also recognize internal aspects in the degree of repetitiveness of employees' work. Less repetition makes that people are better able to identify with the "what" of their work, i.e. what is it that my organization wants to realize, instead of "how": how are we supposed to do our work.

1.12.4 *Different subcultures*

Within organizations of any size and complexity people need to relate differently to their work, giving rise to subcultures. It is unlikely that the different hierarchical strata and different function groups will all relate to their work in the same way.

You may recall our example of people working on the conveyor belt. If they start to think deeply and reflect on work processes, the conveyor belt needs to be stopped, since such behavior will interfere with rapid hand-eye coordination. Of course there are always people who claim to be good at multitasking, but research shows few people are really able to so. If top managers do their work absentmindedly, conveyor belts will come to a standstill pretty soon too, but for other reasons.

Robots are taking over many tedious tasks and will do so increasingly in the near future. By watching Charley Chaplin's "Modern times", we grasp the salient work environment of people working at the conveyor belt. In that way we can use the conveyor belt as a metaphor to describe very different work environments.

The requirements that managers and conveyor belt employees need to meet are so widely apart that the respective subcultures supporting optimal task execution also need to differ substantially. The subculture of the workers on the shop floor has to enable a meticulous work execution. The subculture of top management has to enable a helicopter view, entrepreneurship and foresightedness.

Or, let's return to our researchers in the Research Lab: if they are bogged down by demands of efficiency, not many break-through innovations will see the light. If, on the other hand, the Back Office has to come up with breakthrough innovations, there is a fair chance that administration will become a chaos. The subculture of the researchers has to enable innovation, whereas the subculture of the Back Office has to enable streamlining of processes to guarantee the Front Office reliable input.

In short: even in one and the same organization, one single 'best' culture does not exist.

1.12.5 *Average assessments and benchmarking*

Many consultants, including Quinn & Cameron, lump all subcultures together. With Quinn & Cameron one gets the impression that scanning the culture of management suffices to get to know everything about the culture of an organization. Our work clearly shows that there may be and often should be large differences between subcultures within organizations of any size and complexity³. By lumping these differences together and averaging them, salient information disappears; information which may be extremely important to define the degree of functionality of certain subcultures and therefore of the overall functionality of the organization at large.

Suppose that top management assesses its own culture as too closed, and that the subculture of their Back Office is too open. If no separate scans are conducted, then the average score may present a very functional picture that does not require follow-up. We no longer give average pictures of the culture of clients automatically, because they give a wrong signal.

³ The reason that we add the words "of any size and complexity" is because we need a minimum number of respondents in order to measure culture "accurately". A small group of 5 people does not yield reliable results about the group culture, but rather about the perceptions they have about their work reality. A minimum of 20 respondents, ad randomly chosen, ensures that an "inter-subjective" picture of work reality can be obtained, which approximates "objective" reality.

Differences between subcultures may be functional or dysfunctional. But the degree of functionality can only be assessed if the scores of the different subcultures are not lumped together.

Lumping the scores of different subcultures leads to covering up salient differences by average scores which deviate less among different organizations than the separate scores among subcultures.

Take the banking sector. All banks, like other companies and other organizations, have to keep books. Admin departments have subcultures which tend to be characterized by a strict work discipline, at least let us hope so. By including admin departments in the average scores of banks, differentiation among the average cultures of banks, when comparing them will be decreased.

Yet, some banks may have outsourced more of their admin function than others, so that an average comparison will not give a lot of meaningful information. Moreover, there are all kinds of banks, requiring different cultures - such as consumer banks or investment banks. Thus, admin departments have to be compared with other admin departments, not necessarily limited to banks. When it comes to the culture of dealer rooms, one should compare dealer rooms with dealer rooms, if.....if there is a strong need for benchmarking.

But is cultural benchmarking useful in the first place? It is certainly handy to benchmark remuneration, for example. If the salary level is too low, good employees may walk over to the competition. If the salary level is too high, the turnover of employees may become so low that it may hinder an innovative attitude in due time.

Every group that has been measured separately should be compared to similar groups. Instead of benchmarking, the emphasis should be on analyzing and defining one's unique position as an organization and by assessing whether differences between subcultures are functional or not. Only by doing this does one really create a connection between objectives, strategies and environment on the one hand, and the optimal subcultures required to create success on the other hand.

It will be clear that we do not believe in one good (Best) culture which all organizations should adhere to in order to be successful. Management should assess the optimal culture for all units where the actual culture has been measured separately. This can be done properly if clients wish to analyze their situation from scratch. In chapter 5 we will describe this process.

1.13 Lessons learned

At a professional level we obtained a wealth of information. This will be discussed in the next four sections:

- Attitudes of a number of managers towards culture
- Attitudes of a number of managers towards management consultants
- Reactions of management consultants
- Consequences

Note that it is not our intention to belittle managers by our remarks. On the contrary, managers are in general hard-working people doing their work in good faith. The pressure put on them, may, however, lead them to do the right things for the short term but the wrong things for the long term.

1.13.1 *Attitudes of some managers towards culture*

One of the amazing things we noticed is the attitude of some managers towards culture. Managers experience culture as “soft” and “soft” is not considered positive. Culture shares this image with certain aspects related to Human Resources, it seems.

Indeed, human beings are made of softer tissue than machines and laptops.

Managers are made up from the same soft tissue, so why the disdain? Quite a number of managers describe the human side of their business as soft, but they would not describe themselves in terms of “soft”. Those managers look at themselves as “tough” and “rational” and tell us that they distrust emotions and emotional people. But try to contradict these “tough and rational” managers, and they become very emotional. How come?

Luckily a large contingent of managers do acknowledge the importance of culture. They just do not make use of it, “because culture is too fluffy to make it operational”.

Those days are over: since Hofstede and his co-researchers embarked on their study, culture has become tangible and measurable in exact numbers. Culture can now be measured so precisely that we often have to warn our clients that the numbers found should not be taken to literally. In reality, though, we are not able to capture complexity of work life in precise numbers. Therefore, only ten points difference on a scale of 0 to 100 between the actual and optimal scores matters or between scores of for instance, sales department and production.

Many managers work under high pressure, whether imposed by themselves or by external factors, and they just lack the time and energy to take up yet another new project.

Their agenda is crammed to the rim and they can only make time for you if the secretary makes an appointment six weeks from now. They realize that culture change is important and will help them in the longer run, so they do want to involve change agents, but please: ***“Keep it simple”***.

That is exactly what culture is not. Culture reflects the dynamics of a tremendously complex system, a group of human beings, and that is not simple. It is possible to explain our work, conduct the measurements and start the change process in a simplified way, if the client is willing to establish a long lasting work relationship with us, so that the findings can be released gradually and the change process is introduced step by step. What the client usually wants, however, is a quick fix. Just do it and get over with the job.

Deep down, managers know very well that successful and enduring change cannot be done overnight. We cannot fix the gap between what an organization is and what management wants it to be in a quick and simple manner. Consultants claiming they can do the trick, should be mistrusted. All they can do is to provide window dressing and symptom management.

The challenge is to manage expectations from both management as well as from the employees who will partake in the measurement. Large and expensive consultancy firms such as McKinsey or the Boston Consulting Group have not been very helpful in managing clients' expectations. Until quite recently they spoke with disdain about culture. The buzz word for these consultancy firms was and still is Strategy, but as Peter Drucker already said in the 1980s: “Culture eats strategy for breakfast”. A new strategy can never be successfully implemented without aligning culture with it.

Does this imply that it is impossible to become a winner without spending inordinate amounts of time and energy on creating the best culture to perform? No, of course not. Your organization may have already the best culture to perform, although our experience has taught us that often there is scope for improvement.

But when there is scope for cultural improvement, this does not imply that an organization cannot become a winner. A sub-optimal culture can be compensated by economies of scale or intellectual property rights which put competitors at a disadvantage. This can be also turned around: the smaller the competitive edge of a company, the more important the human factor becomes. And culture forms a significant part of that human factor. A company can also be a winner without the best culture to perform when its competitors have a less functional culture.

Culture is of course not the only factor which defines success. But the smaller the competitive edge, the more it will help management to create the best culture to perform. Once this has become common know-how most managers, also those who profile themselves as “machos” will acknowledge the importance of culture.

1.13.2 Attitudes of some managers towards management consultants

In general, managers welcome the idea of culture as an accurate and precise tool instead of some kind of fluffy intangible concept. But once they see how accurate the mirror actually is, many top managers shy away. They do want a precise picture, but prefer a blurred one when it comes to the way they and their MT colleagues relate to each other, their work and the outside world. A blurred picture allows them to see what they want to see. That is of course not what they say and they may not even be conscious about it. Faced with the accuracy of the mirror, they might say they have more important things to do.

Let's turn to sports for an analogy. If the trainer of a soccer team says he has more important things to do than to ensure that the individual players will play well together, the team will definitely not become the winning team.

Neglecting your culture, certainly when your competitive edge is small, is a recipe for failure.

For managers who are already working under high pressure, it is not easy to cope with information that questions their effectiveness. Many leaders and managers whether in government, industry or NGOs, prefer feedback that confirms that they are leading their organization or department wisely and effectively, whether this is true or not.

This aspect is reflected in their culture, notably by dimension D4, local versus professional, of Bob's Model (see section 3.2).

1.13.3 Reactions of many consultants

As a start-up in management consultancy and change management, we were surprised that so many of our colleagues tell their clients what their clients want to hear. It took us many years of experience to understand why consultants are often charming their clients. If you do not meet the expectations of your client, you will not earn a lot of money. It is hard to give managers precise and clear descriptions of their work reality, if the picture is not all that impressive. More than one top manager earns a handsome salary plus bonuses and therefore needs to convince the world that they are really worth their money. Smart management consultants have learned to sound out what clients want to hear and what not and how to adjust their findings and leave out unpleasant admonitions.

It is not uncommon that middle managers brief us, consultants, on how to approach the top manager who has to decide about the organizational culture assignment. If the middle manager gives elaborate instructions on what to say and not to say and what to do and not to do, then you know the top manager concerned is defensive. Being defensive is normally not the most functional attitude to create the best culture to perform.

It is sad to notice how often subordinates have to act in special ways in order to get a message across, if at all. An important learning moment for managers would be to know that their direct reports are not allowed to approach them in an open way. But would those managers accept such messages? Would they accept that their direct reports have to wriggle and squirm to get their messages across if the manager can perceive it as criticism?

Especially insecure managers are afraid to be criticized, whether done openly or in a circumspect way. It may well be that this insecure manager is working above his level of competence. These feelings of insecurity and fear of criticism can be addressed, that is not the point. The point is, that those managers may not receive proper support from their superiors, or worse, may reject support because they do not want to be considered “weak”.

1.13.4 Consequences

For many consultants the adage is, play it safe in order not to endanger this assignment or future ones. Be diplomatic and show tact in getting the ugly message across. True, it helps to handle managers who see themselves as tough guys, with kid gloves. An effective consultant is able to break the bad news, but too often both managers and consultants perform a ritual and costly dance together that is detrimental to the organization.

In many Western countries, people hold a high self-esteem. Good as it may appear to have lots of self-confidence, it may also hamper the willingness to learn and adapt continuously. Continuous learning implies accepting that you do not know it all. The same goes for many countries in Africa, Latin American and the Middle East. On the other hand, the Chinese, Koreans and Japanese tend to be more pessimistic and have less trust in their abilities. Humbleness and believing that you can always improve is a feature we see more often in these national cultures. Criticism will be more commonly accepted as a reason to improve through continuous learning as long as it doesn't involve loss of face. In other words, criticism has to be communicated in terms of opportunities not in terms of problems. In many Western countries, the high self-esteem and confidence in one's abilities, makes it more likely that these ritual dances occur, usually unseen and unnoticed. As long as these ritual dances are performed by everyone, it doesn't create a competitive disadvantage. But be aware, these ritual dances are much less frequent in East Asia, where the competitive advantage is steadily increasing.

Take the rumors that the Japanese authorities are deliberately downplaying their macro-economic performance. It may well be that the Japanese authorities have learned that a humble attitude on a national level will pay off whereas arrogance may backfire. We do not suggest that Japan is doing everything right and Western countries are doing everything wrong. In every national culture there are aspects that may promote and that may hamper economic success depending on the context in which people find themselves. The key is to accept that we may do better by having an open mind.

2 CREATING A MEANINGFUL PICTURE

2.1 Introduction

Many change management consultants emphasize the change process. That is certainly recommendable, but in order to conclude a change process satisfactorily, it is essential to know the point of departure and arrival. In other words, the content of culture is at least as important as knowing how to get from A to B. Without knowing the locations of our points of departure and arrival, we are like a steersman who knows his trade very well, but who has lost sight and does not know where he is nor where he is heading for.

True, we have to be careful with analogies, because nowadays a blind steersman can use a talking GPS-system, but I suppose you get my point. Moreover, such a GPS-system for culture does not yet exist, or....., well.....perhaps.....our system may come close.....

2.2 Need for outsiders

You may recall from Chapter 1 that those who rise to the top are in general true representatives of the actual organizational culture. People who have been working for an extended period in the same organization, find it hard to describe its culture accurately. They have become an intrinsic part of it and find the way things are done “normal”.

It takes an outsider to open your eyes, as the newcomer on the Board of Directors in Chapter 1. To the dismay of his fellow Board members, he was able to assess the culture of the company adequately with the help of Bob’s Model on Strategy, Culture and Change.

But there are more reasons why it is wise to involve outsiders to depict the organizational culture accurately:

- **Need for specialists:** Because culture is so complex, one needs to be able to capture the theoretical framework, while simultaneously having acquired vast work experience in a large spectrum of companies, branches and hierarchical levels in order to interpret the results correctly. This field is so large and the diversity of organizations so wide, that the most successful change consultants are those who invest in their continuous learning curve. Development of know-how about the links and impact of strategy, organizational culture and change management is still at an infant stage. Take e.g. the following complicating factors.:
 - a. Convictions, the deepest level of organizational culture, are hard to measure and to translate into numbers and therefore, hard to compare. We can only do so indirectly by using validated scientific research.
 - b. Whether employees will service clients in the best possible way cannot be measured with the help of a culture scan. What only, in this case, can be measured is the degree to which culture will enable employees to do so. The effect of employees’ activities can only be identified by measuring the degree of satisfaction among their clients. In other words, one should be aware what can be measured with help of a culture scan and what not.

- **Need for a data bank:** Culture only exists by comparison. Without a data bank it is hard to give meaning to the cultural data collected in a specific organization. This may need some explanation. For example, when members of an organization claim that it is their conviction to service their clients optimally, then how strong is their conviction really? Of course, the respondents will tell us that their conviction is very strong, but how strong is “very strong”? Only by comparing this conviction with those of other groups, it becomes meaningful and relevant.
- **Avoidance of dependency:** At first sight, top managers are not always amused with the cultural pictures presented to them. For subordinates who conduct a cultural survey, it may be tough to handle negative reactions. This may stop them from giving a comprehensive and truthful picture of their findings.
- **Avoidance of emotional involvement:** Anybody working in an organization, tends to be emotionally involved with work and colleagues. This will influence perceptions and expectations. Information collected by employees themselves that runs counter to their ideas about their work reality may be rejected, colored or omitted.
- **Avoidance of socialization:** The impact of socialization is too often ignored. Both external and internal forces cause us to adjust ourselves to the norms prevalent in the group we have joined. External forces shape our beliefs, attitudes and behavior. Think of the informal social control exerted by colleagues and team members and formal social control exerted through formal rules and regulations and actions taken by management. Internal forces which induce us to adjust relate to the need to belong, to feel appreciated, the need to attach meaning to our work life and the need to have a platform for the realization of our individual ambitions.

All these forces and needs socialize newcomers to accept “the way we do things here” and to start seeing “our” way the normal way. It is then very hard to perceive and describe one’s own culture objectively. Of course, there are always people who complain a lot about many issues. But as long as they do not try to redress them or leave the organization, these nagging issues may be part of “normal” work life. Even when a specific team or group has created a counterculture as a sign of rejection of mainstream culture, it is hard to describe the mainstream culture and counterculture in objective terms.

It is for these reasons that management should involve outsiders to measure their culture, certainly when it concerns the subculture of senior and top management. To the question, “which outsiders?”, Annex 4 gives an answer.

2.3 Accurate description of culture

If you want to describe organizational culture accurately, you have to meet at least the following requirements:

- 2.3.1 Creating an objective picture
- 2.3.2 Creating a precise picture
- 2.3.3 Creating a meaningful picture
- 2.3.4 Proper choice of target groups

We will explain these requirements below, together with some of the options as well as the choices we made.

2.3.1 *Creating an objective picture*

A group of people forms an intricate web of relations, attitudes and behavioral patterns. It becomes even more complex when more people join (specifically when they are of a diverse background), and when they operate in a context with complex structures, systems and processes. An objective description of this multifaceted reality is rarely, if ever, feasible. So we'd better rephrase this first requirement: the challenge is describe culture as objectively *as possible*.

Our emotions, such as likes, dislikes and expectations color our perceptions, certainly regarding social interaction and therefore our perception of groups. So the question is, how to avoid bias during data collection and processing these into (meaningful) information? Every observer and every respondent is by definition subjective, not objective. It makes sense therefore to collect descriptions about culture from multiple sources.

So, how to describe culture as objectively as possible? Let's examine some of the methods.

Top management decides on data collection: One method, rarely questioned, is that top management decides how the data will be collected. Top management has a final say about what formally happens within their organization, but not necessarily about what happens informally. That may lead them to think erroneously that they know best which issues to cover. This was the idea behind the approach adopted by Trompenaars *cum sui* who sought to identify dilemmas together with their clients.

There are at least four reasons why the use of dilemmas may yield biased results:

- The longer people work for an organization, the more blind spots they develop for their own culture. What outsiders may perceive as salient aspects, insiders may perceive as “normal”, and they may be unable to identify the truly crucial dilemmas they are unconsciously coping with;
- Dysfunctional aspects of culture may turn into taboos swept under the rug, certainly by and vis-à-vis management;
- Preoccupations of top management may not apply to work reality at lower levels;
- A number of dysfunctional aspects of culture cannot be captured by the formulation of dilemmas. Some aspects may just be dysfunctional *per se*, e.g. a culture in which everybody distrusts everybody.

Of course, the preoccupations of management have to be addressed and dealt with, if only because management represents the client. But cultural surveys should not be limited to dilemmas, they should cover as much ground of work reality as possible in the sheer interest of top management.

A similar approach, though less elaborate, is the one frequently adopted by management consultants who assert that they do not need a precise model to describe culture. To them, a cause or opportunity is enough to start a meaningful discussion with the client.

Obtaining information by observation: Data collection solely through observation carries the imminent risk of biased perceptions of the observer or management consultant. Even more so when the consultant claims to have an infallible intuition which allows him or her to describe the client’s culture accurately. It is easy to thwart that claim, however, just by asking whether he or she is able to predict behavior of his/her spouse or partner in emotionally loaded situations. An honest answer should be: “No, unfortunately not!” If intuition is fallible when it comes to predicting your partner’s behavior with whom you may have already shared a number of years, then how can you be able to describe a culture accurately?

Admittedly, it is easier for newcomers to describe a culture than it is for old-hands. At the same time, a group of people is infinitely more complex than one individual, plus an organization usually houses several subcultures. A lot of striking information goes down the drain if a description limits itself to the average of all subcultures. Still some consultants honestly believe that, yes, they are able to depict an organizational culture accurately through typologies. If only life were so simple, then there would be no need for consultants. Authors who have come up with typologies classically limit these to eight at the very most. Work life is far too complex to be meaningfully captured in two to eight well-defined typologies, such as Dionysian culture or the Eiffel tower.

The anthropological method: Cultural anthropologists of the “old” school may claim that they are able to describe cultures objectively as long as he or she displays the proper attitudes, deploys proper methodologies and spends a considerable amount of time among the objects of the study. Management in general would not dream of using this time-consuming and costly approach, unless students perform this task for free. But students do not have the vast experience to compare their findings nor relate them to different organizations. Their report on culture will remain a nice story but lacks the handle to turn it into a tool of management.

Qualitative data collection - Interviews: Data can also be collected by respondents working inside the organization, either through interviewing colleagues (qualitative), or through questionnaires (quantitative). The first approach is characterized by two subjective carriers, the interviewer and the respondent, easily leading to biased results. It is nevertheless possible to achieve a fair degree of objectivity, if the data collection meets some strict pre-conditions:

- At least eight respondents per subculture are selected. This group should represent a wide diversity in terms of gender, age, education, seniority, function and hierarchical level. These respondents should be able and willing to act as meaningful sources of information.
- At least two interviewers should divide these eight respondents among them, one female interviewer and the other male.
- The interviewers should be non-directive and open minded. They should have an ability to create trust right away, know when to stay aloof and when to ask follow-up questions, and how to sidestep socially desirable answers.
- The questions should induce respondents to come up with meaningful information and they should cover as much ground as possible.
- Such in-depth interviews will take a minimum of around 2,5 hours after which a protocol has to be written based on the notes or recording the interviewer has made.
- From all these protocols the interviewers need to distill the information on which respondents implicitly agree, the common characteristics. The interviewers should also identify salient information given by only one or two respondents. That information may indicate on which aspects the culture is divided.

This approach is not frequently used, because it is rather costly and there may not be many consultants who possess the required interviewing skills. On occasions interviewing may be helpful, some examples will follow later on in this book.

Quantitative data collection - questionnaires: A standardized questionnaire can come closer to an objective picture of reality, if:

- The questions have not been dreamed up by a consultant or by management but are founded in rigorous research.
- The questions cover as much ground of work reality as possible.
- The questions do not invite socially desirable answers. It helps if the questions are not too precise and leave room for the respondent to give his or her view, yet on the other hand do not allow for different interpretations. In other words, it should not be obvious what is looked for.
- The structure of the questionnaire should make it more difficult to give socially desirable answers. For example, by mixing questions which belong to each other, turning some of them around and others not. In other words, to present questions in such a way that respondents do not know what we are looking for.
- Data collection is done anonymously. If employees fear that management can trace certain answers back to individuals, it is less likely that they will give their honest opinion. As it is hard to convince employees that the questionnaire is 100% anonymous, every effort should be made to ensure that the answers cannot be traced back to certain individuals. This can be best done by locating those who handle on-line data collection and reporting in a totally different country to those working in HQ and to those who receive the reports to be discussed with clients.
- A minimum of 35 randomly selected respondents participate (but preferably much more).

In spite of all the measures we take, subjectivity can never be avoided all together. The challenge is to minimize the bias. For that very reason the methodologies to measure labor satisfaction or to describe culture are of such different nature. With labor satisfaction, management wants to know how their team members *feel* about their work. In other words, they want to know the respondents' subjective reality. With culture, management wants to know "*how it is*", taking for granted that it is impossible to know whether a totally objective picture has been created. As Hofstede says, the best one can realize is inter-subjectivity, not a completely objective picture.

2.3.2 *Creating a precise picture*

The second challenge is to create a precise picture of the culture we survey. We need a precise description of culture in order to translate findings into concrete actions. A qualitative description of culture based on participatory observation or in-depth interviews may not yield sufficiently precise input to develop and select concrete actions.

Quantitative data collection will supply a precise description of culture although the exact positions in the Model should not be taken too literally. Life cannot be expressed in numbers. These positions reflect tendencies, such as whether a culture supports or hinders a productive work attitude.

Quantitative data collection does not just generate numbers and numerical positions in the Model but also provides descriptive information. Its strength lies in forcing respondents to answer standardized questions which allows for precise comparisons.

“Precise” does not mean describing a particular culture in two decimal points. Precision is achieved by meeting four criteria simultaneously:

- a. Describing culture in comparative terms
- b. Comparing actual culture with optimal culture
- c. Being aware that an optimal score does not equal a maximum score
- d. Taking different perspectives to anchor the description

a. *Comparative description*

Culture only exists by comparison at the least at the deeper levels of culture; i.e. that part of culture which cannot be observed. A quantitative description will allow much more easily for comparison than a qualitative description, at least when a data bank is available with a lot of quantitative descriptions. That implies that adding tailor-made questions to the standard questionnaire will not result in additional meaningful information. The answers to the stand-alone tailor-made question simply cannot be compared. Management may be happy with the average answers to the new question or they may be disappointed, but that is based on their prior expectations, not based on any norm nor on the deviations from the norm. What is true for one new added question is of course even more true for a tailor-made questionnaire examining specific preoccupations of a client. It sounds so nice to tell a client that you can design a unique questionnaire for the sole purpose of meeting the specific needs of the client. If the client wants to receive specific answers to specific questions not included in the standardized questionnaire, we advise qualitative data collection instead (interviews).

b. *Comparing actual and optimal culture*

There is no such thing as a singular BEST culture to perform. Each organization and often each unit within an organization is at least partly embedded in a different environment. Each culture and each subculture needs to meet different requirements. A truly precise picture can only be obtained by comparing actual and optimal culture. The actual culture describes how things are now. The optimal culture describes the optimal situation; i.e. a culture which will support the group to realize objectives in the best possible way. The challenge is not to impose your personal norms.

Also here, it will be much easier to compare actual and optimal culture using a quantitative method than a qualitative one.

c. *Being aware that an optimal score does not equal a maximum score*

We do not live in a one-dimensional world. You may have one leading goal, such as realizing high profit in the short run. But in order to achieve this, you have to achieve many more objectives, such as efficient work execution and smooth cooperation between function groups and departments.

There are three reasons why in the optimal situation, maximum scores of zero or hundred do not always make sense:

- It may not be right to choose a maximum score. Is it good to please the client no matter if his demands are excessive? Do you want your employees to go for high productivity even at the cost of health and safety?
- There may be external demands which make a maximum score unattainable. Take laws and directives of the central government that limit the adaptability and flexibility of pharmaceutical companies.
- Conflicting internal demands may make it unlikely that you can realize maximum scores. How to combine full ethical responsibility with 100% customer orientation in the banking sector?

Maximum scores may be rarely feasible or desirable. Management⁴ must determine the optimal culture in order to assess the functionality of the actual culture.

d. *Taking different perspectives to anchor the description*

Our preference for a quantitative data collection approach may be clear, but we certainly do not reject other approaches to data collection. Considering the complexity of groups, it is wise to utilize other methods as well. Our method usually takes off through online data collection with standard questionnaires. Despite the rigorous research undertaken by Geert Hofstede on which our work is based, it is conceited to think that work reality can be fully covered by standard questionnaires. Depending on the quantitative findings, we may advise clients to collect additional qualitative data on particular issues, for example through in-depth interviews. Information from those sources may shed light on contradictory information which the client could not explain, or on remarkable results that demand more context and background in order to be tackled.

⁴ Those who define the optimal culture should have a helicopter view, whether they are managers or not.

One form of collecting qualitative data takes place anyway. Every contact with a client provides consultants with additional information about culture, consciously or unconsciously. Culture is reflected all the time and everywhere within any organization. A good consultant is able to give meaning to different expressions of culture, but also to differentiate between expressions of culture or of a particular individual.

Culture reflects a central tendency in an organization, and a subculture reflects a central tendency of a certain group within that organization. Does the reception area make you feel welcome or do you feel like an intruder? This can be a symbolic expression of an open or a closed culture.

But even if the reception area does not make you feel welcome, it is well possible that the receptionist does. It is also possible that most people make you feel welcome with the exception of one individual. In that case, that individual does not represent the culture of the organization. It might be that he or she has an unpleasant personality or just had a quarrel at home, came in through the rain, was standing in a traffic jam, or... Cultures are not neatly integrated phenomena.

In Annex 3 additional data collection processes are described in more detail.

In Annex 5 a list of symbols is presented per dimension, which can be used as a checklist, but keep in mind that cultures are not nicely integrated phenomena that can be analyzed with a checklist. This applies especially to the most superficial level of culture, viz. symbols.

2.3.3 Creating a meaningful picture

Nothing can be simpler than to design a list of questions that look for information about the way people relate to each other, to their work and to the outside world.

In our experience, when our clients ask us to have a look at the questionnaires they have been using created by other consultants, we frequently notice a mix of questions about “how it feels”, addressing labor satisfaction, and questions about “how it is”, addressing culture. The people who drew up the questionnaires and the consultants using them tended to be ignorant of the hotchpotch, although it was sold as a tool to measure culture.

If you come across a survey that claims to address the cultural aspects of work reality, then ask yourself:

- Are there any overlapping questions? Are some questions redundant?
- Is work reality covered to the largest extent possible?

You will only know this, if your questionnaire has been based in solid scientific research.

Another issue is even more pressing. Imagine that you have constructed a questionnaire with 46 items. These 46 items will generate a wealth of data that needs to be consolidated in autonomous issues, else you will face a universe of 46 variables, also called dimensions. The number of combinations with 46 variables is so overpowering and surpassing our brain power, that it will be hopeless to move from data to (meaningful) information.

The challenge is to cluster the answers in such a way that autonomous response groups are identified. This allows us to capture complex reality with the help of a model that contains autonomous dimensions. This is not something to dream up, but to be founded in solid academic research. The model we use, "Bob's Model on Strategy, Culture and Change", consists of 6 autonomous dimensions and two semi-autonomous dimensions. Models are only an imperfect reflection of reality, but they are useful in making things understandable and workable. This is what we mean in our motto: *In the case of culture, never say "never" and never say "always"*.

In spite of its shortcomings, some of the great advantages of models are:

- They allow us to compare by building up a data bank. We have seen that culture only exists by comparison between groups. There are of course, many other realities apart from culture. People share basic emotions and needs, yet every individual is unique. This uniqueness of individuals and their personalities is the realm of psychology, not of cultures.
- Models allow us to categorize complex reality. This allows us to think about our work reality in a meaningful way. It enables us to exchange ideas and opinions about our work reality and to take focused action to address dysfunctionalities.

If you are a professional working in the field of culture and change or a client making use of such services, it makes sense to check whether the approach and methodologies to measure culture meet the criteria in this section,

We can assure you that our methodology and approach do, see Annex 4.

2.3.4 *Proper choice of target groups:*

No organization beyond a certain size and complexity has just one culture. Subcultures exist, following all sorts of delineations, such as grounded in:

- Hierarchy
- Function
- Location
- Customer expectations
- Technology

When differences among subcultures are not taken into account, a cultural audit will generate an average picture in which salient information among subcultures may have been covered up.

We refrain from averaging the scores of subcultures in a measurement, unless a client explicitly asks for it. It is of little use to compare the mean scores of, for instance, banks with each other. It is very useful to compare back offices with back offices and dealer rooms with dealer rooms - not only among banks, but among similar function groups anywhere.

It is therefore of prime importance to identify right away which groups and subcultures are to be measured separately.

2.4 Nature and sequence of proper research

Our work is based on proper research, conducted by Geert Hofstede and his research team during the 1980's in Denmark and the Netherlands on my request.

We recommend their article: "*Measuring organizational culture: A qualitative and quantitative study across twenty cases*", by Hofstede, G., Neuijen, B., Ohayv, D.D., & Sanders, G. (1990), published in: *Administrative Science Quarterly*, 35, 286-316.

2.4.1 Requirements to be met

We will make an effort here to highlight the differences between research, aiming at a model describing differences among national cultures, and research aiming at a model describing organizational culture.

Geert Hofstede and his research team on organizational cultures decided that no subsidy would be requested, so that the team could operate independent of external financiers. One may think that this would also be in the interests of those granting subsidies. We found that then – as now - there is a lot of confusion about proper research in the field of culture. Requirements to be met for research on differences between national cultures and on organizational culture are almost opposite. At least concerning the creation of a databank of respondents.

Geert Hofstede's research on cultural differences among nations was based on response files from IBM. A criticism often voiced is that his research tells a whole lot about IBM but little about the rest of the world. Nothing is less true. People do not give their values when answering questions, they just give answers. Few people are acutely aware of their cultural values. So in order to find these values, groups of respondents in different countries should be quite similar and differing only in one point: their nationality. Only then can variation in answers be attributed to national (or regional) cultural differences.

Information about the organizational culture of IBM can only be obtained when the culture of IBM is compared with the cultures of other organizations.

Another often voiced criticism is that the employees of IBM represent a special cohort of people in different societies. That's true but that is just what we need. IBM had in those days, during the 1960's and 1970's, according to all accounts a strong organizational culture. In addition, it had a very strict function classification. This meant that IBM employees of the same function group around the world could be properly compared and therefore nationality was the major discriminating feature.

Indeed, the IBM results for Mexico may not apply to indigenous tribes in desolate areas far away from industrialized and urban centers. Should you wish to know more about such cultures in comparative terms, then you should compare them to other groups living in desolate areas under similar conditions. It makes no sense to compare the values of a German engineer with a farmer in Tabasco and claim the differences are due to cultural differences between Germany and Mexico.

For organizational culture, other requirements apply. Instead of one organization with subsidiaries in many countries, one should focus on many organizations in one country. The results of the research will then not be affected by national cultures. Hofstede and his team started with a number of organizations in the Netherlands, but could not find a sufficient number of participating organizations. After all, the organizations had to pay to partake and had no guarantee that something useful would result from it. As the national cultures of Denmark and the Netherlands are quite similar, support was sought and found from Danish organizations.

Databank of organizations

It has already been pointed out that the variety of (parts of) organizations should be highly diverse in order to conduct proper research on organizational culture. In addition, there has to be a minimum number of participating (parts of) organizations, to ensure sound statistical processing. In the case of culture, such exercises should not be conducted using the answers of individual respondents but using the average answers given by different groups of respondents. This requirement has often been overlooked by researchers. You'll find more about this in: "*Culture's Consequences*", Geert Hofstede, 2001, page 16.

Databank of questions

The challenge for Hofstede and his research team was to identify and formulate questions that would cover work reality to the largest extent possible. In order to make this happen, the research team did the following:

- They distilled a large number of questions from available literature about organizational culture.
- They conducted a large number of in-depth interviews in all organizations that partook. From this wealth of information additional questions were formulated.
- Moreover the research fellows came up with even more questions by using a deductive approach.

From the questions thus attained a 200-item questionnaire was devised.

Try-out

A small preliminary research round was conducted to test all questions. As it was meant to conduct quantitative data collection, scales had to be developed on which respondents were asked to tick off their answers. The main objectives of this test round was to check whether the questions were well-understood and whether the answers differentiated sufficiently to conduct proper statistical analysis. After the try-out, around 100 questions were included in the final questionnaire.

Data collection

The respondents were asked to fill out the paper-and-pencil questionnaire. These were then put into a database to facilitate statistical analyses.

In addition to the in-depth interviews, which produced a wealth of information about culture, numerous characteristics were identified which could impact culture.

Creating a model

The objective of the research was to explore a model on organizational cultures, in the same vein as Geert Hofstede had done for national cultural differences.

The result of the analysis indeed produced six autonomous dimensions and two semi-autonomous dimensions, plus many more yardsticks. See section 3.2 and 3.3.

2.4.2 Proper research by others

We have not yet come across other proper research in this field. But the world is big and we are small, so it may well be that such research has been conducted numerous times. If not, then it will certainly happen in the near future. What can we predict about models resulting from such parallel research?

First of all, it will be unlikely that scholars will use exactly the same questions as Geert Hofstede et al. used; why would they? The number of questions that can be formulated to develop a model on organizational culture is infinite.

Secondly, as a consequence, each model would be different. What applies to models properly developed on national cultures, should then also apply to models properly developed on organizational cultures. Other properly devised models on national culture correlate strongly with Hofstede's model, whether they be developed by Shalom H. Schwartz or others. The same should be true regarding organizational culture. The content of each dimension may differ somewhat. Dimensions may be clustered in a somewhat different order. But as long as scholars ensure that the large variety found among the answers is described with the smallest number of autonomous variables (dimensions), there should be a great deal of overlap. This will apply particularly if the new research will be conducted in Denmark and the Netherlands.

2.4.3 Validation and revalidation

We have seen that national culture is one of the factors shaping organizational culture. It is therefore essential that organizational culture scans in other countries are validated once enough data from a great variety of (parts of) organizations has become available. The only proper validation that was so far completed, for Germany, did not reveal many differences, with the exception of one item that belongs to the realm of national culture: In Germany, respondents rated in the importance of work versus social life twice as high as in Denmark and the Netherlands.

Organizational culture has more volatile characteristics than national culture. It is therefore advisable to revalidate the questions and the model every five years. The re-validation we conducted for the Netherlands did not show a need for major adjustments. Re-validation for other countries will be conducted when a sufficient number of scans have been executed.

It is rare that management techniques and tools are re-validated when used outside their country of origin. This is a great omission. Geert Hofstede has pointed out time and time again that management techniques are culture specific. What works in the United States may not work in France - and what works in Japan may not work in Sweden.

Organizational culture as a tool of management may also be culture-specific in different countries. There is definitely a need to conduct research before applying our tools in other countries, so why hasn't it been done by us?

Firstly, it is not easy to organize such proper research across borders. Secondly, Hofstede's research has revealed several connections between national and organizational culture. Thirdly, we are acutely aware of the cultural specificity of management techniques, after all, we started from the consequences of national culture on managerial philosophies, tools and techniques already in the beginning of the 1980s. Thus, despite the need to validate the model in different countries we were able to compensate for such an omission by our know-how about differences among national cultures.

A small example may clarify this.

Example:

We carried out a cultural audit within a multinational comprising ten subsidiaries in as many countries. In two countries a characteristic of organizational culture stood out which was unidentified in the other eight countries. In France and Norway, subordinates did not dare to give their direct boss negative feedback. Our message to top management was: "In the case of France, this is to be expected, no worries. In the case of Norway, however, there is 'something rotten in the state'. The American manager there has apparently scared the hell out of his staff, because their behavior is untypical for Norwegians."

It will be clear by now that there are many pitfalls when it comes to organizational culture. In Annex 4, we have grouped some pitfalls for those who want to verify whether they will get value for money when involving practitioners on organizational culture and change management.

3 CONTENT: BOB'S MODEL ON STRATEGY, CULTURE AND CHANGE

3.1 Introduction

At the risk that you think we hold a grudge against management consultants, we have to express our amazement about all those consultants who are rather wary of “models”, or who reject models altogether, stating that these can never beat their intuition based on experience.

Be assured, we hold no grudge whatsoever against management consultants. It is just that we believe that the most complex system on earth, groups of human beings, deserves a better treatment than limited work experience and intuition.

Yet, the subtitle of this book says, “.....and twenty five years of work experience”, so what are we talking about? Well, over the course of times, more than 100 consultants all over the world have been certified by the author of this book to apply the Model on Strategy, Culture and Change for the benefit of their clients. These certified consultants have added a wealth of information to our data bank. As the Model allows us to categorize and structure the information that was collected in a specific manner, we can draw many new insights and lessons from the data bank. To put it differently, the Model is a tool for continuous and collective learning.

It may be tempting to reject models out of hand and rely solely on your own to deal with complex systems, but models are a great help to reflect about reality. High-ranking Buddhists might dispose over other approaches, but it is doubtful whether a client can make the transition from Buddhist insights to hands-on solutions. Even a simple thing such as the word “table” reflects a model. Try to come up with a definition of a table which includes all tables in the world and excludes all other things. Or do a mental exercise with your partner: each of you writes down the definition of love and then check whether you mean the same thing when declaring unwavering love to each other. You may both be in for a surprise.....

3.2 Overview of the model

The Model on Strategy, Culture and Change consists of six autonomous dimensions and two semi-autonomous dimensions. Autonomous means that a score on a dimension is independent from the scores on other dimensions. In other words, you cannot derive the score on a dimension from the scores on other dimensions. In theory any combination of scores can be found, although in practice particular combinations of scores are found for particular sectors. The police, for example, operates under specific conditions with a specific job content, so it is not strange that we find a particular combination of two autonomous dimensions. In the data bank with so many organizations in vastly differing sectors, this correlation disappears. This shows again the need for many different types of organizations when doing proper research. Had the majority of researched organizations consisted of police departments, then four dimensions would have been identified instead of six.

The two semi-autonomous dimensions are of a different nature. The scores on these two dimensions are not autonomous and computed in another fashion. The scores on D7 (acceptance of leadership style), are to a certain degree determined by the scores on D1 (means versus goal oriented).

The scores on D8 (identification with the organization) are partly defined by the scores on D2 (internally versus externally driven). D7 and D8 are normative: there is a good pole and a bad pole; while D1 to D6 are non-normative: the best position is determined by management, not by the model. D7 and D8 can give valuable extra information that may help in leveraging the change process.

Table 2
Overview of the Model

| | |
|--|---|
| D1 Means oriented | Goal oriented D1 |
| D2 Internally driven | Externally driven D2 |
| D3 Easy-going | Tight work discipline D3 |
| D4 Local | Professional D4 |
| D5 Open system | Closed system D5 |
| D6 Employee oriented | Work oriented D6 |
| D7 Low acceptance of leadership style | High acceptance of leadership style D7 |
| D8 Low identification with the organization | High identification with the organization D8 |

3.3 A first description of the model

Most psychologists agree that the personality of an individual can best be described by the Big Five, five autonomous personality characteristics.

If we agree that a group of people is a more complex system than one individual, it seems obvious that a proper model on organizational culture consists of at least five autonomous dimensions. It was therefore most promising that the scientific research undertaken by Geert Hofstede led to a model consisting of six autonomous dimensions.

We can safely state that models used for group processes that only use two dimensions (such as Quinn and Cameron) are inadequate and leave out essential aspects of work reality.

In the descriptions below, in order to define the dimensions, we will focus on the extreme positions on each pole of the dimension. In reality, everything in-between can be and is found. In Annex 6 you will find more information on the in-between and extreme positions.

D1: Means oriented versus goal oriented

D1 is the dimension most closely connected with on one pole ensuring health and safety (means-oriented) and on the other pole achieving high productivity (goal-oriented).

In a means oriented culture, the key feature is the way in which work has to be carried out; people identify with the **“how”**.

In a goal oriented culture, employees are primarily driven to achieve goals or results, even if these involve substantial risks; people identify with the **“what”**.

In an **extremely** means oriented culture, people perceive themselves as risk-avoiding, do only a limited effort and each work day is pretty much the same. Politics and scheming may play a considerable role as well in day-to-day work activities.

In an **extremely** goal oriented culture the reverse is true.

The challenge is to score as goal oriented as possible. Yet, in work situations with a substantial degree of risk where health and safety are major issues, a somewhat means oriented score can be very functional.

D1: Organizational effectiveness

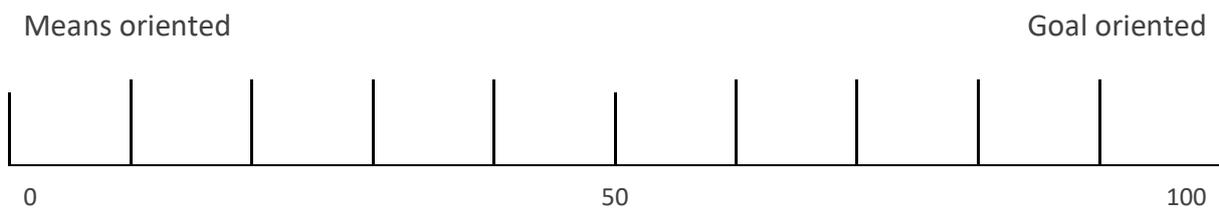


Table 3
Some content of dimension D1

| Means oriented | Goal oriented |
|---|---|
| <ul style="list-style-type: none"> - Routine - Every day is more or less the same - Strength of the organization is in avoiding calamities - We avoid risks | <ul style="list-style-type: none"> - Dynamic and creative - Every day offers challenges - Strength of the organization is on developing new activities - We are entrepreneurial |

D2: Internally driven versus externally driven

D2 is the dimension most closely connected with the way people in an organization relate to their stakeholders.

In an internally driven culture, employees perceive their task towards the outside world as preset. Business ethics and honesty matter and employees know what is best for customers and the world at large. An internally driven position can also be based on the fact that one doesn't need to care about what customers want given their very strong position in the market.

In an externally driven culture, the emphasis is on meeting the customer's requirements; results are paramount and a pragmatism prevails over ethics.

In an **extremely** internally driven culture, customers are out of focus, for example because customers fully depend on the provider of services and products. This could in theory apply to monopolies or governmental institutions and bureaucracies, although in many cases they do want to service their clients well and they may score surprisingly external oriented.

In an **extremely** externally driven culture the emphasis is fully on meeting customers' demands even if it is well-known that this will harm the longer-term interests of customers. Think of the tobacco industry or drugs trafficking.

The difference with D1 is that D2 focuses on the satisfaction of the customer, commissioning party or other stakeholders, while D1 is about impersonal results.

D2: Customer orientation

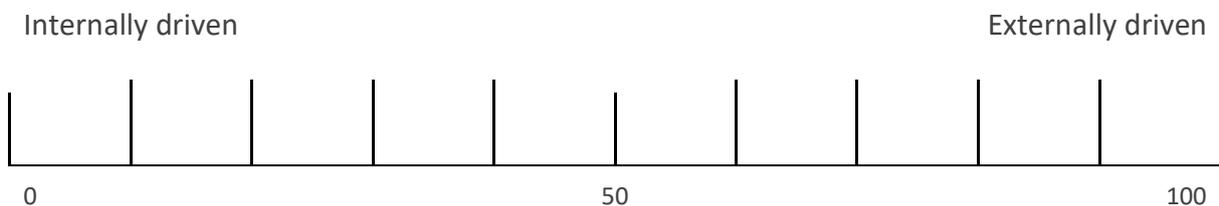


Table 4
Some content of dimension D2

| Internally driven | Externally driven |
|---|--|
| <ul style="list-style-type: none"> - Correctly following procedures - Consistency - High standards on ethics and honesty; or people do not (need to) worry about their stakeholders - Complying with our rules is all important | <ul style="list-style-type: none"> - Meeting needs of customers - Flexibility - Pragmatic about ethical business methods - There is always scope for improvement |

D3: Easy-going versus strict work discipline

D3 refers to the amount of internal structuring, planning, control and discipline.

An easy-going culture espouses a loose internal structure, lack of predictability, and little control and discipline; there is much improvisation and there may be many surprises. A strict work discipline espouses the reverse: people are cost-conscious, punctual and serious. "First time right" might be their slogan.

An **extremely** easy-going culture is characterized by sloppiness and waste. In **extremely** strict work discipline cultures mistakes are not allowed. Think of nuclear power plants or the chemical industry at least when cultures are functional.

While D3 describes the predictability of internal functioning, D2 indicates to what extent functioning vis-à-vis the surroundings (usually the client) is programmed beforehand.

D3: Discipline and control

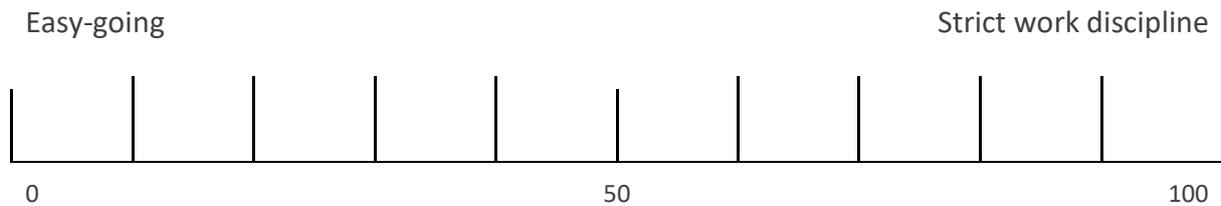


Table 5
Some content of dimension D3

| Easy-going | Strict work discipline |
|---|--|
| <ul style="list-style-type: none"> - Innovative - Casual dress - Employees allowed to organize their work themselves - We have a lot of fun | <ul style="list-style-type: none"> - Cost-conscious - Conservative dress - Employees receive many detailed instructions - A lot of control, either by the boss or by ourselves |

D4: Local versus professional

D4 is the dimension most closely connected with the way people in an organization relate to the outside world in general; whether the outside world is seen as threatening or interesting.

In a local culture, employees identify with the boss or the unit in which they work.

In a professional culture, employees identify with their profession or their job content.

D4 indicates to what extent employees' functioning is predictable, based on socialization and social control. Identification with the total organization is not the realm of D4, but of D8 and is discussed later on.

In an **extremely** local culture, employees are very short-term oriented, they are internally focused and there is strong social control to be like everybody else.

In an **extremely** professional culture the reverse is true.

D4: Focus of interest

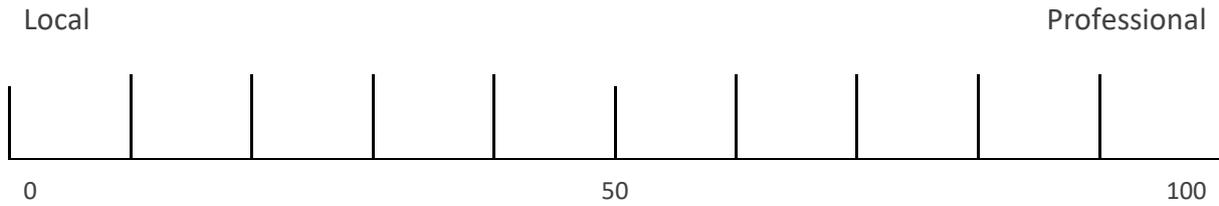


Table 6
Some content of dimension D4

| Local | Professional |
|---|---|
| <ul style="list-style-type: none"> - Short-term directed - Identification with own department - Norms at work should also apply at home - Personal loyalty required | <ul style="list-style-type: none"> - We think years ahead - Identification with profession or job content - What the competition does matters to us - We take notice of what happens outside our organization |

D5: Open systems versus closed systems

This dimension relates to the accessibility of an organization. Open cultures are easily accessible to insiders and outsiders, and it is believed that almost anyone fits in the organization. In a closed organization, newcomers need to adjust before being accepted and outsiders have to know their place.

In an **extremely** open culture, newcomers and outsiders immediately feel welcome. They are approached with an open visor and outsiders can walk freely into premises without being questioned or without having to identify themselves.

In an **extremely** closed organization, newcomers and visitors are met with suspicion. They have to proof themselves before being allowed in. Think of secret societies, motor gangs or the Masonry.

This aspect of a culture is closely related to labor satisfaction, as employees in general prefer an open culture. Yet management may opt at times for a more closed culture, in view of industrial espionage, to safeguard patents or to conduct business which cannot stand the light of day.

D5: Approachability

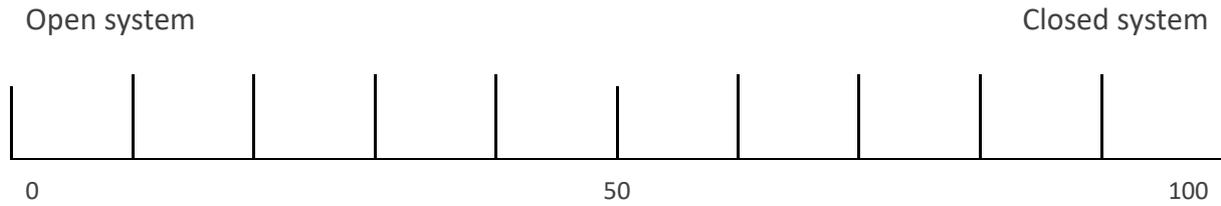


Table 7
Some content of dimension D5

| Open system | Closed system |
|---|---|
| <ul style="list-style-type: none"> - Open to newcomers and outsiders - Everyone fits in the organization - The door is open - We support each other | <ul style="list-style-type: none"> - Closed to newcomers and outsiders - Only special people fit in the organization - Dirty linen is not washed in public - You have to prove yourself before being accepted |

D6: Employee oriented versus work oriented

In an employee oriented culture, the concern for people overrides the concern for completing the job at all costs. This aspect of the culture is particularly related to the philosophy top management embraces, either consciously or unconsciously.

This aspect of a culture is also closely related to labor satisfaction, as employees in general prefer an employee oriented culture. Yet management may opt for a more work oriented culture, e.g. in times of economic hardship. Another reason that management may opt for a work oriented culture is when they believe that people take a ride with them if they don't put them continuously under pressure to perform.

In an **extremely** employee oriented culture, employees know that personal issues are taken into account and that the organization goes to great lengths to take co-responsibility for the welfare of its employees.

In a **very** work oriented culture, there is heavy pressure to perform the task, even at the expense of the health of employees.

In an **extremely** work oriented culture, employers exercise so much control over their employees that employees have great difficulty to defend themselves against the excessive demands of management.

D6: Management philosophy

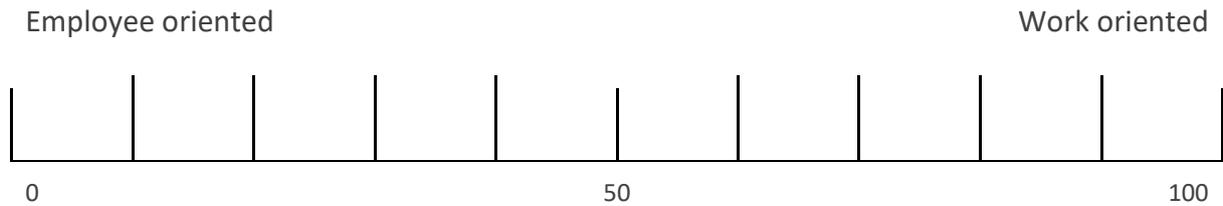


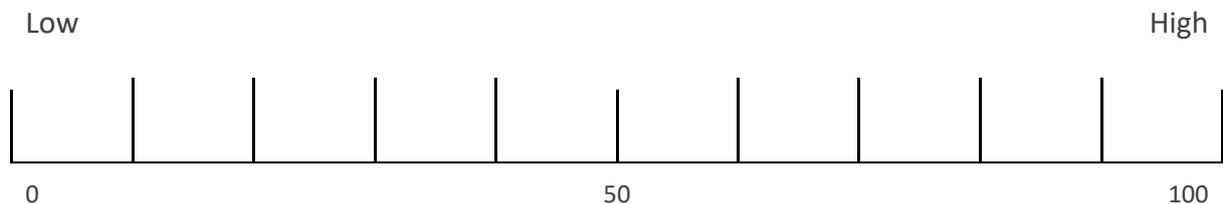
Table 8
Some content of dimension D6

| Employee oriented | Work oriented |
|---|---|
| - Concern for people to the fore - Personal problems are taken into account - Important decisions usually taken by groups - Pleasant work atmosphere | - Concern for task completion to the fore - Strong work pressure exercised, either by management or self-imposed - Important decisions usually taken by individuals - It is now or never |

D7: Low versus high degree of acceptance of leadership style

The score on this semi-autonomous dimension tells us to which degree the leadership style of the manager matches the preference of his or her staff members. There is a certain correlation with the scores on D1: In a more goal oriented culture, acceptance of leadership tends to be higher.

D7: Degree of acceptance of leadership style



Contrary to the first six dimensions, the results of this dimension and of D8, are expressed in percentages rather than in scores. Respondents are asked to select the leadership style of their boss and the one they prefer. They can choose between several styles, all well-defined in the questionnaire:

- Autocratic
- Paternalistic
- Consultative
- Democratic
- Other

This dimension gives valuable feedback to management - the breakdown between the actual and the desired situation even more. A desired score expresses what the respondents wish, it is not by definition the optimal score, which is normally set by management but not in the case of this dimension.

The dimensions in the model describe practices, not values, with the exception of this dimension. People change their practices and behavior often. It may be painful on occasions, but human beings do change and adapt. That is more difficult with values, which have been ingrained in us from childhood onwards.

Preferences for a certain leadership style are partly based on the personality and the values of the national culture in which people have been born and raised. In other words, it is hard to change such values and therefore better to take preferences for a certain leadership style for granted.

D8: Low versus high degree of identification with the organization

The score on this semi-autonomous dimension gives information about the degree of cohesion between members of the organization. The other yardstick that also gives information on cohesion is the degree of homogeneity (strength) of a culture. The degree of strength or weakness of a culture doesn't describe the content of culture. It is just a quality: It describes to which degree respondents agree or disagree about the way they have described their culture.

The score on this semi-autonomous dimension tells us more about the cohesion in an organization. The homogeneity (strength) of culture is also an indication of cohesion, but only to the effect that it shows to which degree people agree on the description of their culture: i.e. it describes to which degree respondents agree or disagree about the way they experience and perceive their culture.

D8 correlates to a certain extent with D2 (internally versus externally directed). If a culture is externally driven, it's members will in all likelihood also identify with the client and other external parties. This then will correlate negatively with D8. If people identify with external parties, they will identify less with their own organization or department.

D8: Degree of identification with the organization

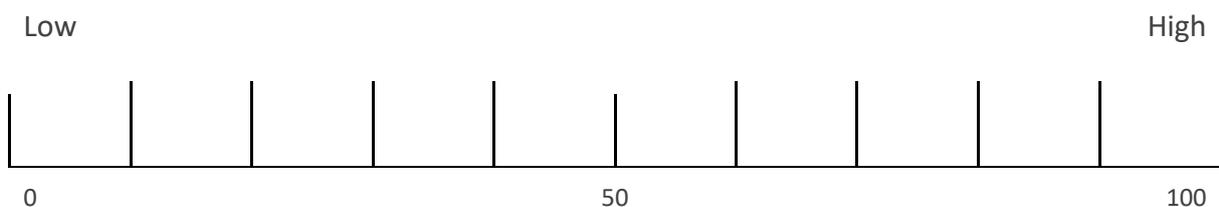


Table 9
Some content of dimension D8

| Low | High |
|---|--|
| <ul style="list-style-type: none"> - People are not at all proud to work for this organization - High standards re ethical and honest business methods - The organization lacks an attractive identity in the eye of its members | <ul style="list-style-type: none"> - People are very proud to work for this organization - Pragmatic about ethical business methods - The organization has an attractive identity in the eye of its members |

3.4 Strategy, the normative question and the model revisited

There are no good or bad organizational cultures, only more or less functional. We can safely assume that successful companies have a functional culture, at least in the start-up phase. But what was functional yesterday may be dysfunctional tomorrow. As a result of its success, both the internal and the external reality may have changed radically. Without cultural adjustments, a company may fail by its own success. Dysfunctionality may not need to be of its own doing. The environment may have changed, such as increased competition which may force an alert company to introduce a more advanced production process or slim down middle management. Or perhaps the market sector needs to be re-defined because of the introduction of new products.

Culture and strategy are linked together. Even McKinsey recently changed its mind and acknowledges that culture co-defines success or failure. As Peter Drucker already said: "Culture eats strategy for breakfast". Measuring actual culture is not sufficient to know whether it is functional or not. Assume you are sailing in the middle of the ocean knowing your position very well. That will not help you much if you do not know where to go to. In order to assess how functional the culture is, top management needs to indicate what the optimal culture ought to be. Only by comparing actual with optimal culture, can we assess the functionality of its actual culture. A large discrepancy between actual and optimal culture is a sign of a dysfunctional actual culture and an urgent need for change.

This process implies a non-normative attitude towards organizational culture, irrespective of whether the measurement is based on scientific research or on the observations of consultants. It is the client who defines the optimal culture, usually during one or two workshops, and it is the clients who sets the norms to be achieved. We may point out the consequences of a certain choice, but the client is the owner of its strategy and its optimal culture to realize that strategy.

Yet, it is obvious that there are certain normative aspects about what makes a good or bad culture that the consultant can table to assist the client in making good choices irrespective of the optimal culture chosen. For this, we have developed 'normative windows' based on our extensive experience. The size of 'Normative windows' differ per dimension and can be split in external and internal normative windows.

Internal normative windows are characterized by:

1. They are part of the actual culture, for example, when people use scheming and politics to strengthen their position or earn indecent bonuses that would never be paid out if transparent market forces took their course.
2. Their size is fixed.
3. They represent dysfunctional aspects of a culture in absolute terms. “Absolute” means that these aspects are dysfunctional, no matter the context of the organization or its strategic requirements. For instance, 3 out of the 9 questions loading D1 (means versus goal oriented) are of a normative character. One of these questions is whether people keep their promises. We assume that in general people do not favor situations in which promises are broken, and we can safely assume that this aspect creates distrust among colleagues and therefore, affects the results in the long-term negatively. Or to express it differently, we have never come across managers who prefer dishonesty at least not internally.

In diagram 5 below, the model is presented in a more sophisticated version by showing these internal windows as well.

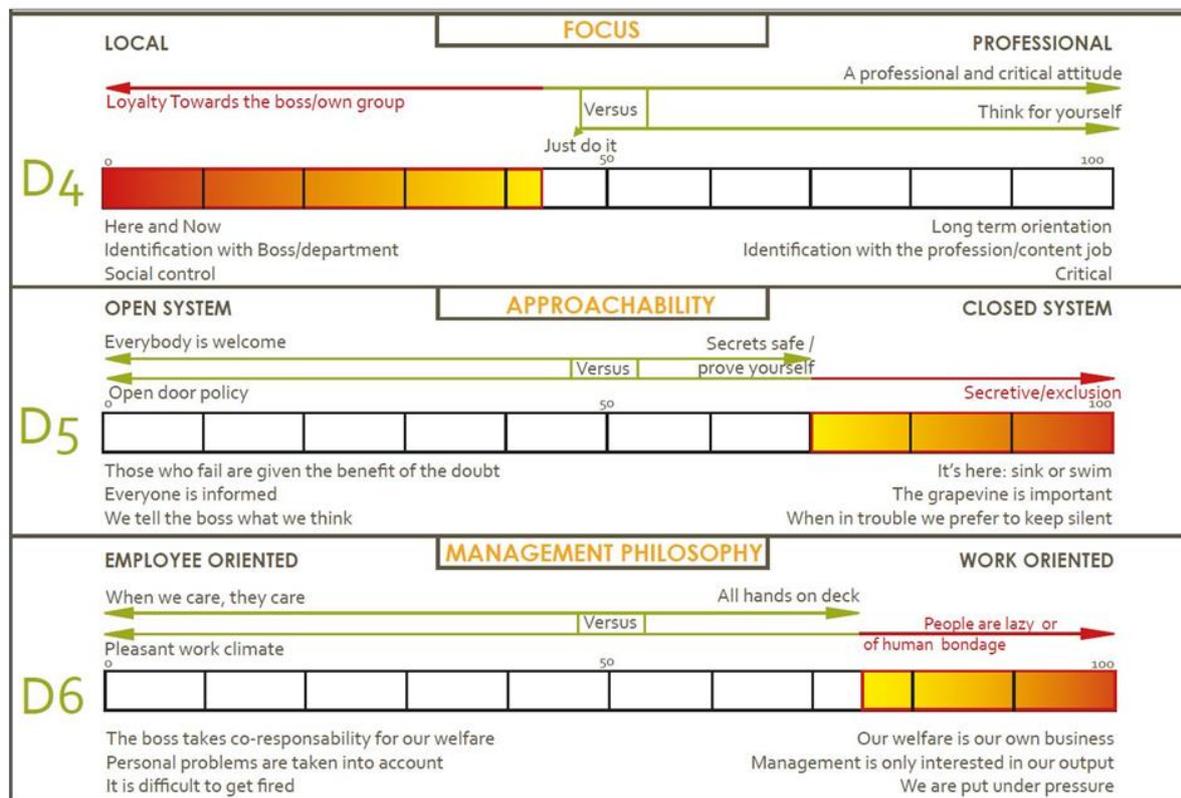
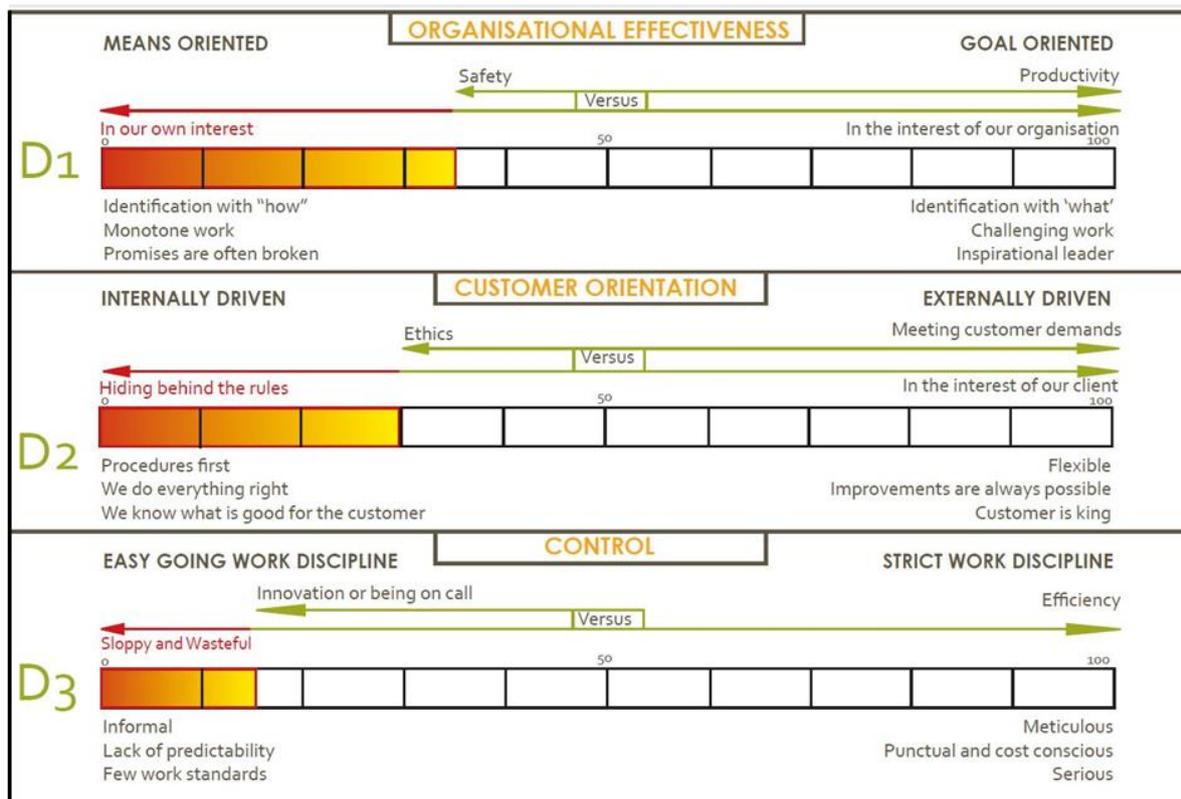
D7 (acceptance of leadership style) and D8 (identification with the organization) are by definition normative: the higher the better. They are therefore not shown in Diagram 5.

It may be clear from the diagram that one cannot have all good things simultaneously in one culture. Take the scores on D1, means versus goal oriented. If both safety and productivity are of prime importance, it will be hard to realize this at the same time, though not impossible. There are two ways to solve this. The first option is to ensure that safety is fully guaranteed by technology, systems and processes and not by human behavior, so that a goal oriented culture will not endanger safety. The second option is to create sub-cultures: one scoring somewhat means oriented and the other very goal oriented. In this way, by creating functional diversity through subcultures, the best of both worlds can be achieved.

You may have noticed two arrows above each dimension. The first one covers the a-priori *functional* area with a description of each pole. The second one covers the *whole* dimension also with a description of each pole.

Diagram 5 (next page)

THE HOFSTEDE MODEL on strategy, culture and change



D1: Means versus goal oriented

Let us consider the first dimension in diagram 5. Safety is enabled by a culture scoring between 35 and 50. Productivity is enabled by a culture scoring between 65 and 100. If a culture scores below 35, there is a fair chance that it is by definition dysfunctional. Then the exchange is not between safety and productivity but between “we work in our own interests” versus “we work in the interests of the organization”.

“Working in our own interests” can be expressed in reality through:

- People do not feel committed to their promises.
- Employees follow the rules even if they know that this will harm the realization of internal goals.
- Each manager has created his/her own fiefdom, not to be touched by others.
- Top managers earn much more than is acceptable in a transparent market situation, and they therefore engage in internal and external political games to cover up excessive earnings without running any risk.
- Rank and file people appropriate goods from their employer.

Note that we mention exact numbers, but of course, in reality work life is too complex to be captured in exact numbers. A difference of less than 10 points is insignificant. That means that the dividing line between an a-priori functional and dysfunctional culture cannot be put exactly at 35. It lies somewhere between 30 and 40.

D2: Internally versus externally driven

Ethical behavior is enabled by cultures scoring between 30 and 75. Meeting customer demands is enabled by cultures scoring between 65 and 100. As we can see, there is a small area in which both objectives can be enabled to a certain extent: behaving ethical while meeting customers’ demands in a flexible way can be achieved between 65-75. If a culture scores higher than 80, chances are that customers will be serviced in a manner that may be harmful to them in the long run. The tobacco industry comes to mind here. This does not necessarily imply that products of very externally driven organizations will by definition harm consumers ultimately.

A low score does not per definition imply that people’s behavior is guided by ethical principles. It might be that the stakeholders are out of focus. Perhaps they are not important to the provider in the first place, as is the case with monopolists and governmental institutions. Still, there are quite a number of monopolists who care for their customers and who are aware that ultimately, it is not in their interest to neglect them. Neglecting customers may give rise to potential competitors. If a culture scores below 30, that is, extremely internally driven, there is a fair chance that the culture is dysfunctional. The exchange is then not between “ethics” or “meeting customers’ demands”, but between “hiding behind the rules to cover our ass” versus “we are working in the interest of our clients”.

Consider the following examples of “hiding behind the rules”:

- Employees follow the rules even if they know that this will harm achieving objectives. They might do so if their managers repeatedly tell them that they have done a stupid job. “Well, we then will show you by living up to the letter of all your stupid rules”, they might react.
- People are drowning in e-mails, as everybody is cc’ing everybody to pass the bucket on. By doing so “No one can complain that I didn’t inform colleagues about what I did and therefore no one can hold me responsible for any misdeed, even if I know this does not make sense”.

D3: Easy going versus strict work discipline

The internal normative window of D3 is rather small. If a culture scores below 15, people behave so sloppy that it is wasteful. A culture scoring between 15 and 40 enables thinking out of the box, but can also occur when it is hard to plan ahead. Think of people who are on call, such as many police officers.

A high score indicates a strict culture. This is functional when a meticulous task implementation is required or when cutting-edge competition can be beaten by cost-consciousness.

D4: Local versus professional

On the somewhat local side, the culture enables a one-track approach. “Just do it” is an expression of a score between 45 - 60. This makes sense if critical questions are raised on the shop floor which hampers the workflow. The idea is that management will do the thinking on behalf of workers.

A professional culture is a crucial element in promoting a learning organization.

Surprisingly many cultures score within the internal normative window. This happens when managers feel personally threatened because they work above their competence level. Disagreement voiced by subordinates is then no longer welcomed but perceived as a personal attack. Management may then complain that their people do not take responsibility for what they are supposed to do, not realizing that this is of their own making. Perhaps we should not be surprised that many cultures score too local, as it is claimed that many managers are promoted above their competence level, without receiving proper support and guidance, called the Peter principle⁵.

In particular situations a local culture which promotes loyalty towards one’s boss and group can be very functional. Think of the army, certainly in war times. They operate by definition in a threatening environment. In such cases the internal normative window is much smaller and depends on the degree to which the physical environment is rightly so experienced as threatening.

⁵ The **Peter principle** is a concept in [management](#) theory formulated by [Laurence J. Peter](#), and published in 1969. The theory is that the selection of a candidate for a position is based on his/her performance in the current role, rather than on abilities relevant to the intended role. Thus, employees only stop being promoted once they can no longer perform effectively, and "managers rise to the level of their incompetence." (Wikipedia)

D5: Open versus closed system

A place where everybody is welcome and nobody feels excluded is enabled by low scores on this dimension. Places where secrets are safe or where you have to prove yourself before being accepted, are enabled by cultures scoring between 50 - 70. If a culture scores above 70 there is a fair chance that this is dysfunctional, unless we talk about secretive societies. The exchange is here between an open attitude on the one hand and secrecy and exclusion on the other hand.

The highest score in our data bank on D5 is not 100 but 70. There may well be organizations with a more closed culture, but the likelihood that they would invite outsiders to measure their culture is tiny. Would the Free Masonry or organized crime invite us? I doubt it.

In other words, there might be organizations for which a very closed culture is functional, if it needs to be secretive. If you aspire to become a member of certain motor clubs, you have to prove yourself over a prolonged period of time before being accepted as a fully-fledged member. The Italian term "omertà" refers to a code of honor of the Mafia that stands for a deep-rooted sense of a code of silence among its members and everyone around them.

D6: Employee versus work oriented

Management has a great deal of freedom to embrace and execute the management philosophy they prefer. Yet, we recently identified an internal normative window running from 75 to 100. From 1988, when we started out, until 2015, we did not come across cultures scoring above 70. We assumed therefore that such cultures either do not exist, or that they are so dysfunctional that we will be never invited to measure such cultures.

In 2015 we were invited to measure a culture that was clearly dysfunctional. The CEO kept himself aloof from day-to-day operations and never showed up until he thought things went wrong. Then he would suddenly appear and turn into a threatening micro-manager. Subordinates never knew when he would change his attitude and were nervously guessing what he wanted. People made themselves small and a culture of fear reigned. Actually, the CEO was not involved at all in the decision to measure the culture, but once it happened he frustrated the whole process.

With a score of 75, this company holds the dubious reputation of espousing the most work oriented culture.

The two semi-autonomous dimensions D7 and D8 are shown below.

Diagram 6

D7

Acceptance leadership style



D8

Identification with own organization



The colors in the diagram above indicate that these two semi-autonomous dimensions are normative per se. The higher the score the better. For more information about the separate dimensions in the model please go sections 3.5 and 3.6 and to Annex 6.

3.5 Strategic windows and external normative windows

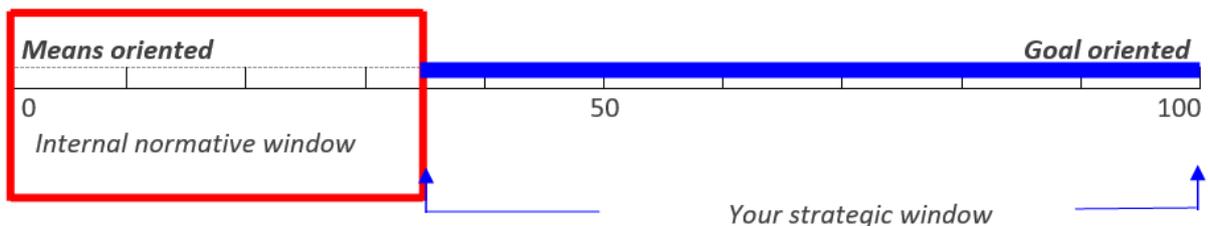
Having explained above the internal normative windows, we will explain here the external normative windows by using D1, means versus goal orientation as an example.

Diagram 7

D1: Effectiveness of the organization

Diagram 7

D1: Effectiveness of the organization



Clients define their optimal culture. It is presumptuous to believe that external consultants know who the client has to be in order to realize their goals. Work reality is infinitely complex. How can an external consultant know what the optimal culture has to be, if (s)he does not work there?

So the client defines for example on D1, the optimal score in the strategic window. This strategic window does not run from 0 to 100 but from 35 to 100, as you may remember from the explanation on internal normative windows.

Let's consider the case of a particular client where safety is not an issue. We can then assume that the optimal culture can and should score as high as possible, say between 90-100.

In most instances, top management has little problems in defining the optimal culture, once the model has been explained to them, though in some cases, management has difficulty viewing their work reality from a new angle.

When looking at the strategic window above, the question was whether additional assistance could be given to management in order to formulate their optimal culture. After all, even if strategic requirements to realize a very safe work environment – such as on an oil platform – do not play a role, it is not always possible and therefore not advisable to try to create a culture scoring around 90 to 100.

Hofstede's research also discovered factors which shape organizational culture, in addition to national culture. This allows management to assess the environment in which their culture is embedded. This is what we call an 'external normative window'.

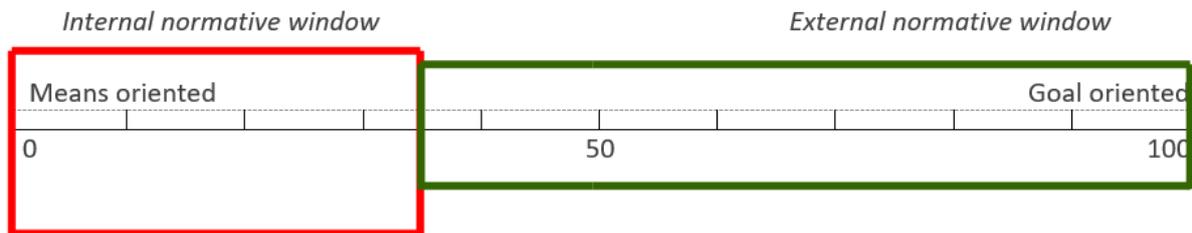
In the case of D1, the size of the external normative window can run between 0 and 65. When the size is e.g. 10 points then it runs from 100 to 85. When the size is at its maximum, 65, then it runs from 100 to 35.

External normative windows are characterized by:

1. They are not part of the actual culture, unlike internal normative windows. Instead they limit the size of the strategic window by taking the environment in which the culture is embedded into account, or the requirements management defined earlier on. For example, if the content of the job is not very challenging to employees, it is very hard, if not impossible to create an extremely goal orientated culture.
2. These windows are more flexible than internal normative windows. In other words, management can do something about them. In our example of the dull job content that hinders realization of goal orientation, management may try to overcome this by job enrichment and/or job rotation.
3. The size of these windows is not fixed, but depends on the features of the environment in which the (sub-)culture is embedded and on the requirements defined by management. Top management receives prior to the measurement an online survey which measures the impact and nature of the environment in which the organization operates. The survey entails factual questions such as size of the work force, average educational level and type of technology in use.

Together, the internal and external normative windows depict the leeway management has to define its optimal culture: the strategic window.

Diagram 8
D1: Effectiveness of the organization

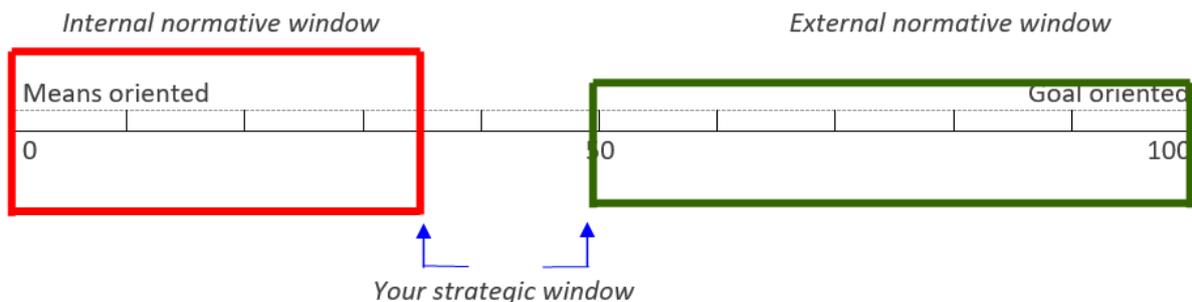


As we see, if the external normative window has its maximum size, there is no strategic window left.

If management cannot or does not want to change the size of its external normative window, the only option is to ensure that its optimal culture scores 35.

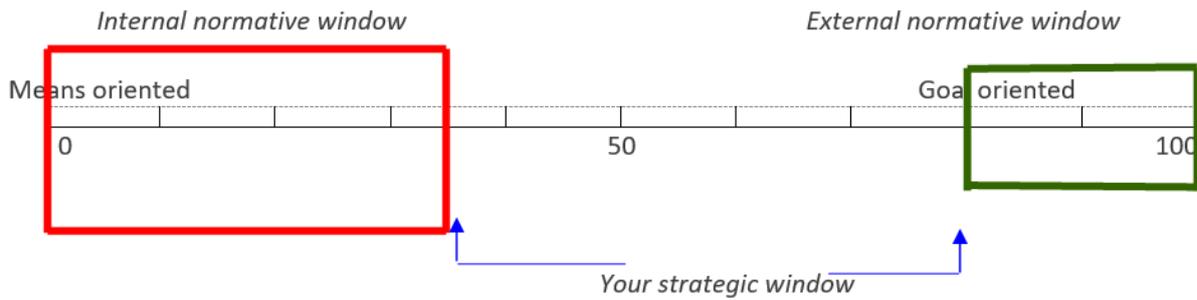
In a nuclear power plant, certainly in the operational sectors, the width of the external normative window should be **at least** 50 points. The playing field for management, the strategic window in which it can decide its optimal position, then does not exceed 15 points, between 35 and 50, as shown in Diagram 9.

Diagram 9
D1: Effectiveness of the organization



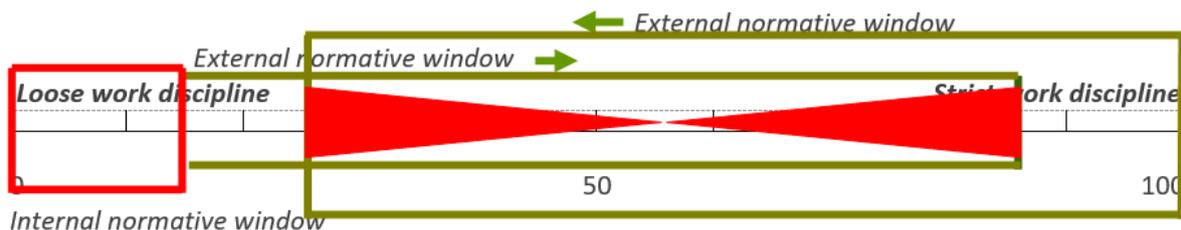
In organizations where creativity is a must, as in the case of advertisement agencies, the width of the external normative window should be **at the most** 20 points. The playing field for management, i.e. the strategic window, in other words the area in which it can decide the optimal position for art directors, should be between 35 and 80. The playing field is 45 points, see diagram below. Although one may assume that in the case of art directors management and/or the art directors themselves will choose a high optimal score. As safety is no issue, it is probably best in the case of art directors to score 80 or higher, but this is up to the client to decide.

Diagram 10
D1: Effectiveness of the organization



In addition to D1, means versus goal oriented, it is useful to also show how these windows may work out in the case of D3, easy-going versus strict work discipline. In the case of D3, two external windows may show up, due to the way these windows have been constructed. If break-through creativity is required, here called “innovation”, the external window will start from the right hand side at 100 and will push the end of the strategic window towards the easy-going side. If efficiency, avoidance of errors and meticulous planning is required, the external window will start from the left hand side at 15 and will push the strategic window towards the strict side. If the external windows on both sides reach their maximum size, Diagram 11 emerges:

Diagram 11
D3: Control



Here, the external windows overlap, leaving no room for a strategic window to assess the optimal culture. If no further action is taken, then the best is to choose an optimal score in the middle of the overlap, around 55. Such a score would be quite wishy-washy, as the optimal culture would only marginally meet the requirements formulated by top management. It is not uncommon to see such overlap on D3 taking the client by surprise. Seen from the perspective of organizational culture, management in some organizations imposes contradictory demands on their employees. There might, just might, exist extraordinary people who combine an innovative attitude with a dreadfully rigorous, meticulous and serious attitude, but I would not count on them. In groups, such characteristics exclude each other, as the research project of Hofstede has pointed out.

A cultural measurement in a financial institution showed that senior management scored the highest on tight work discipline. It turned out that senior management also had some executive responsibilities, in particular related to the procurement of large loans with a high risk factor. The tight work discipline of the senior managers proved to be very functional in this high risk situation.

The CEO however, demanded a more innovative attitude among senior management. An innovative attitude and strict work discipline are in principle mutually exclusive. We fear that the ideal society does not exist on earth, people are always obliged to make choices. Unless management can create subcultures with different functions and foster good cooperation between them, we fear this combination will be utopic. Like many, the CEO of the financial institution did not realize that his demands were, in cultural terms, incompatible. Such contradictions will be more often found for D3 (easy-going vs strict work discipline) than in the case of D1 (means vs goal oriented) where management may try to pair safety with productivity.

If both attitudes, generating break-through innovations and a meticulous job execution, are needed for the survival of the company, we advise to create functional diversity, by setting up different groups, each with their own tasks and sub-culture.

Whether one or two external normative windows pop up in D3 depends on the results of the online survey among top management, i.e. their assessment of the environment and the requirements the organization has to meet. But indeed in the case of D3 two windows often pop up. If they do, it is an excellent visualization for management of the contradictory requirements they impose on their staff.

Why does this especially happen in D3 (easy going versus strict work discipline)? Remember the definition of culture: Culture tells us how people in an organization relate to each other, to the outside world, and to their work. D3 describes especially how people relate to their work. Therefore, if management imposes contradictory requirements on people, it shows up clearly in D3. At the same time, the importance of thinking out of the box is often exaggerated. Is it good if everybody is thinking out of the box? People should also be executing tasks, dull as they may seem. Do you want everybody to rethink the business we are in, do you want everybody to come up with break-through innovations?

Try to create one culture throughout a larger organization and it will backfire. People on different hierarchical levels and in different function groups should not relate the same way to their work. Again: creating functional subcultures is one of the keys to success, certainly in a world in which complexity is continuously increasing.

In section 5.3.3 we describe how clients can assess their optimal culture as part of our work processes.

3.6 The context in which culture is embedded

There are many aspects of the context in which a culture is embedded that has an influence of the nature of cultures. The influence exerted by these aspects can be attributed to the different autonomous dimensions and they add up to the external normative windows.

These aspects or features can be divided into two categories:

Above the dotted line we find features, which are external to culture and almost not to be changed unless the organization changes its core identity.

Below the dotted line we find features external to culture or partly external to culture, which can be changed, though not necessarily easily.

D1, Goal versus Means oriented *Features having an impact on culture*

| Means oriented | Goal oriented |
|---|---|
| <ul style="list-style-type: none"> ● Mass production, office work ● Work with a lot of inherent security risks (i.e. oil refineries) ● High degree of specialisation <hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> ● Older personnel ● High level of absenteeism ● Top managers are not so much doers but administrators ● Small "span of control" ● Weak (heterogeneous) cultures ● Large discrepancy between the existing leadership style and the style the employees desire (D7) ● Formalization | <ul style="list-style-type: none"> ● Research, services ● Work with few security risks ● Low degree of specialisation <hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> ● Younger personnel ● Lower level of absenteeism ● Top managers made career in their own company with a relatively low level of education ● Larger "Span control" ● Strong (homogeneous) cultures ● Large degree of agreement between the leadership style the employees desire and the existing style (D7) ● Less formalization |

D2, Internally driven versus Externally driven
Features having an impact on culture

| Internally Driven | Externally Driven |
|---|---|
| <ul style="list-style-type: none"> ● Implementation of laws ● Monopolies ● Governmental and semi-governmental institutions | <ul style="list-style-type: none"> ● Client oriented services ● Competitive markets ● Private sector |

The above listed features are all of the first category.

D3, Easy-going versus strict work control
Features having an impact on culture

| Easy-going | Strict work control |
|--|--|
| <ul style="list-style-type: none"> ● Unpredictable work situation ● Innovation required ● Material-extensive processes <hr/> <ul style="list-style-type: none"> ● The work demands less tight standards and control, such as in the case of administrative personnel where the boss is constantly around ● Personnel recently considerably increased ● High level of education among employees ● Top manager claims to spend relatively little time on reading and writing internal memos ● Philosophy of management | <ul style="list-style-type: none"> ● Products or services to be made with precision ● Avoiding risks ● Material-intensive processes <hr/> <ul style="list-style-type: none"> ● The work demands tighter standards and control to avoid health and safety hazards ● Personnel will be decreased considerably ● Lower level of education among employees ● Top manager claims to spend relatively much time on reading and writing internal reports and memos ● Philosophy of management |

D4, Local versus Professional
Features having an impact on culture

| Local | Professional |
|--|---|
| <ul style="list-style-type: none"> ● (Semi) governmental institutions ● Work is a marginal part of life only ● Employees are well organised <hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> ● Traditional technology ● Little educated staff ● Management has a lower level of education ● Smaller work units ● Top management spends relatively less time on meetings and personal conversations ● Personality of the top manager: strong need for personal loyalty | <ul style="list-style-type: none"> ● Private sector ● Work is central part of life ● Employees are not well organised <hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> ● Advanced technology ● Higher level of education of personnel ● Management is better educated and older ● Larger work units ● Top management spends relatively a lot of time on meetings and personal conversations ● Personality of top manager: weak need for personal loyalty |

D5, Open versus Closed
Features having an impact on culture

| Open | Closed |
|--|---|
| <ul style="list-style-type: none"> ● Weak uncertainty avoidance ● Philosophy of founder <hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> ● Relatively high number of female staff ● Less formalization | <ul style="list-style-type: none"> ● Strong uncertainty avoidance ● Philosophy of founder <hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> ● Relatively low number of female staff ● More formalization |

D6, Employee versus Work oriented

Features having an impact on culture

| Employee oriented | Work oriented |
|---|--|
| <ul style="list-style-type: none">● Philosophy of founder● Protected environment● Small organisations with few extensive investments● Long record of good results <hr/> | <ul style="list-style-type: none">● Philosophy of founder● Difficult circumstances● Large organisations with extensive investments● Recent reorganisations <hr/> |
| <ul style="list-style-type: none">● Lower seniority and age of employees● Higher level of education among top management● Management is assessed based on internal norms (budget)● Top managers claim they will not allow controversial opinions to be published in the personnel magazine | <ul style="list-style-type: none">● Higher seniority and age of employees● Lower level of education of top management● Management is assessed based on external norms (profit and market)● Top managers claim they allow controversial opinions to be published in the personnel magazine |

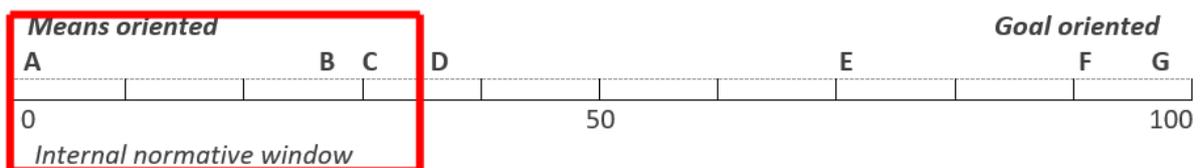
3.7 Storytelling

So far, we explained the model by defining and describing its dimensions. But, to bring the model alive, one can best tell stories. You will find a whole lot of stories in the pages to come. On the scales of the dimensions, you will notice letters, that refer to a particular story exemplifying a certain area, not a precise position, on the dimension. As we said before: “Life and work are too complex to be expressed in precise numbers”.

3.7.1 Stories about D1: Means versus goal orientation

Diagram 12

D1: *Effectiveness of the organization*



A)

Once upon a time, we did a scan in a medium-sized organization with a management team of 5. The MT scored really low on D1, very means oriented, even remarkably lower than the other teams and departments. As they had set the optimal culture rather high, the MT was faced with the biggest gap to be closed between their actual and optimal subculture that we have ever come across.

With the exception of the CEO, the MT members averred that they had given a description of the total organization and not of themselves, although they were asked repeatedly to describe themselves.

In spite of their denial, during the debrief they behaved fully according to their low score, truly means oriented. Apparently, this behavior was not exceptional, it was how they always behaved during MT meetings. This was what we noticed:

- The CEO stayed rather aloof and refrained from giving his opinion during the meetings.
- One member was new and kept a low profile.
- The other three MT members were pulling each other's leg constantly. Though they did so in a very clever way, it was negatively phrased and sucking up a lot of their attention and energy.
- Two of these three were close friends with the same hobby - collecting old cars. One was the intelligent guy, the other one the dominant guy. They supported each other through thick and thin.

Later we learned that the dominant half of the duo believed that he should have been the CEO. He thought very lowly about the present CEO, and he expressed it constantly behind the CEO's back and implicitly to his face. He knew that the remuneration of the present CEO including fringe benefits was way above the acceptable for his position. The CEO therefore did not dare to fire his dominant colleague, despite his dysfunctional behavior.

The dominant guy controlled his staff by either scolding them in public or inviting them for dinner. Moreover, he created a subculture with the theme: “It's us against the rest of the

world, including those suckers in the other departments.” He didn’t allow any criticism about his department.

We were able to assist the CEO in changing the culture within one year from a position of 5 to 70 points on D1. A higher score was not feasible for many more years until the CEO dared to pay out a golden handshake to the dominant guy and wave him goodbye. Normally, this company would have gone bankrupt long time ago, but they held a certain monopolistic position.

B)

In a German utility, owned by the municipality of a large city in Germany, we found that the higher people climbed the organizational ladder, the more insecure and anxious they became. This is unusual, normally there is more anxiety and insecurity at the lower levels.

Apparently, the CEO and two levels below him were political nominations by the city council that had gone through drastic changes after several elections in a row. Consequently, the highest three levels were not certain if they would survive the next round of elections.

Major decisions could only be taken after agreement had been obtained from the city council. In other words, management depended on the goodwill of the majority in the city council. No strong and inspiring leader can survive such an environment. Even if managers were reluctant to play political games, politics entered the company by the back door. All this led to a very means oriented score of 25.

C)

In a means oriented organization, scoring 30, one of the interviewees told us:

“In the morning, after arriving at the office, I take a seat behind my desk, take a pencil, close my eyes, and then drop the pencil on my desk. If it points to the right I will work that day, if it points to the left, I will not.”

This is something which nowadays may no longer happen. This story took place in a utility before privatization. Though an extreme story, it reflects a situation of a state-owned monopoly, in which no one needed to worry about their jobs. As long as one got along fine with management and the colleagues, one could take it easy.

D)

A culture scan was conducted of a unit of the central government. The job of the majority of civil servants in that unit consisted in answering requests from other civil servants about their insurance policy. They had to check extensive laws and regulations in order to reject or accept a request. The civil servants of this unit knew that the law was about to be changed and their work would become redundant. It was yet unknown whether they would lose their job or be transferred to another department. And this was exactly the reason for the culture scan: a high score on D1 would make it more likely that the civil servants would be transferred to another department and given another task. A low score however, would increase the chance that they would be sent home with reduced payment.

The score of the actual culture on D1 was 35. The personnel was upset when they heard this.

We put them at ease and told them that this was a high score, considering the nature of their work. Their work was so repetitive that many of them had a kind of nervous breakdown every 6 months. After staying home for a couple of days, they had gathered enough energy to return to work
The unit was given a new task!

E)

An advertising agency scored 70 on D1. This is a fairly goal oriented, but not enough for advertising agencies. Every assignment sets new challenges for creativity to reach out effectively to the target groups of their clients. This particular advertising agency had been exceptionally successful in the past, and had grown rapidly. Almost imperceptibly, bureaucratic tendencies had crept into the organization, lowering both the score on D1 and its success.

F)

We never expected that a voluntary organization we measured scored 90 on D1. Amazingly high! The volunteers themselves, though, were not surprised. They explained that they would never give up their free time to do unpaid work, if they did not agree 100% with the goals of the organization. What was more, the director was very inspiring and raised the level of their already high commitment.

G)

The ultimate score of 100 of a particular client reflected its attitude of "Reaching our internal goals at all costs". The score of this small-sized company in the service industry was higher than the optimal culture management had set. As there was no external normative window and no safety issues, we advised them to keep things as they were.

Then we were called to step in again, because they were making a loss. Looking closer at the cultural audit, management decided that the loss was not caused by them, but by temporary developments in their niche market that would not last long. And they turned out to be right. Sometimes it is better to sit out a short downturn and upgrade one's performance in the meantime, than changing structure, culture and work processes.

Observation 1: Automation, outsourcing and robots can promote a more goal oriented culture, because they decrease the relative amount of repetitive work. This proves that changes in the way work is conducted ideally need parallel adjustments of culture. A company producing bulk chemicals that wants to change to fine chemicals will be faced with shorter production runs and regular adjustments of machines. Also here, parallel adjustments of the culture towards more goal orientation is recommendable.

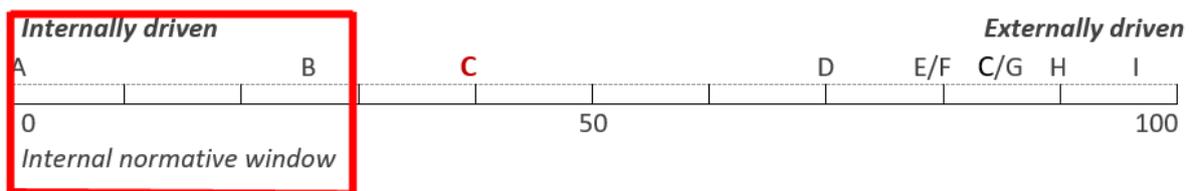
Observation 2: Each organization faces the challenge of being or becoming goal-oriented, within the limits of what is deemed feasible and considering safety and health issues. It is normal that Head Office scores less goal oriented than the operating divisions as the people who work there are further away from day-to-day work reality and more involved with administration and control. Part of this work can be rather repetitive and politics may play a more dominant role in HQ than elsewhere.

Since HQ is assumed to take the lead for the operating divisions, this more means oriented culture can be demotivating for the operating divisions, especially for the managers of these divisions who deal regularly with HQ. One way to overcome this is to keep the size of HQ as small as possible.

3.7.2 Stories about D2: Internally versus externally driven

Diagram 13

D2: Customer orientation



A)

A team of expats in a development assistance program in an Africa country scored 5 on D2, being very internally oriented. Why?

Both donors and expats were convinced that they knew what was best for the recipients. Moreover, the expats working for this charitable development assistance program were highly idealistic and held strong ethical convictions. During the first phase of this program, corruption had occurred. To prevent any further mismanagement of funds, the various donors had imposed severe rules and regulations both on themselves and on the recipient. The idealistic expats were wary to be implicated in any further wrongdoings or to be dismissed and shamed, so they stuck to the letter of every rule. These rules were awfully cumbersome and sometimes even contradictory, as every donor had his own agenda.

B)

Governmental institutes, financed for the full 100% by tax payers' money, can score very low on D2 without necessarily negative consequences. A unit of the police involved in intelligence operations scored 25. Not illogical as they are supposed to maintain the law. A score of 25 may nevertheless be dysfunctional, because it is positioned within the internal normative window. "May be", as a difference of less than 10 points may be insignificant.

The police force in the Netherlands used to score rather customer oriented – perhaps caused by changes in public opinion about the police during the 1960s and 1970s. Authorities and the higher echelons within the police started a drive for more customer orientation, which was successful, in spite of the traditional emphasis on maintaining law and order. But how much customer oriented should the police force be? And what did they mean with customer orientation? That was not very clear. A lack of customer orientation does not necessarily imply that people should be approached in a rude or unfriendly manner.

There was in those days indeed an issue among policemen about “mind your manners”. If the major task of the police force is to deliver services and meet the needs of citizens, they would have been positioned like the service industry: externally driven. But the main task of the police is not to supply services to individual citizens, but to maintain law and order. When this is done properly, the police delivers a great service to the public at large. This can be realized without necessarily being rude or unfriendly.

C)

A financial institution scored somewhat internally driven (40). Top management was aware of this, but did not really care as they occupied a strong position in a niche market. Developments in the market made them rethink their strategy and they decided to expand their presence beyond their home market. In order to remain successful they needed an international department with a strong customer orientation. To achieve this, they located the new international department in a different office. The staff, many of them old-timers, worked in an open office space. In no time, the subculture achieved an externally driven culture of 85.

The research of Geert Hofstede shows that groups of employees are not able to make a distinction between internal and external customer orientation. This implies that if top management wants the service providers who deal with the customer, to be highly externally driven, then all groups servicing them internally should share more or less the same subculture. If that is not the case, it will be hard for the service providers to deliver good service to the customer.

What’s more, if the service providers do not receive proper support from the organization, it will be very difficult to create a highly externally driven culture among them. It is not uncommon that service providers become so frustrated by the lack of in-house support, that they develop a counterculture that scores overly high on D2. That may lead to identification with the customer while denouncing their colleagues. This in turn may escalate in polarization between the service providers and their in-house colleagues.

In the example of this financial institution, management was wise enough to locate the entire international department elsewhere and give them a fairly independent position. In that way a differentiation in scores on D2, internally versus externally directed, was very much feasible.

D)

A utility company scored 70 on D2, nicely externally oriented. During the debriefing with management, the managing director remarked: “We have to become less customer oriented”. We rarely hear such a statement, so we asked him what he meant. He said: “Many of our mechanics go to clients to repair something. While they are there, the client often asks them to fix something else as well. The mechanics do not mind going the extra mile but do not report the additional work so we cannot charge the client for it.”

We commented: “Sir, your company does not score too high on D2, but too low on D3: it is chaos here”.

This was a Dutch company, so the managing director did not mind us being so direct. In other countries it may be advisable to phrase the recommendation otherwise.

Indeed, the company scored very low on D3, but that was not the whole story. When the managing director joined the company he found out that people behaved much too easy-going. So he introduced a time-clock to address this sloppiness. The employees had in no time developed three ways to get around the time-clock and still arrived and left as they pleased. The managing director assumed that the sheer act of installing such a device would make people comply - he never oversaw whether the time clock was used dutifully. Had he done so, then the time-clock might have been conducive in pushing the culture into a more disciplined direction. But his lack of controlling the use of the clock, made the culture even more easy-going. It is not much different from raising children. If the children are naughty and the parents tell them to stop but do not follow up, the children will become even naughtier.

This misinterpretation of the managing director is not exceptional. He identified the problem correctly: the client was not charged for the additional work. However, he fully misjudged the reasons and therefore came up with the wrong solution. A culture scan can help redressing such a situation, provided the model is sophisticated enough to clear up the confusion and the measurements are sufficiently accurate to describe the actual situation properly.

E)

Senior partners of an international management consultancy firm scored 80, i.e. very externally driven, but they rejected this high score right away. They commented that they always took an ethical approach towards their clients and that it was impossible that they scored so high on customer orientation. They would certainly not just do whatever their clients asked them, and would never sell hot air just to please the client. We stood our ground and told them that these findings were not based on our observations or on our interpretations, but on their answers to the questionnaire. A heated discussion between the senior partners evolved and after some time they agreed and commented: "We claim to the outside world that we hold high ethical standards. We may even believe in it. But the competition is fierce in our field and top management is putting us under tremendous pressure to achieve a high turnover, so in the end we do whatever the client expects us to do". The client had learned a lesson, but did not see any option to redress the situation.

F)

The production unit of an international tobacco company scored 80 on D2. This was a very high externally driven score, certainly given that workers never saw a client. This high score reflected of course the overall attitude of the company: "We sell cigarettes to the customer, whether they are harmful or not." We would have loved to scan the culture of the head office, but unfortunately were never invited to do so - probably for good reasons: we might have found a monster score on D2.

It is often assumed that a high customer orientation is always good, but that is questionable.

A culture with the maximum score on this dimension, say between 90 and 100, will enable the following:

- We sell products and services even if we know that they will harm buyers ultimately.
- We fabricate products and services which create dependence.
- We listen to each and every complaint and try to appease the complainant even if costs are much bigger than benefits..
- We sell hot air as it is not our fault that the client wants to be fooled.

All such behavior may be very unethical. For those who do not want to act in bad faith, the challenge is to indicate how customer oriented their culture should be. Without a model that can quantify such concepts and central tendencies, the question remains: “How much more is ‘much more’?”

G)

Back office personnel complained about the enormous workload they had to cope with. A fair number of them were on sick leave with a nervous breakdown. Their problem was that they did whatever their internal clients asked them to do, without questioning the wisdom behind such requests. That resulted in daily overtime and stress. Management concluded that the back office had become too customer oriented, which offended them greatly. First their internal clients complained about their lack of customer support and now management tells them they should take less heed of their internal customers.

Results from the culture scan showed that back office scored 85 on D2. High, but not excessively high considering the environment in which their culture was embedded and the strategic requirements they had to meet. The stress and burnouts were not just the result of the high score on D2, but resulted from the combination with a low score on D1 (means orientation) and a high score on D6 (work orientation). In other words, they could not identify with the goals of the company while a tremendous pressure was exerted to perform. A perfect scenario for a burn out for perfectionists.

H)

The IT department of a bank consisted of two units. Each unit depended on the other, but its two managers hated each other. Each wanted to prove that he was better than the other and they were taking customer orientation as their battle ground. Everyone in the two units was drawn into the fight. Both units scored excessively customer oriented, with scores over 90. Such high scores are uncommon for internal service departments, yet everybody was demotivated. The two managers accepted any assignment although there were no sufficient resources to service the internal clients properly. Quite a number of internal clients turned to outside providers, which made the feud between the two managers even more bitter.

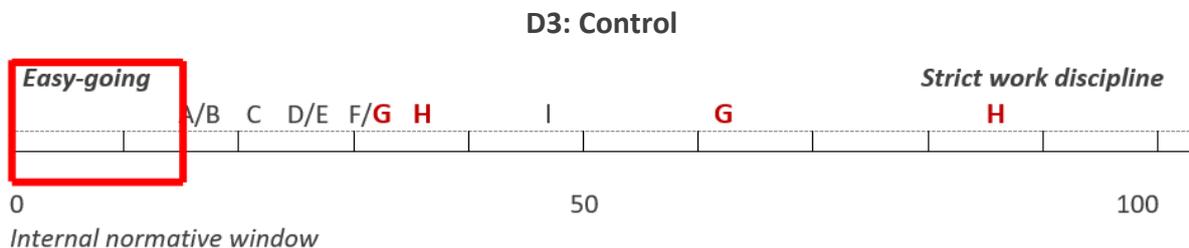
I)

Scores over 100 may be a reflection of “Trying to reach our goals at all costs”. Think of selling articles or services to the client when you know that ultimately, it is harmful. This could be a drug cartel or unscrupulous management consultants. We have to say “could”, as they are not in our data bank, so we have to speculate. Note that these positions are scores running from 0-100 and not percentages. Theoretically scores can be below 0 and above

100. If these are found the actual range of scores have to be adjusted so that they fit again a new scale running from 0 to 100.

3.7.3 Stories about D3: Easy-going versus strict work discipline

Diagram 14



A)

Management of a company producing consumer goods had decided that the emphasis in their R&D lab should shift from “research” to “development”. Until recently, the R&D lab had been successful, as expressed by the many patents the company owned. The problem was that it took too much time - according to top management - to transform innovations into marketable products.

They may have been right, but the “tell and sell” method is normally not effective to change people’s attitudes and behavior. Even after two years, the easy-going subculture of the researchers still supported innovative thinking rather than developing marketable products. The culture scan showed a score of 20 on the easy-going side of D3, while a subculture scoring between 30 and 50 was much more appropriate for an R&D lab developing marketable products. Functional diversity between researchers and developers would have helped in overcoming the resistance to the cultural change introduced by management. Researchers and developers would have felt it “natural” to introduce such adjustments, if they would have been located in different premises.

B)

The backoffice of a tax office displayed a very easy-going work discipline in our culture scan. One of the middle managers disagreed completely with this finding, notably the conclusion that his administrative staff was far from cost conscious. He said he had checked this with his direct reports and they denied that they had given such answers. It was easy to show him that his team had indeed indicated that they were not cost-conscious. “Perhaps”, we asked him, “the way he had confronted his team with how they had filled out the survey, had been quite threatening and so they denied everything in his face”? He acknowledged that this could have been the case, “but”, he said, “we are all very cost conscious”. Probing deeper into the issue, it appeared that he took all the decisions on costs and expenses himself, without consulting his staff. Our comments were: “But then the findings are in agreement with reality. You have not delegated any sense of cost consciousness to your direct reports, so they have described their work reality correctly. If you want to realize strict work discipline it is important to involve them in your costs considerations”. Later on we heard that the CEO was of the autocratic type, and apparently our middle manager had copied this style.

C)

A multinational had set up a subsidiary in the eastern part of the Netherlands, in a former peat bog area. The regional history of deprivation among peat workers and the ribbon villages, built along the canals constructed to transport peat to the cities, meant that the population had less regard for hierarchy and that there was less social control than in villages built around the church.

The company hired a new CEO with a very successful track record in Amsterdam, in the western part of the country. The new CEO thought that work discipline was much too easy-going among the workers. For two years he tried to introduce a stricter work discipline - and for good reasons, but it did not work out. The local people did not hold him in high esteem because of his urban mannerisms and his "autocratic" management style. Having been successful in Amsterdam implied that he could not have been really "autocratic", but nobody had realized that he was almost an expat in his own country. The regional cultural differences are small in the Netherlands, seen from abroad. Yet, small differences can have a big impact if people are unaware of them.

Middle management had been promoted locally from within the company. They related to their colleagues on the shop floor and certainly not to that man from Amsterdam. Middle management acted as an impenetrable layer between the CEO and the workers. A culture audit showed that the CEO was correct. Work discipline was very sloppy among the workers (25). The CEO was replaced by somebody else, who, though not from that region, was able to adjust to the local mores. This new CEO of course, had been informed beforehand about the local attitudes and expectations.

D)

Overall, the culture of the police scores rather easy-going; between 30 and 40. This may come as a surprise, because we associate uniforms with discipline. The work of a police officer is often unpredictable. When on duty, they do not know where the next call may come from. Do they have to quell a riot? Will they have to intervene in a quarrel among neighbors? Will they have to hunt down robbers or will they have to assist in CPR? It is impossible to plan their workday. An easy-going culture is supportive when you have to run and race all day, but it is definitely not helpful when you have to complete office work. It should not come as a surprise that many police officers abhor their administrative duties which are increasing ever more.

E)

We conducted an audit in the centralized warehouse of a supermarket chain - an immense building where employees drove electrical mopeds. When they jumped off, the moped stopped automatically. They would take parcels from shelves according to notes with instructions, a kind of shopping lists so to speak. This was the most monotonous and disciplined work environment we ever saw. The results of the audit surprised us though: 30, very easy-going. We wondered whether our tools were correct, and followed up with in-depth interviews with branch managers of the supermarkets that were serviced by this warehouse, and there the cat was let out of the bag. According to the branch managers, everything that could go wrong did go wrong.

At every turn they received articles they had not ordered or they did not receive what they had ordered. Apparently we had been fooled by appearance. It looked disciplined, but those moped drivers were hard to control and often just did whatever suited them. Many of them were temporary workers. Management knew this but stood empty handed as the trade unions were all-powerful. Among other things, the trade unions did not allow management to introduce personalized instructions to trace the orders. Therefore nobody could be held responsible personally if things went wrong.

Five years prior to our audit, management had made an effort to step up discipline in an unorthodox way. They hired a huge and strong fellow as a foreman, who would roam around the aisles with a fierce dog on a leash. He was able to impose a certain degree of discipline at the price of silent resistance. This was rather costly though, so he was replaced by an intelligent and lenient person. As a backlash, workers felt free to act even more laid back than before the threatening fellow had appeared on stage. Management should have confronted the trade union instead, but they did not dare to. The warehouse no longer exists, and this story certainly contributed to its downfall.

This story may illustrate that management may have to pay a price if it does not take our recommendations to heart!

F)

In a nuclear power plant one expects a strict work discipline. Yet, an audit conducted in a German nuclear power plant revealed that work discipline was rather easy-going (35). That is pretty threatening for everyone living within a radius of 100 kilometers or so. People working in a nuclear power plant tend to be too optimistic, playing down the risk they run, but they are of course not stupid. So, what was up?

Every manager held an engineering degree and everyone was fully aware of the safety risks. These clever engineers were constantly inventing new ways to diminish safety risks. By their behavior they induced others as well to have an inventive attitude: coming up with smart ideas to diminish safety risks. The engineers were continuously busy with devising better or new safety gadgets. It became so to speak, a hobby shared by all and who could deny such an attitude, since safety was the issue, right? But in the process they turned the culture ever more easy-going, they geared it to innovation rather than to realize safety through meticulous control and preventive maintenance.

Our recommendation was to concentrate safety innovation in the hands of a small group, physically disconnected from those being responsible for preventive maintenance and control. And, very important: to locate these inventors far away from the nuclear power plant so that no cultural “contamination” could take place.

G)

In an exceptional case, we found senior management having a strict work discipline, while the workers in one of their factories displayed an easy-going culture (35). Considering the nature of the work, one would expect the reverse. The higher levels tend to have a more easy-going work discipline, because their work is less predictable.

Senior and top management should have a helicopter view - they should not micromanage, and this high score might well point to a dysfunctional culture. Although the scores were not positioned at extreme poles, they deviate strongly from the optimal scores one would expect considering the work requirements of the various hierarchical levels.

The CEO thought, and rightly so, that work discipline on the shop floor was too easy-going. Instead of supporting senior management to initiate a stricter work environment on the work floor, he imposed a strict culture on his senior managers. The senior managers did not tell the CEO that his approach was wrong yet resented the strict work discipline imposed on them. That blocked them emotionally to promote a strict work discipline lower down in the organization.

H)

A large factory of a Japanese firm, producing for the European market, is located in Germany. Though the items are produced in huge quantities, every separate item should function properly in the hands of consumers. This requires a strict work discipline. The actual culture in the factory was much too easy-going (40). The loose work discipline showed in the percentage of rejects and failures of the items coming from the production line. The combined German/Japanese management had tried everything to decrease the wasteful rejects, but to no avail.

Japanese management complained bitterly about those careless Germans. Germans are not often perceived as careless, so this finding came as a surprise. The national culture of Japan is reflected in a disciplined life and work style. Seen from a Japanese perspective, the Germans may not be very disciplined, contrary to how other nationalities perceive the Germans, yet the degree of rejects was also high by German standards.

After the quantitative data collection we conducted in-depth interviews and discovered why people in the factory worked rather sloppy. Japanese managers acted as if they were in Japan. After work they came together to discuss matters in Japanese. The Germans felt excluded, even more so because important decisions were taken by HQ in Tokyo, and this was reflected in the high score on D5 (open versus closed). The German subsidiary was required to report in Japanese to Tokyo and the consequence was that a Japanese employee lower in rank than a German senior manager had to do the reporting to HQ in Tokyo. The German managers had no control whatsoever over the reporting of their Japanese subordinates to Tokyo. German workers in the factory resented this Japanese way of doing things and reacted by behaving very, very laid back. Only when the Japanese CEO, to whom this was the first time abroad, had been replaced by a Japanese CEO who had accumulated experience in many countries, including Germany, was this trend reversed. He decided that the Japanese expats had to include their German colleagues in the meetings and decisions, whether formal or informal. It was then that German managers learned how much was actually decided by HQ, much more than by the Board of a German multinational. They had initially assumed that their Japanese counterparts were incompetent, because they took an inordinate amount of time to reach a decision. The Germans had no idea how many rounds of discussions had to take place between their Japanese colleagues in Germany and HQ before HQ took a decision.

After work relationships between the Japanese and the Germans improved, work discipline also recovered, because after all it makes sense to avoid rejects and failures especially in their case.

The only group that scored very disciplined (90) right from the beginning until the very end was the quality control group. They were managed by a Japanese who enjoyed working in Germany and who had learned German. Many Japanese expats either deplore their stay abroad or love it so much that they prefer to remain abroad. This Japanese manager belonged to the latter group. His German team members did not feel excluded, they acted disciplined by nature. Their high score on this dimension was supported because they opposed the laid back attitude of their compatriots, which led to so many rejects and failures.

I)

At the request of management we conducted a cultural audit at head office and one of its technical division. Both at HQ and in the technical division we found a score of around 50 on D3. Most people working at HQ were secretaries, administrative assistants and bookkeepers. Most people working in the technical division were mechanics, who had to fix technical problems at the sites of business clients. Employees at head office found the culture too strict, while the mechanics found the culture too easy-going.

At head office, the boss was never far away and could check up on you by looking over your shoulder. The mechanics had to do their work independently. They were not always sure whether they had done a good job or not. They lacked standards to assess their work objectively. Control is normally associated with a boss controlling his direct reports. That does not need to be. Control may also be internalized, under the condition that smart standards exist, allowing employees to auto-assess their work.

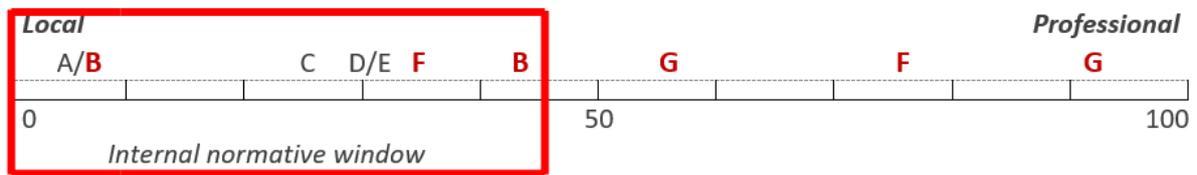
It was therefore decided that the score on D3 in HQ had to be decreased whereas in the technical division it had to be increased.

We hope to have demonstrated that functional diversity is most frequently detected with dimension D3: easy-going versus strict work discipline. Even if it is not detected, it may be well worth considering creating diversity among different subcultures, in order to achieve the objectives effectively. D3 is, of all dimensions the most closely related to "the way we do our work here". Work requirements may differ enormously per function group and per hierarchical echelon within one and the same organization. Are people working on call, do they have to be innovative, should they be proactive? Or should they instead execute their work in a carefully planned, meticulous and cost efficient way? If this is the case it is best to create functional cultural diversity.

3.7.4 Stories about D4: Local versus professional

Diagram 15

D4: Social control



A)

Let's return to our pretender to the throne, the dominant manager who wanted to occupy the seat of the CEO (story A under Dimension 1). He was a very powerful man, both literally and figuratively, and was running his fiefdom with a firm hand. No one outside his Sales Department was allowed to make even the slightest suggestion to what he should do or not. Cooperation between him and the ones he needed most outside his own department, the people from Back Office, was more than problematic. His team members liked him and feared him at the same time. He could be amicable, but could also scold you in public, especially when he felt you had not have served him loyally. But no matter what, he always defended his people against the rest of the world, be it the other departments or the world outside. He had composed his management team in line with his image. They too did not accept any interference from outside and looked down on those 'suckers' working in the Back Office, whereas they went out into the real world to make money.

The subculture of his management team scored 10, exceptionally local. Without the monopoly the company held, they would have gone bankrupt long time ago. The friction between Sales and Back Office came at a high price, which could have easily been avoided if the culture had enabled a smoother cooperation. Fortunately, the precarious situation was redressed to a great extent with our help.

B)

A platoon on the battlefield most likely displays a very local subculture. To face the threat and dangers of a combat and to be motivated to enter a fight from which everyone else would try to dodge, demands unquestionable loyalty among the members of a platoon. War movies often emphasize the attitude of "us against the rest of the world", and though exaggerated for the sake of rating, also in reality strong bonds are forged in such extremely threatening situations. Scores on D4 between 0-20 can be expected.

A high-ranking echelon of air force officers participated in a culture scan some years ago. Their subculture scored 48 in peacetime, which is in line with their high ranking and education and the sophistication of technology in the air force, yet lower than similar civilian groups of high level engineers. These local military cultures demand a different strategy to motivate military personnel from various countries to engage successfully in peacekeeping missions.

C)

Results achieved in the past do not guarantee future results. A manager with an excellent track record may not automatically be able to extend his past successes to his new position. In a different environment with different demands, his new function may be beyond his competence level to manage larger groups and assume more responsibility. Assessments centers and coaching can certainly decrease the risk of a mismatch, but on from certain management levels upwards, it is assumed that assessments and tests are no longer needed, especially not when it is not a new hire, but a “home-bred” executive.

It is not easy for a manager who works above his competence level to acknowledge that he is not good enough for the job. Promotion is normally accompanied by a substantial increase in salary, status and power and stepping down means losing all these perks and admitting that “I was not up to standard”. Anxiety slowly creeps into the victim of his own ambitions. The fear that others may see him as he is, creates an emotional war zone. He may start to act like a sergeant commanding his platoon and demanding unquestionable loyalty. Criticism or even a hint of doubt by his reports, may be perceived as a personal assault.

Managers who complain about their direct reports, may be positioned above their level of competence. It is easier to belittle your team than to admit that you are not good enough. Instead, it would be better to blame the superior executive - if there is still one - who did not supply sufficient support to learn how to handle a more demanding job.

D)

The top manager of a financial institute rightly assumed that his organization was not professional enough to ward off competition. The culture scan showed an average score of 35, with all groups scoring more or less on the local side. The top manager had started his career many years ago in that financial institute and had worked himself up from the bottom ranks. He wondered whether he was the cause of the local culture. I did not have the answer at that moment, but two weeks later I did, when he told me over the phone that he had fired one of his two deputies and was about to employ somebody who was 100% loyal to him. So I broke the message to him that he was indeed one of the causes, if not the cause. During our conversation, I asked him: “Why do you emphasize loyalty so much? After all, you are the CEO and so you are in control anyway”.

He appeared to be able to reflect about himself in an objective way and said that the root of his quest for loyalty was laying in his youth.

It emerged that it was very difficult to change his management style because:

- He was part of the company for many years and had turned the company into a success.
- His leadership style had permeated the organization. Many people liked his style and those who did not like it had already left a long time ago.
- He complained that his reports did not take enough initiatives, but repeatedly took away their responsibilities and put them on his own shoulders.
- He was charming and showed attention to his people, as long as they gave him their unquestionable loyalty.

Being a brave man, he followed our advice and left the company.

E)

The police in the Netherlands have a rather local culture, with a score of 30-40. Police officers face the dilemma of being courteous and helpful to civilians while catching criminals. They may face harassment or scolding from the public and have to enter threatening street scenes. Reliance on your colleagues is therefore paramount. The social control that arises from their specific culture, may turn small variances in dress code and behavior between police stations emotionally into “big differences”. People who dress, talk or look different may experience rejection from an inner circle who share many commonalities. Outsiders can have a hard time feeling at home and receiving the same level of support and reliability from their colleagues.

This makes it hard, but certainly not impossible, to diversify the police. Police officers themselves certainly recognize the added value of diversity in the corps. But it is key to deal simultaneously with the concept of security and trusting your colleagues.

F)

In a company producing supplies for farmers, a unique picture emerged from the cultural audit.

The scores on dimension D4 are constructed by the average responses to ten questions. This company showed strong social control (35), which is a sign of a local culture, but simultaneously a highly professional culture (80) based on the responses related to an outward looking attitude.

The average score of all answers was 55. The split between the responses on social control and an outward looking attitude pointed to a unique history with unique traits.

Management at first rejected the average score of 55 and claimed their company endorsed a truly professional attitude. Closer analysis revealed the following: The company had invested a lot of money, time and energy in becoming a more professional organization. For example, assessment centers had replaced intuitive reasoning in recruitment and selection processes. Candidates were selected in a very professional way, but at the end of the day these assessment centers were used to select people “like us” they acknowledged.

In the early days of the company, the late founder, “Uncle John”, used to stand at the entrance gate of the factory early morning to supervise the timely arrival of the workers. Those who were on time received a cigar from him. Management concluded that the culture change had come a long way, but so far failed to overcome the spirit of their deceased founder which was still lingering on.

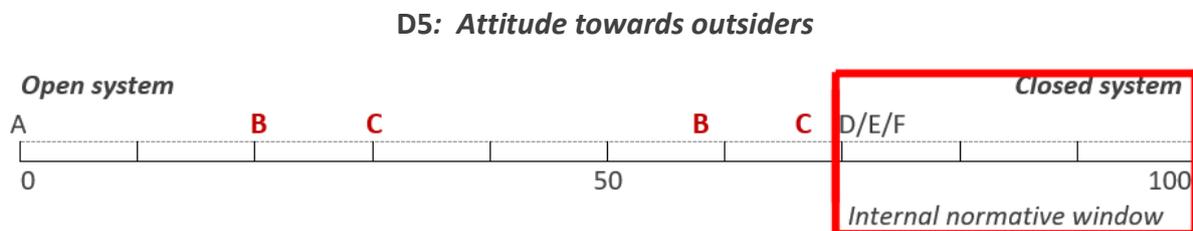
G)

Professional groups, such as those doing research in Research Labs and universities ought to display a very professional culture and score high on D4. However, universities often have a less professional culture than could be expected. A lot has been written about this phenomenon. Professors with an outstanding scientific performance, do not want to be bothered by administrative chores. Professors who are less apt at science and publishing, can cover up by emerging in administrative and managerial tasks, including funding control. In a truly professional culture, funding is based in the first place on merit, while in a local culture, funding is also based on connections.

Universities that are recognized centers of excellence have taken up this gauntlet and turned their culture into a professional one.

3.7.5 Stories about D5: Open versus closed system

Diagram 16



A)

A senior manager responsible for a number of factories was excessively talkative, to the point where it became embarrassing. Even during our consulting sessions, which were charged per hour, he did not stop telling me about his wife, children and the car he had bought. To his team members, he used to gossip about top management. Not out of malice, but just because he was a chatterbox. He wholeheartedly supported us in conducting cultural audits in factories under his authority, but opposed to a cultural scan that covered him and his management team. Top management imposed the culture scan on him, they might have been just as curious as we were about the level of openness in his team. The subculture of his team scored 0 on D5. Our chatterbox was very pleased with this extremely open score of his team. A subsequent open information exchange with his team took place, who for the first time felt that they could question his talkative attitude, pointing out the repercussions for the people with whom he interacted and the confidentiality of information in his hands.

A Brit once remarked about the Dutch that they have a stream of thoughts passing through their head and at the moment it passes their head they must utter it. You might conclude that the protagonist of this story must have been Dutch. But in the case of culture: “never say never and never always”. This story did not take place in the Netherlands, the protagonist was not Dutch and the multinational was neither Dutch nor located in the Netherlands.

B)

An international construction firm where we conducted a culture scan in the late 1980s, displayed a very open culture. It sounds unheard of nowadays, but you could just walk into the HQ building of the firm, without any appointment or without passing security checks. In between two of my visits industrial espionage had taken place. For the first time, strict safety procedures were imposed and over the years, the culture moved to a pronounced closed culture, where secrets were guarded and visitors checked.

C)

It is not uncommon to find a more closed culture in the lower echelons and a more open one at the top. Top management controls the information flow and has a better overview of what the future holds in stock. The lower echelons may feel somewhat insecure, certainly in times of crises or fast changes. They feel that they do not receive sufficient information from the top. Interestingly, these feelings do not necessarily disappear if management gives more openness about its plans. But on two occasions the cultural audit indicated that the lower echelons were far more open than the top. An analysis can then reveal whether it is necessary to take action or not.

Case 1:

In a factory in the South of Belgium, top management had a fairly closed culture and the workers in the factory a fairly open one. The workers successfully kept management at bay. Part of the machinery was very sophisticated with thousands of options. Only machine operators who had completed at least 3 years as assistant machine operator could handle them. There was no way management could tell whether a machine was on periodical maintenance or whether they were taken for a ride. The relationship between management and workers had soured for a long time. Quite a number of workers had been laid off owing to automation. No money had been invested in employability nor did the laid-off workers receive any support. A powerful radical trade union stepped in and obtained informal control over the shop floor through some of its members. Management was therefore no longer in control of what happened on the factory floor, and the owners, a multinational firm, held the option for closure open. Factory management refrained from intervening, fearing that the workers then would go on strike, led by prominent members of this radical trade union.

Our culture scans showed that the silent majority feared that the factory would be closed down and were in fact, suffering by the uncompromising stance of the radical union. The culture scans gave management a tool to intervene and dismiss two agitators. Contrary to what they had feared – and predicted by us - people did not go on strike. The culture scans allowed to streamline production and motivate workers in such a manner that profits rose, and employment could be guaranteed.

Case 2:

In an intra-mural mental health institute, the professionals looked after their patients as parents look after their children, for 8 hours a day. The team members were very involved with one another and with the patients. Their subculture scored very open whereas the subculture of management scored closed. The professionals were much more senior than the managers, who had only joined the institute a couple of years ago. The professionals considered themselves the experts and were reluctant to accept anything from management. They held a lot of informal power, exacerbated by the shortage of good mental health professionals in the labor market.

A new round of economic downsizing from the government implied heavy budget cuts in the mental health sector. Management of this particular institute was unable to increase efficiency, no matter what they tried. Only after they involved the health professionals fully, could they comply with the demands from the government.

D)

A governmental unit located in a freestanding building scored very closes (70). When our team visited them for the first time, they were unable to find the entrance. After walking around the building for the second time, they noticed an inconspicuous staircase that led to a small door. In this particular case the closedness of the culture was perfectly symbolically reflected. This governmental unit was designated to process sensitive information, which should not fall into the hands of outsiders. The civil servants working there had no interference with outsiders at all. The closed score of 70 was a functional one.

E)

A multinational trading company that took part in the original research, displayed a closed culture (70). During the debriefing to the Board, one of the members wanted to say something, but before he could do so, his colleagues said: "You are new here, so better don't ask any questions". He dutifully complied and kept his mouth shut. During the lunch one of our colleagues asked him when he had joined the company. His answer was: "Ten years ago".

In this company, people would join at the age of 18 and then slowly climb the ladder. Only in rare cases were people with a university degree attracted, such as a controller or a legal counsellor, and they would be met with suspicion. This culture scan took place over 30 years ago, but the company still espouses a closed culture and is very successful. The founder preferred to work with youngsters so that he could form them. In addition, its main activities do not require a lot of interaction between employees and outsiders. Clients were not negatively affected by the closed culture.

F)

Anxiety in an organization correlates with the scores on this dimension. The managing director of a NGO (70) was extremely competitive and reigned with a firm hand. He took all decisions by himself. An interviewee vividly expressed this during an in-depth interview: "There is a circle of fire". You are either in or out that circle. But even inside this circle you don't know what the managing director is up to. Employees spend a lot of time on second-guessing. In this case, the score was a very dysfunctional one.

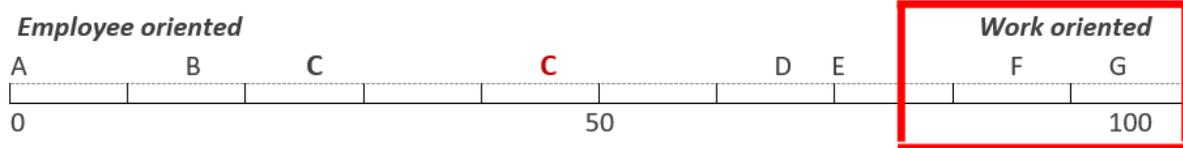
Observation:

Most people prefer an open culture. This is not strange, as in that case newcomers are made welcome, an open door policy exists and it will enable managers to support their direct reports in doing a good job. Managers are also more willing to listen to problems encountered either in work life or in their social life. Nevertheless, there may be reasons to create a fairly closed culture, for example to protect confidential information, or to shield intellectual property rights to maintain a competitive advantage. New EU regulations put heavy sanctions on not complying with strict protocols to protect personal data. Given people's preferences, it is wise to limit such confidential information to the smallest group possible. For such groups a closed culture can be created, whereas the rest of the organization can then keep an open culture. Again, this is a plea for functional diversity, if so required instead of one size fits all.

3.7.6 Stories about D6: Employee versus work oriented

Diagram 17

D6: Management philosophy



A)

The organization in our databank which scored very goal oriented (+D1) happened also to score the most employee oriented with a score of 0. We emphasize this here, because many managers think that an employee-oriented culture is soft and therefore no good. Forbes Magazine organizes an annual contest called, "The best employer of the year" in the USA. When checking the list, it is clear that most employees only put their employers forward as potential winners when they take co-responsibility for their welfare.

This does not imply that low scores on D6 are by definition functional and high scores on D6 by definition dysfunctional. For the consequences of combinations of scores on D1 and D6, please see section 3.7.3. In this particular case the culture of the department of an airline company enabled work motivation to the highest degree possible. This refutes the general notion that an employee-oriented culture is soft and therefore no good. In section 3.7.3 we will explore the combination of a goal orientation (D1) with an employee orientation.

B)

In a multinational based in over 50 countries, the factory with the highest productivity also scored the most employee orientated. This specific factory was headed by a managing director with a HR background. His managing colleagues of the other factories all came from a financial or engineering background and were surprised to learn that this former HR manager was most successful.

It shows once again, that employee orientation does not impact productivity negatively. What it does is that it strengthen stay motivation. High productivity is enabled by goal orientation (D1) and a professional culture (D4). In times of crisis and for a limited period of time, a dedicated work orientation may also lift productivity. Unless the employees are a bunch of tough cookies who value work over a social life, and display what is also called a "strong work centrality", taking co-responsibility for employees' welfare has a positive impact on their motivation to stay on board.

C)

In a retail and trading company the optimal culture as set by management coincided with the actual score (45, just on the employee oriented side). But considering the future challenges on the labor market, the CEO decided to make his company more attractive to qualified young people. The company was operating in a growth market and the type of activities they would be involved in might not appeal to young graduates. In other words, he opted to market the company's image as a desired employer, by boosting its employee oriented culture. They are well on track to become more employee oriented - something most employees prefer.

D)

In a multinational company, employees described the work pressure as overwhelming. They pictured a marked imbalance between work and private life where personal issues were never taken into account. Yet the cultural audit showed a score on D6 of 60. This is on the work-oriented side, but not extreme. There seemed to be a discrepancy between reality and perception. One of the core values that was constantly repeated said: "We guarantee a balanced work life". But in reality, leaving the office before 8.00 pm was considered a bad career move. It was this discrepancy between what was said and done that made people feel pressurized much more than they actually were. As an example, if employees had to look after their partner or children in crisis situations they could stay home.

A proper cultural audit describes work reality as it is and not how it feels. The latter is the domain of labor satisfaction surveys.

E)

If a culture is both very work oriented (D6) and very means oriented (D1), the risk for burnouts is high. In such a culture, people are put under pressure but the culture hinders them to identify with goals and objectives of the company. They are put under pressure without a cause.

Many years ago we conducted a repeat audit in a company covering seventeen different units. We reported one unit as a potential high risk unit for burnouts. That unit scored substantially more means oriented (D1) and more work oriented (D6) than the other units. During the debrief with the management team, one manager was missing: the manager who was heading that particular unit. He was staying at home with a nervous breakdown. The managers present thought that we knew this beforehand, but that was not the case.

F)

An organization in the field of development assistance had a highly dysfunctional work-oriented culture, scoring even within the internal normative window. The managers told us that the staff was so committed that they never refused extra work. The CEO went even further to say his team regularly asked for more work. In reality, people did not dare to say "no" to extra work. There was of course no one walking around with a whip but every interviewee highlighted this excessive work orientation in one way or another. People made themselves small and suffered in silence as they were well aware that the CEO used several people as his eyes and ears.

People stayed on because they were passionate about their work for development assistance. It was challenging and took them to exotic places far away from the office. Others were foreigners on a temporary residence permit in the Netherlands, a country they enjoyed. Leaving the organization meant leaving the Netherlands, as their residence permit depended on their employment. In other words, they were prisoners in a golden cage with an open door.

G)

Extreme work orientation is only feasible for restricted periods. When bankruptcy looms for example, it is a matter of all hands on deck. In such situations it is not management putting people under pressure but rather the context. If there is light at the end of the tunnel, people can bear hard work and no play for a limited period.

Extreme work orientation for prolonged periods of time is a reflection of human trafficking and slavery. It is unlikely that in such situations we will be called in to assess the culture of organizations involved in such inhumane activities.

Observation:

Some of the stories above imply that change can be relatively easily realized on D6. This is indeed the case. Moving towards the work oriented side can happen quickly in times of economic hardship. Moving towards the employee oriented side can also be realized quickly as long as sufficient trust in management exists. Whether cultures can be changed quickly depends on the dimension involved and the context in which people have to operate.

3.8 Typologies or combinations of dimensions

One way to structure reality is to classify cultures in different typologies. A famous typology comes from Charles Handy: Power, Role, Task and Person. Typologies may help to instill awareness that organizations are characterized by different cultures. But such typologies are far too simple to serve as a tool of analysis. Let's explore the complexity of groups of people.

Boulding⁶ designed a system of systems, in which systems are categorized according to their degree of complexity.

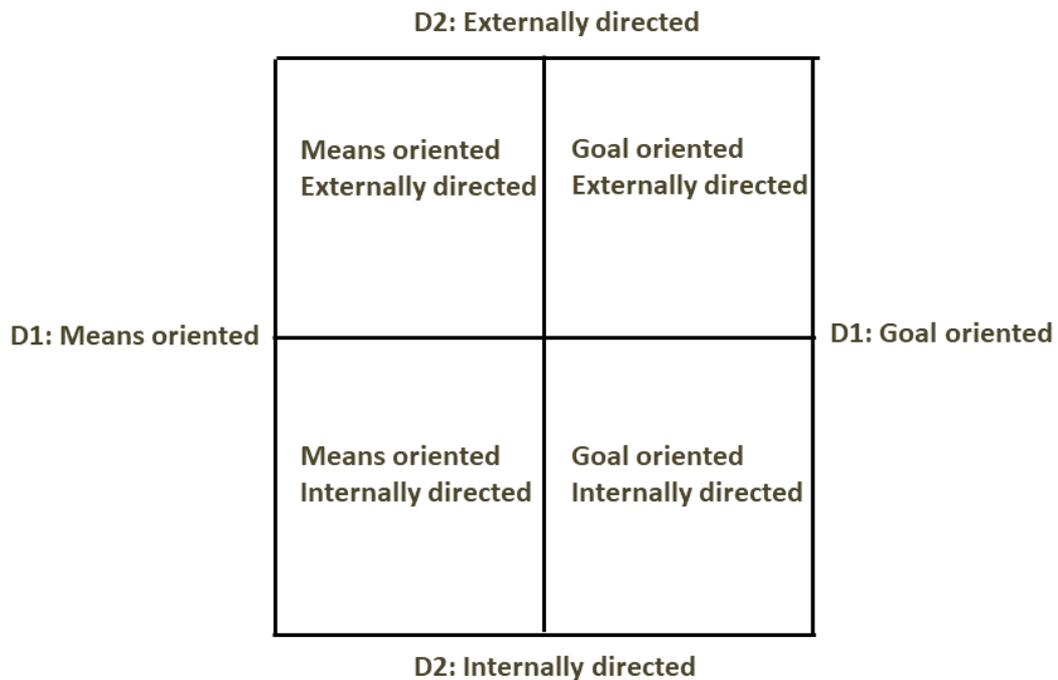
- | | |
|----------------------------------|--|
| 1. Frameworks | Comprising static structures such as crystals and stones |
| 2. Clockworks | Simple dynamic systems with pre-determined motions such as clocks and the solar system |
| 3. Cybernetic systems | Capable of self-regulation with an externally prescribed target such as thermostats |
| 4. Open systems | Can maintain themselves through exchange of resources with its environment such as a cell |
| 5. Blueprint-growth | Can reproduce themselves through seeds or eggs |
| 6. Internal-image | Have (detailed) awareness of their environment such as animals |
| 7. Symbol processing | Self-consciousness systems using language; humans and animals such as apes, dolphins and elephants |
| 8. Social systems | Actors at level 7 who share a common order and culture |
| 9. Transcendental systems | Everything that transcends human understanding |

Already a cell is an extremely complex system as on-going research is showing. That is just on the 4th level of complexity. This book describes social systems, being infinitely more complex. To make sense of such systems it is wise to make use of models. The art of developing a model is to steer a middle course between oversimplifying and overcomplicating. That is exactly what Geert Hofstede did.

We could of course think up typologies using the 6 autonomous dimensions. If we combine two each time, we can draw up 15 diagrams with 4 quadrants, creating 60 typologies. Have a look at the combination of D1xD2 below.

⁶ K.E. Boulding, 'General systems theory: The skeleton of science', Management Science, 1956.

Diagram 18

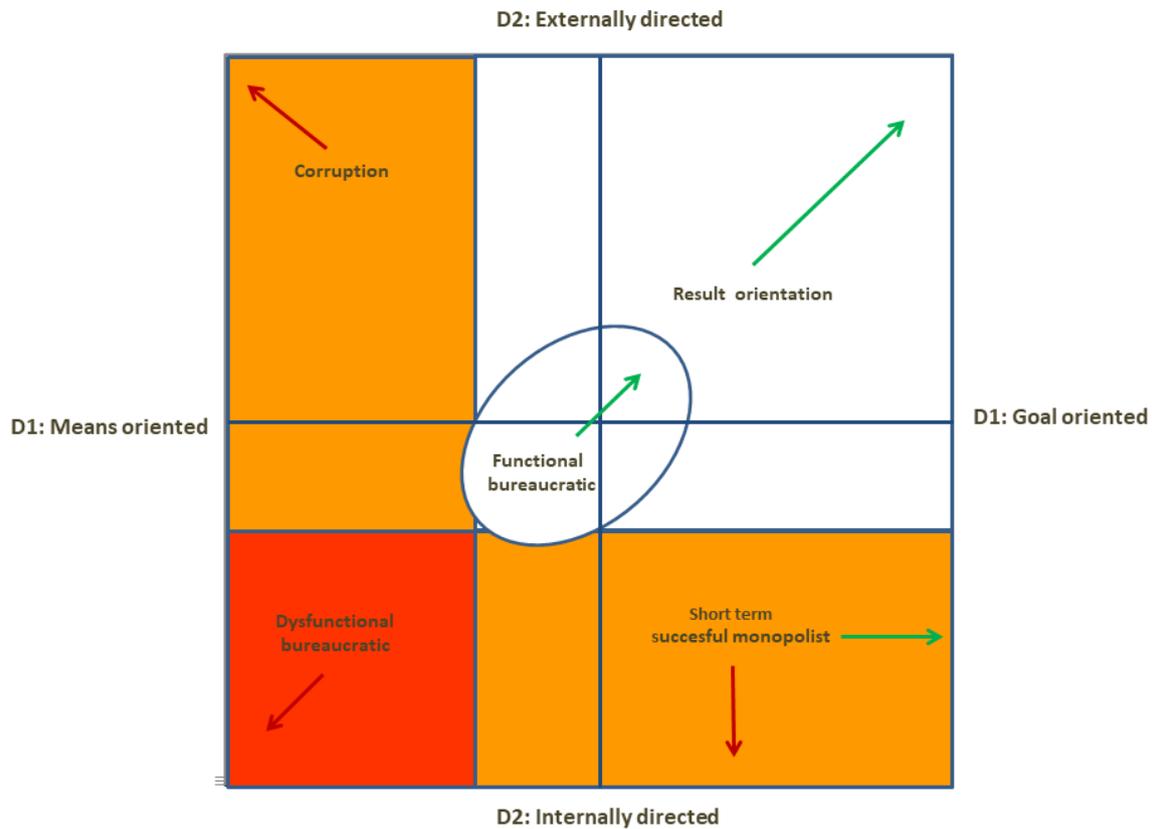


If we add the 2 semi-autonomous dimensions and the homogeneity of a culture (strength or weakness), adding up to 9 variables, we can draw up 28 diagrams with 4 quadrants, that makes 112 typologies. We will spare you these 112 typologies. Apart from being too many to deal with, they still leave out salient information.

Moreover, to give a good picture of a culture, two dimensions do not suffice. We may need 3 dimensions to explain and analyze a specific feature. In theory we can then create 219 additional diagrams. A combination of 3 dimensions can still be plotted, but plotting 4 or more dimensions gives a graphical mess.

So let's forget about typologies, and provide descriptions of features that can be explained through combinations of dimensions. For visual purposes we return to gliding scales running from 0 to 100 on which cultures score.

Diagram 19



How to interpret the diagram:

- The diagram is divided into four quadrants. The upper right hand quadrant is number one, and so on clockwise.
- Quadrant 1 depicts a culture that scores goal oriented and is externally driven, even more so towards the upper right hand corner, and less so towards the center.
- Quadrant 2 depicts a culture that scores goal oriented and is internally driven, even more so towards lower right hand corner.
- Quadrant 3 depicts a culture that scores means oriented and is internally driven, even more so towards the lower left hand corner.
- Quadrant 4 depicts a culture that scores means oriented and is externally driven, even more so towards the upper left hand corner.
- The internal normative windows are in orange. The left hand orange band represents the internal normative window on D1, and the bottom orange band represents the internal normative window on D2.
- The red square shows the overlap of the two internal normative windows.

Quadrant 1:

A goal oriented and externally driven culture will support the successful realization of internal and external goals, especially if the culture is located towards the upper right hand corner, in the direction of the arrow. It is not always wise nor allowed to go for the maximum score of 100. Goal orientation (D1) has its limits when safety comes into view. The degree of external drive (D2) may be limited by rules and regulations imposed by authorities. Goal orientation (D1) plus external driven (D2) are often referred to in management literature as result driven. Its opposite is process driven. In general, the challenge for a company is to be more result driven than its competitors, that is, more goal oriented and externally driven, without crossing into the danger zone of their external normative windows. Note, that the external normative windows have not been plotted in this diagram. Whether they exist in a particular situation and the size of them depends on the context in which a culture is embedded.

So, does this mean that organizations can only survive in the long run if their culture is located in Quadrant 1? Not necessarily, although the other three quadrants all contain a fixed dysfunctional area: the internal normative window.

Quadrant 2:

Organizations in this quadrant display a goal oriented and internally driven culture. Let's first explore the consequences of such a culture for companies. If a company occupies a strong position in the market, an internally driven culture will not have too many negative repercussions. When such a company does not need to spend a lot of time and energy on pleasing the customer, it can be very successful financially, notably when its culture is located towards the right (goal oriented).

If the culture is located in the orange band, it displays a dysfunctional culture where employees may focus too much on complacency, just for the sake of following the rules. Companies that find themselves in this quadrant, can obtain and safeguard a strong position in the market by:

- Innovations protected by patents and intellectual property rights;
- Economies of scale, although competitors may quickly catch up by mergers and acquisitions;
- A monopolistic position granted by central government;
- Creating cartels. Though a widespread practice, this is normally against the law.

No matter how strong the market position of a company is, other parties will always try to enter the market, attracted by the financial gains of the dominant player(s). Monopolists or oligopolists should fear the moment when their products or services are made obsolete by newcomers who enter the market with cheaper solutions, more interesting solutions or better services.

This quadrant is equally valuable for not-for-profit organizations. A criminal investigation department should score somewhere in the white band of quadrant 2. Detectives are supposed to be very successful at catching criminals, while enforcing the law. Religious groups usually have a strong sense of ethics and can simultaneously successfully achieve their objectives, for example, by growing the number of adherents or collecting donations.

Quadrant 3:

In this quadrant cultures score both means oriented and internally driven, the more so the more cultures score towards the lower left hand corner. In quadrant 3 cultures are positioned according to their bureaucratic nature. Bureaucracies can be either functional or dysfunctional, depending on their role in society. Functional bureaucracies are characterized by being part of government while complying with the expectation that citizens are treated similarly in similar situations at least in countries having an individualist culture. In other words, functional bureaucracies are exempt from preferential treatment and nepotism in such countries. Functional bureaucracies are not only positioned in quadrant 3, but they are anyway positioned somewhere in the middle of this diagram.

Dysfunctional bureaucracies are located in the red square in the bottom left hand quadrant. Cultures positioned here reflect an emphasis on following the rules, even if this may hurt the realization of the professed objectives. In all such cases people have a hidden agenda. Examples of hidden agendas in these cases are:

- Realization of short term personal advantage, harming realization of long term success of the organization. An example is the bonus system used in most banks, which created the banking crisis in 2008
- Retribution for injustice committed by management. One way for employees to act against management in an elusive way is by following “stupid” rules
- Appeasement of the outside world. Private development assistance organizations for example, which are partly dependent on governmental donors will often try to please these donors more so than their beneficiaries in the Third World. Governmental donors will impose a lot of requirements regarding formulation of proposals, type of activities for which the money may be spent and rules of engagement – all of which these organizations have to follow. In other words, governmental donors impose their bureaucratic procedures on organizations which are involved in totally different activities such as grass-root activities.

Example:

The ministry of development assistance in a European country, here called donor ministry, asked us to scan the culture of one of its departments and of their counterparts at the ministry in an African country. Data collection at the donor ministry was quickly done. But the Secretary General of the ministry of the African country was not enthusiastic about the project, to say the least, when we visited him. After all, the results of the cultural scan of his ministry would go to his counterparts in the donor ministry, but not the other way round. Our proposal then was that he should only go ahead if his counterparts in the donor ministry would give him their results. This made him change his mind and he went along with the measurements.

The results of the cultural scans shocked the Europeans: their culture was located in the dysfunctional area in the third quadrant, while the culture of the African ministry was located in the first quadrant. The Europeans reacted: “How is this possible, there are female civil servants in the ministry knitting under work time to make an extra buck”. To us this was not a proof of ineffectiveness, but rather of the low income of civil servants in that African country, that they complemented. It did not affect the work of the ministry, so why bother?

The Europeans decided that they would not share the results of their culture scans with the African Secretary General. This was, sad but true, totally in line with their means oriented culture: they did not keep their promise.

Quadrant 4:

Here we find cultures that score means oriented and externally driven.

Citizens all over the world expect a service oriented attitude from their government. But how client-oriented can and should a governmental bureaucracy be? Without a proper tool of analysis, it is easy to exaggerate the drive for customer orientation by which pleasing citizens becomes the norm. That may lead to unequal treatment of citizens, who in turn may have steeply raised expectations and become discontent when these expectations are not met. We see this nowadays in citizens who harass counter clerks at the social security, firefighters or ambulance personnel to get their way.

Example:

The commander of a regional police department had made customer-friendliness part of his credo. From the culture scans it emerged that the majority of the officers supported this focus on customer-friendliness, with the exception of the detectives. They wanted to catch criminals. To them, the call for customer-friendliness was not in line with the public call to cut back crime.

The police should be normative and enforce law and order. A culture too much oriented to please citizens, can lead to a pragmatic and flexible attitude. Given the discrepancies between financial remuneration of policemen and the benefits criminals may obtain, it may induce at least a number of policeman to turn a blind eye to corruption. It may even induce them to go down that path themselves. After all, are they not supposed to be flexible and pragmatic, characteristics of a very externally driven culture? At the same time the means oriented attitude may induce them to keep a hidden agenda.

Example:

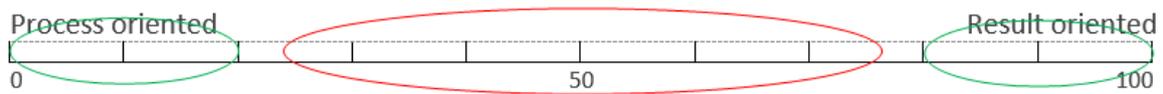
The Ministry of Finance in the African country of the previous example, allowed us to measure their culture. Here, we expected, or at least hoped, to find a strong ethical code to which the civil servants adhered. The culture of this ministry however, scored high up in quadrant 4: a clear client focus combined with a means oriented culture. It was clear that the organizational culture of this ministry was dysfunctional and most likely enabling corruption.

Reflections about process versus result orientation

You may recall that the professional literature talks about a process oriented approach versus a result oriented approach. The research of Geert Hofstede has refined this concept and shown that this is a combination of the two autonomous dimensions D1xD2.

Let us compare a culture scan which uses just one dimension: process versus result orientation in which our two dimensions: D1: means versus goal orientation and D2: internally versus externally driven, have been integrated.

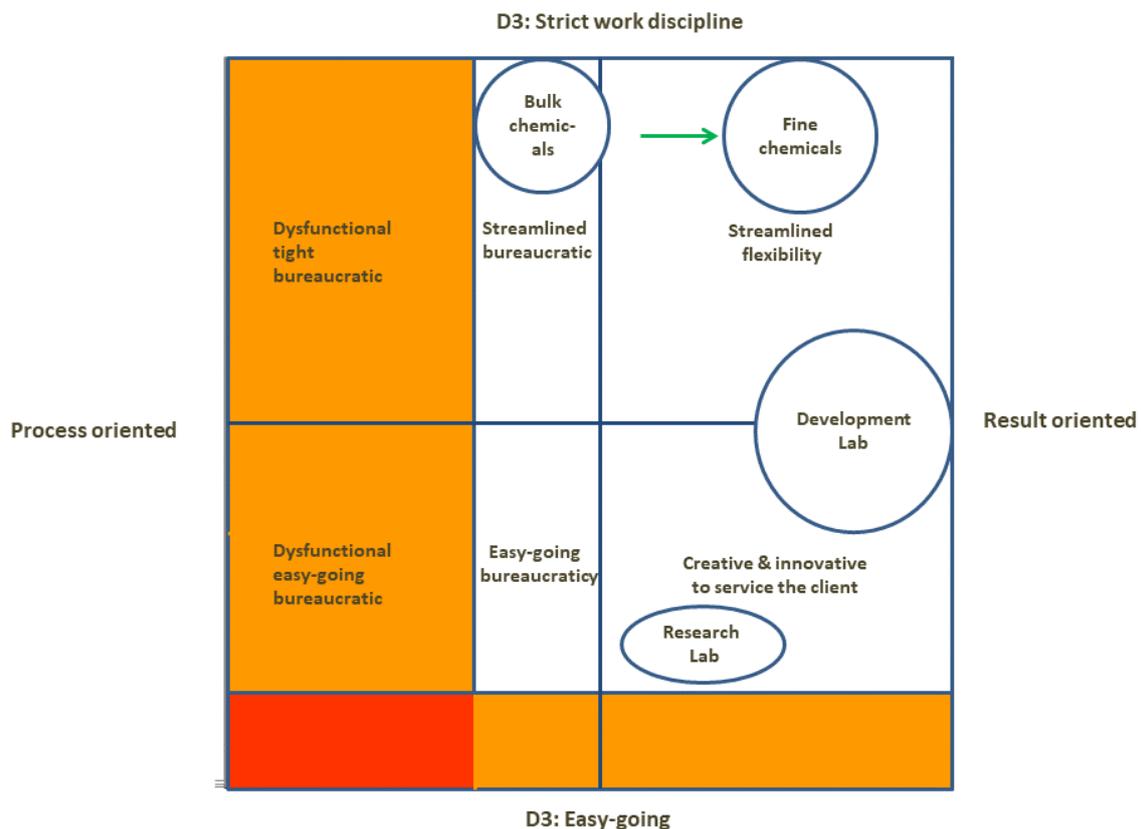
Diagram 20 - Organizational effectiveness



If the two dimensions are collapsed into one dimension this will not create a lot of problems if the scores on Process versus Result Orientation are either low or high. When the culture of a client scores between 0 and 20 on this dimension, the implication is that the scores on our two separate dimensions will also be on the low side. If a score of 0 on the dimension above has been found, the scores on both dimensions will also be 0. If a score of 20 has been found, the biggest differentiation on the two dimensions will be between 0 and 40. The same is true at the other pole of the dimension.

Scores which are positioned within the red ellipse in the middle of the diagram above may, in terms of the two dimensions in our model, vary enormously. Thus, if a score of 50 is found on the above dimension, this may imply that the scores on our two dimensions separately vary in the extreme case between 0 on D1 and 100 on D2 on the one hand and 100 on D1 and 0 on D2 on the other hand. It is though also possible that on both dimensions the scores are 50. Thus, the more a culture scores on process versus result orientation towards the middle, the more loss of information will occur. Without a split into two separate autonomous dimensions, it is then impossible to know what to do in order to bridge a discrepancy identified between the actual and optimal scores on this dimension.

Diagram 21



In this diagram the scores on three autonomous dimensions have been combined. The dimensions D1 and D2 are collapsed into one dimension. That indeed means a loss of relevant information, so we cannot use this diagram for analytical purposes, but it is certainly useful for didactical purposes. How to interpret this diagram?

- Quadrant 1 depicts a culture that is result oriented with a strict work discipline.
- Quadrant 2 depicts a culture that is result oriented with an easy-going work discipline. This quadrant has a dysfunctional band.
- Quadrant 3 depicts a culture that is process oriented with an easy going work discipline. It has two dysfunctional bands.
- Quadrant 4 depicts a culture that is process oriented with a strict work discipline. It has a dysfunctional band.

Quadrant 1:

The typology given for quadrant 1 is streamlined flexibility. In order to explain this, let us look at a chemical company specialized in the production of bulk chemicals. The culture of such factories should ideally support streamlined production. This will be the case if the culture scores between somewhat means oriented and somewhere in between means and goal orientation on D1, while at the same time scoring strict on D3. Nothing should go wrong, given the consequences in terms of safety risks. At the same time, if something does go wrong, this may create a lot of waste given the scale at which production on the shop

floor takes place. This adds to the need to realize a streamlined production process in such a way that it cannot be disrupted by human mistakes.

In the case of bulk chemicals, there is no need to score externally driven since production runs in bulk chemicals are normally very long as adjustments to the needs of clients are not necessary. Thus, a position in quadrant 1 is not functional. Instead a position in quadrant 4, characterized by a streamlined bureaucracy is functional.

Suppose now that a chemical company wants to change the emphasis from the production of bulk chemicals to the production of fine chemicals because of an enormous increase in the realization of added value. The consequence is that machine operators will have to adjust their machines continuously, as production runs in fine chemicals are normally very short. In such a case, a streamlined production process remains required. Safety risks may still be prevalent, certainly so because human intervention will happen much more often than in the production of bulk chemicals. When it comes to waste, it may well be that in fine chemicals the quantity produced at any time will be much lower than in the case of bulk chemicals. At the same time, the value of fine chemicals is much higher, so that in this case too, rejection of the output of a production run will be very costly.

Unlike bulk chemical production, those working on the shop floor need to simultaneously have a flexible attitude; machine operators will have to clean and adjust their machines continuously to meet the demands of clients. Unless special conditions apply, subcultures on the shop floor in factories in which fine chemicals are produced should score somewhere in quadrant 1.

A shift from bulk chemicals to fine chemicals requires simultaneously a shift in culture in order to realize such a transition successfully.

Quadrant 2:

This quadrant covers, among other topics, the degree to which culture will allow people to meet new challenges. We make a distinction between creativity and innovativeness to discuss this topic.

Creativity is here defined as the ability to come up with incremental solutions to do better the job one is already doing. This is also called, "thinking within the box". This is enabled by a goal oriented culture. "Quality circles" are typically an expression of creativity enabled by goal orientation.

Innovativeness is here defined as the ability to come up with radically new ideas and solutions both directed at ongoing work and also unrelated to ongoing work. This is called, "thinking outside of the box". This is enabled by an easy-going culture.

Innovativeness can be important, but it is nowadays often overrated. If everybody from high to low in an organization should be innovative, it is questionable whether day-to-day work can still be done properly.

A Research Lab's culture does not need to score very externally driven on D2 and it also doesn't need to score very goal oriented. Thus an ideal position on "Result orientation" is somewhat higher than a middle score. But such a Lab should score very low on D3; i.e. very easy-going.

IF one wants to change a Research Lab into a Development Lab one is supposed to become much more customer focused, to become much more entrepreneurial and costs have to be taken much more into consideration than in the case of Research Labs. This may drive the culture, positioned in quadrant 2, towards a more strict work discipline, without it becoming

too strict. It may also move towards a more results oriented direction than in the case of Research Labs. See the position of the culture of a Development Lab in the diagram above. When looking at the areas, in which both types of Labs will be ideally positioned, it is clear that the optimal position of a Development Lab is less well predefined than a Research Lab. Particularly in the case of a Development Lab it is important to define precisely which requirements have to be met in order to create success. Only in that way is it possible to define its optimal culture properly.

Changing the emphasis in a R&D Lab from Research to Development, or the other way round, requires proper fine-tuning. If both functions should remain in place then one better creates functional diversity. This can be best done by dividing both parts physically and by creating different subcultures.

Quadrant 3:

This quadrant is characterized by one functional band and two dysfunctional bands. The bottom band is only 15 points wide. The way to interpret a score in this band, i.e. a very easy-going score, is that this **may** point to behavior which has become too easy-going, inducing waste, too much wear and tear and possibly theft, irrespective of the requirements to be met. In such a case it is advisable to look more closely at work reality.

We have not yet come across an organization, or a department or unit, which is positioned in quadrant 3. One can imagine that a unit of Navy divers should have such a culture, though scoring in the functional area of quadrant 3. Work life is fully unpredictable, yet in order to maintain safety, one has to follow rules and procedures precisely.

Quadrant 4:

This quadrant is also characterized by a functional and a dysfunctional band.

The word "functional" should not be read as "by definition functional". Whether a position is functional or not depends on the requirements one has to meet.

Example:

In the technical department of an architect's bureau the culture scored in the functional band of quadrant 4. They should indeed score strict, as they had to do all the proper calculations so that the buildings designed by the architects would not collapse. An easy-going culture would hinder them enormously in doing their work meticulously. At the same time, they should also come up with clever solutions for technical problems created by demands of the client and by esthetic principles used by architects in designing their constructions.

Their subculture scored too process oriented to ensure long-lasting success. This was caused by the confusion we often come across when comparing dimensions D1 and D2 on the one hand with dimension D3 on the other hand.

In very means oriented cultures "rules and regulations" are emphasized. In a very internally driven culture the same applies, though for different reasons. It is often assumed that strict work discipline is characterized by rules and regulations. Dimension D3 is, however, not related to the degree to which rules and regulations are being used. Dimension D3 will tell us to what extent people are free to plan and execute their own work or whether a lot of control is exerted in order to avoid waste, rejects and failures. Control can be executed in two ways: either by the boss controlling his or her subordinates regularly or by self-control. Control - whether exerted by the boss or by oneself - can only be done properly if it is clear

*what is expected of the workers concerned. Control therefore can only be properly conducted if clear standards have been developed against which progress of work can be judged. Standards do not equal rules, regulations and procedures. These all tell people how things should be done. Standards will tell us how **well** things have been done until now. In other words, standards allow us to check whether we are still on track.*

Let us now go back to this architect. Architects run a lot of risks. If a building collapses because of errors committed by their firm, they are really in deep water. In this particular case, management had come up with a “yellow book” in which everything that had gone wrong or had almost gone wrong in the past and in the present was noted down. Due to the management style and the way this was presented, the book was perceived and used as a load of rules and regulations which stifled innovative solutions to technical problems that the engineers were facing. Only after the “yellow book” was repositioned as a set of work standards, instead of a bunch of rules, did the culture move towards quadrant 1, thereby supporting the engineering department to do their work in an innovative yet meticulous way.

3.8.3 Combination of sub-dimensions “Stay motivation” and “Work motivation”

In section 1.6 we already discussed ‘stay’ motivation and ‘work’ motivation in the context of the relationship between culture and labor satisfaction surveys. We shall now take a further look at these two topics to show that many dimensions can be usefully combined.

The sub-dimension “work motivation” shows to which degree culture supports or hinders people to realize productive (effective) task execution. You may have put in place infrastructure, processes and systems in order to create productive task execution. If, however, the culture does not support productivity by a motivated workforce, employees may well hinder productive task execution, either on purpose or subconsciously.

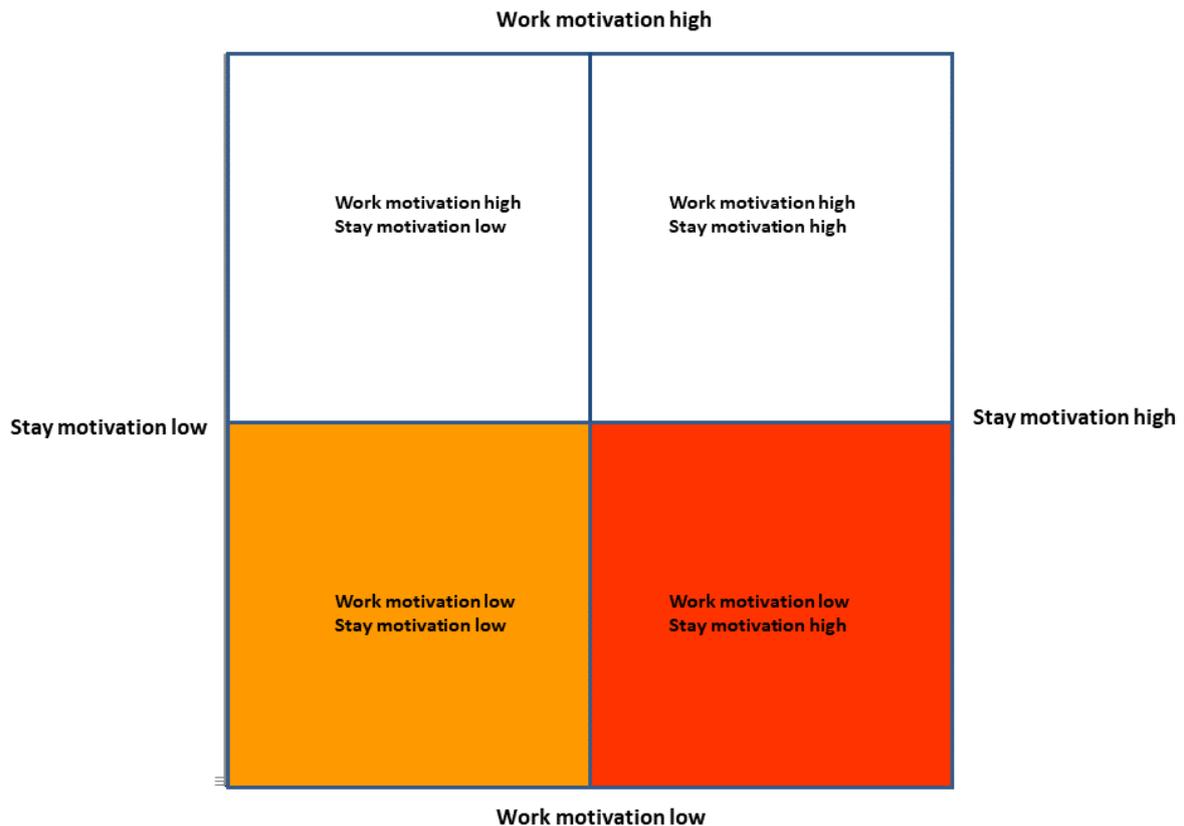
The sub-dimension “work motivation” is defined by the scores on D1, means versus goal orientation, and on D4, local versus professional. The more goal oriented and the more professional a culture scores, the more the culture will induce people to work smart and effectively and as a consequence making them more productive.

Note that from a cultural perspective a clear distinction is made between a culture that **stimulates** people to work productively and a culture in which people are **put under pressure** to work hard. The latter is described by D6, employee versus work oriented.

Working productively may coincide with working hard, but this is then done because people in especially goal oriented cultures have internalized the need to do so. Above all, people in a goal oriented culture are motivated to work smart.

The sub-dimension “stay motivation” is particularly defined by the scores on D5, open versus closed system, and D6, employee versus work orientation. The more open and the more employee oriented a culture scores, the more the culture will induce people to stay on board. In addition to these two dimensions, stay motivation is strengthened if a culture scores simultaneously local on D4, high on D7, acceptance of leadership style and high on D8, identification with own organization.

Diagram 22



In diagram 22, 6 dimensions are combined into Work and Stay motivation. Suppose that we would have only identified and used these two dimensions, then we would have sinned against the requirements of social research and given our clients insufficient and incorrect information, because:

- By combining these 6 dimensions much information is lost.
- These two combined dimensions do not have poles that are non-normative and clearly labelled. They are labelled “high” and “low” and have strong normative connotations. In spite of that, it may not always be wise to have a high stay motivation. In consultancy firms with an up-or-out policy, the work environment should not be too cozy, otherwise it will be hard to get rid of consultants who will never become a partner. It is certainly advisable to aim for high work motivation, but all kinds of limiting factors can exist. For means versus goal orientation (D1), the limitation can be the need to install and maintain strict safety procedures. For local versus professional (D4), the limiting factor could be the need for loyalty among colleagues in a threatening environment.
- D4 (local vs professional) loads both sub-dimensions. A local culture motivates people to stay on, and a professional culture stimulates people to work productively. In other words it is not possible to score 100 on both dimensions simultaneously - this would not be evident if only these two sub-dimensions had been identified.

Let’s now first have a closer look at quadrant 2:

Quadrant 2:

An organization with a low work motivation and a high stay motivation is in bad shape. Even more so if the culture is positioned towards the bottom right hand corner. Here, people will not work hard, but really like their colleagues, clients, the workplace, you name it. In such a case it will not be easy to fire underperformers. In the end, it is not their fault that they operate in such a culture. It is always top management who bears the final responsibility for the actual culture, because they created such a culture or did not change it effectively.

Quadrant 3:

An organization finds itself in a somewhat better shape if work and stay motivation are both low. It is easier to implement change in an organization with a shifting population than with a stagnant group.

In some situations, however, stay motivation is low but nobody leaves. Then we are in trouble. Such a situation can occur if labor satisfaction is low but people see no options to leave, for example when:

- There are no opportunities elsewhere because of an economic recession;
- There are no opportunities elsewhere because the employees carry out highly specialized work that is not required elsewhere and the employer has not invested in employability of its employees;
- Remuneration and fringe benefits are much better than elsewhere. In such a case people work in a golden cage. The cage is open, yet it is hard to leave;

This shows again that the effects of culture can only be well understood when the context in which people work is taken into consideration. As indicated in the beginning, group behavior is defined by the personalities of dominant people, by culture and by the context in which the group operates. When we say “context” it should be read as “perceived context”. How people perceive their work environment can be partly influenced by their culture. If productivity suddenly drops, it will be perceived as a challenge in goal-oriented cultures (D1+) to overcome this. In means-oriented cultures (D1-) this will be perceived as a problem.

Quadrant 4 and quadrant 1

It is always good if work motivation is high. Whether management also prefers a high stay motivation depends on the situation and its personnel policies – take the case of many large consultancy firms as described earlier.

Example:

A specialized consultancy firm scored close to the upper right hand corner in quadrant 1. Management wanted to decrease stay motivation, since the age distribution was very much weighted towards the age group of 50-60. Management initially wanted to realize this by making the work discipline tighter (D3), because in their words: “Our consultants hate any interventions from our side”. Yet, stay motivation is not loaded by scores on D3. Of course consultants hate to be controlled in person. Consultants in general are highly educated and spend most of their time at the site of their clients so that it is questionable whether they can be controlled effectively.

By developing standards by which they could control their own work the culture would become tighter, but that would not decrease stay motivation. The best way to decrease stay motivation is to develop standards that put them under work pressure, so that the culture becomes more work oriented (D6+).

According to the findings of Hofstede the impact of culture on performance can be measured through work motivation. In other words: there is more to work motivation than personality. Of course no one claims that only personality predicts whether people will do well, but it is certainly seen as the major factor. This contradicts Hofstede’s findings, which emphasize the importance of culture, in addition to other factors. In all likelihood both culture and personality are important in determining work motivation.

3.9

Additional diagrams

For those who want to get a better understanding of the model and all its combinations and permutations, we present several additional diagrams. This time without normative windows. It is just to give an idea about the wealth of information the model contains.

The statements in the different quadrants reflect reality more precisely, the further away the culture is located from the intersection of the x-axis and the y-axis.

Remember that culture is only an enabler or an inhibitor. It can never predict reality as many more factors shape people's behavior.

Also here, the first quadrant is the upper right-hand quadrant; the next three quadrants are numbered clockwise.

The diagrams presented are:

Diagram 23: Result orientation

Diagram 24: Security risks and creativity

Diagram 25: Trust, cooperation, politics and work motivation

Diagram 26: Communication and supportive management

Diagram 27: Burnout and motivation

Diagram 28: Modalities of customer orientation I

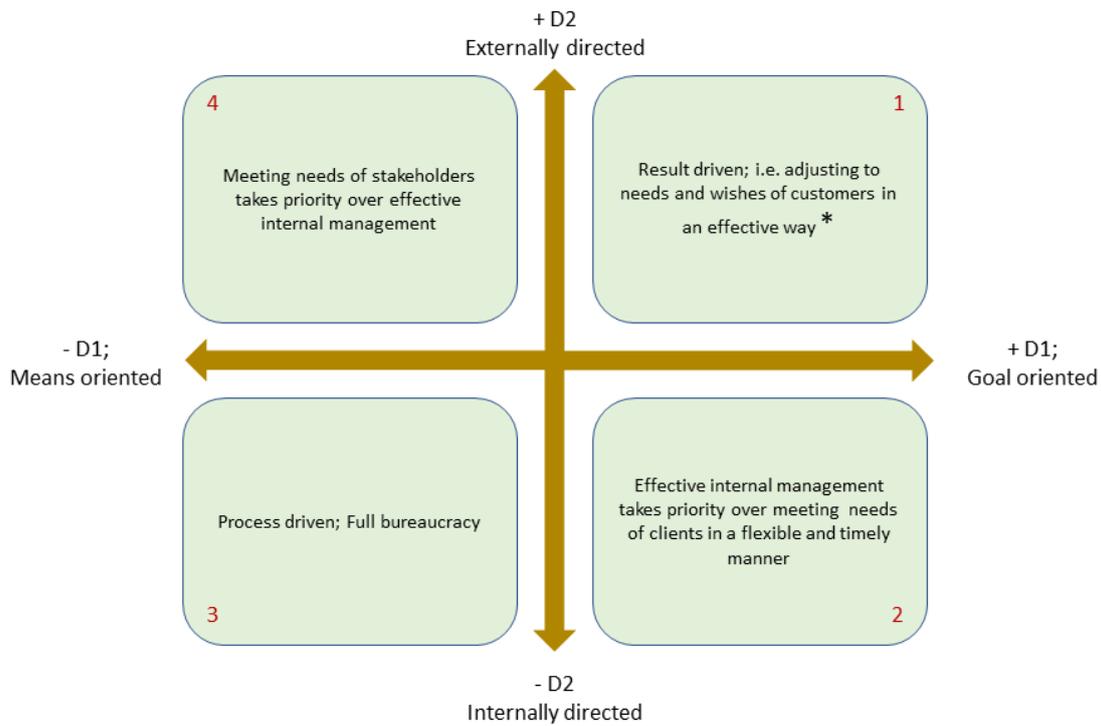
Diagram 29: Inward versus outward looking

Diagram 30: Modalities of customer orientation II

Diagram 31: Typology of organizations

Diagram 32: Motivation

Diagram 23
(D1 x D2) Result orientation

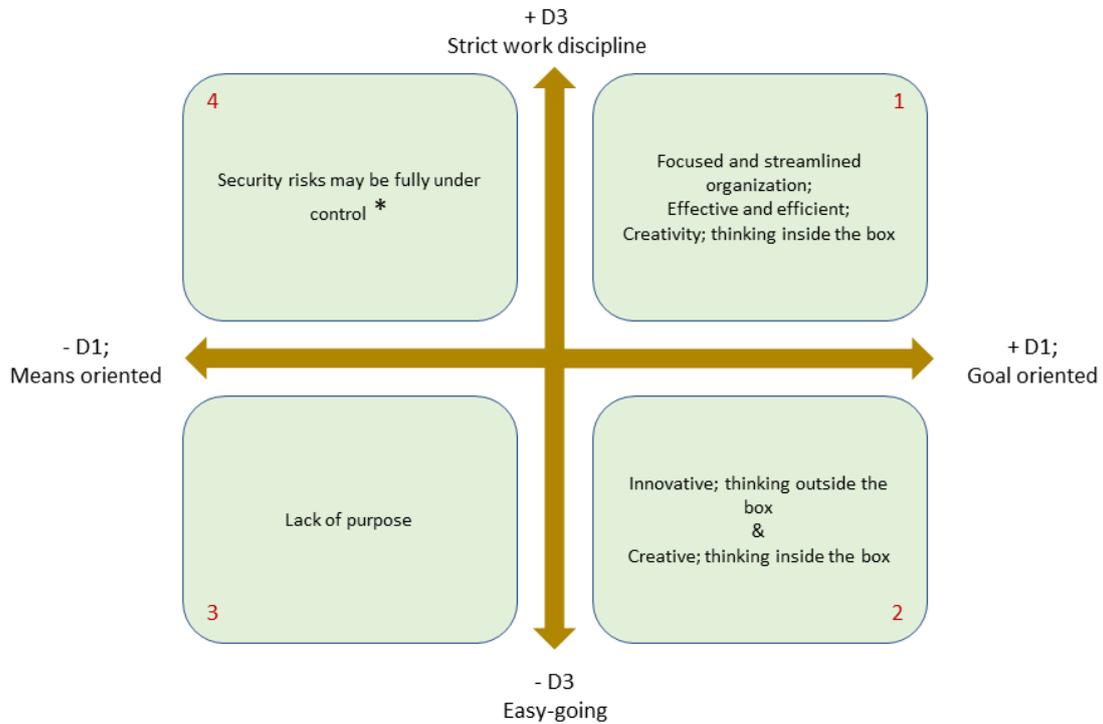


* In combination with a strict work discipline (D3+) it can be instead read as: “Adjusting to needs and wishes of customers in an effective and efficient way”.

In combination with an easy going work discipline (D3-): “Adjusting to needs and wishes of customers in an effective and creative way”.

If it is the intention to “Adjust to needs and wishes of customers in an effective, efficient and creative way”, then functional diversity needs to be established on D3.

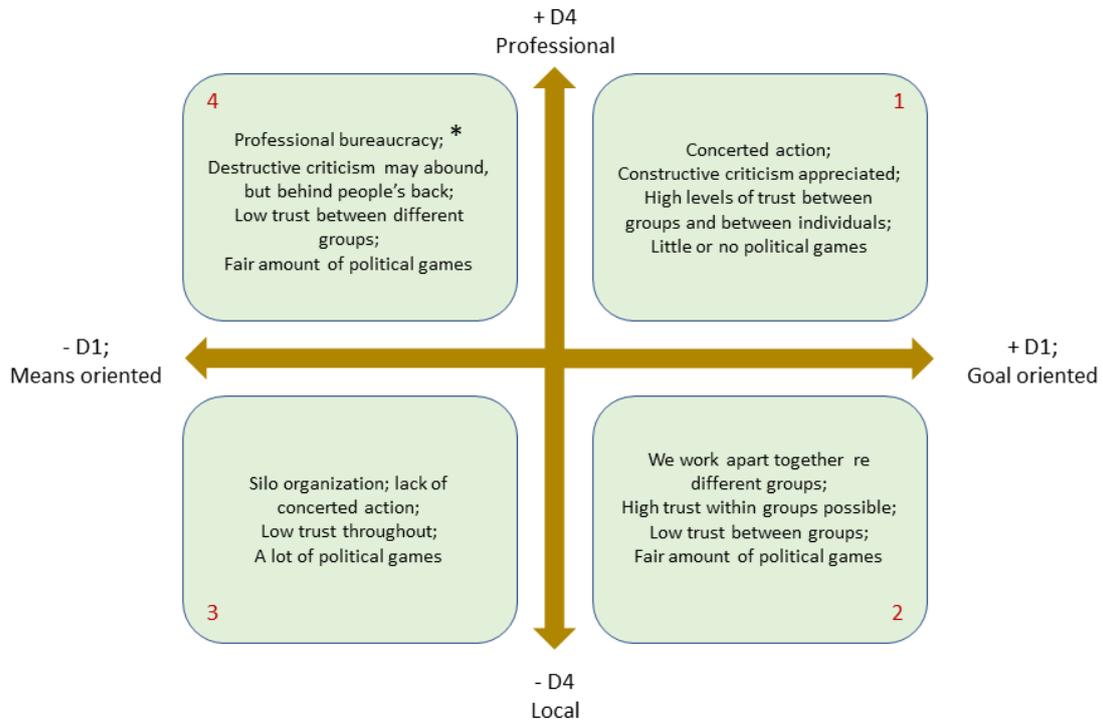
Diagram 24
(D1 x D3) Safety, creativity and innovativeness



* Security risks can only be fully controlled from a cultural perspective if at the same time the culture is:

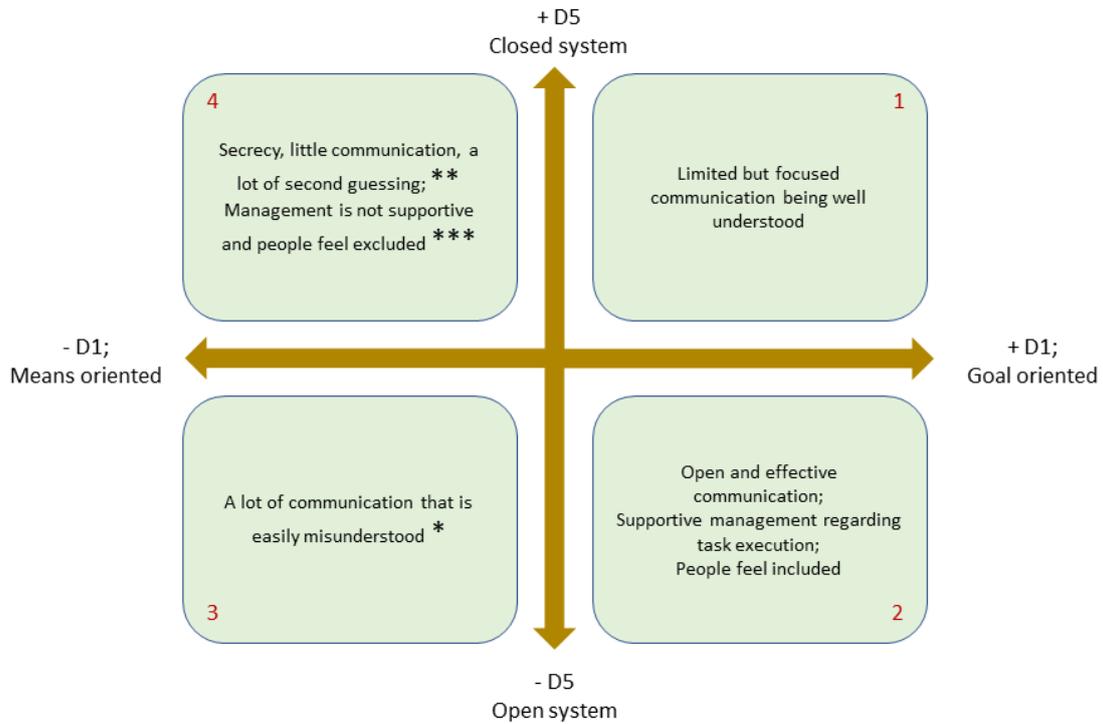
- Not too means oriented (D1) and not so much easy-going (D3) that it induces sloppiness.
- Professional enough to allow employees to be critical and enabling cooperation between different groups (D4).
- Open enough for people to inform their boss when things go wrong, especially in threatening situations (D5).
- Enough employee oriented so that people are not continuously under pressure which lowers their span of attention (D6).

Diagram 25
(D1 x D4) Trust, Cooperation and Politics



*An organization is even more a professional bureaucracy when the culture is also internally driven (D2).

Diagram 26
(D1 x D5) Communication/Supportive management

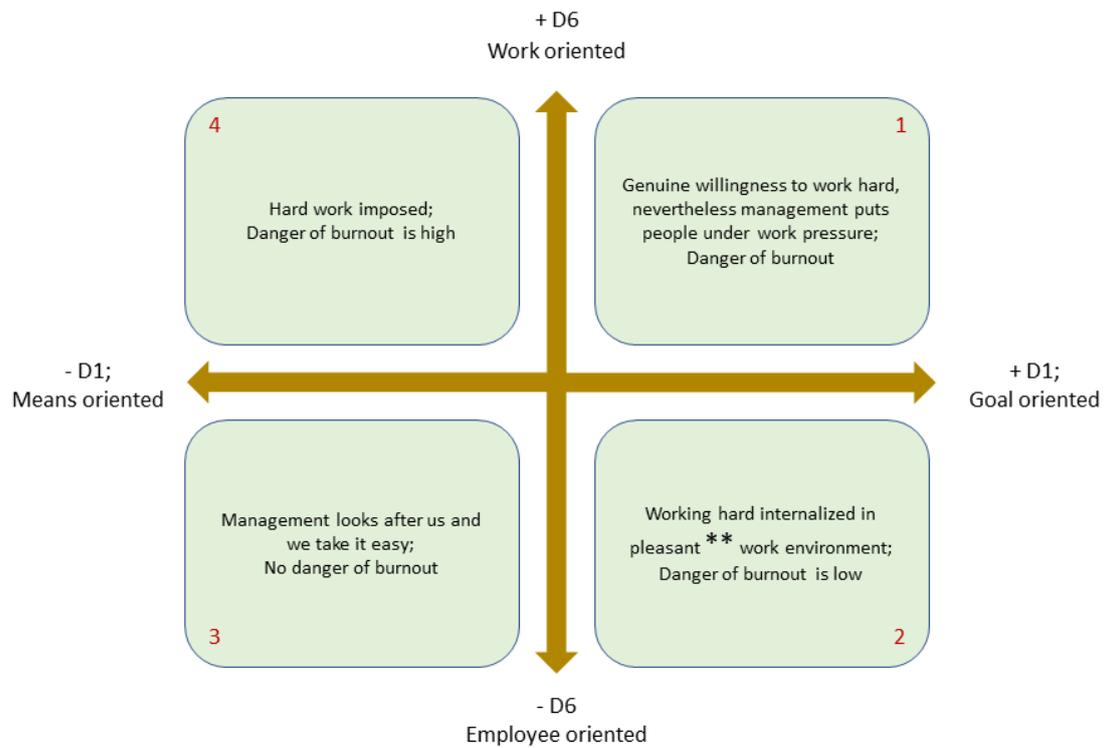


* Caused by a lack of common cause and direction. Note that there exists a correlation between D1 and strength of the organization. This situation is more likely to be found if the culture scores weak

** In combination with a local culture (D4-), this can easily create even more negative energy and political games.

*** This is certainly the case if combined with low identification with the organization (D8)

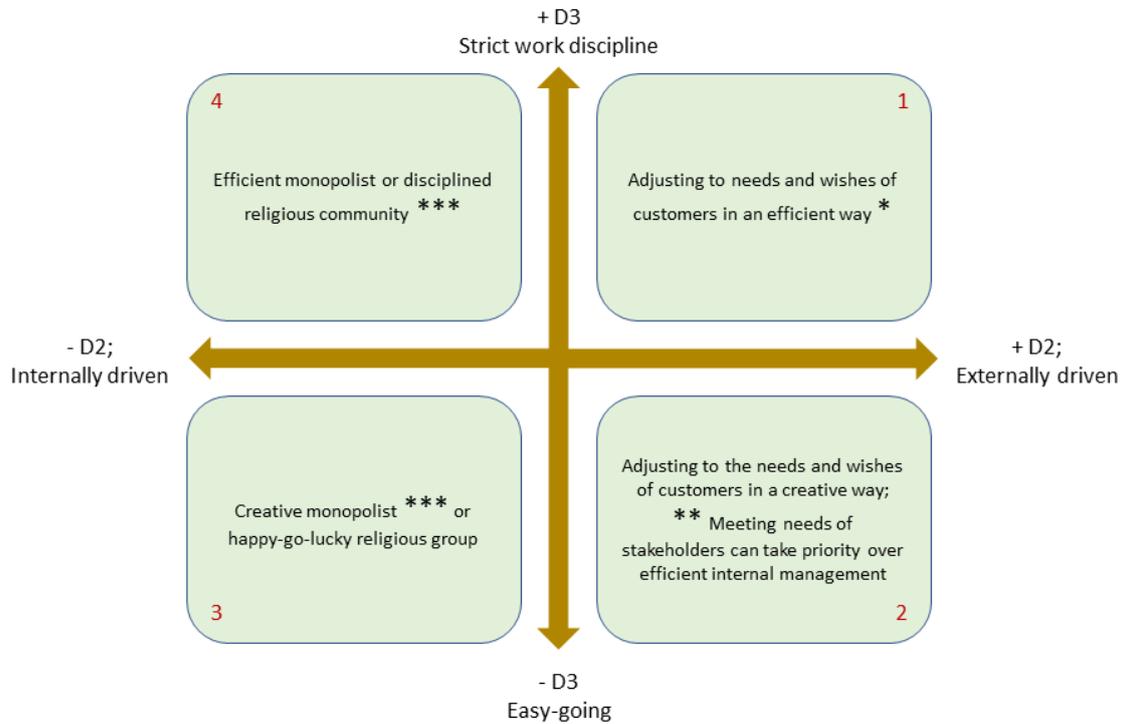
Diagram 27
(D1 x D6) Motivation and burnout *



* Remember, culture is only an enabler or a hindrance, not a predictor.

** The work environment will be even more perceived as pleasant if there is high acceptance of the leadership style (D7) and if there exists an open culture (D5-).

Diagram 28
(D2 x D3) Modalities of customer orientation

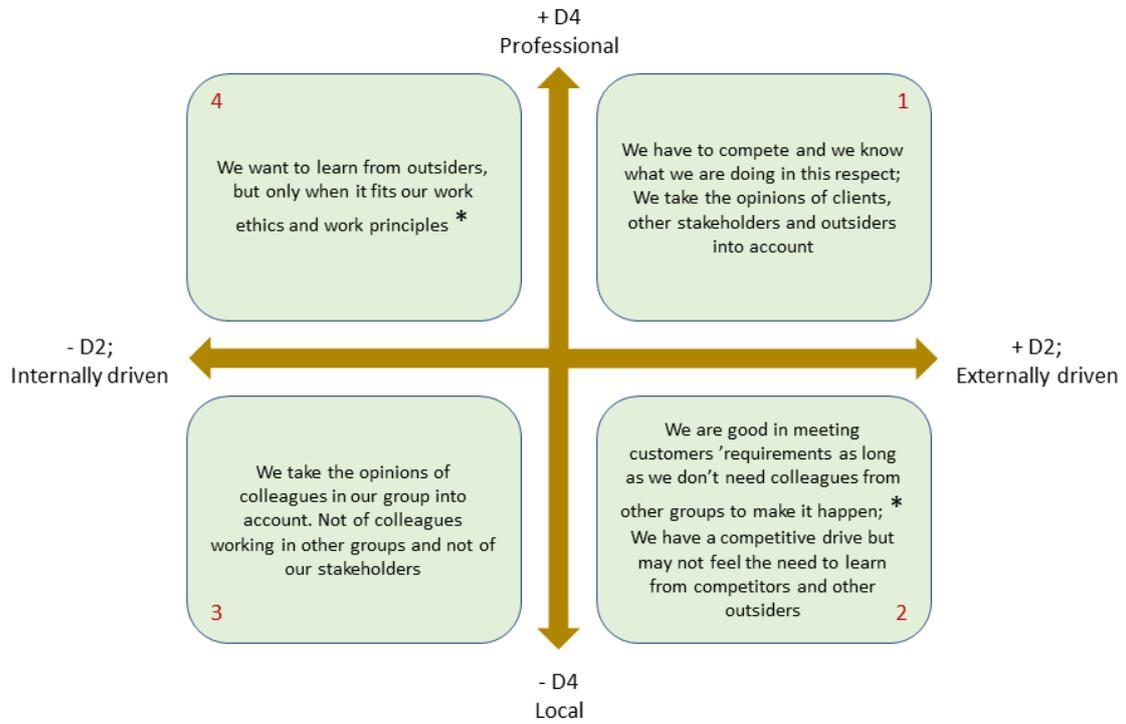


* In combination with a goal orientation (D1+) it can be instead read as: “Adjusting to needs and wishes of customers in an innovative, effective and efficient way”.

** In combination with a goal orientation (D1+): “Adjusting to needs and wishes of customers in an innovative and effective way”.

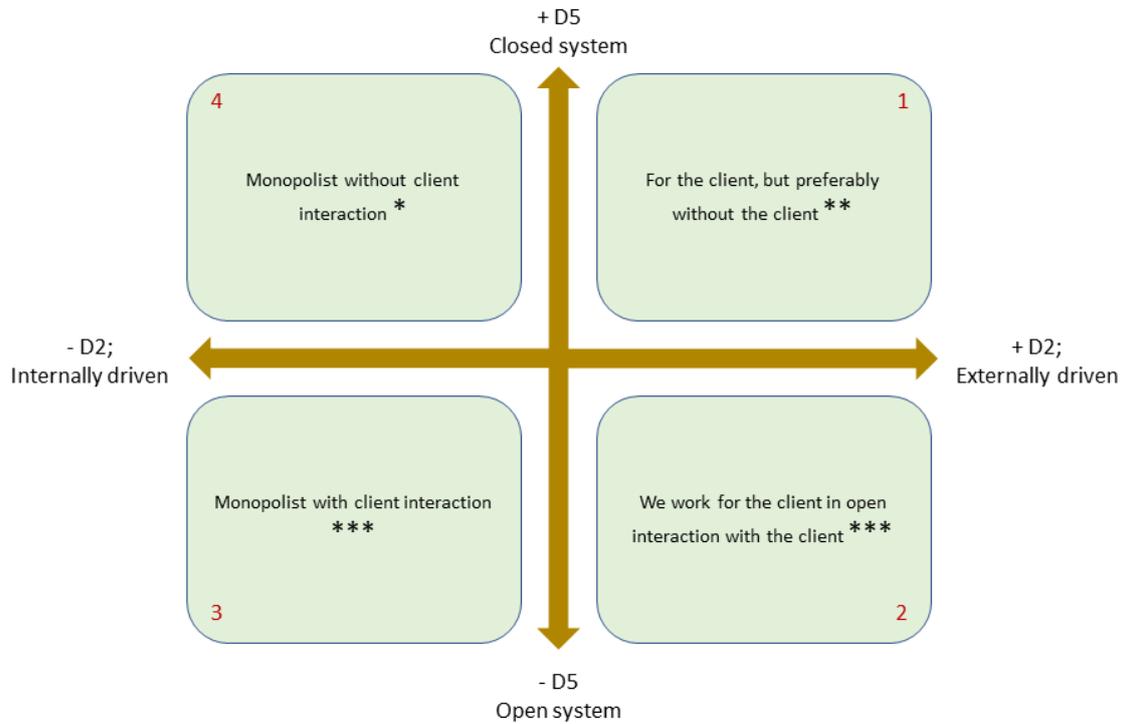
*** If the organization does not occupy a monopolist or oligopolist position the culture may inhibit success

Diagram 29
(D2 x D4) Inward versus Outward looking



* A particularly interesting combination. If people depend on the input of other units, while at the same time distrusting colleagues in those units, this can create a lot of frustration among people who interact directly with clients.

Diagram 30
(D2 x D5) Modalities of Customer orientation

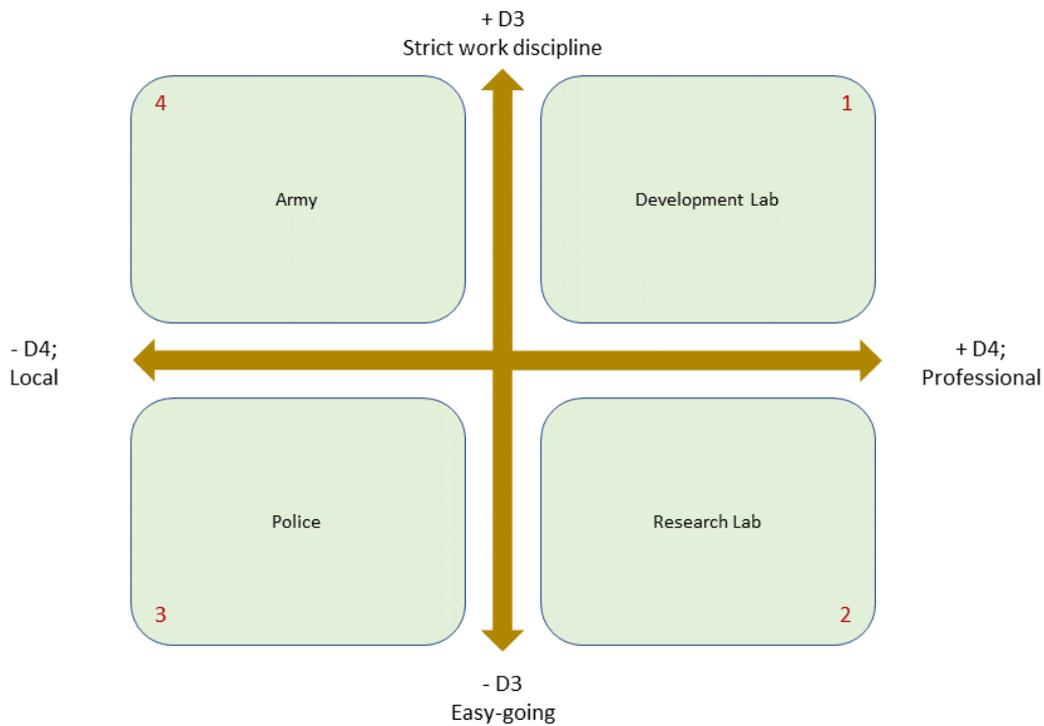


* Client interaction will be even less of the culture also scores very means oriented (D1-)

** This combination was found in a management consultancy firm: while striving to meet the needs of the client as much as possible, the consultants working at the client site are often perceived as arrogant and not open to input from the employees working for their client at the spot.

*** Both statements apply even more when the culture is scoring also very goal oriented (D1+)

Diagram 31 *
(D3 x D4) A Typology of Organizations

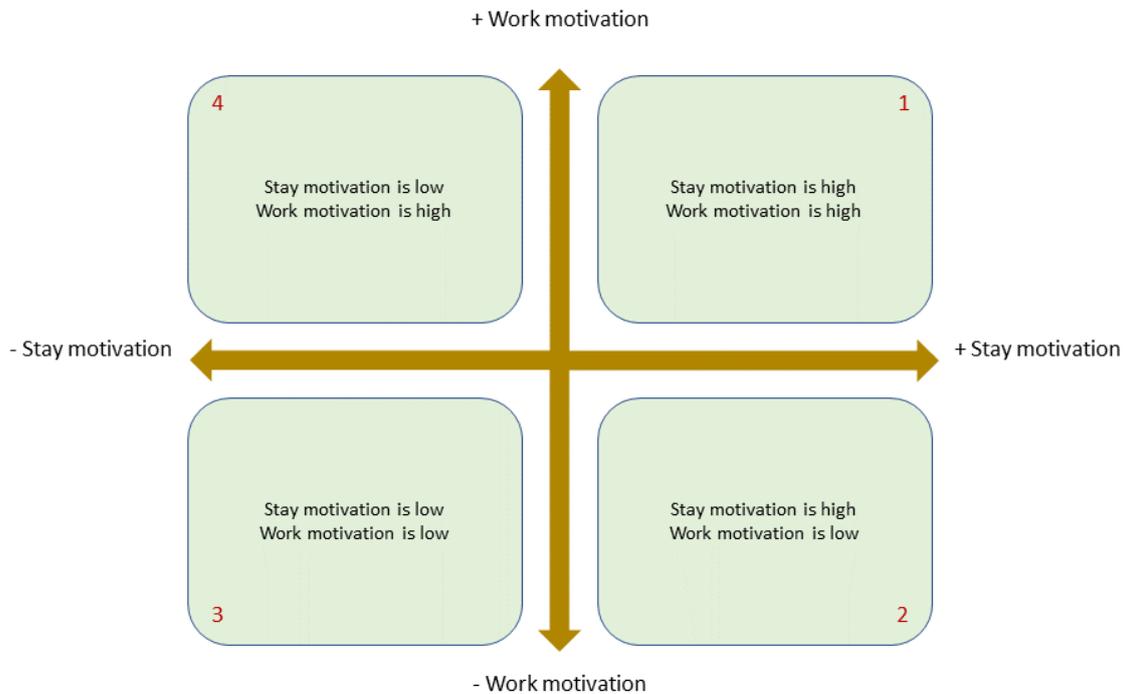


* It is not always easy to position the culture of a particular organization in these diagrams, but in the case of diagram 31, it should not be too difficult.

In quadrants 1 and 2 optimal cultures for a research lab and a development lab are described.

Audits conducted in the army and the police show their positions mainly in quadrant 3 and 4. Yet, we may expect a shift of both police and the military towards a more professional culture (D4). The military are facing new tasks such as peacekeeping, at least in a number of countries. An increasing sophistication of weapon systems may require a similar shift. The police experience an increasing need for cross-border co-operation due to internationalization of crime and international terrorism. This pushes certain police departments and intelligence services towards a more professional culture.

Diagram 32
Work Motivation x Stay Motivation *



* The degree of motivation depends on many factors, of which culture is only one, therefore being only an enabler or an inhibitor.

- Note that here not dimensions but subdimensions are combined, also called “topics”. There exists a great deal of overlap of information in this diagram and in diagram 22.
- Clients with a culture in quadrant 1 find themselves in an excellent position: employees are motivated to work hard and want to stay on. Only if for whatever reason, management wants to increase the turnover of employees, this position may not be ideal. For example when there is an imbalance in the age composition of employees, or because of a downturn in the economic and financial position of the client.
- A position in quadrant 2 is probably the worst a client can find itself in, seen from a cultural perspective. It may be reason to reconsider the actual culture.
- A position in quadrant 3 is not to be envied either. Stay motivation in quadrant 3 is low, but that doesn’t necessarily mean that employee turnover (attrition rate) is high. Employees may stay on board even though they do not like to work for this organization, because they earn too much comparatively speaking, or they have no options to find another job. In such a situation an employer is even less to be envied.
- Stay motivation in quadrant 4 is low, but also here that doesn’t necessarily mean that employee turnover (attrition rate) is high. This can, however, be compensated by the high work motivation.

3.10 Neither typologies nor combinations of dimensions

As we have seen, 112 diagrams can be constructed and presented combining two dimensions. Combining more than two dimensions, yields 219 additional diagrams, although most of them cannot be presented graphically, unless we use shortcuts, as we did for diagram 32 above.

Does this mean that Bob's Model on Strategy, Culture and Change is too complex? That depends on the way you want to use it. For didactical purposes we have shown a number of combinations. Yet, the purpose of the model is not to teach, but to analyze complex work reality to assist clients realizing their objectives in an optimal way. There is no reason why clients should memorize all these dimensions and diagrams. Actually, we usually tell our clients to stop using the word "culture" once they have started changing things for the better. Organizational culture has no significance as a free standing entity as there is no such thing as one best culture.

"Bob's Model on Strategy, Culture and Change" differs from the "Hofstede Model on National Cultures". The second model describes value differences among nations and is particularly suited for didactical purposes. By absorbing this information clients will hopefully do a better job when working with people born and raised in different national cultures. This does not mean that scanning and analyzing differences among national culture is of no use. One can always try to outperform Hofstede, or add national cultures that are not yet included in the data bank. One may want to identify new dimensions or check whether any changes have taken place over time. This type of work belongs to the domain of scholars and statisticians. On www.geerthofstede.eu, under VSM and Research, the Manual gives some good guidelines on what is needed to conduct such research. "Bob's Model on Strategy, Culture and Change" can be used to analyze complex work reality at group level within organizations.

Typologies will not do justice to the complexity of work life and it is not very practical to make use of all possible combinations of dimensions to describe culture. The proper way to describe culture with help of the model is to show the scores on the dimensions separately. In that way no information is lost. If clients are interested in specific topics, these can be added, as we did for work and stay motivation. What should be avoided is describing culture only in terms of stay and work motivation. A single issue approach may do more harm than good (see section 4.6).

The sophistication of the model demands that proper report-generating software is in place, that can generate a couple of trillion different reports to do justice to the complexity of work life. Not that all those different reports will be ever generated of course, but by covering potentially so many combinations the chances that a specific report will cover a specific culture is high. At least, if the questionnaires cover work reality as widely as possible with little or no overlap between the questions.

In all those years we worked with the model, we were able to cover every topic clients asked us by our questionnaire. We don't dare to claim that there are no topics our questionnaire cannot cover, but so far, we have not come across them. This tells us something about the quality of the research of Hofstede on which our approach is based.

Yes, it has happened that a company asked us to measure client satisfaction. That is not covered by our method. We are able to measure to which degree the culture of a company hinders or enables client satisfaction. Whether a client will be really satisfied, however, does not only depend on the culture of the supplier, but also on price, quality, availability, timely delivery, etc.

With the help of the six autonomous dimensions, the two semi-autonomous dimensions and the degree of strength or weakness a great number of topics or sub-dimensions can be measured. We have identified around 200 of them, including productivity, cooperation and conflict avoidance.

A report becomes too voluminous if the position on all these 200 topics is presented, but a client can always select topics in which there the client has a special interest. These preoccupations are already implicitly described in the report, and made explicit by combining two or more dimensions, with a specific coefficient that defines the contribution of each dimension to a specific topic.

3.11 Subcultures and the price of functional diversity

An organization of any size and complexity seldom has a homogeneous culture. Even IBM did not have a homogeneous culture when Hofstede conducted his famous research on national cultures in the late 1960s and 1970s: national culture generated differences between the subsidiaries of IBM world-wide.

During an intercultural management training course for IBM, a French participant explained that many French people working for IBM France in Paris who were transferred to the EMEA head office of IBM, also in Paris, no longer wanted to work for IBM France. In IBM France a subordinate has far less freedom than in the EMEA organization with its American work practices. The homogeneity of a strong organizational culture does not override national cultural differences. The study by Hofstede into national cultural differences was only possible because the national cultural differences in the world-wide organizational culture of IBM stood out.

But let's zoom in on IBM in the United States: in all likelihood people in different divisions, departments and function groups relate to their work also in different ways. Those working for Sales require different attitudes to work than those working for R&D. Our scans also bring cultural differences between the hierarchical levels to the surface. In other words, organizations host a number of subcultures which may differ considerably. Top management often relates differently to colleagues and work than, say, employees in the admin department. This should not come as a surprise, but what's more, the results of the culture scans shows that in a fair number of organizations, the cultural differences between hierarchical levels are larger than between function groups. Whether such gaps are functional or not, depends on requirements to be met. The challenge is to create cultural diversity only in as far as different tasks and objectives require functional diversity. The dimensions on which functional diversity is normally required is, in order of importance, easy-going versus strict work discipline (D3), means versus goal orientation (D1) and open versus closed systems (D5).

As employees on the work floor usually need to work more meticulously than management, diversity on D3 may be highly functional. In the same vein, safety procedures are more stringent on the work floor than in the boardroom, which makes it desirable to create diversity on D1.

Departments dealing with sensitive data need to be more closed than those interacting with the outside world (D5).

Yet, if diversity is not really required, don't create it. The price of broad diversity is a weaker core identity of the organization. Core identity is the part of the culture that is shared by all and that serves as a common denominator to work towards a common goal.

The challenge is to create functional diversity so that each group relates in the most effective and efficient way to its work, but only in as far as this is really necessary. Core identity can be best conceived through, in order of priority on the following three remaining autonomous dimensions: , employee versus work oriented (D6), internally versus externally driven (D2) and local versus professional (D4).

Table 10 presents the dimensions from core identity to functional diversity. A strong culture can be best realized through D6, whereas the need for functional diversity may be more urgent on D3. But never say "never" and never "always".

Table 10

Towards more
uniformity



| | |
|-----------|--|
| D6 | Employee versus Work oriented |
| D2 | Internally versus Externally driven |
| D4 | Local versus Professional |
| D5 | Open versus Closed system |
| D1 | Means versus Goal oriented |
| D3 | Easy-going versus Strict work discipline |



Towards more
functional diversity

Example: Need for functional diversity

A utility company in the Netherlands consisted of a head office and several technical divisions. While head office performed mainly administrative tasks, the technicians of the technical divisions repaired defects at the premises of customers. Both head office and the technical divisions scored around 50 on work discipline (D3), and both employees at head office and the technicians were dissatisfied, but for different reasons. People at head office felt work discipline was too tight, whereas for the technicians work discipline was too easy-going. People in administrative functions may become demotivated by even a moderate degree of imposed work discipline, because the boss is never far away; Looking so to speak over people's shoulders to take corrective action. For the technicians who were sent out alone, too few quantitative and qualitative standards had been developed against which they could check the expected progress of their work and the quality of their work. Here, functional diversity was needed. Perhaps not by lowering work discipline at head office, but by increasing work discipline in the technical division through developing clear-cut standards which allowed the technicians to monitor the quantity and quality of their work so that they knew whether they were on track or not.

The lesson of this story is that work discipline can be realized in two ways: "Imposed discipline", that is, the boss controlling his people, and "Internalized control", that is, self-control with the help of standards.

3.12 Four ways to look at culture

There are four ways to look at culture:

- Measure the actual culture
- Assess the optimal culture
- Measure the desired culture
- Assess the perceived culture, “The way we think we are”

For a recap on measuring actual culture, and assessing optimal culture, we refer to section 2.3. Here we will explore the two additional prisms.

3.12.1 *Desired culture*

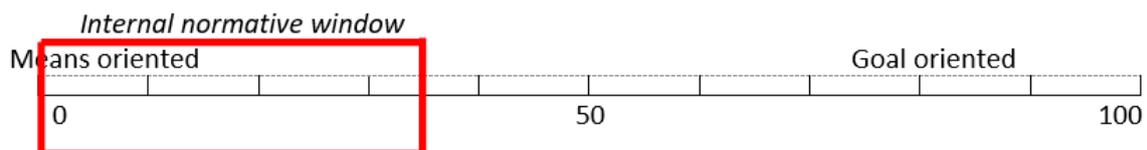
Next to measuring the actual culture of our clients, we set out to measure the work paradise of respondents; that is, the ideal culture to work in. After numerous scans in many countries, it became obvious that people’s work paradise is fairly similar for groups all over the world. Since the 1990s we have conducted culture scans in Austria, Belgium, Brazil, Czech Republic, Denmark, Finland, France, Germany, Ireland, Japan, Kenya, Netherlands, Norway, Poland, Serbia, South Africa, Sweden, Switzerland, Tanzania, Thailand, Turkey, UK and USA.

We thought we would obtain a better picture of job satisfaction by measuring work paradise, but we failed to do so. What became clear instead was, that although individuals may foster a different work paradise, on average groups all over the world have a lot in common. On average e.g. groups prefer a very goal oriented culture (D1). We have yet to identify a group which prefer a means oriented culture, or even a work paradise scoring below 75.

People are in general well able to picture their preferred work environment. This does not mean that they always have strong feelings about their preferences. For example, people do prefer a goal oriented culture, but not strongly, certainly not compared to their preferences on dimensions relating to the work climate on D5, open versus closed system, and D6, employee versus work orientation. Let’s explore how people feel about cultures that are very means-oriented and positioned in the normative window of D1.

Diagram 33

D1: Effectiveness of the organization



Such cultures reflect a lot of politics and scheming, directed at one’s personal interest. Unsuccessful individuals may deplore such a culture and successful individuals may thrive in it, but that does not say anything about the degree of motivation or demotivation of the whole group.

Actual cultures can score between 0-100, as every score is computed within this scale. Desired cultures tend to score on D1 between 85 and 105, and in exceptional cases between 75 and 117. In the model the highest score attainable is 117.

In other words, work paradise is much more similar to people all over the globe and covers a much smaller range on D1 than actual cultures do. The scoring range of work paradise covers normally 20 points and in exceptional cases 42 points whereas this is 100 for actual cultures. Deviations from the norm reflect especially:

- a. Traumatic events in the history of the organization;
- b. Mismatch between strategy and real work practices;
- c. Threatening or unpleasant changes in society;

Such deviations often describe the actual culture at deeper levels of reality, probably because respondents answer questions about their work paradise with less inhibition and without second thoughts, while the challenge when measuring actual cultures is to avoid socially desirable answers. Respondents do not realize that their work paradise gives meaningful additional information about the actual culture when compared with our data bank.

Some examples may clarify this:

Example on D1 – very high score:

Work paradise of top and senior management of a small financial organization scored 117, the highest attainable score. This implied that they were always looking for new challenges and therefore were continuously starting up new initiatives without ever finishing them. It was widely recognized that the on-going work was too simple for their level of education, personalities and job description. Instead of looking for another job or for challenges outside work, they created a lot of unrest within the organization. At the same time, the CEO emphasized efficiency and cost reduction, and did not see that he would actually save more money if he stopped being penny wise and pound foolish.

We do not know yet whether our interventions have successfully been carried through.

Example on D1 – low score:

Work paradise of management in a factory scored around 75, somewhat on the low side. This was among other things, expressed by an aloof attitude of managers towards their teams. If not for the questions on work paradise, we would have never been able to identify this characteristic of their culture, as management would not have acknowledged it readily. Apparently, employees distrusted the managers enormously and warded them off. In return, the managers kept their distance while looking at themselves as a group of tough cookies.

Example on D1 – Singular response to one question causing lower scores:

In the technical support section of a multinational respondents expressed a preference in their work paradise for technical competence over creating trust. Normally it is the other way around: people tend to prefer trust over technical competence in their work paradise. During the debrief to management we interpreted this as a fear among employees of the technical support section that the company would lose its competitive edge. Management was speechless: this was exactly what the Works Council had tabled a week prior to our debriefing whereas they knew that respondents had not been asked to answer a question in this respect.

There is no way to know beforehand what a deviation from the norm in this respect signifies. It is a matter of interpretation, and it certainly helps to receive information from various parties to give meaning to these deviations from what people normally prefer in their work paradise.

Example on D1 – Singular response to one question causing much lower scores:

In the case of a Front Office, the top manager in charge, who was also a member of the MT was an autocratic/paternalistic boss, who treated his employees like his children. He defended their interests vis-à-vis his colleagues in the MT, yet at the same time he could be very threatening towards them. He would often reduce his personal secretary to tears and then invite her for lunch. The actual culture of him and his managers was characterized by outspokenness and being good at delivering “bad news messages”. In their work paradise a relatively large minority of his managers preferred a situation in which people were not directly confronted with unpleasant messages. Although it was only a minority, we had never before found this to such a degree, certainly not among a group of managers - implying that the response might contain an important message. It was translated as follows: “The majority adjusted, through a process of selection and self-selection, to his leadership style. A minority, however, felt at the mercy of his management style, which they detested”.

Example on D3 – higher score on average than normal:

In this client case the actual culture scored somewhat easy-going. Management decided that the optimal culture should be more strict, more disciplined. Thus the optimal score was put at 70. Work paradise also scored around 70, whereas normally people prefer a more easy-going loose work paradise.

So if people prefer a strict culture and that is also the best strategic option, why is it that the culture is still too easy-going?

- 1. In some countries, for example in Denmark, imposing a strict work discipline does not work unless there are compelling reasons, such as safety risks or a need for technical precision. In absence of such reasons, people can work disciplined if they can assess their own work against professional standards. If the report shows that employees have a clear need for standards to assess their work, it is worthwhile to discuss with the client whether sufficient standards are in place.*
- 2. Social control on the work floor may inhibit employees to work in a disciplined manner, as their peers could interpret this as complying with management. If this is the case, the report may mention that it was also found that there exists strong social control as well as a low acceptance of management.*
- 3. People may feel that a strict work discipline should apply to others and not to “me”. Employees may not live up to their responsibilities or the responsibilities do not match the authority they have received. If the report shows that identification with job content and the organization is low and managers do not delegate authority sufficiently, this then might be the case.*

Respondents are always able to express their preferences regarding the way their work paradise should look. That does not mean that those preferences need to be strong. Of the eight dimensions, we have found that especially preferences are strong in the case of D5, open versus closed system, D6, employee versus work orientation and D7, degree of leadership style acceptance. People normally prefer open and employee-oriented cultures and a leadership style that matches their preferences. It is for this reason that stay motivation is made up by scores on these three dimensions particularly, which together also define work climate.

Below is an example of a mismatch between strategy and real work practices that underlies the deviation from the work paradise norm.

A mismatch:

In a small management consultancy firm, the actual and optimal culture coincided highly. That made us expect that the respondents already worked in paradise, yet the survey on work paradise indicated something completely different. It turned out that the CEO was a very kind and intelligent man who did not want to impose his ideas on his staff. The result was that even the number of pencils to be ordered was under discussion, believe it or not. This unique work situation was not identified in the scan by which the actual culture had been measured. A natural assumption would be that the CEO was described as a democratic leader. However, his staff did not perceive him as democratic: everybody felt that he involved them into nearly everything, so that they would not feel overruled by him. Yet, such behavior felt “fake”. But because the CEO was so friendly and highly appreciated by all, no one wanted to offend him and tell him they did not like his leadership style. The solution was easy: the CEO was told that he should delegate simple tasks and that he should not try to play down his intelligence and creativity.

The past twenty years or so has witnessed a slow but persistent change towards a stricter work paradise. Groups of respondents more frequently express a preference for more cost consciousness and less abuse of resources. We can only speculate about this change, but it might have to do with threatening or unpleasant changes in society, such as growing income inequality and the banking crisis.

3.12.2

Culture: “The way we think we are”

The fourth way to look at culture, how people think they are, is by asking clients to assess their actual culture. Clients can be invited to do during the workshop in which management assesses their optimal culture. If the managers reserve sufficient time and are not defensive, it may be an eye-opener to do so. A second opportunity to have people think over how they are, is during the debriefing of the results to a wider audience in the organization.

The first opportunity shows management how difficult it is to assess their culture. It rarely happens that all managers come up with correct scores on three or more dimensions. Newcomers may be better equipped to come up with a sound assessment, but the old-hands tend to react with: “How do you know? You just got here!”. But a newcomer with broad experience in diverse organizations, is usually well positioned to pick out the unique

features and compare. This exercise makes management immediately aware that a cultural scan based on proper research creates a useful value proposition.

It goes without saying that the subculture or culture, that has been assessed by e.g. management, i.e. the way we think we are, should coincide with the actual subculture or culture that has been measured. Thus, if the actual subculture of top management is measured separately, top management can be asked to assess the actual culture of their own group. If the actual culture of the organization has been measured without any differentiation, then one better only ask top management to assess the actual culture of the whole organization, otherwise they would have been asked to compare apples with pears.

The second opportunity presents itself if the results are communicated to everybody in a plenary meeting. People's interest can be substantially raised if they have the opportunity to assess their actual culture before they receive the actual and optimal scores.

3.13

Reporting

The results of the scans are published in separate and consolidated reports. A separate report shows the results of one single measurement, while a consolidated report merges the results of the separate reports.

Small organizations with less than 20 people, will only receive one separate report. The number of respondents is too small to allow for split in subcultures.

Sometimes only one separate report is generated, for example when the client wants to:

- Do a try-out and experience the value for money before embarking on a full-scale scan;
- Check up its subcultures sequentially;
- Receive an average picture disregarding potential differences among departments or functional/hierarchical groups

An organization of a certain size and complexity will have subcultures. If more than one subculture is measured, a consolidated report is ideally generated. Although a consolidated report consists of the consolidated information contained in separate reports very interesting additional information may be supplied, as described in section 3.13.3.

3.13.1

Input

The input of respondents through surveys, forms the basis of data used to calculate and describe:

- a. Actual culture
- b. Desired culture
- c. Environment in which the culture is embedded

a. Input to measure the actual culture

The actual culture is measured by collecting on-line answers of respondents to three groups of questions:

- 46 questions with opposite statements imposing a forced choice on respondents;
- 26 multiple choice questions;
- 4 demographic questions.

46 questions with opposite statements:

Respondents are put under time pressure to answer the first set of 46 questions. An example of such a question is:

“Doors are usually open - I cannot decide - Doors are usually closed”

Such “forced choice” questions will not work to assess the personality of individuals as it does not differentiate enough. To assess culture, however, it does work, as people never describe their reality in exactly the same way; not even when the culture appears to be very strong.

These 46 questions load the scores on the six autonomous dimensions.

26 multiple choice questions:

Many of these 26 questions were also used by Hofstede to measure value differences between national cultures. Here, they are not meant to measure the country cultural profile of the respondents as a group because they form part of their national culture anyway. Moreover to measure country culture, precisely matched samples in various countries under similar conditions are required.

These questions have been added because they give meaningful information about the acceptance of the leadership style (D7), and partially about the identification with their organization (D8).

In addition, answers to some of these questions give input to define a change strategy as well as to three so-called average personality characteristics of groups, viz:

- Masculine versus feminine
- Need for structure
- Work centrality

These three group personality characteristics will be further explored in section 3.13.2.

4 demographic questions:

Responding to the last 4 demographic questions is optional. The questionnaire is anonymous but not everyone may feel at ease to answer these demographic questions. We will at all times guard anonymity, even when our clients urge us to disclose who said what. However, for the respondents, it remains a matter of trust and to be honest, we can never guarantee a 100% confidentiality under all circumstances.

b. Input to measure the desired culture

If work paradise is assessed as well, the respondents answer the 46-item questionnaire once more, but then they should describe how they would like it to be, rather than how it is.

c. Input to measure the environment in which the culture is embedded.

From the research of Hofstede et al., a fair number of impediments was identified. These impediments often make it impossible to realize the maximum score, no matter how hard people try. If managers are not aware of these impediments they might invest time and energy to no avail. Think about an organization that finds itself in a strenuous economic and financial situation.

Sometimes these impediments can be overcome, but at a price. Think about work with high health and safety hazards. If these hazards are not seriously considered, management runs into problems.

This questionnaire on embeddedness contains 50 questions.

3.13.2

Output

In order to keep reports concise, not every bit of information that can be generated is actually presented. Next to the information collected on the eight dimensions, the report usually includes:

- a. Additional information to complement the picture
- b. Information to define the change strategy

Additional information to complement the picture

- Engagement index
- Variance
- Average personality characteristics
- Values

Engagement index:

The concept of engagement is very useful as the core yardstick for a culture's functionality. More precisely: the engagement index shows to which degree a (sub-)culture supports or hinders achieving optimal task execution.

The engagement index is the core measurement of culture in which all discrepancies between the actual and optimal scores in Bob's Model on Strategy, Culture and Change have been consolidated.

The table below presents the engagement index of a functional culture.

| Dimension | Actual score (A) | Optimal score (B) | Absolute difference (A) – (B) |
|-----------|------------------|-------------------|-------------------------------|
| D1 | 60 | 70 | 10 |
| D2 | 85 | 70 | 15 |
| D3 | 40 | 45 | 5 |
| D4 | 75 | 75 | - |
| D5 | 30 | 35 | 5 |
| D6 | 40 | 35 | 5 |
| D7 | 55 | 80 | 25 |
| D8 | 80 | 80 | - |
| Σ | | | 65 |

The engagement index in this case is $65 : 8 =$ approximately 8. This is a very functional score as the average difference for all eight dimensions is less than 10 points.

The engagement index does not give information on which a client could or should base action. By consolidating all information into one yardstick, action-oriented information is lost. Action should be based on specific findings. The only thing this yardstick tells us is whether a client should take action or not. In this case no action is required.

If the engagement would have been 20 then a client should be strongly advised to take action; see the table below.

| Dimension | Actual score (A) | Optimal score (B) | Absolute difference (A) – (B) |
|-----------|------------------|-------------------|-------------------------------|
| D1 | 40 | 70 | 30 |
| D2 | 30 | 70 | 40 |
| D3 | 40 | 65 | 25 |
| D4 | 65 | 65 | - |
| D5 | 70 | 60 | 10 |
| D6 | 65 | 30 | 35 |
| D7 | 55 | 55 | - |
| D8 | 50 | 70 | 20 |
| Σ | | | 160 |

The engagement index of $160 : 8 = 20$ tells us that there is scope for improvement. Referring to the table, a client may even be able to decide on which dimensions the actual score should be moved towards the optimal score. Yet, without more information about the content of these dimensions change cannot be easily realized. The steersman quoted earlier is still pretty nearsighted.

Variance:

Variance measures the degree to which respondents agree or differ on the description of their culture. In a heterogeneous (weak) culture, respondents tend to disagree on their description of work reality. In a homogeneous (strong) culture, respondents tend to give similar descriptions of work reality. Although “weak” and “strong” have normative connotations which should ideally be avoided, these terms have become part of common parlance so we will also use them here, rather than “heterogeneous” and “homogeneous”. In a strong culture, a common purpose and a common direction exist which enhance effective communication and co-operation. In a weak culture, investments in creating vision, mission statements and core values and getting those accepted and internalized, may be in vain. Reasons can be:

- Management does not walk the talk, which leads employees to talk likewise, but not to act accordingly
- Vision, mission statements, core values and strategy are based on an ideal world, not on reality. If employees would take all those messages to heart and strive to realize them, their work would become counterproductive.
- Too much emphasis has been put on changing culture by telling the people how to behave (direct change approach) rather than adjusting the environment in such a way that employees would be stupid not to adjust (the indirect change approach) (For more information about change please be referred to chapter 4.)

There exists a correlation between the variance and the scores on D1, means versus goal orientation. Normally, a strong culture with little variance scores more goal oriented. A strong culture can give rise to a competitive advantage, but when a culture becomes too strong, this may turn into a competitive disadvantage. It is always to be good to have a number of “deviants” who view reality differently than the majority. Should everyone wear the same blinkers, then important new opportunities may be overlooked. In very strong cultures, people perceive the world around them similarly and may not pick up important clues about upcoming new trends. In short: strong is usually good, but too strong can be dysfunctional.

Average personality characteristics:

Geert Hofstede’s research on organizational cultures, revealed three average personality characteristics, called:

- Femininity versus Masculinity
- Need for structure
- Work centrality

As the research and our consecutive scans are sociological by nature rather than psychological, these are by definition average characteristics of a group and should not be interpreted as characteristics describing an individual.

- Femininity versus Masculinity

Femininity/masculinity has been found on national level as a value and on group level as an average personality characteristic. The content of these characteristics is very similar. It tells us in how far respondents endorse a caring or an assertive attitude.

Exceptional results are picked up by the report-generating software and explicitly presented. For example, normally good sales people are assertive and achievement oriented, which makes up masculine value patterns. If sales people score more feminine than the rest of the organization, as happened in one case – then the question is whether the right sales people have been chosen. Alternatively, if sales people have been made redundant and need to be outplaced, it would not be wise to look for jobs requiring a caring attitude, such as nursing or preventive maintenance of highly sensitive equipment.

On average, women score more feminine than men when looking at a national level. If the reverse is found in organizations it may indicate that men do not accept women in positions of authority. In such cases only those women who are able to beat men in a men’s world do make it.

- Need for structure

This characteristic tells us to which degree people require structure to execute their work comfortably.

Normally, top management scores much lower on need for structure than rank and file. If the results point to the reverse, it will be presented in the consolidated report as they may have to be redressed.

If management wants to increase goal orientation (D1) and certain groups have a strong need for structure, it may not be wise to introduce job rotation or job enrichment. In that case, there may be more effective interventions (“levers of change”) to enhance goal orientation. Job enrichment and certainly job rotation imply less clarity and may be rejected by groups who require more structure.

- Work centrality

Work centrality describes how much importance respondents attach to work life compared to social life. If work centrality is high, work occupies a key position in respondents' life satisfaction. If it is low, social and private life is more important to them. Note that work centrality does not say anything about how happy respondents are in general.

Work centrality and Individualism are interrelated. In countries scoring collectivist, people spend a lot of time and energy in maintaining good relations among the members of in-groups. This is less the case in Individualist cultures. Work centrality and Masculinity also seem to be interrelated at least to a degree. We have found that in Germany work centrality is on average almost twice as important as in Denmark and the Netherlands. The German culture scores rather masculine, with a score of 66, whereas both Denmark and the Netherlands score very feminine, with a score of respectively 16 and 14. When comparing the scores on Individualism among those three countries, no interrelationship is found as Germany scores less individualist than Denmark and the Netherlands. Of course, it only regards three countries so that no definite correlations can be established.

Large differences on Masculinity and work centrality between groups inside an organization may lead to similar friction as between groups from different national cultures who have to work together.

Values:

Geert Hofstede's original research on national cultures generated four value patterns:

- Power Distance
- Individualism versus Collectivism
- Masculinity versus Femininity
- Uncertainty Avoidance

Hofstede's research has been validated and correlated in multiple studies with a large range of societal issues and factors. Annex II gives more information on the model of national cultures.

Parts of the questionnaire Hofstede developed to study national cultures are included in the questionnaire on organizational culture, because answers to these questions give extra information:

- Some of these questions load acceptance of leadership style (D7), and partially identification with the organization (D8);
- Some questions give input to the three average personality characteristics of groups as described earlier on. The questions loading Masculine versus Feminine are the same for national and for organizational cultures. The questions loading the need for structure are partly similar to those loading Uncertainty Avoidance. This implies that respondents from countries with a strong Uncertainty Avoidance, tend to have a stronger need for structure at work.

- Work centrality; The questions loading work centrality are partly the same loading Masculinity/Femininity and Individualism/Collectivism. The correlation between Masculinity and work centrality has already been discussed. Individualist countries tend to have a higher work centrality, because task comes before relationship. In collectivist countries we find that relations come before the task and therefore, generate a low score on work centrality.
- Some questions provide input to define a change strategy.
- Although not scientifically sound, including questions from the research on national cultures can help us trace salient information about a particular organizational culture if the scores deviate substantially from the national norm. In general we have only come across this phenomenon for Masculinity/Femininity and Uncertainty Avoidance. In the case of the value pattern Femininity versus Masculinity this has been covered when discussing these two concepts as they fully coincide whether we talk about the value or the average personality characteristic. In the case of Uncertainty Avoidance we repeatedly noticed that groups scoring over 20 points higher on Uncertainty Avoidance than the country norm, are facing a higher level of anxiety at work than expected. The reverse, a group score of 20 points below the country norm, indicates that people feel more secure at work than compared with the country norm.
- National culture is one of the factors loading organizational culture. The research on organizational cultures took place in Denmark and the Netherlands - countries with quite similar value patterns. Much more correlations between organizational culture and national culture might be identified if our international data bank becomes even larger and more diverse.

b. Information to define a change strategy

All information together allows us to generate input for a change strategy per group measured separately. Three findings are particularly essential for successful change implementation: trust, security and readiness to change, as diagrams 34, 35 and 36 show.

Diagram 34

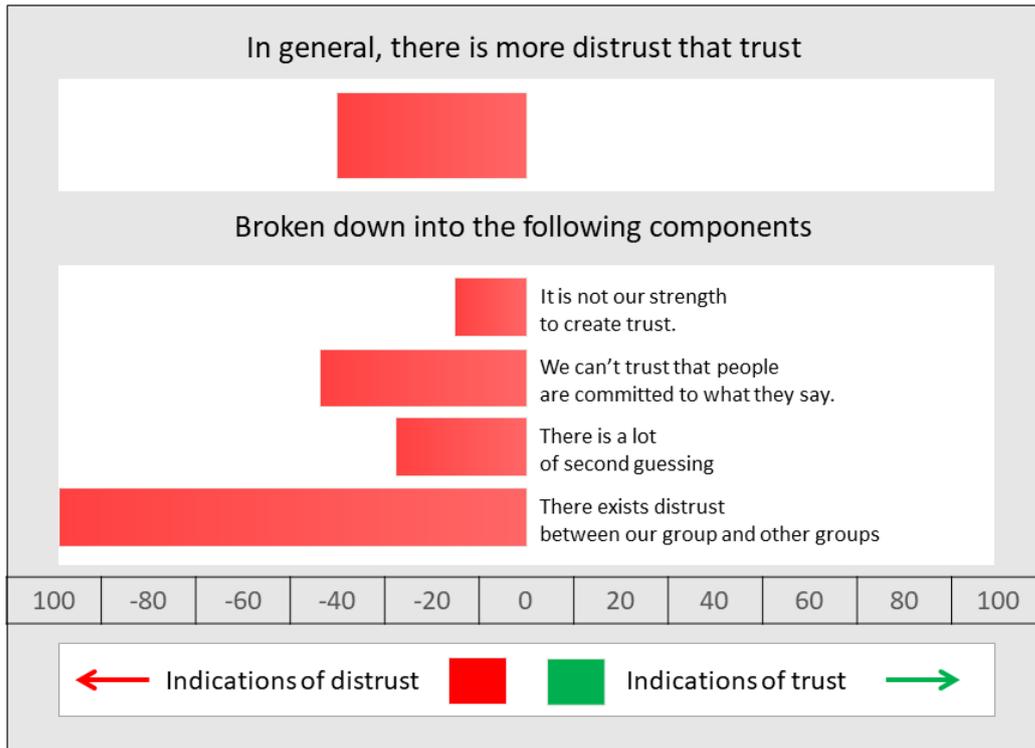


Diagram 35

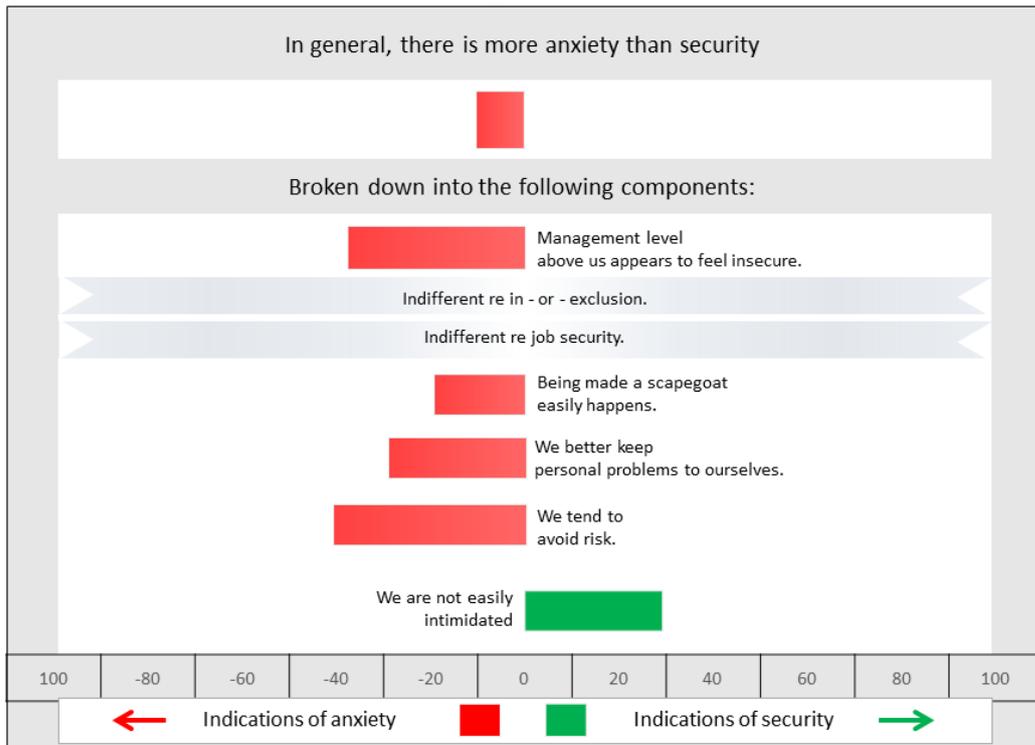
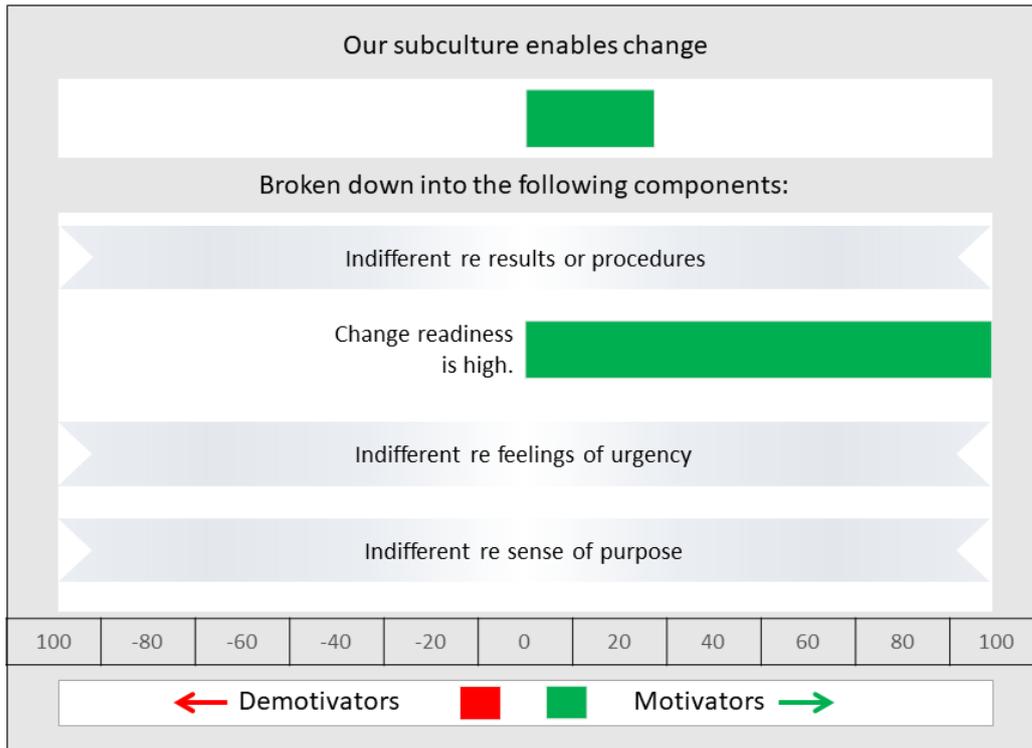


Diagram 37



The three diagrams together show a confusing picture. These three diagrams by the way have been taken from a real life situation as presented in one of the many reports generated by us. On the one hand there is a lot of resistance to change based on the information presented in diagrams 34 and 35. On the other hand the change readiness presented in diagram 36 appears to be maximum. The way to read this information is as follows: The people in this unit, being responsible for “good governance” within their multinational, saw the need for change and were hundred percent prepared to change. The problem for them was, that they had only been established for serving lip service to the ideal of good governance, they soon had found out. Thus, they distrusted top management for good reasons as they didn’t get any support to realize “good governance”. The group was also characterized by a high degree of anxiety as the headcount would be diminished considerably when their actual culture had been scanned. Yet, they were not easily intimidated, see diagram 35 as their boss was pretty outspoken about this all and still very much tried to get support from top management against all odds.

More detailed information can be presented in the “diagrams with asterisks”. If the gap between actual and optimal scores on a certain dimension is over 15 points, a “diagram with asterisks” is generated. Diagram 37 may serve as an example:

Diagram 37

| SPECIFIC INFORMATION ON D1; MEANS VERSUS GOAL ORIENTED | |
|--|-------|
| 53 70 | |
| 1) Our strength lies less in gaining people's trust than in our technical capabilities | **** |
| 2) We miss inspiring leadership | *** |
| 3) We stick too much to the rules | ** |
| 4) We play it safe instead of being more entrepreneurial | * |
| 5) Each day brings new challenges | *** |
| In total the culture is 7 asterisks too means oriented | ***** |

The second row shows that the actual score of the culture on means versus goal oriented (D1) is 53 and the optimal score is 70. The gap between these two scores is 17. As a rule of thumb, a gap between actual and optimal culture of over 15 points is an indicator to management to act.

We say: "as a rule of thumb", because work life cannot be captured in exact numbers, even when we use exact numbers to present the results of a measurement. A safety margin of 10 points should be hold on to.

It is up to the client to decide to take action (or not) if there is a gap of 15 points or more between actual and optimal culture. We have witnessed cases in which clients decided to leave matters as they are. Some examples:

- Much bigger differences occur on other dimensions to which the client gives priority.
- The client is confronted with so many other challenges unrelated to culture, that the client can live with a gap of 17 points.
- There is already quite some unrest in the organization. Addressing culture and starting up a change process may increase feelings of anxiety. It is not uncommon that in such cases nothing is done, and in all likelihood also because of feelings of anxiety among top management.
- Management only wanted a culture scan to show to the outside world that something was done about dysfunctionalities. In reality there was no intention whatsoever to change anything. This happened not so long ago in the case of a Central Bank who wanted to keep up appearances.
- The initiative to measure the culture was taken without real commitment from the top. Once the top manager realized that he was at least partially responsible for dysfunctionalities in the culture, he stopped the whole process.

But, let's suppose our client wants to take action and start a change process to become more goal oriented (D1). Diagram 37 will then be very helpful. In the diagram we see five statements followed by a certain number of asterisks.

Nine questions load the score of this dimension, which is 53 in this case. Among all organizations in the original research by Hofstede et al., these nine questions cluster and together form one dimension. This does not necessarily imply that in one organization these nine questions cluster. What holds true for a whole group of organizations or people in our data bank, does not necessarily apply to one organization or individual. In this case, we can conclude from Diagram 37 that:

The answers to the first four questions with asterisks in red indicate that the actual culture is much below the optimal of 70. Acting upon these answers will raise the level of goal orientation. The more asterisks, the bigger the gap between the actual and the optimal culture. The biggest gap is indicated by four asterisks and the smallest, yet still relevant, by one asterisk. Acting upon the answers with the most asterisks will have the largest positive effect.

The fifth answer with asterisks in blue shows a high goal orientation, of over 70. Here, it is advisable not to act upon it, as no further improvement is possible.

The average answers of the remaining four questions are not shown in this diagram, as they score around 70. That means they are sufficiently goal oriented and do not need to be addressed.

Diagram 37 shows which initiatives will have the largest impact on the change process. If trust can be increased the culture will move into a more goal oriented direction. It may also be helpful to address internal entrepreneurship, though the effect will be less than addressing trust.

We cannot just tell a client that all these statements with red asterisks have to be addressed. The client remains the owner of the change process and can assess which interventions would work or not. Take the statement about inspiring leadership. What if the managers just don't have an inspiring personality? Then you can replace them, or go for an alternative intervention. It may be a relieve to know, that we do not need to address and redress all issues which can help a client to become more goal oriented. Only if the client wants to set its optimal culture at 100, then all discrepancies, indicated by the red asterisks, should be addressed.

Our approach does not only address the 'how' of the change process but also 'what' should change to become successful.

3.12.3 *Dysfunctionalities among different groups*

A consolidated report does not just combine the findings of the separate reports into one report, but also contains additional information derived from comparing the subcultures within the organization, notably when the comparative findings are counterintuitive. It is then up to the client to explain such information and to decide . Whether these differences are really dysfunctional depends on whether the environment and requirements create exceptions to the rule. This is then something to be explained by management.

Some examples:

- a. Head Office scores less goal oriented (D1) than other departments;
- b. Senior management scores less goal oriented (D1) than their direct reports;
- c. Employees interacting with external clients score less externally driven (D2) than other group who are not in contact with external clients;
- d. Senior management scores more strict (D3) than their direct reports;
- e. Senior management scores less professional (D4) than their direct reports;
- f. Senior management scores less open (D5) than their direct reports;
- g. Different scores for different groups on employee versus work oriented (D6);
- h. Senior management scores more employee oriented (D6) than their direct reports;
- i. Senior management has more need for structure than their direct reports;
- j. Sales scores less Masculine than their colleagues in other function groups;
- k. Preventive maintenance scores more Masculine than their colleagues in other function groups;

Some of these examples are elaborated below, but of course, many more examples can be given than are presented here, particularly when managers are compared with e.g. their direct reports.

Once these exceptions and their causes have been identified, they can be redressed. In this case as well, measurement brings knowledge.

Consultants who measure the overall culture without distinguishing subcultures, will never identify such potential dysfunctionalities in a focused way.

Examples:

a. Head office scores less goal oriented (D1) than other departments

This is often the case, probably because head offices often tend to be located far away from the action. Seen from the field, head office comes up with solutions that do not necessarily fit the needs of the ones who do the real work. It is then imperative to ensure that head office does not become too big and bureaucratic.

b. Senior management scores less goal oriented (D1) than their direct reports

If management is located at head office, this is in line with the example above, but it also occurs among managers who are not based at head office. Ideally, people at higher levels in the organization should be more goal oriented than those at lower levels. Higher up in an organization, work tend to be more challenging and a helicopter view and a proactive entrepreneurial mindset are required. These are characteristics of a goal oriented culture. If managers are less goal oriented, it may well be that political games are played to safeguard one's promotion at the detriment of colleagues or to acquire so many fringe benefits that it will harm the organization in the long run.

c. Employees interacting with external clients score less externally driven (D2) than other groups

It is good to have a similar culture throughout the organization on internally versus externally driven (D2). Hofstede's research shows that people in general do not distinguish between internal and external client orientation. And for good reasons: if people trying to take the wishes and desires of external clients very much into consideration, yet are not well serviced by internal departments, they cannot do a proper job.

It rarely happens that people who deal with clients are less externally driven. If they are, it points to high levels of frustration because they feel they do not receive sufficient support to service clients well. Then they may either take sides with the client and complain to them about management and the lousy service of other departments, or they consider their clients nagging nuisances who make a fuss out of everything. Both attitudes are dysfunctional, but can be well explained by the way the top manages the company.

d. Senior management scores more strict (D3) than their direct reports

You may recall the case where a new CEO rightly considered the culture at the work floor too sloppy and leading to lots of waste. To turn the tide, the CEO should have supported his management team to establish a stricter work discipline lower down the organization. Instead, he became so preoccupied with everything going wrong at the work floor that he used his power to make the whole organization stricter, starting with the management team reporting to him. Management teams should not have a very strict work discipline in view of their tasks and level of education. They detested the pressure of the new CEO and therefore did not transfer this drive for a stricter work discipline to lower levels.

e. Senior management scores less professional (D4) than their direct reports

Unless the organization operates in a threatening environment, such as the police, it is good to share the same culture throughout the organization on local versus professional (D4). Yet, in general, people with higher levels of education have a more professional outlook while groups with lower educational levels have a more local culture. Management should have a more professional culture than the lower levels, if indeed their educational level is higher than among those lower in the organization. Moreover, management is normally supposed to have a more outward looking attitude in order to monitor what is happening in the outside world. The reverse is normally speaking dysfunctional. This, however, has been regularly identified by us. It might concern managers who have risen above their competence level and who are afraid that it will be detected.

f. Senior management scores less open (D5) than their direct reports

If senior management has access to sensitive information, such as patents, new developments or the financial position of their clients, a more closed culture or a less open culture would be functional. In reality, in the rare cases of a closed culture at the top, it is usually dysfunctional. Top management always knows better what will happen next than the lower levels, even if top management gives everybody comprehensive information about plans and prospects. On two occasions, we stumbled across top management with a closed culture whereas the rest of the organization displayed a very open culture. In these two cases informal leaders at the work floor were able to depict management as good for nothing and to lock them out. The CEOs had to leave, which strengthened the power of the informal leaders who continued to work there for many, many years.

A closed culture among managers can also occur, but to a lesser degree, among middle managers who were promoted from the work floor and still cherish close ties with their former colleagues. In such cases middle management can act as an impermeable layer between top management and the work floor.

g. Different scores for different groups on employee versus work oriented (D6)

It is recommendable to have a similar culture throughout the organization on employee versus work oriented (D6). If some managers take co-responsibility for the welfare of their staff, whereas other managers are only interested in the output of their direct reports, it will result in jealousy. "It is not fair that my colleagues in the other department are treated so much better than in my own department". This can occur if the CEO lets managers manage in their own way. This may affect the cohesion in an organization negatively.

h. Senior management scores more employee oriented (D6) than their direct reports

The same kind of resentment and jealousy will arise if senior management is employee oriented whereas other groups are work oriented. If employees discover that managers treat themselves nicely while putting people under pressure to produce more, productivity and efficiency can be impacted negatively instead.

i. Senior management needs more structure than their direct reports

Normally the work of senior management is less structured than the work of people lower down the organization. Managers who need more structure, may have risen above their competence level, for example, when excellent technicians are suddenly promoted to manage teams and become involved in strategic issues. Such newly appointed managers probably function better with concrete tasks than with abstract managerial levels. It may also be that the newly appointed managers do have the potential but never received any support to develop themselves to match the new job requirements.

j. Sales scores less Masculine than their colleagues in other function groups

Salesmen are often supposed to be more assertive than people working in other function groups, unless they have to sell very sophisticated products. We once found that sales scores by far more feminine than those working in other function groups. They had to be replaced as they failed miserably. That was of course not their fault. They should have never asked to become salesmen.

i. Preventive maintenance scores more Masculine than their colleagues in other function groups

Mechanics and technicians of preventive maintenance should have a more caring attitude than other colleagues, certainly when it concerns hi-tech equipment. We have to acknowledge that until now we have not identified such a dysfunctionality.

There may always be a good explanation for strange differentiations, but at face value they may seem odd. In general, the more scans are conducted within an organization, the better we can compare and learn about your work reality, which enables focused interventions to achieve objectives successfully.

4 CHANGE MANAGEMENT IN A CHANGING WORLD

4.1 Introduction

Most scholars and practitioners have emphasized process over content when discussing change management. Hardly any proper research has been undertaken that addresses the content of organizational culture. This is not surprising: it is easy to dream up a model describing culture, but it is hard to develop a model based on rigorous research. It is understandable therefore that the process of change was emphasized over content.

This should be reason for concern for practitioners. Apparently, not many consultants seriously wonder whether they can advise their clients well if they do not know the point of departure nor the destination of a client's cultural change journey. It is not uncommon to meet with change consultants who claim that they are well capable of serving their clients because of their experience and intuition. Asking clients what their problems are is enough for consultants to help them to redirect their course, isn't it?

As discussed above, many clients find it difficult to formulate the core of their problems accurately in terms of culture. But even if they can, with or without consultants, it is still difficult to know the bearings of a safe harbor. Setting a course to become more efficient is not enough. Is it feasible to reach that safe harbor and become more efficient, considering the context in which a client's culture is embedded? Such questions may look too complex to bother. In the technical realm, engineers use arithmetic calculations to do a proper job. Engineers graduate from universities and the sophistication of their approach and formulas is in general uncontested. Yet, the systems they address are much simpler than the systems managers, management consultants and change agents cope with.

Some consultants honestly admit that they use models which are dreamed up, but they are still convinced that they deliver a good service. "We just use it to start a meaningful discussion", is their defense. Clients know very well why they called in a consultant, but they often do not know the root of their problems. If they would know, they could solve it by themselves in all likelihood. Without a proper model which measures the functionality of human interaction, it will be hard to go beyond a meaningful discussion.

Culture can be used as an additional tool of management. Given its complexity, it may be wise not to involve culture if there other options to make change happen.

Some "easy" ways to realize change are:

- Change the structure of the company, although this often has less impact than expected;
- Get people moving to avoid the 'burning oil platform' syndrome, but this should be used sparingly as it otherwise would just become a gimmick;

- Change top management if, if top managers form part of the problem, but this is easier said than done. If it is feasible then this may be a good start but still being insufficient.

For quite some time organizational culture was just one of the many management fads soon to fade out from the radar screen. But throughout the years organizational culture has been occupying an ever more prominent place in the list of management tools. It refutes fads - which are founded on shallow grounds. A culture model based on solid research is an analytical tool, showing management to which degree culture will hinder or enable the achievement of their objectives and in which respects.

Why has organizational culture become en vogue? To answer this question, we need to turn to the effect of major changes in our societies on coordination instruments (Mintzberg) and on influencers (Cialdini). This will not only make it clear that organizational culture has become a powerful tool for managers, but also shows the power of the two models developed by Geert Hofstede: on national cultural differences and on organizational cultures.

4.2 Mintzberg's coordination instruments in a changing world

Mintzberg, a Canadian scholar on organizational theory and management, describes in "Structuring Organizations" three coordination instruments:

- Mutual adaptation
- Direct supervision
- Standardization

4.2.1 *The three coordination instruments*

Mutual adaptation:

In the case of mutual adaptation, a group of people discusses how to achieve a common task. The decision will be taken by everyone involved on the basis of information exchange and the contribution of each to the discussion. In its purest form it is not the boss who decides, but the group members all together.

Direct supervision:

Here, the boss tells his/her direct reports what to do. In its purest form, the boss gives orders and expects for good reasons that these orders will be executed.

Standardization:

Here, coordination is achieved through rules, regulations, procedures and standards. In its purest form, everybody complies with the rules and adheres to the standards.

Managers normally use these three coordination instruments in combination. Emphasis on one or two of these instruments depends on the situation.

Mutual adaptation will be particularly emphasized in, for example:

- Parliaments
- -Within associations
- -Within families

Direct supervision will be particularly emphasized in, for example:

- Army
- -Crisis situations

Standardization will be particularly emphasized in, for example:

- -Central government
- -Mass production
- -Process industry

The combination direct supervision and standardization will e.g. be particularly emphasized in: Prisons

Thus the use of all these different combinations of coordination instruments can be identified in one and the same country.

4.2.2 National cultures and coordination instruments

Not only does the combination of the use of coordination instruments depend on the context in which an organization operates the type of activities, but national culture also plays a significant role. For an elaborate explanation of Geert Hofstede's model on national cultures, we refer to his books or website: www.geerthofstede.eu

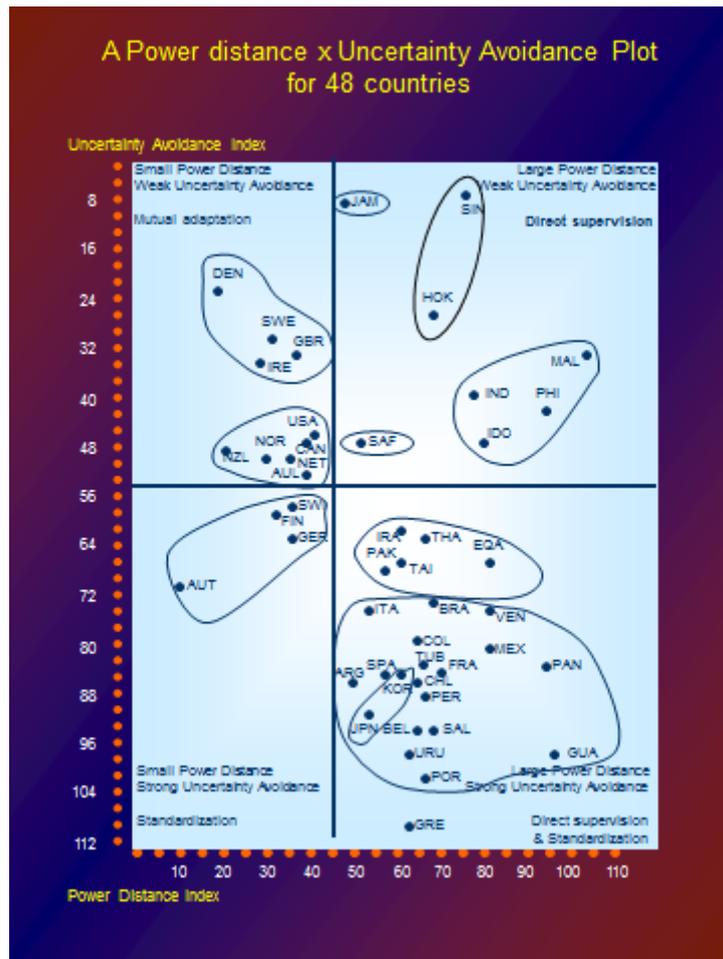
In large Power Distance societies, such as India, Hong Kong, Malaysia and Singapore, direct supervision is more emphasized than in countries with a small Power Distance.

In countries with a high degree of Uncertainty Avoidance, such as Austria and Germany, standardization is stressed.

In countries with a large Power Distance and a strong Uncertainty Avoidance, such as Japan and Korea, both direct supervision and standardization are emphasized.

In countries with a small Power Distance and weak Uncertainty Avoidance, such as Denmark, Ireland and Sweden, mutual adaptation is emphasized.

Diagram 38



All this is of course in relative and comparative terms. In other words, we need to compare prisons with prisons and supermarkets with supermarkets in different countries. Comparing the way a prison is managed in Brazil with the way a supermarket is managed in Denmark yields nonsense.

A further distinction can be made in the 4th quadrant of the diagram above. How mutual adaptation is being realized depends on their culture's position on the dimension Masculinity- Femininity. In Scandinavia and the Netherlands, both having a feminine culture, important decisions are normally taken after employees have been consulted by management after which management will take a decision. If in such countries management only pays lip service to such a consultative management style employees will be turned off fully.

In Anglo-Saxon countries, masculine societies, a good manager is a decisive manager. After a decision has been taken, Anglo-Saxon managers try to sell it to their employees. This is called "getting buy-in". In the USA a good manager is frequently equated with a good salesman, even the President.

4.2.3 *Changing value patterns in a changing world*

Value patterns found in national cultures are not static. Longitudinal data are available since the 1960s, although conclusions can also be drawn from literature and history. We can make assumptions and speculate, and base ourselves on longitudinal research to discern certain patterns of change in culture at national level:

Power Distance:

There is a causal relation between Power Distance and national income and average level of education. If a sizable middle class exists and income and educational levels increase, then over time Power Distance will slowly diminish.

Individualism versus Collectivism:

Also here, there is a clear causal relation between Individualism and national income. If a sizable middle class exists and when people earn more, the culture will become slowly more individualist.

Masculinity versus Femininity:

No definite developments have been identified for this value pattern.

Uncertainty Avoidance:

Also in this case no definite developments have been identified so far.

Normative versus Pragmatic:

We have not yet come across any assumptions regarding changes taking place on the fifth value pattern, called by us "Normative versus Pragmatic". This fifth value pattern has been recently identified and so far no agreement has been reached among the scholars involved about its definite content. These scholars are Geert Hofstede, Michael Harris Bond and Michael Minkov. See Annex 2.

Research by Sjoerd Beugelsdijk has conclusively shown that nearly all societies are becoming more Individualist while Power Distance decreases. In other words, people tend to become more autonomous towards groups and power holders.

4.2.4 *The use of coordination instruments in a changing world*

We live in a time in which cultural changes are happening, albeit slowly. There may be a ceiling above which individualism cannot rise, but we do not know where that ceiling is. Mutual adaptation will most likely be used in cultures characterized by small Power Distance and a weak Uncertainty Avoidance. The culture of the USA captures both elements, next to being highly individualist. In Individualist cultures there exists more need for mutual adaptation to coordinate work and cooperation than in Collectivist cultures, yet individualism also makes it hard to apply genuine mutual adaptation. In Individualist cultures each person may have a different opinion and they like to stand out in the crowd, certainly in the USA. Hungarian HR manager working for a US company, who participated in one of our intercultural seminars, remarked: "It is obvious that teamwork is not common practice to Americans. Otherwise, why would they talk so much about it?"

The Netherlands is also a very individualist society. It's very feminine culture may soften the impact of high individualism, but also in the Netherlands successful coordination is becoming more demanding over time. A Brit once remarked: "When you give an assignment to a Dutchman and tell him that he can execute it the way he thinks fit, he will ask a compatriot to assist him, to make work more cozy. Half-way through he thinks, I could have done a better job all by myself".

A decreasing Power Distance makes direct supervision and mutual adaptation less effective as coordination tools. According to Mintzberg, a manager has only three coordination instruments available. "Standardization" is then left over. However, it is questionable whether it is wise to emphasize "standardization" more and more when the levels of both education and wealth are increasing. You may recall that the degree of standardization normally needs to fit the country's Uncertainty Avoidance and we may assume that common practices were already attuned to the need for standardization. Nevertheless, in many countries this is precisely what is happening and abhorred by many who have no talent for filling out forms, following digital procedures or coding their activities in a strict schedule. Medical doctors, police officers, sales people, taxi drivers or recruitment agents are spending ever more time on administration, while managers are turning into administrators rather than those who are making things happen.

The increasing emphasis on standardization may backfire. When standardization is used more than befits the national culture and the situation, people will feel stifled, which will not promote success. Too much reliance on standardization may be counterproductive in a time of rapid technological change, unless clever standards are developed which give people control over their work.

To put it in another way: decreasing Power Distance and increasing Individualism will diminish the cohesion among people at work, unless countervailing powers are identified.

National cultures change so slowly, that it is hardly noticed. Only when reading articles in newspapers about society 80 years ago, may one suddenly realize how individualist we have become. When you yourself are part of present-day youth, the highly individualist attitude may seem normal. We only get a wake-up call when it seems to be too late, as in the case of the famous frog: apparently, when you put a frog in a pan of cold water and slowly heat it, the frog will stay in the pan. The frog, a cold-blooded animal, does not notice the temperature change. Only when it is too late he notices the heat but by then, he is unable to jump out and has become a soup ingredient.

Don't worry, human beings are not cold blooded, but still.....

In *Capital in the 21st Century* Thomas Piketty describes the process by which middle class in the wealthier countries is contracting. If this continues, the individualist trend may be reversed. Such processes elapse very slowly, so their impact may be negligible in the short run, but certainly not in the longer run.

4.2.5 Impact on the use of organizational culture

Two of the traditional coordination instruments, direct supervision and mutual adaptation are slowly turning blunt, while the third instrument, standardization, may become slowly counterproductive. Fortunately for us, there are two ways to overcome this catch-22 situation.

The first is to use the market as a coordination instrument. Adam Smith, in “*The Wealth of Nations*” describes the market as a superb coordination instrument, calling it the “invisible hand”. The down-fall of the USSR showed indeed that it is impossible to replace the market by a top-down centrally guided economy. Taking the market into a company means, for example, that departments are no longer forced to use each other’s outputs as inputs for their own production system. Many companies have adapted such a process in a more and more intertwined world.

The second way is to use organizational culture as an additional coordination instrument.

During the 1960s and 1970s the importance of the market as a valuable coordination instrument was often understated. Today its importance is often overstated. Adam Smith pointed out that the market is no panacea for everything. Consequently, the role of organizational culture as an additional coordination tool is here to stay.

With help of organizational culture the following can be realized:

- Compensate for diminishing cohesion and poor coordination. For example, by building a goal oriented culture (D1) and a strong identification with the overall organization (D8).
- Increase employee loyalty through boosting stay motivation, by creating an open (D5) and employee-oriented (D6) culture with a high acceptance of the leadership style (D7) and a high identification with the organization (D8).
- Implement more standardization, not by direct control by the boss, but by self-control.

Two ways out of the catch-22 situation: taking the market into companies and using organizational culture effectively. Over the past two decades, market thinking has been introduced into the government and this is, in our opinion, not a good idea. The cornerstone of a reliable government is equal treatment of citizens.

An entrepreneurial spirit amongst civil servants may jeopardize this. In as far as the market has taken over some of the functions of the traditional coordination instruments, organization culture should in government ideally play an even more dominant role than in the commercial sector.

4.3 Cialdini's persuasion principles

Robert Cialdini offers us another way of considering the impact of a slow change in value patterns. In his book "Influence" Cialdini gives us the principles that guide people's ability to influence others. Salesmen, politicians and managers alike are facing the challenge to make us to do what they want us to do. Instead of "influence", Cialdini could also have used the word "power". Power after all, is the degree to which someone is able to influence someone else to do what he wants him to do. In our case, we are especially interested in how managers try to influence their direct reports to do what they are supposed to do.

Cialdini comes up with six key principles of persuasion:

1. Scarcity
2. Reciprocation
3. Consistency
4. Social validation
5. Liking
6. Authority

4.3.1 Description of these principles

Leaving politics and sales aside, we concentrate our description here on managers who need to make their people doing what they are supposed to do.

Scarcity:

It's a human trait to do (nearly) anything to stay alive. So we could claim that it is best to offer a minimal wage to the needy that will meet their basic needs and get them going. But then you may have bought hands but not necessarily hearts. Scarcity embraces much more than the eminent threat of hunger and homelessness. More in general, management has power if it has scarce resources on offer. People find objects and opportunities more attractive if they are scarce, rare or dwindling in availability. This can include a salary "to keep up with the Jones' ", labor conditions or a pleasant work environment. Even scarce information can be effective. Controlling resources that are perceived as scarce, gives power to management to influence its beneficiaries.

Reciprocation:

People are social beings and continuously busy connecting and seeking commitment so as not to be left alone. Visibly, this can be done by exchanging gifts. More subtly, it can be done by exchanging favors. For example, by standing up for someone in a meeting - if that is crucial to the other person. It is not necessary to explicitly close a deal. People are willing to comply with requests for favors, services, information, concessions and the like, from others who provided such things earlier. The one who has more to offer or is smarter in making use of his offerings, can influence others more than being influenced by his beneficiaries.

Consistency:

Most people have a need for consistency. Even those who behave inconsistent still try to look consistent and certainly want others to be consistent.

Someone who changes his mind continuously and who is never committed to his promises, is seen as highly unreliable - and will lose credibility. It will make cooperation difficult if not impossible.

People who are able to fool others successfully in this respect or who are better negotiators, have more power.

Social validation:

People are more willing to conduct a recommended action if they see that many others are already doing this, especially if these people are similar to them or respected. If a manager wants to get something done which he knows will arouse opposition, he'd better identify supporters before going "public" with his proposal.

Liking:

People can be more easily persuaded by someone they know and like. Then it is less of a problem to say yes. Employees are more willing to comply with the request of a manager who evokes positive feelings. Positive feelings can be created by:

- Similarities between the manager and his subordinates;
- Giving positive feedback;
- Cooperation, rather than keeping a certain distance;
- Pleasant personality;
- Physical attraction (although respondents often deny this).

Authority:

People are more ready to follow the directions or recommendations of a manager to whom they attribute authority or expertise. One study showed that 3 times as many pedestrians were willing to follow a man into traffic against the red light when he was authoritatively dressed in a business suit and tie. Cialdini cites sociological research based on the Milgram experiments and the My Lai massacre to make this point.

Authority can be attributed on the basis of:

- Sanctions: the ability to fire or promote subordinates. It will carry more effect when scarcity plays a role.
- Expertise: the know-how subordinates attribute to their manager to ensure that everything goes well.
- Reference power: behavior that subordinates consider is worth copying.

4.3.2 The impact of national cultures

Cialdini cites a study by Morris, Podolny and Ariel of the Stanford University which shows the impact of national culture on how these influencing principles are used. One of the questions was what a colleague (not a manager) had to do to motivate the respondent to meet his request without any compensation. In the four countries in which this research took place, different principles of persuasion were emphasized.

Here are the considerations of respondents in several cultures, before complying or not:

In the USA:

“Has that colleague done enough for me recently?” This echoes the cultural pattern in the USA of a short term normative value pattern with an emphasis on reciprocation (=PRA). Although in the individualistic USA, people are strongly convinced that only merit should play a role in hiring, firing, promotion or demotion, the PRA dimension plays a crucial role when it comes to reciprocity.

In China:

“Does that colleague have strong relations with important people in my department?” This echoes a large Power Distance.

In Spain:

“Is that colleague a friend of one of my friends?” This preference is a sign of a rather collectivist value pattern.

In Germany:

“Is that request in line with the rules and structure of our company and my work?” This indicates a small Power Distance and strong Uncertainty Avoidance.

Low-income countries:

We can add that in low-income countries, the scarcity persuasion principle can and is often directly emphasized, or indirectly through authority based on sanction power.

Most low-income countries have a large Power Distance and are Collectivist. The boss as a stern and considerate father will by definition obtain significant buy-in.

4.3.3 Persuasion principles in a changing world

How do these six persuasion principles work out in a changing world?

Scarcity:

The effectiveness of the scarcity principle will diminish wherever wealth increases and a sizeable middle class exists, unless new needs are created for which people crave. Authority based on sanction power will lose its effectiveness.

Reciprocation:

What is seen as corruption in the Western world may not be seen as such in the non-Western world. But corruption also exists for those in the non-Western world, albeit according to their own terms. Whether reciprocation of favors and gifts is seen as corruption depends on the degree to which it happens. In general it can be said that “rampant” corruption will affect the wealth of nations negatively, because allocation of scarce resources will happen in a sub-optimal way.

But let’s be straight: a lot of subtle “reciprocation” exists in the Western world. It is doubtful whether reciprocation is a helpful principle of persuasion from a macro-economic perspective, particularly at the top of organizations. From the point of view of organizational culture, reciprocity at the top pushes the culture into a means-oriented direction on D1.

Consistency:

In countries in which self-interest is increasingly emphasized as a reflection of an increase in Individualism, people will feel less need to be consistent if it does not suit them giving an ever increasing emphasis on self-interest.

Social validation:

A higher Individualism and a smaller Power Distance will lead to less need for social validation. The rising Individualism will cause an ever larger variety of people's identities while people perceive less similarities among them. The smaller Power Distance means that power holders have to work harder to earn respect.

As a countervailing factor we see people look for a partner with more or less the same level of education instead of someone from your neighborhood, for example.

Liking:

What has been said about similarities also applies here. On average, similarities between managers and subordinates diminish in a society where Individualism is on the rise.

Authority:

In a society in which Power Distance becomes smaller, sanction power as a principle of persuasion becomes slowly less effective as a tool of persuasion.

4.3.4 Impact on organizational culture

As we saw the cultural changes in society, notably the rising Individualism and decreasing Power Distance, make a number of persuasion principles less effective. Cialdini discusses these principles at the individual level only, but they are equally valid at group level. Even in the most Individualistic culture people remain social beings.

Below we will discuss five of the principles from the perspective of organizational culture. Scarcity is omitted as there is no direct connection with organizational culture.

Reciprocation and organizational culture:

Reciprocation may be helpful if you try to achieve your personal goal, but it may harm the longer term success of your organization. It implies "playing politics". If management is concerned with the long term interest of the organization, rather than its own short term interest, it should discourage reciprocation. This can be achieved by creating a goal oriented culture (D1) and by emphasizing the other persuasion principles.

Consistency and organization culture:

Consistency and commitment can be also boosted by working towards more goal orientation on D1 and a stronger identification with the overall organization on D8.

Social validation:

People are more willing to conduct a recommended action if they see that many others are already doing this, especially if these people are similar to them or respected. If a manager wants to get something done which he knows will arouse opposition, he'd better identify supporters before going "public" with his proposal. Whether culture will help in increasing social validation is questionable.

If management is identifying supporters, and if this is found out by all others, this may be perceived as management playing political games. This then will move the culture towards a means oriented culture on D1.

Liking:

People can be more easily persuaded by someone they know and like. Then it is less of a problem to say yes. Employees are more willing to comply with the request of a manager who evokes positive feelings. Positive feelings can be created by:

- Similarities between the manager and his subordinates; The more goal oriented a culture scores on D1 the less differences between people will be perceived as a hindrance to realize the goals of their organization.
- Giving positive feedback; The more goal oriented a culture scores on D1 the more positive feedback will be given instead of negative feedback. This also applies for a more open culture on D5.
- Cooperation, rather than keeping a certain distance; The more goal oriented a culture scores on D1 the less managers keep a certain distance towards their direct reports.
- Pleasant personality; This is unrelated to culture.
- Physical attraction (although respondents often deny this). This is also unrelated to culture.

Authority:

People are more ready to follow the directions or recommendations of a manager to whom they attribute authority or expertise.

Of characteristics that can be attributed to authority only expertise can be connected to organizational culture. The more professional a culture scores on D4, the more the expertise of managers is appreciated.

Cialdini's theory shows us that organizational culture as a tool of management becomes more important if wealth and the level of education are on the rise. Goal orientation in particular will assist managers to influence employees to achieve a common objective. Both Mintzberg or Cialdini teach us that over time organizational culture has and will become key in coordinating and influencing people. Only if the middle class loses its clout or if wealth and the level of education diminish, will organizational culture become less effective. Whether this will happen in the USA or Europe is to be seen. In a number of Asian, Latin American and African countries, individualism is increasing while power distance is decreasing, slowly but surely. It has happened in Japan and to a lesser degree in South Korea. It is happening in China and India. Thus in our times the importance of organizational culture as an additional tool of management is beyond doubt becoming more and more important in many countries. It will compensate for the loss of effectiveness of other management tools.

4.4 Additional objectives of culture scans

In general, management in countries such as Denmark, Germany, UK and the US is always in for surprises as culture scans will supply management with at least some new information they were unaware of. The main function of a culture scan, however, is not to come up with new information per se, but to assess the discrepancies between the actual and optimal culture and to provide tools to facilitate quick and effective change to bridge the gap. This is valid for all countries with Individualist cultures with small Power Distance.

What about countries with a different cultural profile on Hofstede's 5 dimensions?

The majority of countries in this world have a Collectivist culture with a large Power Distance. Is organizational culture then still beneficial as an additional management tool?

Overall, as long as managers act as stern but considerate fathers towards their employees, employees are very likely to comply with the wishes and directives of their bosses.

Cultural audits and scans serve a different purpose in these countries. Our experience in, among others, Egypt, Ghana, Kenya, Portugal, Tanzania, Thailand and Turkey shows that management faces the challenge to find out what really happens on the "shop floor".

Subordinates will rarely, if ever, criticize the boss and they will tell their boss what they think the boss wants to hear. Moreover, a cultural audit shows managers how they are really perceived by their subordinates.

Of course, there is an overlap in the benefits of culture scans in these two types of countries. In the second group of countries the primary function of cultural scans is to provide information. Applying "indirect change tools" is hardly necessary. Managers who are seen as "good" benevolent fathers (and mothers) who give proper explanation and sensible instructions, will be obeyed. In section 4.5.4 this will be explored in more detail.

4.5 Sense and non-sense of change management

4.5.1 Introduction

An intriguing aspect of organizational life is that it seems hard to bring about change. Individuals though, adjust their behavior continuously. Why do individuals change their behavior more readily than groups of people?

Let's take a look at individual behavior. Every one of us constantly adapts his or her behavior. When we are called in by our boss, most of us will behave very different than when meeting our lover. Even when our boss and lover are the same, we are supposed to play different roles in public.

We will adjust our behavior as long as our different behavioral patterns make sense to us. This can be based on differences in the context in which we find ourselves and based on our expectations we have about the expectations others have about us.

Let's turn to groups. Groups tend to be more inert than individuals, but not always. When people join to establish a new group, they create assumptions, attitudes, rituals and beliefs. In other words: culture. This facilitates interaction among the members of the new group as well as with the outside world. In addition, their culture is also shaped by the context in which the group operates and the reasons for which they have come together. Individuals inside a group are less "autonomous" than outside that group. They will consider each other's ideas and attitudes before acting, consciously or unconsciously. Social control and the need to give meaning to work life and the need to belong imply that groups are not simply the sum of individual group members. This creates inertia, although not always. The group founder can be very dynamic and charismatic and enthuse co-workers towards a flexible and entrepreneurial spirit that they would have never achieved on their own. Or they may be instilled to do horrible things they would never dream of doing alone.

Factors impacting change:

Three factors in particular impact in how far and how fast groups change their behavior:

- a. Perceived context;
- b. Their culture;
- c. Personalities of individual group members;

a. Perceived context:

It is not the context as such that defines people's behavior, but the context as they see it. If rank and file people have reason to distrust top management, they are more likely to resist change than if they trust top management.

If top management clearly puts its own interest far ahead of the interests of others, the employees are more likely to resist change than if they see that top management cares as much for the employees as for themselves.

If people assume that change will impact their position negatively, they are more likely to resist change than if they have nothing to fear. That is common wisdom.

b. Culture:

How people perceive their reality is partly influenced by their culture.

If a lot of distrust is institutionalized in the culture, top management's intentions will meet with more resistance than if trust reigns.

Institutionalized distrust often relates to traumatic events in the past which were never seriously redressed. In such situations top management can still be distrusted, even if there is no longer an objective reason for it.

This also holds true for attitudes of management. Some organizational cultures are known for caring attitudes whereas others are characterized by a continuous pressure and a management team only interested in output, not in the well-being of the employees.

Resistance to change is more expected in the latter case.

c. Personality:

The influence of personalities of individuals should not be underestimated. Whether this influence materializes, depends heavily on the ability and commitment of formal and informal leaders to make change happen, or to abort change initiatives.

Inspirational leaders may be able to make change happen. "May", because although personality counts, culture still plays an important role. The content of culture tells us whether there is trust and whether inspirational people will be embraced or rejected.

Along the same line, one should be prudent to bring in "change champions" to make change happen. If social control and resistance are strong, these change champions will most likely integrate into the actual culture or be rejected. In either case, their impact will be much smaller than anticipated.

4.5.2 More content, less process

It makes sense to gauge the willingness and ability to change among co-workers. Such surveys address individual attitudes to change, but is it really useful? In a world in which competition and change have become the norm, people need to adapt continuously whether they like it or not. Individuals will change anyway if it makes sense to them.

The challenge is not to address change as an individual process, but to look at it from a group perspective:

- Does the actual culture inhibit or support change? Through this question, the content of culture is implicated which helps to define, formally or informally, a change strategy.
- Will the sub-culture of management inhibit or support change? Too often top managers genuinely proclaim the new culture without acting accordingly, even when they emphasize the dictum "We walk the talk".
- Do the change initiatives make sense, not only to management, but especially to rank and file people? No matter how hard management tries to tell and sell the message, if the common worker does not act upon it, nothing will change.

4.5.3 *The “tell and sell” approach*

Change managers all over the world have unconsciously adopted an American change approach or philosophy of “tell and sell”. It is based on the American idea that a good manager is a good sales person.

Being successful and showing it, is a big motivator in US culture. The tell and sell method is one way to achieve this. If managers are successful by a tell and sell approach they can claim with good reason that they personally made change happen.

In addition, Americans do not want to endanger their career perspectives. In case of a conflict, they tend to either comply or leave their employer. Whereas the Danes would not mind to speak their mind to their superior, to Americans this can mean a bad career move.

That does not mean that change is easy to achieve in the USA, but rather, that different cultures have different options and ways to make change happen. Here we will only zoom in on change in countries with a small Power Distance.

The “tell and sell” approach can take on different forms, such as:

- Explicit formulation of vision, mission statements and core values;
- Workshops, seminars and conferences in which employees are “indoctrinated” in the “new culture”;
- Booklets, leaflets and other paraphernalia in which the new culture is described - often beautifully designed;
- Actors who present the “old” culture and the “new” culture in a catchy way.

A striking example of the “tell and sell” approach is “the burning oil platform”. Management teams may use the metaphor of the “burning oil platform” to convey an extreme urgency to change. In the USA management teams can get away with “the burning oil platform”, even if it turns out afterwards that things were not all that urgent. People may then say to management: “Good on you for making us believe that we had to get on and do it.” In Europe, people would fall out with management because they feel tricked. Using “the burning oil platform” a second time will not work in Europe, even if this time the situation really resembles a burning oil platform.

Yet, even in the US there is a danger that people think: “O yeah, just show me” if top management tries to implement direct behavioral change in the organization, especially if the top did not live up to expectations in the past. This “just wait and see attitude” will frustrate change efforts considerably.

A complicating factor is that management teams need to have a different subculture than the rest of the organization. In other words, their behavior should not always be replicated lower down.

Such sophistication is of course beyond most people, as core values tend to be indiscriminately rolled out through the whole organization. The core value “integrity” can be particularly problematic in this respect. Top management may sincerely want everybody to act with integrity. At the same time they may be unwilling or unable to apply this core value to themselves. Then it is better to delete “integrity” from the list of core values altogether.

If top management does not behave according to the core values they promote, the end result will be cynicism in its company culture. This will move the culture into a means oriented direction (D1). It is doubtful whether it is clever to adopt integrity as a core value. It transmits the implicit message that until now there was something wrong with our integrity. One of our clients had good reasons to introduce “integrity” as a core value which people should take to heart. In the country of this company, bribing used to be tax deductible, provided it had happened abroad. Then the law changed and made bribery abroad as punishable as at home. A shared practice inside this company had to change and in order to hammer the point home, it was agreed that the core value “integrity” *really* made sense in their situation. Remember: “In the case of culture never say “never” and never say “always”. Work life is too complex to adapt an apodictic attitude!

4.5.4 Two basic approaches to change

The “tell and sell” approach is a direct approach. The indirect approach does not tell people explicitly what they have to change. Instead, the work environment will be changed in such a way that people would be stupid not to adjust their behavior. In other words, it will then make sense to most employees to change their behavior, even though they have not been told to do so.

On the lower rungs of the organizational ladder behavioral change is best realized through changing the environment. At the level of top management this would not work: it would be hard for a top management team to recreate their own environment. In terms of a dichotomy we can say:

- Below top management behavior can best be changed indirectly
- Behavior of top managers can best be changed directly

In reality we should not think in terms of dichotomies. We cannot say it enough: in the case of culture never say “never” and never say “always”. Work life is too complex for absolute statements. Thus, it may well be that to change behavior of the top manager of a certain division, a direct approach may yield better results.

Especially if this top manager does not see its role to manage the division managers reporting to him, but rather to formulate financial expectations, thereby leaving the division managers a lot of leeway. By the same token it may well be that change among senior management, one rung below top management, requires a combination of direct and indirect change - depending on the amount of autonomy those senior managers have. The more autonomy they have, the better a direct approach works. The CEO has to change his/her behavior any way all by him- or herself, of course if so desired with help of an external coach. This exemplifies the dictum, that it can be lonely at the top.

Contrary to what many top managers believe, the weight of change is more on their shoulders than on the shoulders of everyone else. It is more difficult to change behavior all by oneself through direct change, than by adjusting to a changing work environment, through indirect change.

Top managers and certainly the CEO, have the power and good excuses to forsake direct change. There is always a crisis which needs immediate attention, a take-over or whatever. Even if a CEO is of good intentions, he needs a lot of self-discipline to change his own convictions, attitudes and behavior. A coach can be helpful, but at the end of the day the CEO has to do it all by himself.

4.5.5 Content or process

As pointed out above, it has become common practice to gauge the willingness and readiness for change, in order to assess which change process will be most successful. Most consultants and change agents limit themselves to a direct change approach. To design a successful change strategy, it is wise to assess the resistance to change. If a lot of distrust prevails, this distrust needs to be addressed before engaging in other change activities. If strong feelings of insecurity and anxiety exist, it is wise to take these also into consideration, e.g. by being decisive and by following through on “negative decisions” as quickly as possible. In the latter case think of people who have become redundant.

It is our conviction that the bulk of change activities can best be executed in an indirect manner. Indirect change meets with much less resistance, certainly if the process is well managed (see chapter 5). It may be clear that it is not a question of content or process, but of both content and process to realize change successfully.

It is not always feasible to realize changes within and among groups just by an indirect approach. As explained earlier, for the higher echelons a more direct approach is recommendable. For this reason we recommend to measure the degree of security or anxiety prevalent in a culture and the degree of trust or distrust, seen from different angles. (See diagrams 34 and 35 in section 3.12.2)

On an oil rig or in a nuclear power plant where the environment is hazardous and safety paramount, you want people to identify with the “how”. The optimal culture is then in area 2, with a score of 35-45. Safety will be definitely compromised if the culture scores 90 -100. But also a position on 0-10 may be disastrous, not only with respect to productivity but also safety. It is impossible to realize high productivity and a safe work environment simultaneously. What is gained with one hand will be lost by the other. Two options present a way out:

1. Suppose that the optimal position to realize high productivity is 75 on goal orientation. There may be reasons why 100 is unattainable, such as a fair amount of risks and some repetitive work. Next, suppose a score of 35 will optimally maintain safety. The average position between 35 and 75 - that is 55, is the optimal position to achieve the best of both worlds.
2. Such an in-between score may not be satisfactory. It may be neither fish nor fowl and not supporting neither objective strong enough. Then functional diversity comes into the picture. Safety is probably not critical everywhere and the solution can be to create at least two sub-cultures in different parts of the organization, one scoring 35 and the other 75.
3. There may exist also a third option unrelated to culture: Integrating these requirements in technology, processes and systems in such a way that human intervention is limited. If this is feasible then it may also be possible to realize both objectives to a large extent.

Should management wish to focus solely on increasing safety - then we can forget about all these considerations. Yet, such a single issue approach will in all likelihood make recommendations from the consultants disappear into the drawer. They did not make sense, or after implementing the recommendations, profits went down because productivity went down. The reverse applies as well if management only focuses on increasing productivity, while health and safety are issues as well.

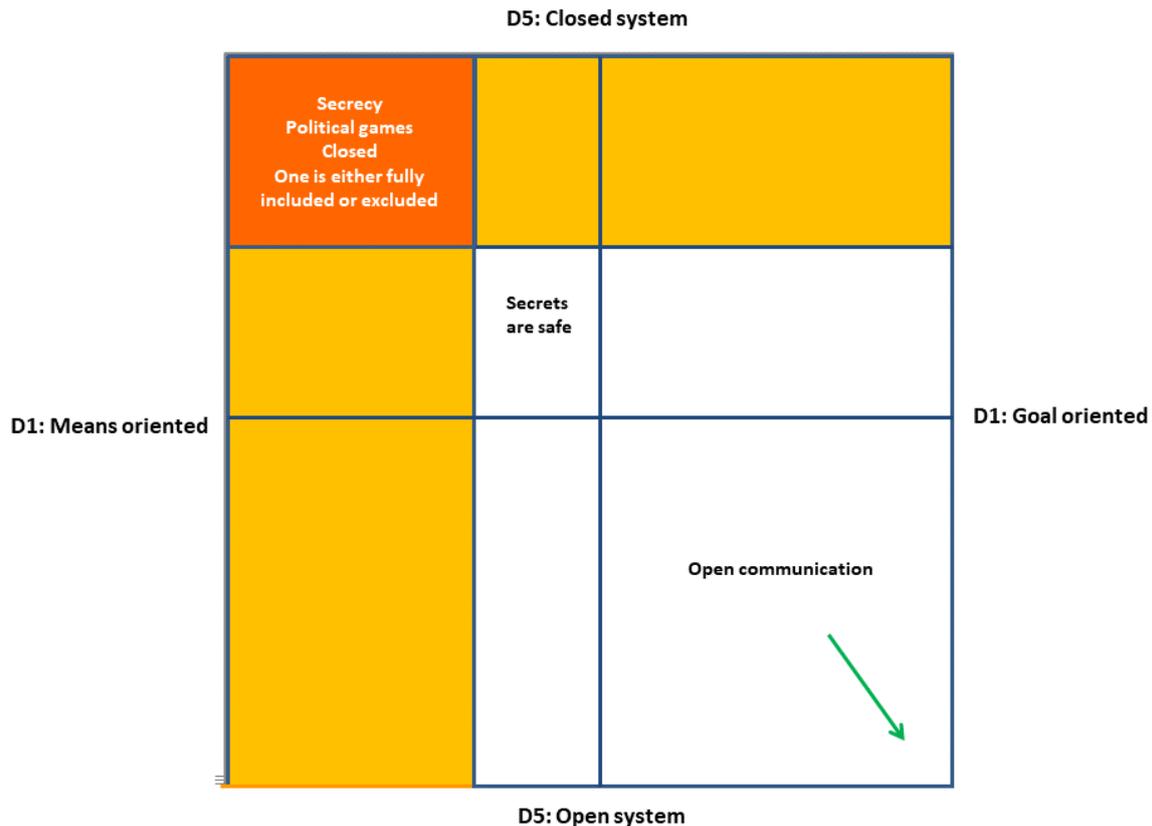
b. Conflicting objectives – Second example

This second example addresses the other two objectives to use culture scans.

- How to promote open internal communication?
- How to ensure that sensitive information does not fall into the hands of the competition or criminals?

These conflicting objectives relate to means vs goal orientation (D1) and open versus closed (D5).

Diagram 40



Suppose both objectives should be addressed simultaneously:

- Internal communication needs to be more open and
- Sensitive information should be prevented from falling into the hands of the competition or criminals

An open culture in which everyone feels welcome is best supported if it scores between 0-10 on D5, that is, extremely open. But then sensitive information will easily fall into wrong hands, whether the organization's own inventions, innovations and patents, or sensitive client information.

In a culture that scores between 50-70, secrets will be safe - from a cultural perspective. The problem is that Hofstede's research shows that groups of people cannot make a distinction between internal and external systems that are open or closed. Thus, the two requirements clash with each other – at least if we want to realize both objectives through interventions addressing only D5.

Luckily, the degree of openness is not only defined by D5, but also by D1, means versus goal orientation. A means oriented culture will hinder open communication and a goal oriented culture will support openness. D1, means versus goal oriented is an internal dimension.

Suppose that a fair degree of secrecy is required as well as a fair degree of open communication in a certain group. In order to make this happen simultaneously, we can try to apply the three options of the first example. But here we also have a fourth option, to be applied alone or in combination with one or more of the options from the first example. A somewhat closed score of around 60 on D5 will support secrecy. At the same time a very goal oriented score of around 85 on D1, if attainable, will support open communication, therefore compensating for the somewhat closed score on D5. Thus, by combining these two characteristics, both objectives can be realized.

Whether it is possible and recommendable to strive for such a goal oriented score on D1 depends on many other factors. After all, we should not limit ourselves to one single issue. If the work is for most people the same every day or involves large risks while safety is a major issue, then we cannot compensate the closed score of 60 on D5 by a very goal oriented score on D1. In such cases it is better to fall back on the first three options of the first example.

Limiting oneself to one or a couple of issues only

The longer people work in an organization the more they know about their organization, but that is not valid for culture. We see here a reverse process. The longer people work in an organization, the less they know about their own culture. This sounds confusing and it is not strange that when an internal problem has been identified, people think that they can easily identify its causes if it is related to human behavior being part of it. Yet, one doesn't realize that the longer one works in an organization the more myopic one becomes regarding the intricacies of one's (sub-)culture. That is why it is wise to measure the culture in its totality and not just cover one or a couple of issues.

A nice example is given in story D in section 3.6.2. Whereas the managing director thought that the mechanics were too externally driven, in reality they were too easy-going. Such a misinterpretation by the managing director is not exceptional. He identified the problem correctly: the client was not charged for additional work done. However, he fully misinterpreted why this happened and therefore came up with the wrong solutions. A culture scan, based on rigorous research, can easily redress this.

Conclusion

Culture should preferably not be used to solve single issues. Initiatives to solve single issues based on an analysis of culture often meet with resistance. These initiatives may not feel good because they go against "common sense". Not that people are always able to formulate why. People are supposed to achieve many objectives simultaneously in order to contribute to the overarching goal of their organization - whether this concerns a larger market share, more profits, shareholders' value or obtaining and safeguarding subsidies.

It is advisable to consider all the requirements an organization has to meet. If only one issue is analyzed, solutions may frustrate realization of other objectives.

It is best to go from an approach of single issues to focus. One can of course focus on a single issue, as that often represents a preoccupation of the client. However, we should not confine ourselves to one single issue.

A cultural analysis often brings out other issues as well, which previously were not on the radar screen of management. Frequently the client eventually decides to tackle a different issue from the one for which we were initially called in.

Organizations are extremely complex systems. Management should be willing to acknowledge this without becoming paralyzed by complexity. Keep it simple by making use of sophisticated tools to align culture with strategy so that objectives are realized in an optimal way.

It is the same as with cars. Cars make it simple to get from A to B; yet cars have become sophisticated tools with all the integrated software and sensors. Drivers are not paralyzed by the complexity of cars. They take it for granted. Only a paranoid person doesn't want to use cars because of all the technology and IT-systems incorporated into them. Hopefully managers will adopt the same attitude towards sophisticated cultural tools as drivers have towards cars.

5. PROCESS: THE MODEL ON STRATEGY, CULTURE AND CHANGE

5.1 Introduction

If a group of people is the most complex system on earth, then it is unlikely that a change process will be any less complex. If the actual culture of a client, its optimal culture and the gap between the two are not preset, then it is unlikely that the change process will be preset.

Our method connects our change tools with the content of culture: the actual culture as measured and the optimal culture the client wants to realize. In all likelihood our approach may look very childish in the year 2100, but at the moment we believe it is the best there is.

5.2 Some change principles

The change principles we describe here DESCRIBE our approach to the change process. Of course, this is not an exhaustive summary; the professional literature gives us many more change principles. Neither are they unshakable or infallible. Organizational culture is a means to an end in order to achieve objectives successfully. Change principles serve the same purpose. They have no meaning as such and it is always wise to check whether a particular principle suits the consultant or the client in a particular situation.

These are the change principles we will explore here:

- There should be a connection between strategy and culture;
- There does not exist just one good culture;
- The client should be the owner of the process;
- There are many ways to describe the actual culture;
- There should be a connection between culture and change;
- Do things in the proper order;
- Keep momentum;
- Culture and change are just means to an end;
- Acknowledge minimum requirements to become successful;
- Acknowledge the emotional component.

5.2.1 Strategy and culture

Strategy and culture belong together, even though some practitioners believe that they can help clients well by using one of the two bodies of know-how only. The author remembers a client who had invited strategy consultants from a prestigious multinational consultancy firm. These consultants expressed their amazement that we were working alongside with them. To them, “culture” was irrelevant in assisting clients to do a better job.

The challenge is to align culture with strategy - but, on top of that, the results of cultural audits help clients to bring their strategies more into focus. Culture is a tool of analysis and a language to reflect and discuss improvements meaningfully.

In the translation process from strategy to culture it becomes clear whether the selected strategies are feasible - and if so, to what extent and at what costs. It helps clients to assess whether the (im-)material costs of realizing the chosen strategies are prohibitive or not.

Example of infeasible objectives:

The police should catch as many criminals as possible. Unfortunately, police officers are not always stars in completing administrative procedures sufficiently accurately to win a court case to lock up the criminal. Authorities who impose proper handling of administrative procedures on police officers, may meet with resistance from those police officers, though not necessarily consciously. Police officers are continuously on call and cannot plan their work ahead in detail. Their work culture has a loose work discipline (D3). Such a culture runs counter to meticulous task execution.

Example of immaterial costs becoming too high:

Let's suppose that the authorities insist on following strict and elaborate administrative procedures, despite resistance from criminal investigation departments. Let's suppose further that the authorities have so much clout that they are able to move the culture towards a stricter work discipline. Then the immaterial price becomes too high as this will inhibit a rapid deployment of police officers. Instead they will be all filling out forms and doing their admin chores meticulously.

If the authorities fail to change the culture, what is more likely to happen, police officers will become demotivated. They will have good reason to think that one of their core duties - catching criminals - is being thwarted by "stupid" administrative procedures imposed on them. The way out is to allocate the bulk of administrative duties, which are after all required to get criminals sentenced, to employees whose duties are limited to these administrative tasks.

In other words, functional diversity has to be created between police officers catching criminals and those ensuring proper administrative proceedings, ensuring of course smooth communication between these two groups.

To close a gap between actual and the optimal culture, we have three options:

- Change the culture,
- Change the strategy,
- Do both.

Rarely does a management team decide to change its strategy instead of its culture, although it is much easier to change strategy than culture.

5.2.2 *Not one good culture*

There are many reasons why it is preposterous to claim that there is only one good culture. Nevertheless, many consultants insist that the best culture to perform is pre-defined. Accepting such a premise makes life of clients and consultants easier. No more need to reflect on the ideal culture. No more need to translate strategy into cultural terms. No more need to examine whether the environment in which a culture is embedded makes it difficult or impossible to optimize the fit between strategy and culture in a simple way.

The challenge is to accept that there are multiple Best Cultures and to formulate the optimal culture for this specific client who wants to achieve his objectives and strategies in the best possible way. Managers who have never reflected about their work in terms of a sound operational model on culture and change need support to translate their objectives and strategy into optimal culture. In section 3.5 we showed how this can be done by using strategic windows.

In larger and more complex organizations, more than one optimal culture may have to be formulated. Work environment of different hierarchical levels and function groups may differ that much that functional diversity between subcultures has to be created. Ideally, ***diversity should be limited*** to differences among subcultures which are functional; i.e. which are required to allow people to handle their different work environments in the best possible way. This relates especially to dimensions 1, means versus goal orientation, D3, easy-going versus strict work discipline, and D5, open versus closed systems. Next to functional diversity it is wise to create a corporate identity to enable smooth communication and cooperation. In other words, creation of diversity just for the sake of diversity, will backfire.

5.2.3 *Client is owner*

At all times, the client should be in the driver's seat of change management. This especially applies to the CEO. A CEO who is not in control of this process or is uncommitted, will in the end frustrate outside interventions as well as internal change initiatives. When change does not involve the overall organization, but just a division or department, the same applies to the top manager of that group. To facilitate a successful change process on a divisional level, it is essential to check whether the top manager below the CEO has enough autonomy to define optimal culture and make it happen. If not, the CEO has to be involved.

As we do not prescribe the optimal culture, the client has to be involved right from the start. The client knows what is feasible or not. External consultants can make an educated guess, but do not have the same inside information as the client does. An external consultant can be conducive in pointing out the consequences of the choices for the optimal culture, but not more than that.

The process should not only put the client in the driver's seat but actually put him/her to work to achieve change

This clashes with the interests of external consultants. If external consultants have more work, they will earn more. In a time when the adagio "lean and mean" is the norm, clients throw a lot of work into the lap of consultants. This does not sound very logical, but management may not have staff available to take on an extra workload. External consultants will do well not to succumb to the temptation to do all the work themselves. The way to ensure that clients do not get the feeling that realization of change will put too much additional burden on their shoulders is to integrate change into day-to-day work activities.

The more change is integrated into day-to-day work activities, the less clients have the feeling that additional work burden is put on their shoulders. As it is acknowledged that change will become more and more part of daily work life for many among us, it is important to integrate change in normal work routine.

Not only will an integrated change process alleviate the work burden, but it will equally prepare us to face continuous transformations. The world around us changes rapidly through interconnectivity and innovations that cannot be ignored and affect our work constantly.

5.2.4 Many ways to describe the actual culture

In section 2.3 several ways to assess actual culture were discussed. One can conduct in-depth interviews and workshops, during which a lot of information about a culture is collected. One may work for a certain period of time as an "under-cover agent" within the client organization, or one may want to collect and analyze all documents published by the client and all survey results made available on the subject of labor satisfaction, for example.

Our methodology starts with on-line data collection to measure the actual culture. This generates scores on dimensions that can be compared with scores in the databank of other organizations. If subcultures have been identified, then comparison among the different subcultures is just as important. Online data collection yields very precise results, that, however, should not be taken too literally. Work life is too complex to be captured in a precise number. These exact numbers only represent relative tendencies such as very high, high etc. when compared to other scores. To be on the safe side, we tell the client that only a difference of 10 points is significant.

For reasons of comparison we always start with quantitative data collection, although other data collection processes are certainly valuable as well.

When the results from the quantitative data collection give rise to further probing, it may be advisable to follow up with other data collection processes. An experienced consultant knows which alternative data collection process to choose, such as in-depth interviews or workshops

5.2.5 *The integrated change process*

Until now we have rarely come across approaches in which the content of culture and the change process are connected. This is not so surprising, as many consultants have until now emphasized the change process per se, instead of the content of culture. Many books, e.g. tell us how to change irrespective of the content of culture.

To quite a contingent of management consultants, culture is a nice pretext to engage in a meaningful discussion with their clients. We wonder whether these consultants want their medical doctors to use the same principle, having a fruitful discussion with them without making use of any diagnostic tools such as a blood test.

We believe that it is not a question of “either, or”. Ideally content *and* process should be fully integrated, but until now rarely is the content of culture matched with the change process.

Quinn’s model includes content of culture, but not as input for the change process.

To embark on a change process for the most complex system on earth - a group of people - means acknowledging that the process will be complex, and that we cannot predict nor preset the actual and optimal culture of a client and the gap between the two.

That is why we connect our change tools with the content of culture. For indirect change, we make use of “change levers”. From a data bank of around 800 possible interventions the client can select those interventions that address the discrepancies to be bridged in a focused way. Annex 7 presents examples of change levers on different levels of culture. All these change levers were taken from literature and change practices. In other words, nothing new was added. The novelty is that the change levers have been connected with the content of culture.

The change levers are attributed to the 6 dimensions and in a further step, to the aspects per dimension that a client wants to change. The diagrams with the asterisks, discussed in section 3.13.2 present these aspects and their relative urgency to change. More examples are given in diagram 46 in section 5.3 and diagram 54 in section 5.3.4.

Content of culture and direct change are connected in our tool “Executive Match”. This measures in how far the behavior of a (top) manager will hinder or enable realization of the optimal culture. The Executive Match is a 360° assessment tool but differs from similar 360° tools in that it is not based on generic management principles but on the optimal subculture that management wants to build in their own management team. The results are calibrated against the actual subculture of the management team and against the optimal subculture as defined by them.

Normally, top managers should relate differently to their work than the other layers in the organization. Whether top management should also relate differently to everybody else in the organization and to the outside world cannot be predicted. The challenge is to build unity in as far as feasible, and only create functional diversity if this helps to achieve the common goals. Only a change approach that integrates process and content does justice to the complexity of work life.

5.2.6 Proper order

Does it matter in which order you embark on the change process? Actually, we are not prescriptive here. There are many processes that lead to sustainable change. For example, we experienced that managers in Brazil insist on doing it their way, perhaps because it then gives them the idea that they are in control. However, we have our reasons to follow a certain course. We present three propositions and describe our preferred process in more detail.

Defining optimal culture before revealing actual culture

After the online survey by which the actual culture is measured, management determines the optimal culture in Workshop 1. After they have come to a conclusion about their optimal culture, we show the results of the online survey on the actual culture. This order is important, as it prevents management from being biased. Management needs to analyze work reality with a blank mind, without any preconceived ideas. At times, the client objects to this order and then we show the scores of the actual culture beforehand. It will not obstruct the process, but may diminish its effectiveness somewhat. After all, after having read the report with their the results they are asked to reassess the optimal culture they had defined. The report may induce them to reconsider the optimal scores they had chosen earlier.

If a client comes up with requests that will obstruct the effective execution of the change process, we will not take on the assignment. In section 5.2.9 you will find more about this.

Distrust and anxiety

If there is a lot of distrust and anxiety in the organization, it is highly advisable to address that before anything else, certainly if a direct change process is envisaged.

Whom to involve when

The ones who will define the strategy and the optimal culture or subcultures need to have:

- An overview of the context in which the organization operates;
- An overview of what is required in the near future to maintain or to improve results.

This implies that the higher managerial levels should define strategy and optimal culture, unless there are rank and file people who meet these two requirements as well, for example work councils.

Involving the work council brings positive contributions and a higher level of buy-in.

Depending on the content of the optimal culture, involvement of the work floor is normally very constructive when it comes to formulating tangible change activities at a later stage.

We plan the process according to a scenario, while ensuring sufficient flexibility to adjust to the circumstances and the requirements of the client - as long as these do not obstruct a successful implementation. If a client wants to test our approach, we prefer a pilot with top management because:

- They should be in control and at all times be the owner of the strategy and culture. Top management should never delegate the final formulation of its strategy and optimal culture.
- Top management has to define its own optimal culture, but also that part of optimal culture that is shared across hierarchical levels, units and function groups. This serves as the glue of its organization.
- The message comes across stronger if management shows that they are brave enough to test the waters.

Ideally the CEO and his direct colleagues should not delegate formulation of mission and vision statements or formulation of general objectives and strategies away. They are of course free to involve as many employees as they like during the process of formulation, but they should keep final responsibility. This is normally a fact of work life, accepted by most top managers. This, however, is less the case for the formulation of optimal culture, despite the fact that strategy and culture ought to be fully interlinked. If it is accepted that both topics belong together, then it may be easier to convince top management that they should also keep final responsibility for the definition of the optimal culture. This, by the way, will enforce the importance of starting the process at the level of top management, particularly if more than one subculture has been identified internally and if these subcultures will be measured separately. Suppose the process starts at a lower level, say at the level of the Sales Department.

Management of Sales will then define the optimal culture. If top management has not already done the same exercise, it will be hard for top management to support the optimal choices made by management of the Sales Department, certainly regarding those aspects which should unite the different subcultures.

5.2.7 *Keep momentum*

Management should acknowledge the importance of keeping momentum. Without momentum any change process will lose credibility in the eyes of employees. This certainly applies to a direct change process but can equally play a decisive role in indirect change. If a long period has elapsed between data collection and presenting the results to employees, people will rightly or wrongly infer that management has something to hide, probably information that points to the failures of management.

This may push the culture towards a closed (D5) and more means oriented (D1) culture⁷. If this is in line with the optimal culture as defined by management, withholding information may be the right thing to do. If this is not the intention of management, the process will negatively impact outcome. Notably if management wants to create a more open (D5) and more goal oriented (D1) culture.

Report-generating software substantially shortens the time frame between data collection and sharing the results with employees. Until 2010 we wrote these reports by hand and that was a time-consuming exercise, certainly when more than one report had to be written.

Momentum can be thwarted if employees feel threatened by change, certainly if they have enough time to indulge in slander. It is for this reason that we advise management to ensure that everybody is so busy that there is no time left for the grapevine⁸.

Such warnings may apply more to the not-for-profit sector than to the competitive commercial sector.

Momentum can also be thwarted by defensive top managers who deny the results. This is rare but does happen occasionally. One of our colleagues encountered this situation once. Even prior to receiving the results, the CEO was already rather defensive. When our colleague commented on the results and gave the CEO feedback on his interactions with other managers, the CEO started to argue about words. He asserted that he was not **unable** but **unwilling** to fill the void between him and middle management. Our colleague tried to de-escalate this fierce argument, but the CEO became ever angrier up to a point where he became intimidating. Our colleague remarked that this was now exactly the reason why the other managers were afraid of him.

⁷ Open communication is enabled by the scores on D1 and D5.

⁸ The importance of the grapevine is one of the many things that can be measured by our quick scans.

Then the CEO spitted out: “Ah, you purposely upset me so that you could tell me this”. Our colleague told him that he was not sufficiently politically savvy to do so, but to no avail. The culture scan had clearly shown that this CEO was extremely defensive. “If you didn’t agree with him, you were against him”. Now many years later, change efforts are slowly picking up, still based on our findings.

5.2.8 Culture and change; means to an end

Organizational culture is a tool of analysis and a language that allows us to discuss in a meaningful way how to improve. Efforts to change culture should not be initiated as standalone projects, but tie in with on-going activities that aim at executing our work more efficient, effective and, yes, with more joy. This does not imply that such changes are necessarily incremental. Cultural change may involve turnaround management, if aimed at changing the core activities of a company, e.g. in the case of a company which wants to move from production of bulk chemicals to the production of fine-chemicals. Or it may involve mergers and acquisitions, if at least one partner has to realize substantial adaptations. Culture and change are a means to an end, so it is wise to de-emphasize these words.

Using the word “culture”

After the reporting-phase, the word culture no longer needs to be used. The word “culture” sometimes carries negative connotations because it refers to the “tell and sell” approach, which too often failed. What matters is that attitudes and behavior of employees - including top management – lead to achieving their goals in a more efficient, effective and gratifying way. The word “culture” can even be dropped right from the start. Instead we could use: “work practices”, “the group factor” or “work reality”. Culture is a tool of measurement and analysis; nothing more and nothing less.

Using the word “change”

As with the word “culture”, using the word “change” should equally be avoided whenever possible. Its implicit message is that things have gone wrong in the past. The need to change expressed explicitly by top management, invokes that rank and file people tell management: “Just you show me”. Or: “You change, I change”. If they don’t dare to say so, they may at least think so. That may be a logical reaction, but management has a special function and therefore may have to behave differently. Functional diversity may e.g. imply that top and senior managers should behave in a less strict way than e.g. secretaries, administrative staff and web designers.

5.2.9 Acknowledge minimum requirements

First things first. If minimum requirements are not met, forget about cultural change. Thus, acknowledge the minimum requirements which have to be met before (culture) change can be realized successfully.

Minimum requirements come in two categories:

- Dysfunctional attitudes and behavior of management
- Distrust and/or anxiety

If these categories prevail, they have to be addressed first.

First ensure that:

1. Board members agree about mission, vision and objectives of their organization;
2. Power play among top managers that blocks sound developments is addressed;
3. Top managers are fully committed, do not shy away from responsibilities and reserve enough time to make change really happen.

If the CEO and top managers are unwilling to meet these requirements, realization of optimal culture will in all likelihood fail. External consultants should be prepared to hand back such an assignment, unless there are strong indications that the top will become more constructive during the process.

Distrust and anxiety also need to be addressed upfront. Such emotions can frustrate a direct change approach. In financial and economic volatile times this should not be underestimated, especially when change entails laying off people. Once the decision is taken to shrink the labor force, dismissals should follow quickly. If not, distrust and anxiety will increase and the most qualified employees will leave “voluntarily”, since they have the biggest chance of finding somewhere else another job.

5.2.10 Acknowledge the emotional component

Culture scans and the follow-up usually arouse emotional responses. Culture scans generate information on the central tendencies in groups. Individuals are not singled out, with the exception of the CEO and managers of the measured units. They are important factors in shaping the (sub)culture and can, to a degree, be singled out. Several questions relate to the way a group is managed.

Managers who are singled out

No report ever mentions the names of managers who have been singled out. It is impossible to attribute with any certainty dysfunctional aspects of a subculture to the manager of a certain unit. Certainly when the information doesn't concern the top manager of the overall organization, the information should be treated with prudence because the management style of a division leader is:

- influenced by his/her superior
- Influenced by the style of his/her predecessor which is still part of the subculture
- Influenced and partly overruled by the overall culture

Thus, managers are always implicitly singled out, never explicitly. The information may nevertheless give us a good insight into dysfunctional aspects. For example, the manager:

- may be working above his/her competence level
- is unable to handle constructive criticism
- is playing political games
- is unable or unwilling to support his/her direct reports
- is too autocratic or paternalistic

If outcomes of the scan can damage a particular manager, it is crucial to share this first with the person concerned, before sharing the report with others. The whole purpose of the exercise is to support the client and it is in nobody's interests to make information public that can be harmful to some. Dysfunctional behavior of individuals should be redressed. If these individuals don't change their behavior, then they should be transferred or fired but not pilloried.

Despite our careful code of conduct, it is clear that such information can come across as very threatening. External consultants should be ready to handle negative reactions from managers or staff who feel "betrayed".

Direct change can be threatening

Direct change can be menacing, certainly when employees - rightly or wrongly - assume that there will be winners and losers. If dismissals are to be expected then it is important to:

- Do it quickly and decisively;
- Do it in a humane way;
- Make it clear to those left behind that they are not next in line, for example by offering training and education. By doing so, it shows that management is committed to keep everybody else on board.

No escapes

It is extremely easy for top managers to ignore their own dysfunctionalities, despite the fact that these dysfunctionalities become visible by comparing the actual culture with the optimal culture as defined by themselves. Being in control, managers can come up with a thousand excuses why this time they have no time for "culture" as they have to deal with so many much more important issues which need their immediate attention, so they say. Such behavior can be best compared with the captain of a soccer team who doesn't want to reflect about how his team can win the next match. But that is not how many top managers look at their work reality, because culture is soft, isn't it?

Therefore, a very compelling direct change tool is required to motivate them to consider their own behavior, attitudes and convictions and to get them moving. A 360 degrees assessment tool can be very conducive.

Not an ordinary tool based on generic management principles, but one that mirrors their behavior against the optimal culture that was defined by them. It is then not so easy to reject or downplay such findings.

Contradictory information or denial

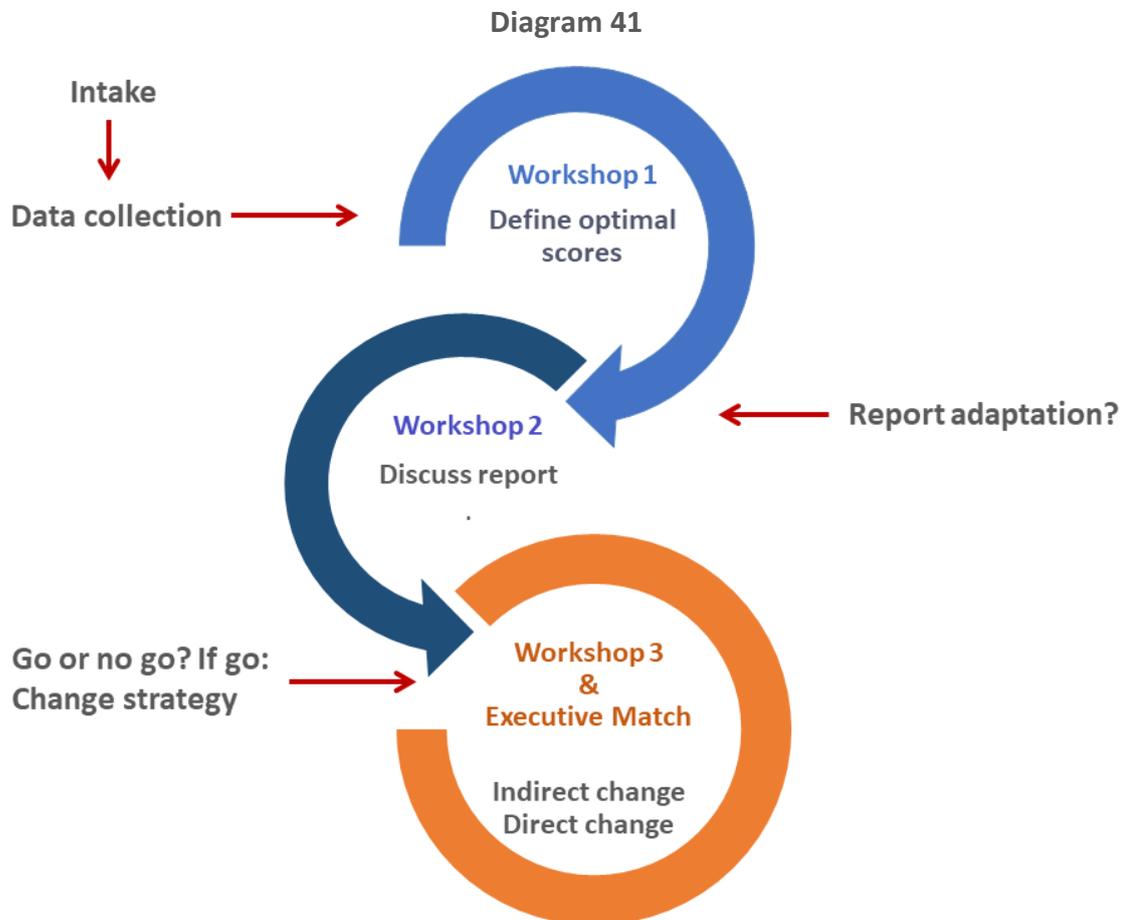
A client may not immediately recognize Information presented in such a culture report. External consultants should welcome discussions about contradictory findings. Such discussions lead both the client and the consultant to a deeper understanding of the client's work reality. There is no reason for external consultants to feel threatened, as the generated reports are fully based on answers the respondents have given. The chances that these answers depict a clear picture of work reality is high. Hofstede knows probably better than anybody else how to avoid socially desirable answers as much as possible when designing questionnaires that address culture.

Top managers in denial

Not just the results of culture scans and follow-up may provoke a lot of emotions among top managers. There are those who vehemently reject the use of culture as a tool of management and state that culture is for softies. Let us review our definition: "Culture describes the way in which people in their organization, including top managers, relate to each other, to the outside world and to their work". If top managers do not believe that this is an important part of their work reality, their implicit message can be that they do not care about people's emotions. "Emotions have no importance; just get on with your work", they may think or say. At the same time these tough guys can be quickly upset or offended if people do not do what they were told to do, or when they are contradicted. Getting upset or offended are also reflections of emotions. Why then not acknowledge emotions in others? Without emotions we are robots - and as robots we would indeed not have to worry about culture. Research of Hofstede has shown that those who behave explicitly as the toughest guys are often the most vulnerable.

5.3 One of many scenarios

There are many ways to realize change. We prefer a particular sequence of activities, but it goes without saying that one should always be prepared to deviate from the process, unless the client proposes deviations that lead to nothing. Our preferred workflow is shown in Diagram 41 below.



Start with an intake to find out what the client wants to realize. Then collect data to measure the actual culture, expressed in scores in the model, and measure the environment in which the culture is embedded, expressed by the external normative windows.

Diagram 41 can be split into three more detailed pictures that show more precisely our preferred workflow.

Diagram 42

INPUT – Strategic windows

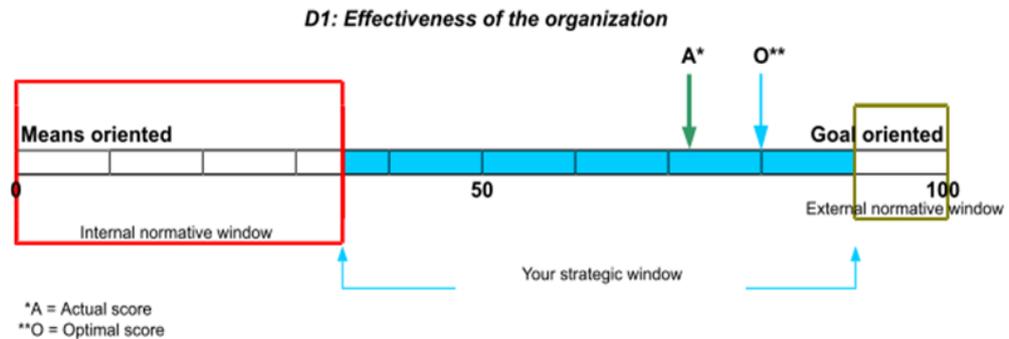


Optimal scores - OUTPUT

Input to realize workshop 1 are the strategic windows. The strategic windows have been constructed based on the size of the normative windows. The size of the internal normative windows are fixed, with one exception. In all cases in which people are physically threatened the window has to be made smaller. The size of the external normative window is defined by the environment in which the culture is embedded. This has been measured during the on-line data collecting process, next to a measurement of the actual culture. The way this is presented during workshop 1 is presented in Diagram 43 below:

Diagram 43

Example of a strategic window with actual and optimal scores



In order to allow you to reassess your optimal position we list below characteristics, which in your case, define the size of the external window. The list will be limited to characteristics which contribute more than 5 points to the total width of the window.

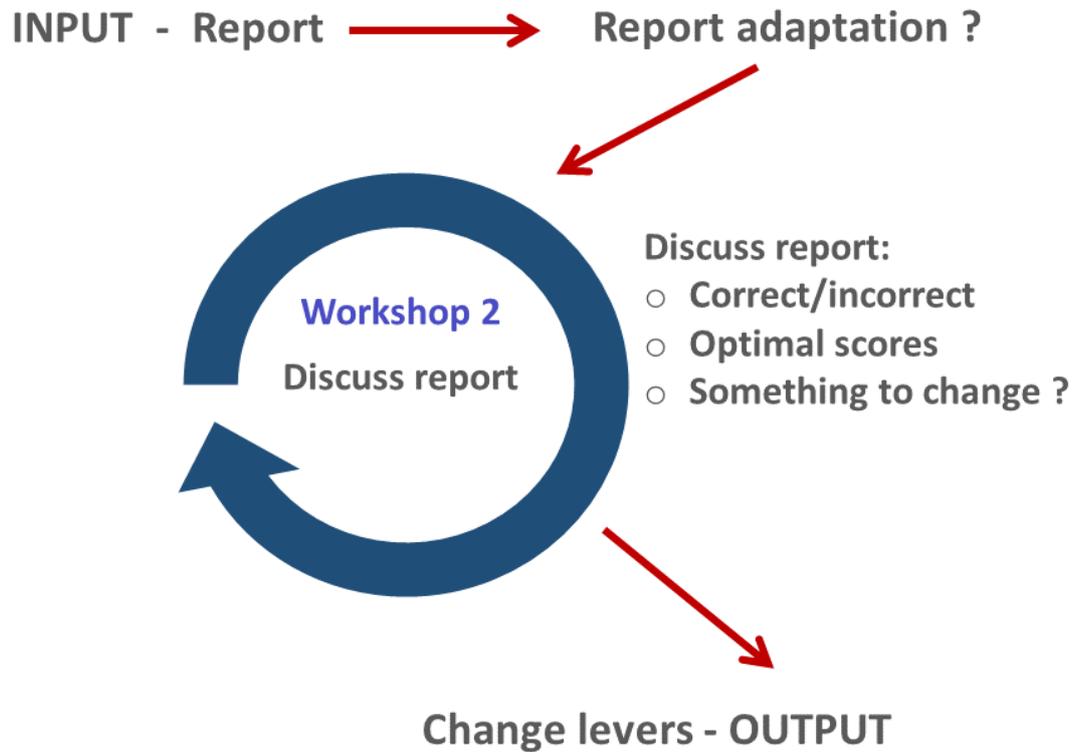
- Degree of challenge in our work situation: a lot of repetitive work.

As your actual score on dimension D1 is very functional no additional information is given for change management purposes.

In Workshop 1, the client assesses the optimal culture per dimension. For each dimension the strategic window is shown, which of course differs per dimension and per (sub-)culture. The model should be well explained conceptually and larded with examples. In other words another part of the input of workshop 1 is extensive know-how of the model. The participants, usually the management team, need to be aware of the purpose, vision, mission, objectives and strategy they want to achieve. This workshop helps them to focus better on these concepts and on who they want to be. Annex 6 can serve as input for participants to assess their optimal scores.

It is not necessary that every manager or the entire MT participates to assess the optimal culture. It can be discussed with only the top manager, but then buy-in has to be obtained later on. Output of workshop 1 are optimal scores on the dimensions. Based on these optimal scores and the results of the measurement of the actual culture a report will be generated. In workshop 2 this report will be discussed, see diagram 44 below.

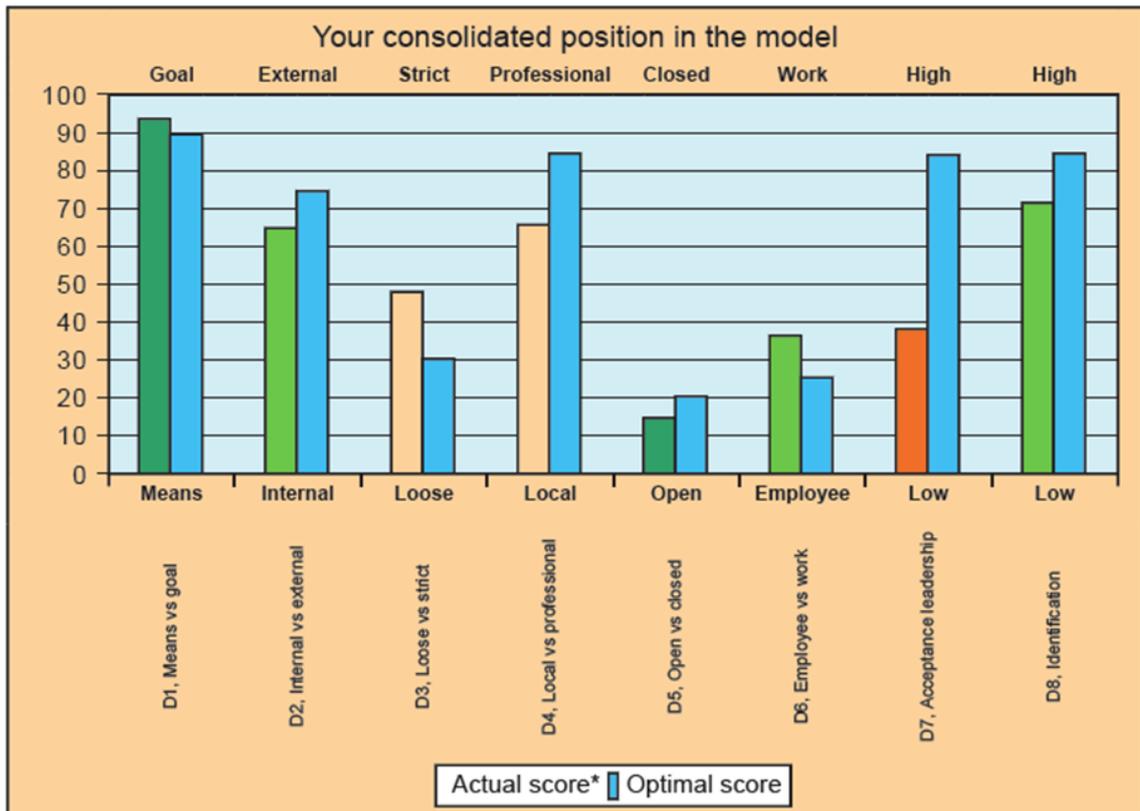
Diagram 44



The salient findings in the report are presented in diagrams. Diagram 45 presents the results on all eight dimensions. For each dimension two bars are shown: one presenting the actual score and the other the optimal score. All optimal bars are blue. The actual bars have different colors depending on the gap between the actual and optimal scores. Dark green indicate a high functionality, whereas red indicates a very large dysfunctionality.

Diagram 45

Diagram: Actual and optimal scores within the model



*For colors of the actual scores and their meaning please see legend.

Diagram 46 presents which aspects per dimension, expressed in a color different from green, offer scope for improvement. This diagram is similar as diagrams 37 and 54. Every “diagram with asterisks” contains different information, as the number of combinations are endless. In section 3.13.2 you will find an explanation about how to read these diagrams.

Diagram 46

Something to change on e.g. D4?

| Specific information about D4; local versus professional | |
|---|-------|
| Actual score 66 - Optimal score 85 | |
| 1) There should be less social control and more freedom to look and behave differently | *** |
| 2) We should also think years ahead | ** |
| 3) We should identify more with the content of our job instead of identifying with our direct boss and/or our own group | ** |
| 4) What outsiders think about us should be more important to us | * |
| 5) Our awareness of what our competitors do should increase | * |
| In total the culture is 9 asterisks too local | ***** |

Before discussing the report the consultant should carefully check whether it contains anything that might damage the manager of the group whose culture was measured. Normally, managers have no objections even if the report contains somewhat damaging information about him. Sometimes therefore managers have to be protected against their lighthearted openness or bold behavior. The text in a report should never be changed, but can be omitted. After this check the report will serve as input for Workshop 2. Ideally the same group participates as in Workshop 1 to ensure that all know the model and also to avoid duplication of discussions.

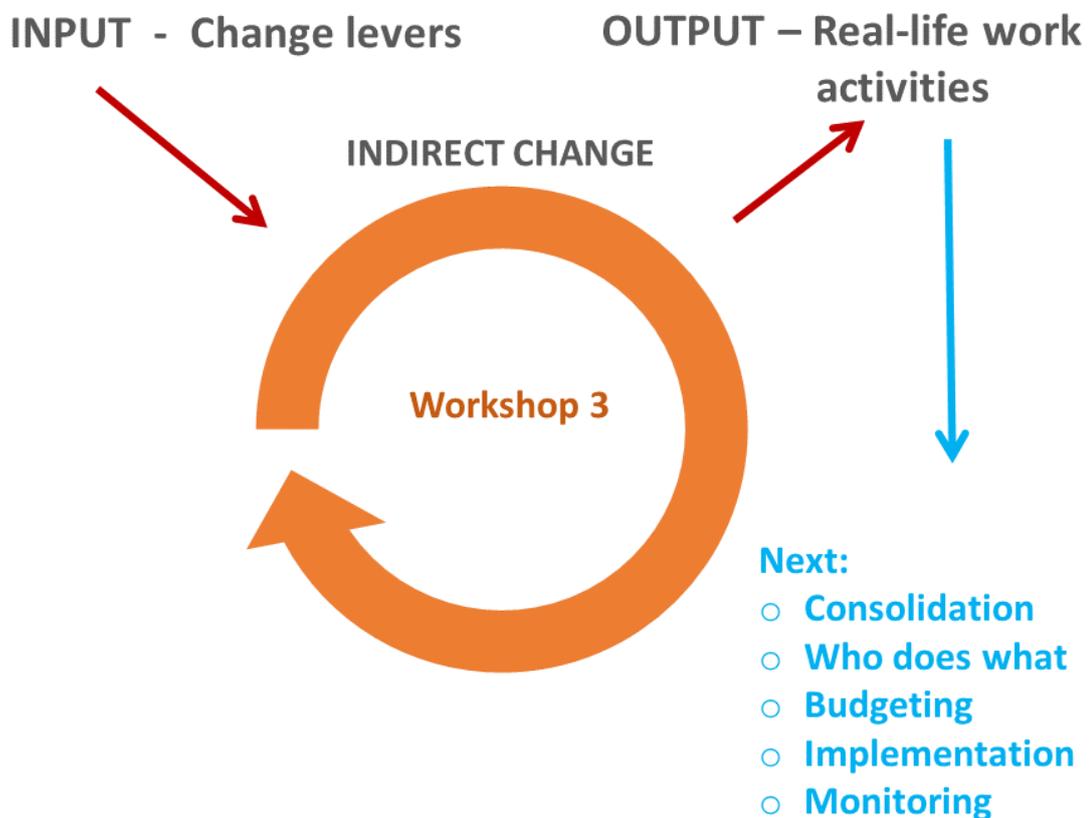
In Workshop 2 the participants check if their work reality has been correctly described and whether any explanations are needed. The consultant may sometimes also need clarification, certainly in the case of unusual outcomes. Given the countless number of different reports that can be generated, this is not uncommon.

After an informative discussion in which additional information may surface, participants review the optimal scores. After all, they described their optimal situation with the help of a model they may not have been familiar with. For this reason it is essential that consultants have enough work experience to highlight consequences of the choices made during the first workshop and if so required during this second workshop.

If the report contains a *diagram with asterisks*, implying scope for improvement, the participants select the characteristics they want to work on. That is, if they want to redirect their actual culture towards the optimal culture. The communication strategy should ideally be discussed in this workshop as well. If the measurement was limited to top management, there is hardly any need to do so. If such a limitation doesn't exist, then it is essential to consider how to inform colleagues and employees certainly those whose culture has been measured.

There are many options to start and to manage a change process. Literature about change management is overwhelming in its choices. We have nevertheless developed our own change philosophy and change tools to ensure an integrated approach. The diagrams 47 and 48 show our indirect and our direct change methodology will be executed.

Diagram 47; Indirect change

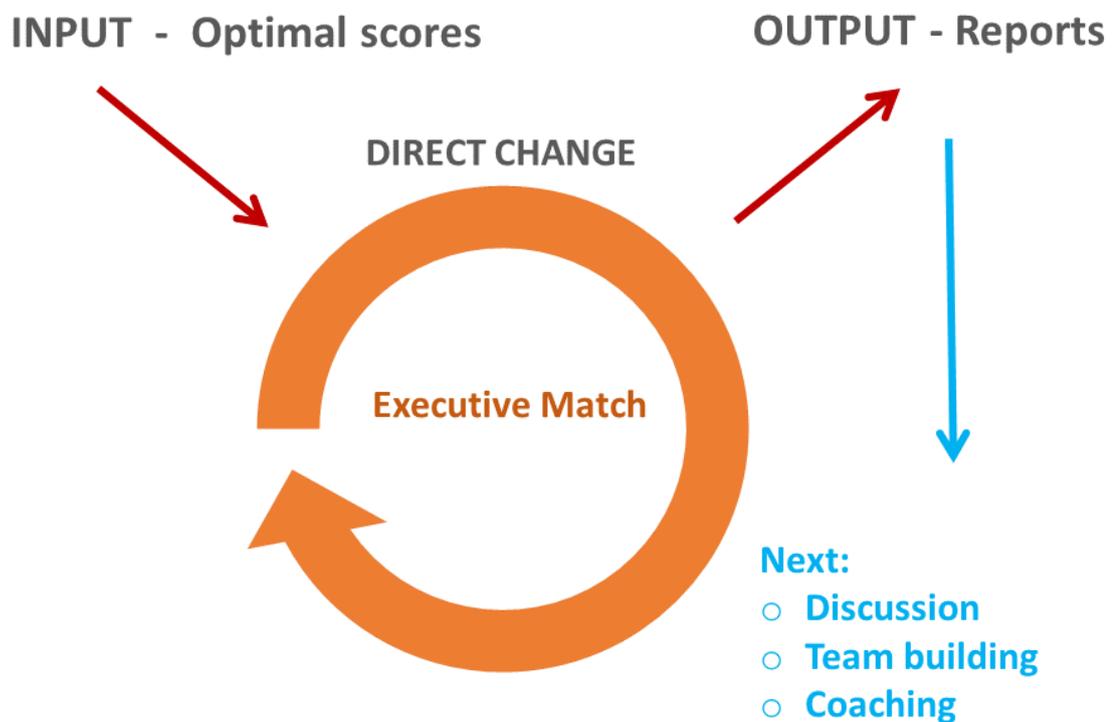


Suppose that in Workshop 2 the client expressed its unhappiness that employees identify too much with their direct boss or direct colleagues instead of with the content of their job (statement 3 in diagram 46). How to change these words into actions? Our list of change levers contains around 800 items that are categorized around the dimensions.

For each statement a tailored list of change levers can be generated that assist the client to implement change. The change levers are much more tangible, yet still only words. Change initiatives are often bogged down because words are not translated into real life activities.

In Workshop 3 people are invited to translate the change levers into real life activities and to initiate the first implementation phase. See for a more detailed description section 5.3.6.

Diagram 48; Direct change



There is no one to tell the CEO to change his/her convictions, attitude and behavior. It will not be easy for top managers to change, certainly not convictions which may be very dear to them. The solution is a mirror that reflects the CEO's convictions, attitude and behavior in such a clear manner that (s)he can no longer deny that (s)he has to change if (s)he wants to pursue success on the long run.

The “mirror” we developed is an online survey which is administered to all immediate colleagues of the top manager, next to a self-assessment. Its 44 items describe opposite behavior, attitudes and convictions in terms of the model. For example:

| | | |
|---|-----------|---|
| 16. When he likes you, he confides in you, when he doesn't like you he will not do so | 1 2 3 4 5 | 16. He stimulates cooperation among the management team |
|---|-----------|---|

The outcomes show to which degree this top manager will enable or hinder realization of the optimal culture. This description is obtained by a quantitative comparison of his/her scores with the optimal scores and a qualitative part. Section 5.3.7 gives a more detailed description.

The process described in the diagrams 41 to 48 is divided into several steps. In Chart 1 the steps are divided in preparatory activities and in Chart 2 in change management activities.

Chart 1

Sequence of preparatory activities

| STEP | INPUT SYSTEM | OUTPUT |
|---|---|---|
| 1. Intake | Define project | Agreement |
| 2. a - Data collection | Answers to questionnaires and (optional) in-depth interviews | Actual scores in the model plus a lot of additional information |
| 2. b - Data collection | Answers to questions to assess environment in which culture is embedded | External normative windows |
| 3. Workshop 1 | Optimal scores | Reports |
| 4. Workshop 2 | Reports | Information to define change strategy, if deemed necessary |
| <p>GO OR NO GO – If actual culture scores more or less the same as optimal culture there is no need for change If actual culture ≠ optimal culture then there is scope for change. Client has to decide whether it wants to go ahead.</p> | | |

Chart 2

Sequence of change activities

| STEP | INPUT SYSTEM | OUTPUT |
|--|--|--|
| 5. Change strategy | Reports plus all other relevant information | Change strategy and timing |
| 6. Indirect change: Workshop 3 - Translate change levers into real life action | Change levers Precise script to conduct workshop 3 | Formulation of real life work activities both on strategic and on day-to-day level Plan of implementation |
| 7 Direct change: Align behavior of top and senior managers with optimal culture | Data collection | <ul style="list-style-type: none"> • Separate reports on actual behavior and attitudes of managers • Consolidated report • Plan of action |
| 8. Implementation & monitoring | Monitoring committee; monitoring implementation of output of steps 6 and 7 | <ul style="list-style-type: none"> • Indirect: Making it happen • Direct: Individual debriefing, team building & Coaching |
| 9. Evaluation & Repeat scans | Evaluation committee and data collection | <ul style="list-style-type: none"> • Input to adjust change strategy , if so required |

For steps 1-4 and 6-7, detailed charts have been made with descriptions of the activities one may want to deploy (sections 5.3.1 to 5.3.6). For step 5, change strategy, no separate description is presented. This can be done from a very generic level to a very precise and specific level and everything in-between.

5.3.1 Step 1: Intake

Step 1.1 Introduction

The chart below gives an overview of the activities which clients may want consultants to address. Depending on time constraints while trying to win the assignment, all or a selection of these topics can be covered in a first discussion with a potential client or in additional meetings.

Chart 3

| Step 1: Intake | | |
|-----------------------|--|--|
| | What consultant has to do | What client has to do |
| 1.2 | <ul style="list-style-type: none"> - Find out what the issues are - Check whether a quick scan can help the potential client - If so, convince client of the power of the Model | <ul style="list-style-type: none"> - Decision: Yes or no? - Decision: Try-out or cover the whole organization at once? |
| 1.3 | <ul style="list-style-type: none"> - Explain how to identify subcultures and clusters - Monitor minimum number of respondents per unit - Explain how to assess optimal scores | <ul style="list-style-type: none"> - Identification of number and nature of units and additional clusters if any - Decide who will define optimal culture for whom |
| 1.4 | <ul style="list-style-type: none"> - Check whether a scan of work paradise may add anything. Ideally work paradise will be automatically measured as well. | <ul style="list-style-type: none"> - Decision: Actual scan or also desired scan |
| 1.5 | <ul style="list-style-type: none"> - Check whether sequencing management of content may be a clever idea | <ul style="list-style-type: none"> - Decision: If desirable take decision to phase out scans and change activities |
| 1.6 | <ul style="list-style-type: none"> - Make a first work plan together about: | <ul style="list-style-type: none"> Steering committee Number and nature of respondents Planning and timing Communication |
| 1.7 | <ul style="list-style-type: none"> - Explain monitoring | <ul style="list-style-type: none"> - Decision about those with clout to monitor and facilitate whole process internally |
| 1.8 | <ul style="list-style-type: none"> - Ensure involvement top - Explain what they have to do | <ul style="list-style-type: none"> - Get involved by becoming change leaders, having final authority and responsibility by at least: Approval of optimal culture and change initiatives |
| 1.9 | <ul style="list-style-type: none"> - Check whether training internal change agents makes sense (Only if assignment involves a lot of work) | <ul style="list-style-type: none"> - Invite those who qualify - Arrange training facilities |
| 1.10 | <ul style="list-style-type: none"> - Discuss exceptions to the rule if so required by client | |

During the intake the following should be explained to potential clients, so that they can decide whether they want to go ahead with a culture scan - and if so, to whom the client wants to grant the assignment:

The first question a client wants to answer is whether the offerings will help you, as a client?

Note: in reality the process is more complex. It may well be that to convince a client of the added value, consultants have to start with just one scan. Preferably top management is the first to undergo a scan. In our experience, once the top has experienced a culture scan, it is hooked and wants to know the results of fully-fledged measurements that cover the whole organization or that division which needs special attention.

In other words, once top management becomes involved, they value our approach. Unless in rare cases where they are so defensive that they refuse to look at their own contributions in shaping culture.

Ideally at least the following should be decided during the intake:

- Identification of the number of groups to be scanned separately
- Scanning only actual culture or also work paradise
- Handling logistics
- Monitoring of the process

Step 1.2 *Find out what the issues are: Why are you calling us in?*

Do not take for granted that a prospect wants to talk to you because they assume that your offerings meet their needs. It is important to find out which issues they want you to address. For example, if they invite you to assess customer satisfaction, then this goes beyond the scope of culture scans. This belongs to the domain of marketing agents.

A culture scan does not measure the culture of individual consumers and even if it could, it would not be useful. Culture scans do not tell you how pleased consumers are with the products and services of your client. There are much more simpler ways to find this out. A culture scan will tell us to which degree the actual culture is Helps or hinders employees to service clients well. Customer satisfaction will be only partly be defined by the culture of the provider. Other aspects which define customer satisfaction are e.g. the relationship between price and value as well as the offerings of other providers.

Even when the issues of a prospect are of a strategic and cultural nature, a cultural scan may not meet their needs. An organization e.g. with fewer than twenty employees is normally too small to produce a very reliable pictures of its culture. In such a case, the personality of the owner or manager is so dominant that one cannot be sure that a precise picture of the culture can be obtained. In such a case other data collection processes may suffice aimed at scanning small group dynamics.

Be wary of top managers who want to obtain a picture of company culture, but not of its own management team. The top normally has the most profound impact on the culture of their organization. If the management team is not included, an important piece of the puzzle is lacking. If it is unlikely that the management team will participate later, we will not accept the assignment. The effect of such interventions without real commitment from the top is nil. (see also step 1.7).

The question now arises what the difference is between small group dynamics, belonging to the domain of social psychology, and organizational culture, belonging to the domain of sociology. It is a matter of numbers to start with. Small group dynamics refers to groups consisting of around 7 to 8 members. Culture refers to bigger groups. The difference is that small group dynamics can be changed more easily than culture due to the size of the group. Replacement of the manager of a small group will have normally a much bigger impact on group dynamics than in the case of much bigger groups.

Step 1.3 *From single issues to a focused approach*

Many recommendations written by consultants end up in clients' desk drawers. One reason is the "single issue approach", already discussed in section 4.6. It does not make sense to use culture as a management tool to solve only one "problem". For example, "health and safety" is a major issue in many companies. But creating a "safe culture", not only on the work floor of the production facilities, but throughout the company, may clash with other objectives such as profitability, market share, innovation and happy hard-working employees. Such objectives compete with each other in terms of financial results and type of culture that facilitates the achievement of all those different objectives. Whilst we do not belittle the importance of "health and safety", we should balance the various requirements in such a manner that execution of recommendations are feasible and don't contradict each other.

In the same vein, we warn against the myopic application of management fashions. New ideas and tools for proper management might contribute to successful management, but not by definition. They are frequently over-emphasized and cause other important managerial tasks to be neglected.

Take quality control systems. Nobody can be against the introduction of clever quality control systems. If, however, such a system is overemphasized, it will move the culture into a means oriented direction (D1). If that was the intention, then it's fine. If this was not the intention, then the positive effects of introducing and maintaining such systems will be countered by a decrease in working smart and productively.

Step 1.4 *Identifying the number of groups and minimum number of respondents*

Groups can be scanned separately, divided into various categories, for example hierarchical echelons, function groups, locations, or whatever delineation is important to a client. By "group" or "unit" we mean any separate entity within an organization to be measured separately.

Number of groups:

Ideally, the echelons that are involved in data collection are:

- Top and senior management: those who manage other managers;
- Middle management: those who manage operational staff at least 50% of their time;
- Operational staff: anybody else.

Even if a client just wants to measure one group or if there are no subcultures, preferably three audits are conducted, unless a particular echelon is too small.

Depending on the size of the work force and the number of hierarchical levels, more than three echelons can be involved. We can add for example:

Supervisors: those who manage operational staff at least 50% of their time.

Why distinguish between hierarchical levels?

- Work demands differ. In the optimal situation there are differences between the echelons on means versus goal oriented (D1), easy-going versus strict work discipline (D3) and open versus closed system (D5). Work discipline (D3) in particular describes how people relate to their work. If management has a tighter work discipline than lower levels, this may point at a dysfunctional differentiation. If management has a more closed system than the lower levels, this may indicate another dysfunctionality. See also 3.13.3.
- The actual cultures among these echelons reveal the social dynamics between them. Such dynamics can be functional or not, but they certainly produce a lot of information which can be used to improve managerial skills in a specific cultural context.

It is questionable whether hierarchical levels represent different subcultures. When managers interact more with one another than with their reports, they may form a separate subculture. If that is not the case, then such layers don't represent different subculture in the true meaning of the word. Nevertheless, in this way additional useful information can be collected about the interaction between those layers.

If a client wants to map the whole organization, subcultures need to be identified that will be measured separately. For this, the client assesses salient differences in behavior and attitudes between groups. Such salient differences should relate to groups and not to individuals, and normally reflect the existence of subcultures within an organization.

There are two extremes when clients assess the number of subcultures in their organization. Some clients want to economize and come up with salient differences between groups, but insist that they want an average assessment. In an average assessment, salient differences are likely to disappear; extremes may average each other out. If clients want to economize on the measurement, we recommend to select that part of the organization which is most crucial for success. The data collection can always be extended later, if the client is pleased with the results and sees the need for more information.

Other clients are so eager to explore their organization, that they come up with numerous, sometimes imaginary, subcultures. In general, no organization hosts more than six subcultures, apart from the differentiation between echelons. In exceptional instances, a culture may hold more than 6 subcultures, for example when:

- The organization is fully diversified.
- Parts of the organization are 100% autonomous.
- Divisions are involved in totally different activities. For example, a chemical company which produces both bulk and fine chemicals should diversify on means versus goal oriented (D1) and internally versus externally driven (D2).

- Divisions or branches are based in different countries, because national culture is one of the many factors that shape organizational culture.

In such cases, it makes sense to measure more than 6 subcultures, provided the branches or divisions are large enough and such differentiation really matters to the client.

Work council

In order to strengthen the acceptance of culture scans and forthcoming change initiatives, it can be useful to involve work councils hands-on, by also measuring their subculture. By doing so, members of work councils will generally become very much interested in the outcome of the whole process. Moreover, in certain countries in which work councils have an important role to play by law - such as Germany - work councils will then understand that culture scans offer them additional tools in order to have meaningful discussions with management about strategic issues.

The work council should not be treated as a separate subculture. The culture scan is just to arouse their interest and involvement. Members of work councils come from different groups and their interaction in work councils is normally too limited to create its own separate subculture. Every member remains part of the subculture in which (s)he works. If a work council forms a proper reflection of all employees, its "subculture" should not deviate too much from the average culture of the organization - excluding higher management levels, which are not represented by the council. A clearly distinct subculture of the work council most likely points to exceptional interactions between the work council and top management over a long period of time.

The challenge

The challenge is to assist clients to distinguish the units that will be measured separately. It may look commercially attractive if clients identify a lot of units. But take care! Too many units may backfire on the consultant and on management. The separate reports are not very long but contain a lot of information. Clients should be able to digest all information and do something with it. It will backfire if clients do not use the generated information because it is too much to handle. Information overload is aggravated if it turns out that some distinctions make no sense.

What's more, we are not in this business to sell hot air. We want to generate information that helps our clients to do a better job - and the same should apply to other change agents. But again, in the case of culture, never say "Never" and never say "Always". Groups of people are too complex. Cultural audits assess central tendencies within groups. They are not about individual opinions or individual work reality, only the one in charge of a certain group will more or less explicitly enter the picture.

Ensuring anonymity

The data collection is anonymous to avoid socially desirable answers. After the data have been collected, the composition of the groups can no longer be changed as respondents receive an URL to the survey by email. It is not easy to take away feelings of suspicion if the data are collected online, even more so when suspicion is already part of the actual culture.

In our survey 4 demographic questions are included because demographics such as age and gender influence culture. These demographic questions present in total 17 options to choose from. For age e.g., respondents can select from 5 categories. This may lead respondents to doubt if the survey is truly anonymous; it might be easy to deduct who said what from these demographic questions.

In essence, we are not interested in who answered what, we are interested in the general tendencies within groups. Apart from that, we take careful measures to ensure anonymity. But if suspicion reigns there is no way to prove that anonymity is 100% guaranteed, so answering these last 4 demographic questions are optional and not obligatory.

In one of our cultural audits, respondents from *Production* became upset when they heard that different audits were conducted for *Production*, *Sales* and *Admin*. To the respondents from *Production*, this meant that the survey was no longer anonymous and they felt betrayed. We invested time to explain to them that it was useful to distinguish between function groups, as different work requirements ask for functional diversity. Singling out *Production* did not jeopardize anonymity at all.

Who assesses the optimal culture of whom?

The answer to this question may look obvious but is not always straightforward. As a rule of thumb we can say that:

- The highest in rank in any organization will define the optimal subculture - at least for the group he/she manages alone or together with colleagues.
- The optimal subculture of operational staff, i.e. those who do not manage, will be defined by their manager or management team. Whether the management team wants to involve operational staff members may depend on the actual culture, on the ambitions of management regarding the optimal culture of operational staff and it may depend on the educational level of operational staff members.

If management wants to maintain or install a more consultative leadership style, management may want to involve operational staff. Whether this is feasible depends on their level of education. In the case of professionals, one may want to involve all of them. Operational staff members with lower levels of education may not be able to contribute anything during the first two workshops and only get turned off if they are nevertheless forced to participate⁹.

- If groups of operational staff are managed by only one manager and if these groups have been scanned separately - such as sales or marketing - then it is possible that not a management team, but the manager together with one or more of his operational staff members will assess their optimal culture.

The question arises as to how to structure this process for the management levels in between top management and operational staff. Let's take the example of 4 hierarchical levels that are separately scanned:

| |
|-------------------|
| Top management |
| Senior management |
| Middle management |
| Operational staff |

Who will assess senior management and who middle management? Should these two groups assess their own subculture or should top management assess the subculture of senior management and senior management of middle management?

Benefits when senior and middle management assess their own optimal subculture are:

- They know best which requirements to meet in order to do work optimally;
- More readily acceptance of change, based on the gap between actual and optimal culture.

Benefits of a more top-down approach are:

- Top management has a better overview of the requirements the total organization has to meet also regarding senior management. The same goes for senior management regarding middle management.
- It is the responsibility of top management to guide, manage and support senior management. The same applies to senior management regarding middle management.

⁹ Note that during the third workshop one may want to involve as many people as possible irrespective of level of education.

The two approaches can also be combined:

- Each level assesses its optimal culture. The selected optimal scores are sent upwards for approval. Middle management forwards its optimal scores to senior management.
- If senior and middle management disagree about the optimal culture, they should discuss this together. Senior management is in principle able to overrule middle management, but they should only do so if they can come up with a clear and logical explanation based on strategic considerations why they disagree with middle management..
- Then senior management forwards their optimal scores, together with those of middle management, for approval to top management.

It is questionable whether senior and middle management will have always different subcultures. Yet it makes sense to assess the hierarchical levels separately because if differences exist the subculture of every echelon gives information about the way each echelon is managed. By comparing the actual subcultures of the separate echelons, social interaction and dynamics surface. This gives salient information about management and culture.

Measuring the echelons separately may pay off and it does not need to be time consuming, because:

- It strengthens the strategic intent of a client.
- It will be easier for everyone to fully support the objectives of their organization. This automatically leads to a stronger goal orientation (D1), if required.
- Assessment of the optimal culture below top management is normally limited to only three dimensions: D1, D3 and D5.
- The three workshops do not need to be conducted for all managerial levels separately. Notably in the case of senior and middle management, participants can be joined together unless there exists a lot of distrust between the two echelons.

Number of respondents:

A minimum of 20 respondents per group is required to obtain reliable data, if the respondents have been selected at random. Experience taught us that 35 persons should be invited to obtain 20 respondents. Non-response in on-line data collection may be significant. The minimum number of respondents is independent of the size of the total group. It does not matter whether the respondents are selected from a group of 40 or 2000 employees. The reliability of the results increases only marginally when the sample is enlarged, no matter the size of the target group.

If a unit hosts less than 35 employees, efforts should be made to have everyone participate in order to reach the minimum number. Management teams frequently have less than 20 members. The smaller the group, the more it should be stressed that everyone should participate in the scan.

Reliability of the findings decreases quickly if the group is small and the non-response high. In very small units, it is not so much culture that is measured, but small group dynamics. Our tools are not designed for small group dynamics and in such cases the result should be presented with caution and prudence.

Although in general a small group, we always measure the subculture of top management separately. But even in this case, the group should hold at least 5 members. Whenever possible, others who cooperate closely with them, such as the executive secretary, are invited to participate as well. This increases the reliability of such an “inter-subjective” data collection process.

If it is not the intention to measure culture, but for example compare perceptions then the scan can be used for even smaller groups. A colleague once conducted an audit for top management team, consisting of two men only. This should not have been done, but it turned out that both top managers were much more achievement-oriented than the rest of the organization, and held completely different views on important aspects of their work reality, which made it hard on them to cooperate. In all honesty, this could have been smarter assessed in other ways, but it was nevertheless an unexpected finding.

Step 1.5 Limit a quick scan to actual culture or include work paradise

We recommend to include a measurement of work paradise as a standard procedure. The additional scan of work paradise focuses on what people ***desire***. The results of this scan are not shown in the reports, but compared with the norm. Deviations from the average scores in our data bank give complementary information about the ***actual*** culture.

Prospects at times express their concern about the length of the survey and the time it takes to complete. If this becomes a decisive factor for prospects to go ahead or not, we limit scans to the actual culture. Yet, measuring work paradise is extremely beneficial when prospects are facing issues such as:

- “We know that things are going wrong, but we have no clue why”;
- “We have tried everything to correct people’s behavior, but in vain”;
- “Our company has gone through a traumatic period in the past and we notice that this left its traces on people’s work morale, but we don’t know how to address it”;
- “There is pain in our organization, but we are unable to specify what and how”;

- “Our strategy and culture are not aligned”. This latter remark is often heard when a company has invested tremendously in formulating “core values”, which despite all money and energy are not practiced by the employees.

The additional information generated by asking respondents to describe their work paradise will give very salient information about the actual culture. In other words, it will provide information on a deeper level of reality. Or it will indicate that there is a mismatch between strategy and culture.

It is also possible that a scan of work paradise coincides with the norm, by which no additional information about the actual culture will be generated. Absence of such information is normally in itself a positive finding. Including work paradise is cost-neutral for the client so that whatever the outcome is, the client cannot accuse us of overselling.

Step 1.6 Sequencing change activities

In many instances it is wise to sequence change activities and not to lump them altogether. Changing a culture is not an easy task and more often than not, feelings of anxiety and distrust run high when people are told that their culture has to be changed.

Two of our clients were in the process of integrating part of their operations into a new organization. It was decided to start with integration and only after successful conclusion, move on to optimizing operations. This turned out to be a wise decision. The operations that were to be integrated, had been structured in a, let’s say, organic way and it took quite some time to unravel the hierarchical levels and function groups to be integrated. If they had started with optimization the end result would have been a total mess. They would not have known whom to address for what.

When there is distrust and anxiety topped up with large gaps between actual and optimal culture, sequencing change activities is the prudent thing to do. In such cases, building trust and decreasing anxiety takes priority over other issues.

It can be opportune to sequence change activities at a later stage, when relevant new information has popped up. Sometimes, so many discrepancies surface which the client wants address, that an order of priority needs to be established: the burden would be too heavy if everything is dealt with simultaneously.

Step 1.7 Handling logistics

If the whole scanning process is limited to 1 to 3 separate groups, logistics will not require a big effort. Obviously, with an increase in groups, logistics becomes more complex.

An organizational audit consists of 3 consecutive workshops. If 20 groups are to be scanned, 40 - 60 workshops need to be organized. On top of that, discussions with relevant managers about the content of reports prior to conducting workshop 2 and discussions about change strategies, will complicate logistics.

It is highly recommendable to appoint one person (or if complexity increases, a steering committee) who takes responsibility for logistics. The role of this person or steering committee consists of:

- Providing relevant information about respondents to facilitate the data collection;
- Micro-planning;
- Communication about the whole process, so that everybody is aware of the intentions of management and respondents know what is required from them and when.

Ideally, the name of the steering committee should not include the word “culture”. The whole exercise is about optimization. A name such as “steering committee on optimization” will be much better a label than “culture project team”. In the case of mergers and acquisitions, one does not normally start with optimization but with integration - something which may be made explicit through the name given to the steering committee concerned; see section 6.3

Step 1.8 Successful monitoring of the process

The steering committee handling logistics may not always have enough clout to get the project running timely and successfully. To remind busy and powerful top and senior executives of their contribution to the change process, is not easy and often ungrateful. One solution is to include the executive secretary or PA of the CEO in the steering committee to facilitate logistics. But to make things really up and running, the CEO needs to be visibly involved. Obviously, the CEO does not have time to micromanage the logistical process. That should be delegated to others, who have received a clear mandate and enough ‘clout’ and who brief the CEO regularly on the progress of the project.

Step 1.9 Get involvement from top

Top management should be and remains responsible for formulation and realization of objectives, strategy and culture. It is advisable to involve others who know how to translate the objectives into tangible day-to-day activities, but top executives have to give their consent to functional diversity and change initiatives. They have the overview of what they want to realize, so they can endorse functional diversity and validate change initiatives against realizing objectives. In other words, top management should take up its responsibility to adjust optimal positions and to adjust change initiatives where needed, in collaboration with the steering committee and external consultants.

Without full commitment of top management it will be very hard, if not impossible, to realize change successfully. It is important to ensure that top management has the right perspective of what is expected of them:

- First of all, they have to be change leaders. This role will certainly apply to themselves if there is a need to change their own subculture. It also applies at least to that part of the culture which will unify all employees being normally covered by the optimal positions chosen on dimensions D2; Internally versus externally directed, D4; Local versus professional, D6; employee versus work oriented and D8; identification with the organization, as will be explained later.
- Top management is and should remain responsible for formulation and realization of objectives, strategy and culture. In the case of subcultures characterized by functional diversity, it is advisable to involve those who know what is required in order to translate the objectives into tasks and day-to-day activities. Still, top management should be aware that they will have to give their approval to functional diversity and to change initiatives. Given that top management has an overall view of what they want to realize, they have to check whether functional diversity between different groups makes sense and whether change initiatives will indeed facilitate realization of objectives. In other words, top management should be able to change certain optimal positions and to adjust change initiatives, if so desired, in discussion with the steering committee and external consultants.

Step 1.10 Involving internal consultants to increase participation and support

Internal consultants can do part of the work. Whether this is feasible depends on:

- Number of workshops. The client will not get value for money if internal consultants are trained to do only a couple of workshops. Internal consultants can especially be used to conduct Workshops 3, in which ideally as many people as possible participate. Workshop 3 does not require deep know-how on culture, it can easily be transferred to internal consultants. Internal consultants should never conduct workshops for people higher up in the hierarchy than they are positioned themselves.
- Qualification of internal consultants are: They should be able to quickly gain trust, have experience in running very interactive workshops with a fair number of participants and have reference power. Moreover, they should have the time or they should be allowed to make additional time available to run such workshops.

Step 1.11 *Exceptions to the rule*

We repeat once again, when talking about culture: “Never say never and never say always”. Life is too complex to know and to be aware of everything in this respect. The same applies to the change process. One should always be willing to deviate from the preferred approach. Normally, it does not make sense to limit our approach to a measurement of the actual culture, without defining the optimal culture, or the other way around by assessing the optimal culture without scanning actual culture.

Suppose a client wants us to scan only its actual culture without an assessment of its optimal culture. In such a case we cannot automatically generate a report and the added value of the measurement will be restricted. If then a client wanted us to do so nevertheless, we will go ahead. The only thing we could then do is to present the actual scores in the model in a neat way as is shown in Annex 9. One way to wet their appetite for more is to ask them how they *think* they score before presenting the actual scores. Only in this case, the manager director was so defensive that he stopped the process all together and only after a number of years did he start moving.

If the client is not too defensive and if there is enough time, it can be a good idea to ask top management during Workshop 1 how they *think* they score.

Limiting an assignment to assessing the optimal culture only is not advisable either, unless:

- The client insists on it, even after you explained that this is not very helpful.
- The client thinks for good reasons that it knows its culture fairly well, in view of data collections that took place over the past years, whether labor satisfaction or culture surveys.
- The client wants us to conduct management assessments through our Executive Match, (section 5.3.6). In that case optimal scores indeed suffice.

5.3.2 Step 2: Data collection

Note that from this Step 2 onwards, we will present for each step:

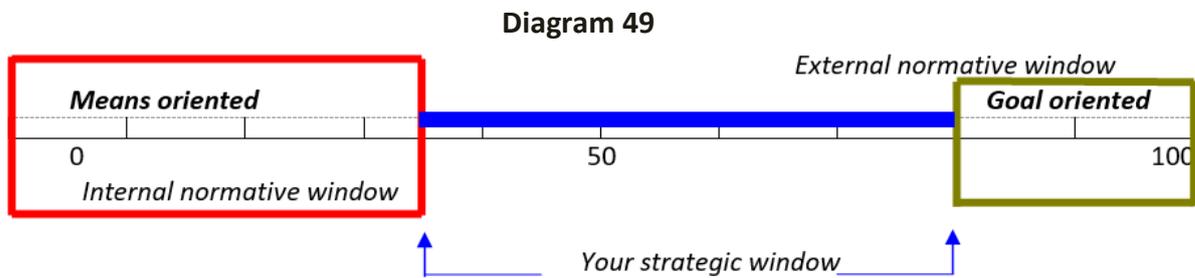
- A concise overview of the required input and the generated output.
- A chart with the activities for this particular step. A number in the left hand column indicates that this activity is described further on. If there is no number it is assumed that the activity is self-explanatory.

Also not that step 2 is characterized by two different on-line data collection processes:

- Step 2a: Data collection to measure actual (sub)culture(s) plus work paradise
- Step 2b: Data collection to define strategic windows

Step 2a requires a significant number of respondents to ensure a reliable picture of the culture of a client.

Step 2b requires only a chosen few who define the environment in which the culture is embedded in order to define the strategic windows of the 6 autonomous dimensions. The strategic windows facilitate the assessment of the optimal culture during Workshop 1. The optimal score should normally lie in the area between the two normative windows. In the example of Diagram 49 below the strategic window runs from 35 to 80.



Step 2a: Data collection to measure actual culture and work paradise

Step 2.1 Introduction

INPUT →

Answers to the on-line culture scan

OUTPUT⁴ →

Actual scores
Desired scores

¹⁰

¹⁰ Plus additional information loading those scores

Chart 4

| Step 2a: Data collection actual culture | | |
|---|---|--|
| What consultant has to do | What client has to do | What system does |
| 2.2 Discuss with client: – Sample or all-inclusive – If sample how to create it ad-randomly – Logistics and timing | – Decision: Sample or all-inclusive – Decision: Timing | |
| 2.3 - Check firewall using test e-mail | - Inform consultant whether test e-mail has been received | |
| – Explain how excel sheet has to be filled out to identify respondents per group | – Excel sheet to be filled out and returned to consultant | |
| 2.4 – Check excel sheet and upload into system | | – E-mail addresses matched with URL; e-mails send out |
| – Create letters of invitation and reminders as examples and send to client | – Adjustment to specific needs in terms of text and logo and return | |
| – Check and upload letters into system | | – E-mail addresses matched with URL; letters send out |
| | | – Results will be loaded into report generating software |

Step 2.2 Sample or all inclusive

The bulk of data collection is done online. For additional data collection in other ways, see Annex 3.

The number of respondents is discussed in section 5.3.1, step 1.3. Here we focus on whether all employees should complete the online survey or just a sample. This depends in large part on the time people have available. It is logical that management does not want staff to spend a lot of time on activities that fall outside their core tasks. It takes about 20 to 30 minutes to complete the online questionnaire. For that reason clients frequently prefer a sample, that is, if more than 35 people are working there.

To obtain a proper sample, respondents should be chosen ad-random. For example, by listing them in alphabetical order and select every third person. There are many more ways, to create an ad-random sample. The only strict requirement is that the selection should not be based on the assumption that some will give more positive answers than others for which reason those with a more positive attitude towards the employer will be chosen. Some clients, though, prefer an all-inclusive approach, so that nobody has the feeling to be left out during the data collection.

A concern that frequently pops up is the time it takes to conduct the data collection process. As the survey and reporting are done digitally, the bottle neck lies more with the client than with us. To be on the safe side we plan in a fortnight, although technically it is no problem to collect the data within a couple of days. The bottleneck on the client's side is the time needed to induce all respondents to complete the survey.

Step 2.3 Firewall and spam box

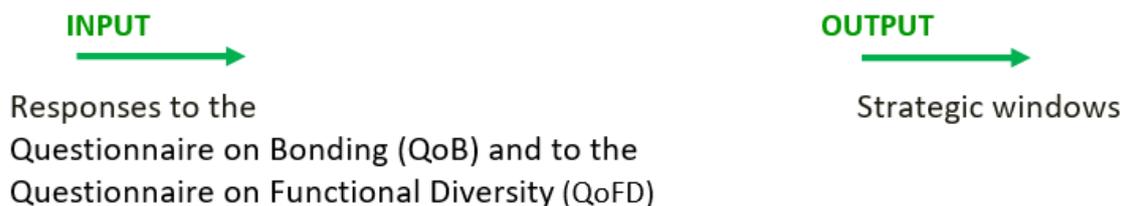
To ensure anonymity respondents receive the invitation and the reminder to participate in the data collection from an e-mail address unknown to their organization's system. It would not be the first time if the messages end up in the spam box or are blocked by a firewall. For that reason, a test message is sent to the counterpart to see whether the firewall has to be adjusted for this particular email address.

Step 2.4 Uploading respondents

Uploading respondents can take a fair amount of time and scrutiny, particularly if it is a large assignment and respondents belong to several groups. Just to give an example, we measured once over 50 groups within one division of a multinational that was 24/7 in operation. Several respondents had to be allocated to different hierarchical levels and work shifts. No errors should be made to ensure that the answers were correctly uploaded.

Step 2b: Data collection to define strategic windows

2.5 Introduction



Contrary to many consultants, we state that we cannot know which culture best serves a client. In other words, the client has to define its optimal culture before the functionality of its actual culture can be reviewed. It is quite a challenge for management to assess their optimal culture adequately, certainly when the Model on Strategy, Culture and Change is not yet part of their body of know-how.

To assist clients in assessing their optimal culture, we developed two types of normative windows, by which the area in which they have to position the optimal scores doesn't any longer run from 0 to 100 but to a fairly to very smaller area. The area in between these normative windows is called the strategic window in which the client should position its optimal culture.

Internal normative windows have a fixed size. Actual scores within an internal normative window are in general dysfunctional.

External normative windows have a flexible size depending on the environment in which the culture is embedded. The influence of the environment on the organization's culture can be mapped by the questionnaire on bonding (QoB) and the questionnaire on functional diversity (QoFD).

Questionnaire on bonding (QoB)

The questionnaire on bonding covers the dimensions internally versus externally driven (D2), local versus professional (D4) and employee versus work oriented (D6). Irrespective of subcultures, no differentiation is required on these three dimensions. The same goes for identification with the organization (D8): on these four dimensions, the culture should be normally similar throughout the organization.

No questions that relate to the acceptance of the leadership style (D7) and D8, are included in the QoB. Where it concerns acceptance of leadership style, it is not the manager who defines its position, but rather the preferences of respondents. In the case of D8, management normally wants people to identify strongly with the organization.

In some (rare) instances when the client operates in a particular context, it might be good to differentiate one or more of these four dimensions (D2, D4, D6 and D8). Yet, the golden rule is that a culture that is similar throughout the organization on these four aspects facilitates smoother and more effective communication and cooperation.

Questionnaire on functional diversity (QoFD)

The questionnaire on functional diversity covers the dimensions means vs goal orientation (D1), easy-going vs strict work discipline (D3) and open vs closed (D5). Although it is good to have consistency across the organization, different work requirements in particular may demand functional diversity between different groups.

Chart 5

Step 2b: Data collection to create strategic windows

| | What consultant has to do | What client has to do | What system does |
|-----|---|--|--|
| 2.6 | Discuss with client: – Who will receive QoB – Who will receive QoFD | – Decision on QoB – Decisions on QoFD | |
| 2.7 | – Explain to top manager and other managers potential confusion | – Counterpart of consultant will inform top manager | |
| | – Create letters of invitation | – Adjustment to specific needs in terms of text and logo and returned to you | |
| | – Check and upload letters into system together with e-mail addresses | | – E-mail addresses matched with URL and send out |
| 2.8 | | | – Generation of work files on strategic windows |

Step 2.6 Who completes which questionnaire?

Only one person needs to complete the Questionnaire on Bonding (QoB): the highest in rank of the organization. A helicopter view is needed to answer these factual questions which cover the entire organization.

The Questionnaire on Functional Diversity (QoFD) should be completed by the highest in rank of each group whose subculture will be measured.

To reiterate, the QoB will be filled out once, whereas the QoFD should be filled out for every group that will be measured separately. It is, however, completely up to these managers whether they choose to involve others to answer these rather factual questions.

Step 2.7 Avoid confusion

If the management team is large enough, its subculture should be defined separately. In that case, the CEO fills out the questionnaire on functional diversity (QoFD) for the top management team, the questionnaire on bonding (QoB) for the whole organization and probably also the surveys on the actual and desired culture. A CEO who is not properly informed beforehand, may object to completing 3 to 4 surveys as he is most likely already incredibly busy.

To a lesser extent this also applies to division managers. They have to fill out the surveys on actual and desired culture in addition to the QoFD.

Differences between data collection process 2a and 2b

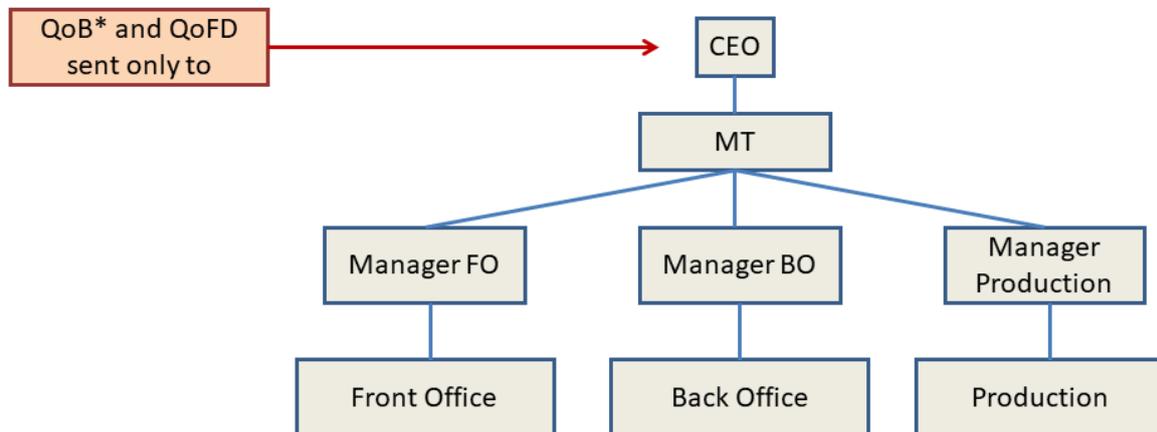
The most important differences between the questionnaire to measure culture and the questionnaires on bonding and functional diversity to define strategic windows are:

1. The number of respondents asked to participate. In the case of a culture scan, at least a representative sample should participate – if the realization of intersubjectivity is to be ensured. “Intersubjectivity” means that a survey has been constructed in such a way that with the input of subjective respondents (everybody is subjective) objective reality is constructed as closely as possible. A minimum number of respondents is required for this. In the case of the QoB and QoFD one respondent suffices.
2. The type of questions are quite different. In the culture scan, answers to questions scan the way respondents relate to their work, to each other and to the outside world. They are phrased in such a way that socially desirable answers are avoided as much as possible. The QoB and the QoFD contain factual questions and are therefore as explicit as possible. They include questions such as ‘how many people work here?’

In diagram 50 we see an organization where no subcultures are measured. The QoB and QoFD are sent only to the CEO to be answered by him.

Diagram 50

Who will participate in data collection to define strategic windows?

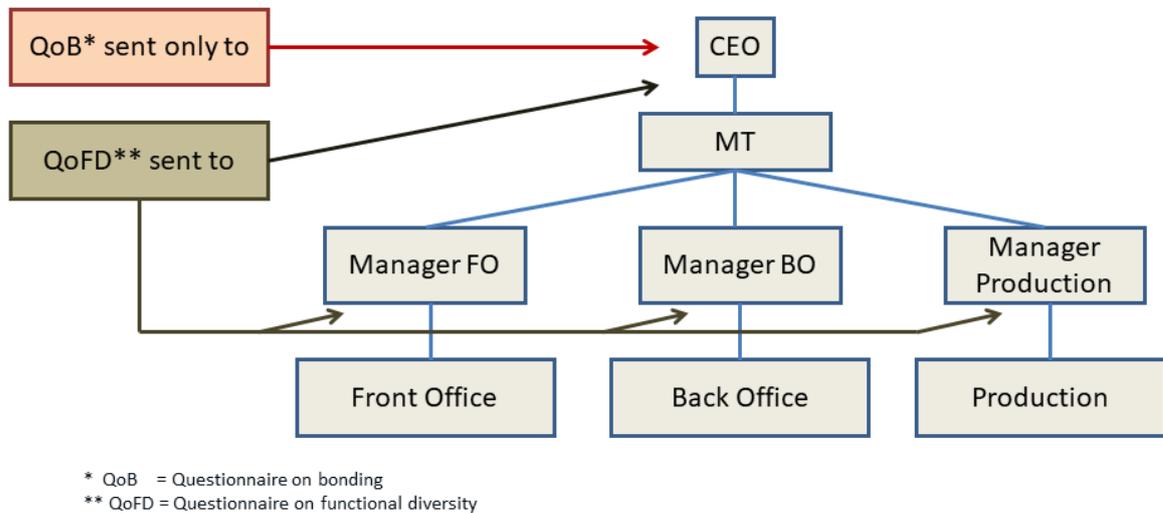


* QoB = Questionnaire on bonding
** QoFD = Questionnaire on functional diversity

In diagram 51 the CEO completes the QoB for the whole organization and the QoFD if the subculture of his management team will be measured separately. Moreover, also the subcultures of the Front Office, the Back Office and Production are measured separately. Sso the managers in charge complete the QoFD for their own department.

Diagram 51

Who will participate in data collection to define strategic windows?



5.3.3 Step 3: Workshop 1 – Assessing optimal scores

Step 3.1 Introduction

INPUT →

Strategic windows

OUTPUT →

Optimal scores

As top management has to define the shared part of the optimal culture (D2, D4 and D6), we distinguish here between Workshop 1 for the management team and for all other groups.

There are three possibilities:

- No distinction is made between subcultures. Then top management also defines the optimal positions on D1, D3 and D5.
- The subculture of top management is measured separately. Then top management defines the optimal positions on D1, D3 and D5 for its own group. Ideally management of each subculture defines its optimal subculture and forwards it to top management to check the optimal fit with its strategy.

- The management team is too small to be measured separately, or doesn't want to measure its subculture. Then top management only defines the positions on D2, D4 and D6 for the whole organization. Ideally management of each subculture defines its optimal subculture and forwards it to top management to check the optimal fit with its strategy.

For top management and for others a separate overview of workshop 1 is presented below. Aspects which are the same for both types of workshop 1 are explained under the heading: "Generic issues applying to all groups" at the end of section 5.3.3

Step 3.a Workshop 1 for top management

Chart 6 overview of activities

| Step 3a: Workshop 1 for top management – Assessment of optimal scores | | | |
|--|---|---|--------------------------|
| | What consultant has to do | What client has to do | What system does |
| 3.2 | Explain purpose of workshop 1 | Decision: Who will participate? | |
| 3.3 | Discuss with top management participation in workshop | Decision: Who will participate? | |
| 3.4 | Discuss program, options and time required | Decision: Green light for program and time required | |
| 3.5 | Plan workshop | | |
| 3.6 | Create/adjust work documents | | |
| 3.7 | Conduct workshop | | |
| 3.8 | Upload optimal scores | | Report will be generated |

Step 3.2 Workshop 1 – Assessment of optimal scores by top management

If the management team (MT) is large enough, we strongly recommend to include them to obtain their buy-in and generate feedback which supports the MT to become more effective.

It only makes sense to assess the optimal culture of the MT if its actual subculture has been scanned. If so, only three dimensions are tabled: means versus goal oriented (D1), easy-going versus strict work discipline (D3) and open versus closed system (D5). These are the dimensions on which functional diversity can be created. The MT also assesses the optimal positions for the entire organization for that part of the culture that should be shared throughout the organization and relate to bonding: D2, D4 and D6.

Step 3.3 Discuss participation

Sometimes it is beneficial to invite others who are in close contact with the MT to participate in the measurement. For example, when the MT is too small or when these others can contribute with valuable insights. Such people should have a helicopter view and a high level of education to be able to contribute meaningfully and they should be absolutely trustworthy. We discourage inviting “outsiders” to this workshop if there is friction on the MT or strong disagreement about the course of action. Then “outsiders” may block generating and accepting creative solutions.

The more people attend, the livelier the discussion, though for the best results, the group should ideally not comprise more than 18 people.

Step 3.4 Discuss program, options, and time required

Top managers tend to allot too little time to this workshop. They are usually extremely busy and think that they cannot spend too much time on “culture”, which is, to many of them, “soft” and unrelated to business.

It is true that top managers often lack time, but culture is about their core business. It is a crucial factor in success or failure. Hofstede’s research shows a clear correlation between managers who claim that they only rely on hard facts and a means oriented culture (D1). Such managers are often impatient, lose their temper easily and want to show that they are in control although they are not. Their attitude certainly does not contribute to a goal oriented culture. Last but not least, they do not like to be contradicted and at times, prefer cronies over critical colleagues, which pushes the culture into a local direction (D4). Top managers who claim that they are only interested in hard facts and not in fluffy things as culture are often the most emotional ones. By the way, if people were devoid of emotions, then culture would not matter.

A minimum of 2 hours is required to assess the optimal positions on the six dimensions. Considering the importance of the topic, 4 hours yield the best results. Ideally, the CEO gives a short introduction and then the external consultant facilitates the workshop. During the one-hour introduction, culture and its implications are defined, strategic windows explained and the follow-up after the workshop is discussed. This takes 30 minutes to 1 hour.

To assess each dimension, a time slot of 15-30 minutes is reserved. The consultant explains each dimension allowing the participants to assess and discuss an optimal position in numbers; for instance, “We want to be pretty goal oriented on D1 with a score of 80”. If the discussion is plenary, 15 minutes per dimension suffices. If discussions take place in small work groups, around 30 minutes is required. Small group discussions prior to a plenary discussion have the advantage of eliciting more information on which sound assessments can be made.

Additional options to choose from, which normally takes more time, are:

- Supplying the participants with the vision, mission, core values and main policies, if available, to be used explicitly as input
- After the optimal score has been assessed it is compared per dimension with the actual score. This may lead to more discussion but has our preference so that those participating get a first insight about the degree of functionality of their (sub-)culture..
- The introduction may be more extensive to include also some nice ice-breakers.
- The dimensions are pretty abstract at first sight. It is therefore important to give enough real life examples to bring these dimensions alive. The amount of time to be spent on explaining these dimensions will depend on the amount of time made available, but also on the nature of the audience. Americans, on average, cannot wait until they are “allowed” to do something, whereas e.g. the French, on average, first want to get the whole theory before being able to start acting.

Step 3.5 Plan workshop

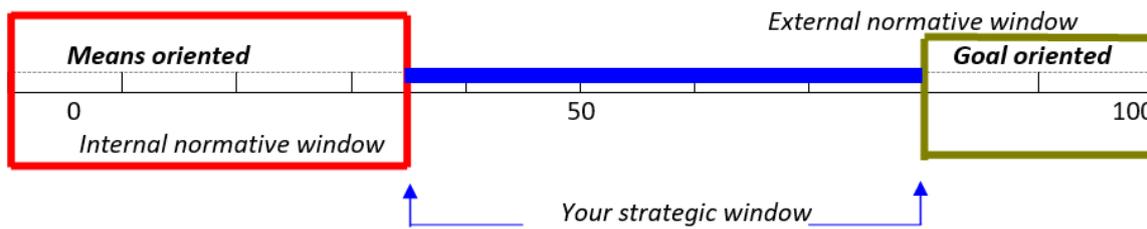
To comply with the tight schedule of the workshop, it is important to have a detailed program and someone who serves as timekeeper. We once conducted this workshop with 17 participants of the leadership of a multinational. The CEO did not want to participate, but we were able to convince him to participate and it turned out that he was willing to conduct the workshop together with us. This worked out so well that this set-up became our preferred approach since. In order to make this to a success, the CEO should be offered this option and if he accepts it he should be briefed thoroughly. If members of the management team are located far apart it is not always easy to get them to meet physically. In that case we plan workshop 1 and 2 around one of their regular meetings.

Step 3.6 Create/adjust work documents

The input for workshop 1 are the strategic windows. These are generated on the basis of the answers given to the QoB and the QoFD, which describe the environment in which the(sub)culture is embedded.

Diagram 52 serves as an aide de memoire of the similar diagram 49 in section 5.3.2, Step 2.

Diagram 52



Step 3.7 How to conduct workshop 1 for top management

In general, we do not reveal the actual scores until the optimal scores have been assessed, to allow the participants to view at the situation with an open mind. Sometimes, notably in countries with a high Uncertainty Avoidance Index, management teams feel insecure and insist on receiving the actual scores prior to setting the optimal scores. If that is the case, we go along, of course.

Different work teams

A decent number of participants increases the liveliness and sharpens the discussion around the optimal positions. If there are over 6 participants, they can be grouped into functional work teams of at least 3 persons. The optimal scores of the different work teams are then compared. If the teams deviate from each other by more than 20 points, the consultant invites the work teams with the highest and lowest score to explain their position and try to win over the other teams. In order to prevent this activity from turning into a competition, it should be made clear that a change of position is a sign of strength, not of weakness.

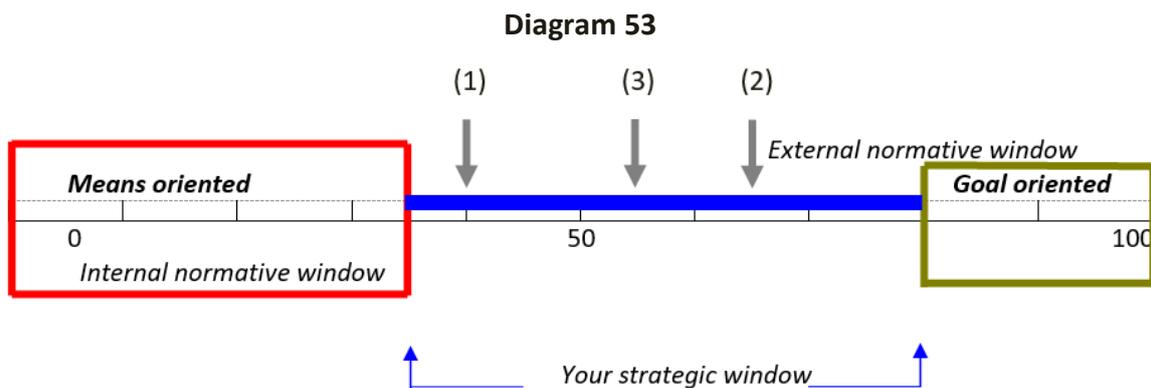
If managers cannot agree among themselves, the external consultant can come up with an average score, but (s)he should feel free to side with the arguments of one work team more than with another. Check then whether participants agree with the choice you make on their behalf. If they still cannot agree - and if the CEO does not intervene - the consultant may want to stick to his/her choice.

Some managers can become too committed to their score. The role of the consultant is then to explain the relativity of the selected scores.

The managers should remain flexible enough to change optimal positions after having read the report on the actual culture - either prior to or during workshop 2. If the CEO does not take part in the optimal assessment, but leads the discussion with the external consultant, the CEO can more easily break a deadlock if required.

In order to manage this workshop well, each dimension with its strategic windows is presented on a flip chart, so that the optimal positions of the work teams can be easily inserted.

See Diagram 53 below.



In this example the largest difference is between work team (1) and (2). Spokespersons from team 1 and 2 are invited to convince the other two teams of the validity of their position. It is a good sign if the optimal positions of the different teams are very close. It implies that the strategic intent of the top management team is strong, as the teams have already implicitly translated their objectives and strategies in cultural terms similarly.

Normative windows

The normative windows guide the client to assess its position properly, by limiting the size of the strategic window in which the optimal score should be positioned. The internal normative window is supposedly a no-go area. “Supposedly”, because remember: *Never to say “never” and never “always”*. But, during the thirty years during which we have worked with our approach, no client has ever positioned its optimal scores inside these internal normative windows.

The external normative windows, on the other hand, are not prescriptive. A good discussion may reveal reasons to position optimal scores inside these external normative windows.

The width of external normative windows is determined by the answers by top and/or senior managers on the QoB and QoFD. Other participants may find reasons to move away from the strategic window, into the external normative window. It may be that participants disagree with the answers the senior executive provided to the QoB and the QoFD. But even if they agree with the answers, they may have compelling reasons to assume that part of the context in which the culture is embedded can be changed or does not really matter. This does not only give depth to the discussion, but shows the extent to which strategy, context and culture are linked.

Step 3.8 Reports are generated

Reports, in which the results of the scans on the actual culture have been fed, are automatically generated after the consultant has uploaded the optimal scores. These reports form the input for workshop 2. It is therefore convenient to have a time lapse of at least 24 hours between workshop 1 and workshop 2.

Report generation itself is a matter of minutes, but the consultant (s) should check the report(s) to ensure that no errors have been made, before they are made available to clients.

Step 3.b Workshop 1 for other groups

Chart 7 gives an overview of the activities that can be conducted for other groups.

Chart 7

| Step 3b: Workshop 1 for others – Assessment of optimal scores | | | |
|--|--|--|--------------------------|
| | What consultant has to do | What client has to do | What system does |
| 3.9 | Discuss with steering committee participation in workshop | Decision: Who will participate? | |
| 3.10 | Discuss program, options and time required | Decision: Green light for program and time required | |
| | Plan workshop | | |
| 3.11 | Create/adjust work documents | | |
| 3.12 | Conduct workshop | | |
| 3.13 | Discuss with steering committee and top management scores on D1, D3 and D5 and deviations from dimensions on bonding | Get final decision on optimal scores from top management | |
| | Upload optimal scores | | Report will be generated |

Step 3.9 Discuss with steering committee participation in workshop 1

The greater the number of units scanned, the more intricate the planning. If there is a steering committee, the consultant can take up the logistics of workshop 1 with it. If there is not, someone else inside the client organization needs to be made in charge of logistics. For each unit, those highest in rank should ideally participate in workshop 1, since culture becomes useful when matched with strategic requirements. In defining optimal culture, the

question is not whether people will be happy with the optimal culture, but rather whether it will help to realize the objectives of the organization in the best possible way.

Surely these two can coincide: happy people and achieving objectives, for example when one of the objectives is to become “the employer of choice”.

The highest in rank of a group that has been scanned separately, should decide who will participate in workshop 1. Such a decision may depend on:

- The content of the actual culture in relation to the actual management style;
- The management style that top or divisional management wants to establish;
- Capabilities of the potential participants.

The actual culture drives - to a degree - people’s actions. If the manager of a certain group keeps everything close to his chest, fewer colleagues will be invited than if the manager has a consultative management style.

If so far the dominant management style has been paternalistic and it has been decided to change this towards a more consultative style, it would be good to invite more people, as a token of this new commitment.

To capture such an extremely complex system like an organization in a model, the model cannot be simple. That means that our process is rather abstract at the start, but rapidly becomes more concrete. Clients do not need to despair when Workshop 1 has been perceived as rather abstract, because each consecutive workshop will be more tangible and down-to-earth.

Participants of Workshop 1 should meet the following requirements:

- A high level of education or the ability to think conceptually. Although workshop 2 is less conceptual, it is recommended that the same people attend workshop 1 and 2 to ensure a continuation of know-how and understanding;
- A clear idea about the position and contribution of their group to the total organization;
- Interested in more than just their personal task execution.

If the division manager does not want to invite anybody who reports to him although there are members on his/her team who meet all three qualifications, it is good to point out that involving staff will push the culture to a more employee orientation direction (D6), certainly if that is what the management team aspires.

Steps 3.10/3.11 *Discuss program, options and time required/Plan workshop*

Similar actions as described for Workshop 1 for the top management team, apply for divisional subcultures. Some of the differences are:

- On average, the lower echelons need more time than top management to understand the dimensions and to come up with optimal scores. If there is not enough time, we recommend to assess only the optimal scores on means versus goal oriented (D1), easy-going versus tight work discipline (D3) and open versus closed (D5).
- The other three dimensions which deal with bonding, should be the same throughout the organization and might have been assessed by top management already. Yet, it can be beneficial under certain circumstances, to ask others to assess the optimal culture on the dimensions on bonding as well.
- It may be that the particular situation of the client demands functional diversity on the dimensions on bonding. Then it is good if not only top management, but also the departments assess the optimal positions on the dimensions on bonding. Take the police: police officers at the criminal investigation department normally score local – and that's hard to change. Support sections within that same department can score more professional. Then it is wise to ask the sector leader who is leading these diverse units to fill out the QoB as well.
- Top management may want more people and groups to feel involved and committed and ask them to their ideas on the optimal scores on the dimensions on bonding. Perspectives from all sides usually help in obtaining a better picture of the optimal culture. Of course, this only works if participants can make sufficient time available.

Step 3.11 *Create/adjust work documents*

This process is similar as described for top management; see step 3.6.

Step 3.12 *Conduct workshop*

Here also, we can follow the same process as described for top management in step 3.7. Normally the groups below top management that participate in workshop 1 are larger, and more work teams can be created, which promotes the quality of the discussion.

Step 3.13 *Green light from top management*

Top management should never delegate its final responsibility for vision, mission, goals and strategies nor its final responsibility in defining the optimal culture.

Ideally, top management should not just know the optimal positions chosen by other groups, but they should also verify these positions against the overall picture of how objectives and strategies have to be met. They also have to give their blessing to the degree of functional diversity proposed by other groups on D1, D3 and D5.

If other groups are also asked to assess the optimal positions on the dimensions on bonding, top management certainly has to be involved. If other groups disagree with the choices made by top management about the optimal culture on D2; internally versus externally driven, D4; local versus professional and D6; employee versus work oriented, a meaningful discussion may take place between management of the groups concerned and top management. The result of such a discussion can be the following:

- Nothing changes, as management of the groups concerned were not able to convince top management that one or more positions should be changed on D2, D4 or D6.
- Top management agrees that one or more optimal scores should be adjusted

If the client organization is very large and comprises many departments and subsidiaries in many different countries, then top management cannot and should not try to have discussions with all groups concerned. It should then at least do this exercise with the management layer reporting to them as well as with the functional group(s) for which each top manager separately is responsible. They should then delegate the rest of this process to their direct reports.

Generic issues applying to all groups

The two semi-autonomous dimensions

You may have noted that the QoB and the QoFD do not cover the two semi-autonomous dimensions D7 (acceptance of leadership style) and D8 (identification with the organization). That is because these two are normative by nature. The higher the scores on these two dimensions the better.

The environment of a company has little or no direct influence on the acceptance of leadership style by the employees. This dimension compares the respondents' preferences for a certain leadership style with the leadership style of their direct boss as they perceive it. Preferences for a certain leadership style are generally rooted in national cultural value patterns and are therefore difficult, if not impossible, to change. For that reason it does not make sense for the client to assess the optimal score for D7. Instead, the respondents' preferences are leading.

Whether people identify with the organization, is not so much influenced by the environment, but rather by how proud and happy they are with their employer. We have set the optimal score on D8 at 75. It is always good if members of an organization identify strongly with their organization, unless management wants a faster staff turnover. As a side note, D8 belongs to the group of dimensions on bonding.

Do's and don'ts

Below are some important do's and don'ts to bear in mind when conducting workshop 1:

- Make sure that the dimensions are clearly explained so that it is easy for participants to come up with meaningful optimal scores. The participants may never before have heard of “Bob's Model on Strategy, Culture and Change”. Thus, it happens regularly that although clients analyze their work situation correctly, they come to the wrong conclusions when translating their observations in terms of the model . Think of the earlier example of the MD who wrongly concluded that his mechanics were too customer friendly. Their culture was too sloppy on D3, rather than too customer friendly on D2. This happens more often.
- Realize how important it is to analyze one's situation to come up with optimal scores before seeing the actual scores measured, unless the client overrules you.
- Those attending this first workshop should not become too committed to the optimal scores chosen. They should remain flexible enough to change optimal positions both during workshop 1 and also during workshop 2 - after having read the report.
- Sometimes participants complain that the discussion remains rather abstract and that what they are doing is not connected to their real-life work situation. Tell them then that Workshop 2 will be much more practical and that Workshop 3 will be fully hands-on.
- Sometimes participants use arguments which do not belong to the dimension under discussion, but to a different one. You can tell them that this regards a dimension still to be explained. If this happens often, participants may get irritated and think that the external consultant is trying to influence the discussion. It can be helpful to explain that in order to make optimal use of the time to explain such a complex model, the model is revealed in stages, rather than in one draw.

5.3.4 Step 4: Workshop 2 – Discussion of report and follow-up

Step 4.1 Introduction



11

Chart 8 gives an overview of the activities which clients and consultants may want to cover in workshop 2.

¹¹ Plus additional information loading those scores

Chart 8

| Step 4: Workshop 2 – Discussion of report | | | |
|--|---|--|-----------------------------------|
| | What you have to do | What client has to do | What system does |
| 4.2 | Check whether preliminary discussion with top manager to be recommended | Decision: Yes or no? | |
| 4.2 | Make report available to manager concerned | Read report and indicate any harmful information | |
| 4.2 | Omit certain findings, if so requested. Don't change findings! | | |
| 4.3 | Discuss participation workshop 2 and make report available to participants | Decision: Who will participate? Read report | |
| 4.4 | Make sure report is printed in colors | | |
| 4.5 | Conduct workshop 2: Check if optimal scores have been changed, considerably whether new report to be generated Discuss communication | In that case decision: New report or not Chose aspects in diagrams with asterisks to be changed | |
| 4.6 | Arrange second workshop 2 with top management to discuss consolidated report and arrange follow-up if so required | | |
| 4.7 | Upload characteristics to be improved into system | | Generate focused levers of change |

Step 4.2 *Is a preliminary discussion with the manager advisable?*

We always ask the manager of a group that has been scanned whether (s)he wants to read the report before we send it out to his/her staff. Frequently the manager comments: "that's fine, no need for me to check it, I've got nothing to hide". And in general, it's not an issue. But on occasions, it may be wise to discuss the report with the manager concerned prior to sending it to the whole team. If the group is only managed by one person and if information about that manager may be detrimental it is wise to discuss the report with him prior to making it available to his colleagues. But even if the report contains only good news, it helps to have pre-information so that the manager can decide if and how to run Workshop 2 together with the consultant.

Step 4.2 *Follow-up: Optional step - Discussion with the manager*

The consultant should not be over-cautious. A manager who cannot cope with critical remarks may not be the right one for the job. Yet, if the information is really detrimental to the manager, it may be hard for him/her to redress behavior of his team members. It's not always possible nor advisable to replace a manager immediately because he did a poor job in cultural terms:

- Perhaps top management does not have enough political clout to dismiss that manager, notably if it concerns the CEO.
- The manager has specific know-how or contributes in other ways which makes him indispensable - at least for the time being.
- There may be much scope for improvement considering the environment of the operations and the personality of the manager.

Step 4.2 Omitting certain findings

Should information that can damage a manager, be deleted from the report? Sometimes yes, provided the manager accepts coaching. An external consultant can and should propose coaching as a condition to remove information. After all, not outsiders but the manager's own colleagues described his dysfunctional behavior and attitudes.

Never, however, should the content of the report be changed. This ought to be part of the ethical code of consultants but omitting text to ensure that people are not harmed and to facilitate the change process, is admissible.

Step 4.3 Discuss participation in workshop 2 and distribution of report to participants

Those who have participated in workshop 1 will usually also participate in workshop 2. But it is important to check whether this is what the client wants. One of the questions to the client is whether participants should be asked to read the report prior to attending this second workshop. Despite the fact that the main body of the report contains a maximum of only 20 pages, most managers are so busy that they do not give themselves sufficient time to read such a report thoroughly, if at all. Another consideration which may stop them from reading it is doubt about the usefulness of culture. If the assignee cannot guarantee that all participants will have read the report prior to workshop 2, it may be decided to distribute the report only after workshop 2 has been conducted. The main findings in the report are then presented in such a way that it is easy to take the participants through the report during the workshop.

Lack of time to read the report prior to the second workshop is an even more acute problem for an international leadership team. As it is not always easy to get the members of an international leadership team together, it makes sense to organize the first two workshops during the same conference. This is only feasible if the second workshop will not be conducted immediately after the first workshop. Time is needed to input the optimal positions defined during the first workshop into the system and to generate the reports. Following this, the main findings of the report have to be inserted into a powerpoint presentation in order to conduct the second workshop. This will normally not pose any problems, as leadership teams have many other things to discuss once they have come together.

At the beginning of the process, members of the leadership team wonder why so much time has set apart for culture instead of discussing their business issues as much as possible. Their amazement normally dissipates during workshop 2, when they notice that our approach in addressing culture covers many of their business preoccupations.

In general we can say the following about distribution of reports:

Decide in discussion with the client which information will be distributed how. Perhaps the easiest way to distribute the information is by emailing the report concerned to all workshop participants. Allow for the option that participants only be confronted with the major findings during workshop 2. Another possibility is that participants receive the highlights of the report prior to the workshop only or during the workshop. The various options depend on the workload of participants, their ability to digest a lot of information, sequencing of change activities and timing.

Step 4.4 Make sure the report is printed in color

Irrespective of whether the report is distributed prior to workshop 2 or afterwards, it is important to inform the client that the report that is made available as soft copy be printed in color. This of course applies only if the client wishes to distribute the report in paper format.

It is essential to stress this minor point, because - in order to keep the report as concise as possible - a significant amount of information is contained in the color coding with which results are presented.

Step 4.5 Conduct workshop 2 and discuss communication

Objectives of workshop 2 are:

- a. Find out whether there are any surprises. Do participants agree with the findings and do they need an explanation?
- b. Ask the client for an explanation if the external consultant has found things that surprise him and therefore need explanation.
- c. Highlight the most important findings of the report, if not already covered.
- d. Ensure that a final assessment of the optimal scores is made.
- e. Make choices from the diagrams with asterisks, if presented in the report.
- f. Discuss follow-up.

These topics are elaborated below:

- a. *Find out whether there are any surprises. Do participants agree with the findings and do they need an explanation?*

Participants strongly opposing findings in the report, should not give cause for concern. Firstly, it is impossible that all intricacies of work reality at group level can be unveiled with the help of a model. Secondly, our experience until now has been that opposition and contradictory information in the report unveil deeper levels of work reality, giving more insight into the particular situation the client finds itself in. After all, all findings in a report are based on answers given by respondents who work in the client system. If opposition from one or more participants is very strong, this may indicate that the report has encroached on a taboo.

Taboos are more likely to be found when management tries to suppress certain aspects of work reality. This can happen e.g. when management embraces core values which are not intended to reflect the new work reality, but instead try to cover up part of work reality. Such strong opposition can also reflect attitudes of individual managers who cannot cope with criticism.

More in general, information about culture that first appears to be false, counterintuitive or contradictory often points to deeper levels of work reality. It is our experience that in all those situations in which findings in the report were very much questioned or opposed, led to the client better understanding of their own work reality. In thirty years of work experience, we have only come across two cases of top management rejecting the findings. In both cases almost all other colleagues of top management supported the findings but were overruled. We then stopped the assignment.

- b. *Ask the client for an explanation if the external consultant has found things that surprise him and therefore need explanation*

The number of different reports that can be generated by the software is enormous. Some differences may be very small, e.g. a difference between “very strong” or “strong”. Some differences may unveil a unique characteristic not previously found. In order to do so, external consultants need a lot of experience to know what are common findings and what are exceptional findings. It is also possible to find contradictions not encountered before, or which seem to be counterintuitive. In all these cases please invite participants to explain such information.

It is possible that some findings are so unheard of that one may want to check whether errors have been made by the report generating software. If no reporting errors have been made and if the client is not able to explain such findings, the client may be advised to let the external consultant collect additional data.

The quickest way to do this is by carrying out a number of in-depth interviews. These interviews can be short, as the questions will be limited just to those topics which will supply focused information about the issues at hand.

c. Highlight the most important findings of the report, if not already covered

The external consultant should highlight the most important findings - in as far as they have not yet been covered during the discussions mentioned under points a. and b. above. In reality the activities listed here under the letters a. b. and c. are not put in any specific sequence. One normally starts with c. - but be prepared for emotions to run so high that the group may, for example, want to jump to contradictory information first in order to check whether the reporting and the consultant are credible. There is often time pressure. It is then hard to get sufficient time to discuss the report extensively as well as meet all objectives of the second workshop.

In that case, it is wise to leave out a discussion about the results of the measurement of the work paradise here - if it has been measured. This can then be discussed at a later stage. The following applies to work paradise: the more statements and the more asterisks there are in the table regarding their work paradise, the more reason there is to conduct a follow-up discussion. For follow-up see below.

d. Ensure that a final assessment of the optimal scores is made

We have often experienced that once the optimal scores have been defined during the first workshop, participants want to leave them as they are. Nevertheless, it is important to ask participants to reconsider the optimal scores seriously for the following reasons:

- During the first workshop participants are asked to translate their work reality in terms of a model which may be totally new to them. It is therefore self-evident that participants may find good reasons to reconsider one or more optimal scores once they have read the report, or once the main findings have been highlighted.
- If participants do not see any reason to change any of the optimal positions, but the external consultants do see reason to do so in a particular case, then the external consultants should express themselves tentatively. After all, external consultants should be cautious when expressing their own opinion. They do not work within the client system and therefore cannot know all the 'ins and outs'. However, we do know the model much better than the client and can therefore oversee the consequences of certain optimal positions better.

Remember in this respect that a difference of fewer than 10 points is not a notable difference. Therefore, small changes in optimal positions will have no impact.

If it is decided that one or more optimal positions should be adjusted by 10 points or more, then it may be advisable to generate a new report. In that case the choices made as indicated below should be tentative and be reconsidered after the new report has been generated and read.

e. Make choices from the diagrams with asterisks

If no diagrams with asterisks appear in the report and if no salient additional information is presented, then no follow-up action is required. If discrepancies between actual and optimal scores on one or more dimensions are 15 points or more, then diagrams with asterisks are presented. These diagrams contain characteristics which describe the biggest discrepancies between the actual and optimal scores on a more detailed level and in order of priority. Participants are then asked to choose those characteristics they would like to change in order to realize the optimal culture, see example below.

Diagram 54

| Specific information about D1; means versus goal oriented | |
|---|-------|
| Actual score 60 - Optimal score 85 | |
| 1) Safety takes too much priority over internal entrepreneurship | **** |
| 2) We are poor in gaining people's trust | *** |
| 3) We are not sufficiently committed towards the internal goals and objectives that our organization wants to realize internally, such as market share or profitability | * |
| 4) We could still be more straightforward | * |
| 5) Those who make promotion should show more initiative | * |
| In total the culture is 10 asterisks too means oriented | ***** |

They are not obliged to do this. Even if a report indicates that improvements can be realized by changing the culture, a client may decide not to go ahead.

We have been often asked how these asterisks are calculated. This is done by comparing the actual scores of separate answers per question with the optimal score on a dimension defined by a client . Note that the answers loading the actual score on a dimension should cluster together, otherwise no dimensions could have been identified in a meaningful way. This, however is true for the overall data bank but not necessarily for a separate measurement. The less answers cluster together around the average actual score on a dimension, the more it shows particular characteristics of the culture of a client on that dimension.

If a client wants to proceed with the culture change process, the diagram with asterisks is a great help to set priorities and find out where resistance to change can be expected. Four asterisks indicate where change can have the largest impact. In diagram 54, changing the emphasis from maintaining safety to fostering an entrepreneurial spirit will have the largest impact on bridging the gap between the actual and optimal position on D1 (means versus goal orientation). In this particular case, management rightly decided to emphasize entrepreneurship, since safety was not an issue at their work. One asterisk indicates that the difference is small, yet it pays off if also in that case this characteristic will be changed.

The five average answers in Diagram 54 would have loaded the actual score on this dimension with respectively 20, 40, 60, 65 and 70, compared with an optimal score for this dimension of 85. The asterisks do not give precise numbers, as it is not about mathematics, but about change strategy.

It is not necessary to work on all characteristics features simultaneously to bridge the gap between actual and optimal scores. As a rule of thumb, the client selects two features per dimension in order to bring about change.

The selection should take into account what is feasible and attainable. The selected characteristics can be put in the change initiatives “basket”.

f. Discuss follow-up

During or following Workshop 2 certain issues should be addressed:

- If not all topics were covered during this workshop, how and when to continue?
- Who will be informed about the results of the report - and to what extent?
- If optimal scores have been adjusted, should a new report be generated? This will affect the selected characteristics to be acted upon, from the diagrams with the asterisks.

Step 4.6 *Arrange a follow-up workshop 2 with top management*

If subcultures are measured, a consolidated report is generated next to the reports on the subcultures. The consolidated report does not just compile the results of the subcultures, but also highlights any remarkable (dysfunctional) differences between the subcultures. Workshop 1 and 2 are held for each group of which its subculture has been measured separately. Management of each group defines its optimal scores, with or without other staff members. These optimal scores are presented to top management who verifies them against the overall strategy and the desired functional diversity. In other words, the CEO or the top management team takes responsibility to accept or (partially) reject the optimal subcultures defined by lower levels.

The consolidated report may induce top management to reconsider certain optimal positions. If they reject or question certain optimal positions, it should be taken up with the managers of those subcultures. When all are in the clear, the final optimal positions can be defined and selected actions from the diagrams with asterisk may need to be adjusted. (Note that these optimal scores should not be carved in stone. Important changes in the environment or a change in vision, mission and objectives may require adjustment in this respect)

Some of the topics that can be discussed during this follow-up workshop are:

- New information in the consolidated report may lead top management to add or cancel activities to the change initiatives “basket”.
- The overview of strengths and weaknesses within the organization gives hands and feet to top management to steer change initiatives in a focused way.
- Should the functional diversity as proposed by the subcultures, be accepted or should certain optimal positions change to create a stronger culture?
- Should the proposals on the bonding dimensions (D2, D4, D6 and D8) that subcultures tabled when asked for their opinion be accepted or rejected?
- Should the optimal culture be reset partially and should activities be deleted or to be added to the change initiatives “basket”?
- Fine-tuning mission, vision and strategy.

The output of workshop 2 is a first major step to a change program. Of course, the client decides whether to embark on a change journey if there are substantial gaps between the actual and optimal scores or not. It all depends on the importance the client attaches to the gaps and the envisaged feasibility to realize change successfully.

Step 4.7 Upload characteristics into system

The external consultant uploads the features that the client has selected to work on, into the system. Our databank contains around 800 change levers. Each of these change levers is attributed to one, or sometimes two, dimensions and in that case usually also to one or two characteristics that the client has selected. In this way the client is automatically offered those change levers that will help to realize change effectively and efficiently, i.e. and in a most focused and cost effective.

5.3.5 Step 5: Workshop 3 – Make change happen indirectly

Step 5.1 Introduction

INPUT

Change levers

OUTPUT¹²

Real life activities

Chart 9 gives an overview of the activities which clients and external consultants may want to do. This is a crucial phase. Often change activities get stuck in good intentions. Too often they never leave the drawing board. In our case too, the activities are merely good intentions. They may have been formulated more focused, but so far they are mere words, not deeds. The challenge is to translate the change levers into real-life activities. Workshop 3 is aimed exactly at that. This phase does not need to be limited to a single workshop, but let's keep it simple for once and stick to the format in Chart 9. We will highlight essential issues we have come across when developing and managing workshop 3.

Chart 9

| Step 5: Workshop 3 – Translation of change levers into real life activities | |
|--|--|
| What consultant has to do | What client has to do |
| 5.2 | Brief client |
| 5.3 | Prepare workshop and brief client Decision: - Who will participate - Make planning; what will be done when - Arrange facilities - Distribute tasks and responsibilities |
| 5.4 | Conduct workshop 3 |
| 5.5 | Follow-up: - Give guidance - Control choices made: - Will they create expected change - Will it concern indirect change esp. re believe systems - Monitor implementation |
| 5.6 | Follow-up: If not already done then: - Collect and present output workshop - Getting green light - Define time path implementation - Make people responsible for implementation - Decide about monitoring process - Monitor implementation |
| 5.6 | Make it known that whole process will be repeated |

¹² Plus additional information loading those scores

Step 5.2 *Brief the client*

Managing the process well is vital to the success of this workshop. This includes deciding on workshop location:

- There should be enough space;
- The lay-out of the room should facilitate the active participation of everyone.

The preparation and execution of workshop 3 is labor intensive, given the number of participants and the various activities. To ensure ownership, we ask the client to appoint their own people to actively assist in the preparation and execution and to conduct part of the introduction.

Participation:

It is advisable to include everybody who will be affected by the implementation of the real-life work activities.

Whether the participants come from different groups or belong to one group depends on:

- The number of participants and the size of the meeting facilities
- Whether the groups are going to address the same issues. If the issues differ, it is better to keep the groups apart.

Functional sub-groups can be created if the number of participants is large enough. The sub-groups will be asked to select from the change levers those which they think will address the issues at hand most, to translate these change levers into real life work activities and to empower teams or individuals to implement these.

The more people participate in this workshop the better. A well-structured workshop can host around 36 people. If more people are involved, it is advisable to conduct several workshops 3. This will ensure active participation of everyone. It is not uncommon that a fair number of such workshops take place. In our experience, the internal consultants can then successfully conduct these workshops after having participated in two or three of these workshops.

Planning:

What needs to be done - when, where and by whom? Workshop 3 is an important step and with the potential scale of participation, proper planning is required.

- Timing: date and length of the workshop.
- Distribution of tasks. For a group of 36 persons 4 facilitators are required, of which ideally at least 2 internal consultants. Preparation and executing the workshop has to be divided among the facilitators.
- The facilitators are also responsible for planning the sequence of activities in the workshop and the presentations.
- Who will arrange the location?

- Who will arrange which facilities such as pin boards, cards, beamer, screen, chairs, work tables, etc.?

Step 5.3 Prepare the workshop

Consultant and client jointly decide who does what. Most of the activities listed in Chart 9 are self-explanatory, but it is useful to elaborate a bit on the presentations. Most participants in Workshop 3 did not participate in the other two workshops, so they need to be brought up to date. The presentation should focus on what has been done so far and how this relates to this workshop.

Steering committee and internal training

The more hands-on process in Workshop 3 demands more involvement from the client, for example through its steering committee. Once the activities are geared at real-life work, the role of the external consultants changes to overseeing consistency and keeping the process on track to achieve the objectives of the client.

To achieve such involvement on the part of the client, it is good to train employees to:

- Become involved in Workshop 3 and conduct these;
- Support follow-up implementation;
- Monitor implementation.

Step 5.4 How to conduct Workshop 3

The workshop should start with an introduction to all, addressing:

- Where we came from and where we are heading to
- Purpose of the workshop
- What we want to realize:
 - Translating change levers into real life activities which support us to realize our tasks and objectives successfully;
 - Who will be responsible for the implementation of which activities?
 - Organizing the monitoring of this workshop, if it has not yet been defined.

The output of Workshop 3 are real-life work activities. Before these activities are implemented, the following has to be done:

- Translation of a change lever into real life activities have to be checked for consistency. y Does the chosen activity still assist the client to realize the change on the dimension concerned as intended? Note, that although one should not any longer need to talk in terms of culture, the model remains a useful analytical tool. Thus, at the background the model can still be used to ensure consistency.

- Management has to decide whether the persons who have volunteered to become responsible for the implementation of a certain activity have the time to do so and are capable of doing so. If not, then management has to intervene, of course in a nice way.
- Those being responsible have to come up with a plan of implementation. Resources may be needed to realize these new activities. Also in this case management has to give its endorsement.

Prior to the workshop, change levers can be added or deleted from the list, to ensure that they match the work reality of the group. To simplify that task, there are different sets of change levers for managers and non-managers. The level of discretion and abstraction of their work normally differs between managers and non-managers and to this difference the change levers have been adjusted. For management the change levers are of a more strategic nature.

Step 5.5 Follow-up

Some activities that can be included in the follow-up stage are:

- Collect and record all suggestions made in the workshop to follow-up easily;
- Obtain the green light from those in charge of change implementation, certainly if additional resources are requested;
- Define time line (if not done in workshop 3);
- Put people in charge of execution (if not done in workshop 3);
- Decide about monitoring process;
- Monitor.

The role of culture

Once change levers have been chosen, there is no more need to use the word “culture”. It is actually better to avoid this word. Culture is a tool of analysis - nothing more and nothing less. It is all about improvement. On a more strategic level, this will be covered by managers in particular. On an operational level relating to day-to-day work activities, this will be mostly covered by non-managers.

External and internal consultants should bear in mind that people on the work floor tend to have the existing culture still at the back of their minds. When translating change levers into actions, they may unwillingly reinforce the existing culture instead of changing it.

The role of the consultant is then to monitor whether the translation of change levers really supports change, both in terms of culture and in terms of daily practices.

Example: Suppose that it has been decided to increase the score on dimension D4, by making the culture more professional. It has been decided that from now on employees will be invited to attend external conferences. You now have to decide who will be allowed to participate, when and under what conditions, given limited time and resources. The group that discussed this realized that not everybody could participate in external conferences during the next two years. They felt that this was not fair and decided that this initiative should be cancelled. This decision would have resulted in social control being left intact – this being precisely a reflection of the local culture which the group wanted to change. The challenge is then to explain this and to come up with criteria which would still make the process of choice fair.

Although consultants no longer talk in terms of culture, they need to have excellent insight into the model in order to give proper guidance and feedback.

In Annex 8 a detailed script shows how workshop 3 can be organized.

Step 5.6 Announcing the repeat measurement

It is one thing to set change goals, it is another thing to make it happen. It is not uncommon that top management is not genuinely committed to change, even when a lot of time, effort and money has been invested. The effect of failed attempts to change is that employees become cynical. During the next change initiative they will go through the motions, but are no longer convinced that management really cares.

The best way for management to show that this time it's for real, is to announce that a repeat measurement will be held in 1-1,5 year. That shows genuine commitment. Whether the repeat measurement will actually take place, is unpredictable. But if it doesn't, staff will even become more cynical than ever before and performance will drop.

5.3.6 Step 6 Executive Match – Direct change



The combination of the optimal scores and 360 ° feedback can assess the potential of a manager to enable or hinder realization of the optimal culture. The visible part of a

¹³ Plus additional information loading those scores

manager's profile is his/her behavior, which is in part a reflection of his/her attitudes and convictions. Behavior is of course also shaped by the context as we perceive it. This profile tells the manager and the consultant whether (s)he has to adapt his behavior to make the optimal culture come true. For the subculture of his/her own team this relates to D1, D3 and D5 and for the whole organization it relates to D2, D4, D6 and D8.

Chart 10

| Step 6: Executive Match - Direct change | |
|--|---|
| What consultant has to do | What client has to do |
| 6.2 Brief client | Discuss internally whether to go ahead. If so, choose those being assessed and choose respondents |
| 6.3 Data collection and reporting | |
| 6.4 | Discuss reports on an individual basis |
| 6.5 | Follow-up on an individual level |
| 6.6 | Follow-up on team level |
| 6.7 | Make it known that whole process will be repeated |

Step 6.2 Brief the client

Top managers may be reluctant towards assessments, certainly when it concerns a 360 ° assessment. A 360 ° assessment implies that a top manager is assessed by direct reports and peers. There may competition within the management team or political games that endanger the career of some MT members.

In many cases, it requires diplomacy and persuasion to get an executive match accepted. The whole process has to be explained in detail and guarantees have to be given that each manager is in full control at all times of the feedback received.

At all times it should be guaranteed that:

- The top manager has no right to read reports of his colleagues in the MT without their consent;
- No report will be made available to anybody without the consent of the person assessed;
- It is up to the manager concerned to decide whether he wants support after reading the report.

The information can be only used to debrief individuals and, if they want, to help them to do a better job in enabling the optimal culture. Under step 6.6 we describe how it can be used for teambuilding and mutual support.

Step 6.3 Data collection and reporting

What applies to generic 360 ° assessments also applies here.

- The person who is assessed cannot decide who assesses him/her. This is to avoid that only people who are likely to give a positive assessment are selected, leaving out people who might be critical about his/her behavior.
- Respondents should be absolutely sure their identity is not revealed, certainly when they assess their superior.
- In order to guarantee anonymity, the number of assessors should not be too small.
- Each manager should assess no more than five colleagues. Including a self-assessment, that makes 6 assessments of 44 questions each. That makes a grand total of 264 questions to answer and that is a lot.
- If the MT has over six members, each member can assess fewer colleagues, preferably those he knows best. This can best be arranged by HR which anyway need to have an overview of the process.

Step 6.4 Discuss reports on an individual basis

It can be very sensitive to discuss a report with someone if the feedback is not positive. By positive we mean whether behavior, attitudes and convictions are in line with the optimal culture as defined by this management team itself.

If this feedback will be deployed for concerted action, team building and mutual support, each manager has the right to decide which information in his/her personal report can be shared with the whole team and which not.

Step 6.5 Follow-up on an individual level

It is up to each manager personally to make up his/her mind about following up on the gaps between his/her personal profile and the optimal culture. Do they feel an urge to change their behavior and the underlying attitudes and convictions? Do they think they are able to do so on their own or do they need support, for instance, by being coached?

Step 6.6 ***Follow-up on team level***

We often notice that managers are reluctant to say that they do not want to share their reports with their peers. It is recommendable to ask again after each individual debriefing, when they know what they are talking about whether they want to share the results of the assessment with their colleagues.

To allow them to come up with a balanced judgment, we give them three options:

- No information at all is shared. This has never happened.
- Only the average scores of the team are shown and compared with the optimal culture, to start concerted change activities, team building and mutual support. This is rarely chosen.
- Members allow each other to read the conclusions of each individual report. These conclusions cannot be kept to avoid that they take on a life of its own. People change over time and it is very difficult to describe someone with 100% certainty. This option is selected most often. The first team building session can be based on the conclusions of these reports and feedback sessions can be organized. A good method is to have each member give a short feedback of say, 7 minutes, to a colleague only in positive wording. The one receiving the feedback can only ask questions for clarification, but is not allowed to talk back. In this way, members of a team can give honest feedback, and quite often this is for the first time they do so.

The group then has to decide what to do to improve performance and to support each other to behave according to the new culture they themselves defined.

Ideally these meetings take place regularly with an external consultant as a moderator.

Step 6.7 ***Announce a repeat measurement***

What has been said under step 5.6 also applies here.

6. CAPITA SELECTA

In this chapter we will highlight some topics which have received quite some attention in the media and among the general public, next to several noteworthy themes that may shed light on applying the model and interpreting the results of the measurements.

During a certification course, one of the consultants asked why many of the descriptions are phrased negatively. The reason is that we do not want to be politically correct. A lot of good things happen in the workplace, but a lot of bad things also happen and it does not help the client if the bad things are covered up. Here is where the internal normative windows come into the picture, which describe that part of culture that is dysfunctional in any case. The internal normative windows cover on average 30 % of the continuum of the six autonomous dimensions. Scores positioned inside the area of the internal normative windows, point by definition to a dysfunctional part of the culture. The dysfunctional areas are always on one pole of a dimension, so we use them to describe one side of a dimension.

The eight dimensions, alone or in combination, form the toolkit to tackle over two hundred topics. Here we will highlight just some of them, to show that the Model on Strategy, Culture and Change covers a wide area. Apart from giving a clear picture of work reality, the model helps us to enter the deep blue sea. It does not leave us in shallow waters.

In this chapter we will zoom into the following topics:

- 6.1 National culture versus organizational culture
- 6.2 Automation and organizational culture
- 6.3 Are human resources obsolete?
- 6.4 Remuneration from a cultural perspective
- 6.5 Diversity and inclusion
- 6.6 Mergers and acquisitions
- 6.7 Health and safety
- 6.8 Global companies
- 6.9 Corruption
- 6.10 The police force
- 6.11 A reliable government
- 6.12 Nuclear power plants
- 6.13 Mining companies
- 6.14 Trends during the past thirty years

6.1 National culture versus organizational culture

Can a strong organizational culture overrule national cultural differences among employees in a multinational company?

Suppose you are a manager and about to run a project aimed at continuous success for your employer. You can handpick 40 team members. What would your team look like? Will you select your team members from 40 different countries or 20 team members from one country and 20 from another? Assuming that only the cultural backgrounds of the group members differ, which team is more likely to perform better? The team with 40 different national cultures or the team with just 2 different cultures?

You may not expect it, but the group with 40 different cultures will in all likelihood outperform the team with two cultures. In the two-culture team, national culture plays a much more prominent role than in the 40-cultures team. In the two-cultures team, members will flock together with their compatriots and form two cultural blocks, because of the human need to belong. Social control will then make it hard to join the other group. If someone in group A agrees with group B (s)he runs a fair risk to be rejected by his or her compatriots. No one wants to be seen as a “traitor”, so many will comply with the group. The more people with a similar cultural background are acting together, the more they will display their national culture to the other party, and the other way round, which can readily lead to misgivings and frictions.

Does that imply that a strong organizational culture can overrule national cultural differences in a multicultural company? That depends on whether strong emotions are involved or not. When emotions run high, people will fall back on their national cultural programming. When people are put under pressure and conflicts arise, national cultures will override organizational culture. Let's look at it from a reverse position. In a multinational company for which many people like to work, organizational culture will normally override national culture. Think of Apple. Although Steve Jobs was not the nicest man in the world to work for, working for Apple implies status. Or think of Google - so successful that it pays out very high salaries to attract the most entrepreneurial and the brightest.

But in a company with a small competitive advantage where work life is more precarious, national cultural differences will play a more prominent role.

Expats who live in their host country for an extended period, may disagree that the national culture of their host country as a source of friction. They tend to emphasize the importance of organizational culture. On a superficial level, this seems to be a reflection of a smooth adaptation to the culture of their host country. On a deeper level, it can be overcompensating in order to be accepted by their colleagues from the host country.

We often see this in the USA, where decisiveness and assertiveness are considered winning attributes. Without such competences it is difficult to become successful in the USA, although there are, of course, always exceptions. Notably for people from cultures where it is seen as uncivilized to assert yourself openly, it is not easy to adjust. They may lack the feeling how far they have to go to become accepted and start behaving more American than the average American, being called: “going native”. This process is well described for Westerners who are expatriated to African countries, but the same process occurs with expats who are sent to a rather similar culture and then underestimating adjustment issues.

Let us turn to the relationship between national and organizational culture. We will discuss the following:

- Different aspects of our reality
- Evolution versus change
- Normative versus non-normative
- One-way indirect causal relationship
- One-way direct causal relationship
- Applications

6.1.1 Different aspects of our reality

Nations and organizations are totally different entities.

Nations are not created by people who come together with the purpose to create an organization, called a nation state. Organizations, however, are established that way. If you want to establish a company, you simply create a legal entity which, depending on the country in which you are located, may involve a sum of money deposited into a bank account and registration by a solicitor. If nation states could be created as easy as it is to set up a company, there would have been many more nations than there are now.

The core of national culture -its values- is securely set into us by the time we are 12 years old. We only become part of an organizational culture after joining a group, be it our class at school, a scouting club or a work organization.

Whereas it is difficult, if not impossible, to change one’s national value pattern, it is rather easy to switch from one organizational culture to the next. In order to move from one organization to another within the same national culture, there is no need to try the impossible and change value patterns. Only one’s practices should be changed; i.e. the way we do things over here.

6.1.2 *Evolution versus change*

The change process is another major difference between the two entities -nation states and organizations. National cultures evolve over time and cannot be changed at will because value patterns - its core, cannot be changed at will.

Sometimes people question the impact of World War II on the cultures of the nations involved. There is no indication that five years is long enough to have a significant impact on culture. First of all, parents transfer their values to their children in an unconscious and non-verbal way. This process takes at least twelve years – on from the moment a child is born. But it doesn't stop when a child has turned twelve. Think of Marc Twain who said: "When I was eighteen, my father was incredibly stupid. Once I had reached the age of 38, I was surprised to see how much he had improved" (approximate quote). This process of programming continues throughout our lives. All institutions in society, such as legal systems, are a reflection of the dominant value patterns in society.

During the many intercultural management courses I conducted for German clients participants often raised the rhetoric question: "National cultures change rapidly, don't they?" My answer then is: "No!" and then they may ask:"But does that mean that we will get another Hitler?" My response then was: "Was there a Hitler before Hitler?" Of course there was not and there is no reason to assume that somebody like Hitler will ever rise to power in Germany again. The only thing that one can assume is that when a majority of the German population feels very, very threatened, Germans may react stronger than, say, the Brits. This is a reflection of the small Power Distance and strong Uncertainty Avoidance in German culture.

There is a reason why Hitler called himself "Führer" instead of "El Duce" as Mussolini did, or "Emperor" as Napoleon did. The German culture has a small Power Distance and in all likelihood this dates back a long time. Already Julius Caesar said that German leaders were incapable of taking an immediate decision. They first had to convene under an oak tree to discuss at length what to do.

Research projects undertaken by Brits and Americans revealed that during the war German sergeants had more discretionary power than British and American lieutenants. The command lines in the German army during World War II were short, which is another sign of small Power Distance.

Organizational culture can be changed at will. It is not always easy, but there are many well documented cases of successful change processes. One such example is IBM, where they really reinvented themselves, or Accenture, that changed from a partnership into a stock-owned company. The same can be said about chemical companies which made the

successful transition from producing bulk chemicals to fine chemicals, which required and requires a major overhaul of their culture.

6.1.3 *Normative versus non-normative*

The challenge with national cultures is to look at other people's cultures in a non-normative way. This is of course not easy. It is only human to assess "strangers" based on our own values, since it is very hard to get to know the values of others.

Hofstede defines values as a broad preference for one situation over another situation to which strong emotions are attached and by which one group differs from another group. That means that values, as defined by him, exist only by comparison and do not pertain to exact standpoints. They are not about the way people prepare food and what they prefer to eat. Despite all the emotions often attached to issues as food and cooking, this does not reflect a broad preference, but rather specific preferences. Values are about issues such as placing liberty over equality, or vice versa.

Even if we know the values of others, for example because we studied the work of Hofstede, it does not imply that we can truly understand them. We may still be unable to assess a "foreign" group correctly. Assessing an individual "foreigner" is even more tricky than a group. An individual is not only defined by his/her cultural makeup and the context in which (s)he is in, but also by a unique personality. It is hard to unravel these three components in a way that does justice to the values and norms of someone born and raised in a culture different from ours.

This does not imply that we favor cultural relativism. We may come close to world peace if we pay more respect to the myriad of cultures on this earth, but that does not mean that we should tolerate everything that happens under the sun. We are talking here about values, not about actual behavior. Unacceptable things happen everywhere. The question is not what outsiders think of it, but rather what the people involved think of it. After all, values cannot be changed at will. Outside interventions aimed at making countries more democratic, for instance, will by definition fail unless extremely fortuitously timed. It is not by accident that we are living in times in which Iran and Turkey are becoming more fundamentalist. Two rulers tried to impose acculturation to secular Western values on their people: the Shah in Iran and Atatürk in Turkey which backfired miserably.

In the case of organizational culture, it is not only allowed to be normative, we should even strive to be normative. Organizational culture enables or hinders realization of the objectives of management in an organization. With the questions we use to measure actual culture, certain positions in the model are by definition dysfunctional - as depicted by the "internal normative windows" and therefore should ideally be changed.

6.1.4 *One-way indirect causal relationship*

As discussed in chapter 4, the slow change in value patterns of national culture on a decrease of Power Distance and an increase of Individualism lead to a higher importance of organizational culture as a tool of management.

There is no reason to assume that the organizational culture of any organization, no matter how powerful that organization is, indirectly influences the value patterns of national cultures. Until somebody comes up with a plausible hypothesis that contradicts this statement, we can assume that the indirect relationship is a one-way causal one; i.e. national culture is one of the many factors shaping organizational culture, but not the other way round.

6.1.5 *One-way direct causal relationship*

Hofstede's research and our follow-up data collection indicate that national culture influences organizational culture. The number of assignments among widely diverse organizations in many different countries is not yet sufficient to conclude with certainty what the exact correlations are. Nevertheless, we can postulate the following in terms of averages:

- In countries with a strong Uncertainty Avoidance, organizational cultures tend to be more closed (D5, open versus closed systems).
- In countries with a large Power Distance, employees tend to prefer a paternalistic leadership style. In countries with a small Power Distance, employees tend to prefer a consultative leadership style. Thus, Power Distance influences the content of D7, acceptance of the leadership style.

It is likely that there are more correlations between national and organizational culture. In order to identify these we need much more data from much more countries.

Here as well, there is no reason to assume that the organizational culture of any organization, no matter how powerful, directly influences value patterns of national cultures. Unless some multinationals become so powerful and its leadership so self-centered and immoral, that they abuse the population in one or more countries for at least one generation. In such a case value pattern may slowly change as follows:

- Power Distance may become larger as wealth and educational levels decrease;
- Individualism may decrease when wealth goes down;
- Uncertainty Avoidance may become stronger due to prolonged misery and increased insecurity.

6.1.6 *Applications*

Know-how on national cultural differences can be used for:

- Expatriation: to assist expatriates to work successfully abroad.

- Cooperation: to assist those who live and work together, yet were born and raised in different cultures.
- Reduce or rule out stereotyping and discrimination and promote world peace.

Some people criticize the know-how of Hofstede and claim it puts people into boxes and leads to more discrimination. Those people are either malicious or ignorant. Hofstede's work shows that he is a genuine scholar who emphasizes the complexity of mankind. But then of course, it is best to read his books before passing judgment.

Know-how on organizational cultures can be used to assist management and employees to realize their objectives in the best possible way. This goes for productivity, efficiency, internal cooperation and customer focus. It applies to all objectives of which realization depends in part on group behavior as well as on factors that shape group behavior - such as the way managers manage their employees.

Know-how on organizational cultures not only helps companies, but also, of course, governmental institutions or any organization that wants to improve the functionality of its operations.

6.1.7 Conclusion

Considering the differences between national and organizational cultures, it should not come as a surprise that the models describing the two entities differ widely. Claiming that one model can be used to explain both national and organizational cultures is a big mistake.

6.2 Automation and organizational culture

National culture is not the only factor shaping organizational culture. The context in which an organization is embedded also shapes its culture. Based on the research results of Hofstede and our experience, we have developed two questionnaires to measure the external normative windows (see also section 5.3.2).

Continuous innovation and geopolitical developments constantly change the context in which we operate. This obviously impacts organizational culture. This applies especially to e.g. automation by which repetitive, dangerous and dirty jobs are ever more automated. This may create an ever widening gap between the well-educated and poorly educated, with the latter group finding itself increasingly on the sideline. Not only that, but also jobs which require a lot of intelligence and creativity may slowly be taken over by Artificial Intelligence, AI. If authorities and successful citizens do not jointly address the fate of the less fortunate, societal friction may offset all advantages of on-going automation. This is speculative of course: we cannot predict future developments at a macro level.

We can predict developments at the level of organizational culture, notably that the impact of automation and AI on D1 (means versus goal oriented) will be enormous.

Robotizing dangerous work affects safety as this will become less of an issue. In that case a focus on productivity can take priority over a focus on safety. This will move organizational cultures ideally - certainly in the industrialized world - in a more goal oriented direction. The same goes for repetitive work that is taken over by automated processes - something which is happening already for decades. This also moves cultures ideally into a goal oriented direction, for example because competition induces management to increase productivity continuously and management will be more able to adapt swiftly to these changing conditions.

Automation may also impact D3 (easy-going versus strict work discipline). This will in all likelihood lead to a stronger need for functional diversity between the sub-cultures. On the one hand, automation requires a strong control function to ensure that automated processes and robots do what they are supposed to do. The more production is automated, the more disastrous a system failure will be. On the other hand, manpower can be made available for innovation.

As transportation costs are on the rise and robots deployed ever more, outsourced production is slowly transferred back, closer to customers. Other innovations, such 3D printing, reinforce the repatriation process of outsourced production. This does not invalidate the influence of automation on organizational culture.

This process may widen the gap between the 'haves and the have-nots'. People who prefer a lot of structure in their work may find it hard to cope with a very goal oriented culture. Others, who flourish in a goal oriented culture will be entrepreneurial, self-motivated, dislike repetitive tasks and looking for continuously challenges.

That may sound wonderful to the well-educated and self-motivated. But life can take strange twists and turns. The root causes of the banking crisis of 2008 were bankers who gave priority to their short-term self-interests. They simply knew that many banks had become too big to fail, and that governments would come to their rescue with tax-payers' money if things would go out of hand. That happened indeed. In terms of organizational culture, these banks were not goal oriented but rather means oriented. In this case the cultures of these banks didn't become more goal oriented, but less goal oriented.

Will this scenario be repeated in future, or was the banking crisis a unique event? Whether the trend above will actually set through depends on the scale of competition. Management of companies becoming too big to fail, may use this to such a degree for their personal interest that governmental support is required to keep these companies alive. More precisely, if companies operate ever more in an oligopolistic environment and if simultaneously it becomes harder for the outside world to control what happens inside those companies because of increasing complexity, two parallel trends may emerge. Some companies will develop more goal oriented cultures due to AI, while large complex companies will go into a more means oriented direction if greed is not put under control.

Conclusion:

The best way to insert checks and balances is not simply by making financial audits mandatory. Annual financial audits tell us what happened in the past and what is going on in the present. Cultural audits provide information about the future. Mandatory annual cultural audits can serve as an early warning system.

6.3 Are Human Resources Obsolete?

Soft versus Hard

Often, managers who heard that organizational culture can step up their organization's performance, approach us. Yet, they want to keep the discussion "short and simple". Like their work is complex and important, but ours can be simplified at will.

Such top managers seem to distinguish between a hard and a soft part of work. Most of them see it their task to manage the hard part such as "production, marketing, sales, strategy, finance and shareholders value". Really important stuff. The soft part such as "human resources (also called people), organizational culture and change management" is reserved for softies like us, who are not good enough to be part of top management teams.

In other words, "hard" is considered positive whereas "soft" is often used in a negative way. This negative perception about "soft" is also reflected in the use of the term "Human Resources" where actually "Personnel Management" might be a more appropriate description, as in the good old days.

By coining the term Human Resources, employees are equated with other resources, such as capital, raw materials and IT. The term seems to overlook that people manage all these other resources and not the other way round. It further implies that top managers can treat their employees as assets or resources that can be pushed around at will.

Of course many top managers recognize that their colleagues are creative and social beings. They know that you can buy people's hands, but that is difficult to buy people's hearts, and they manage accordingly. Yet, the overall trend is to look at HR as "soft" and therefore less important.

Certainly, human beings are made of softer tissue than machines, robots or laptops. Funny though that soft tissue objects can be much more complex than hard tissue objects. The human brain is much more complex than most, if not all, services and products produced by organizations managed by managers who prefer to refer to themselves as "tough" guys. Yet, they are made of soft tissue too and we still have to come across the first manager who thinks (s)he can better be replaced by a robot or a software program.

We have met more than one top manager who really believes that it would be best if employees would leave their emotions at home when coming to work. They should just do what they are told to do and stop grumbling. Those top managers are of course not stupid, and therefore such ideas are packaged in sweet sounding ideologies as "balanced work life" or "we care for our people". Whether management is walking the talk or whether such slogans are sweet sounding ideologies can only be verified by measuring their organizational culture.

Their idea that employees had better leave their emotions at home, can be supported by the self-perception of the managers. Tough managers often see themselves as devoid of emotions. They are “resilient, tough and goal driven” and emotions do not affect them negatively, they think...

In our experience many of such managers are in reality rather impatient. Impatience is an emotion. They often like to be praised, as an affirmation against their feelings of insecurity. Here too, we are talking emotions. Their egos can easily be hurt which makes them quite defensive. Now we are really talking about emotions! In other words, they are also full of emotions, which can impact their results negatively. Their emotions are only packaged in a protective wrapping. They can do so and get away with it because they have more power than their direct reports.

Simple versus Complex

We believe that the attribute “soft” is not only a misnomer, it is also disruptive. If those top managers would call human resources (in our world called “people”), organizational culture and change management “fuzzy” instead of “soft”, then we could sympathize with them. After all, a human being represents one of the highest levels of complexity in the system of complexity, only surpassed in complexity by a group of human beings. Thus, managing people is one of the most complex tasks one can envisage.

Therefore, we propose to do away with the distinction between soft and hard and talk about the degree of complexity using the system of complexity as described in section 3.7.

From Human Resources to Human Capacity

Some predict that many functions of Personnel Management will be automated in the near future and that 40-60% of all jobs in HR will disappear within the next ten to twenty years... A well-reputed software house told us that:

“We work closely with our customers to identify where digitized operations can provide the highest added value. The result is a massive wave of simplification and innovation in the core that covers critical business processes in finance, sales, service, sourcing and procurement, manufacturing, supply chain, asset management, research and development, and human resources”.

The message is: repetitive and simple tasks are increasingly automated. This will free employees to shift their focus to innovative and complex tasks and to respond faster to unexpected events. People who are able to continue doing challenging work are those with on average higher levels of education, who are creative and able to adjust to a rapidly changing work environment. That means that human capacity has to be amplified drastically and managerial styles should support them to execute their work successfully. Traditional HR needs to change to Capacity Development.

This new Human Capacity Department will have to manage higher qualified and skilled people, requiring a more sophisticated approach to enable high levels of labor satisfaction and engagement. This directly affects organizational culture, since organizational culture is defined as the way people in organizations relate to each other, to their work and to the outside world.

We maintain that the Human Capacity Department can best upgrade its function by adopting “organizational culture and change management” as core to its business. In doing so it accepts the responsibility to manage the most complex aspects of organizations. It is not for nothing that Peter Drucker, the famous scholar on management and organizational theory, said: “Culture eats strategy for breakfast”. What he meant is that if organization culture is not aligned with strategy, it will be very hard to realize that strategy. And to emphasize culture he later added “and for lunch as well”.

Strategists are reluctant to acknowledge this because it implies recognizing the importance of other professionals in an adjacent field of expertise, which might negatively impact their own standing. Ideally, they should make the topic of organizational culture more important thereby ensuring that their advice on strategy can be successfully implemented.

Up or Down?

But what if organizational culture is really a fuzzy topic? Do top managers have a point here? Can it be true that even if they acknowledge the importance of culture, it is of little help, since it is fuzzy and cannot be deployed to make them more effective? We hope that we have shown in earlier chapters that culture is no longer a fuzzy topic.

If management of Human Capacity Departments want to upgrade their position, they have to take Hofstede’s know-how (or similar know-how) on board. If management wants to change its vision, mission, convictions and objectives, it should be aware that its culture has to be adjusted accordingly. The same applies to a changing environment in which an organization operates: also then culture should be adjusted.

An upgrade of what used to be called Human Resources can only materialize if it is acknowledged that it is not a simple task to construct the best culture to perform, but certainly feasible. HR departments will only survive if they elevate their status by embracing the process of aligning culture with strategy, preferably under the name of Human Capacity Departments or a similar name.

We are not talking about changing the function of the Human Capacity Department, we are talking about upgrading its function. That is not an easy job:

- There is not one best culture, no matter what certain consultants want you to believe. The context in which organizations operate differs per organization and so are the requirements to be met, the objectives, personalities of founders and, most importantly, the personalities of formal or informal leaders. All this has to be taken into account when formulating the best culture to perform.
- An organization of any size and complexity is not characterized by just one culture. It may encompass some or many subcultures. In that case it should be investigated whether these subcultures, for example of marketing and production, are functional or not. The challenge is to create one overriding culture, but also to craft functional diversity where required.
- There are different modalities of culture to be considered when using culture as a tool of management:
 - a. **Actual** culture: the culture as it is now;
 - b. **Optimal** culture: the culture that enables you to realize your strategy in the best possible way;
 - c. **Desired** culture: the culture that people prefer at an emotional level);
 - d. **Perceived** culture: the culture that people think exists here and now.

Dangerous Misconceptions

It is not uncommon for top management to think that the optimal culture as they have defined it and the desired culture coincide. Yet, It is rare for optimal and desired culture to coincide, simply because when managers think in strategic terms they come up with other solutions than when they listen to their emotional preferences.

Some think that actual culture and perceived culture coincide, because they fill out a questionnaire which measures the actual culture. Respondents tend to be subjective, and it is the challenge to design questionnaires that avoid socially desirable answers in as far as possible, called an inter-subjective description of reality. Not many culture practitioners are able to design such methodologies and questionnaires, but it is feasible as Hofstede showed. In that case, the actual culture and the perceived culture will rarely coincide.

Thus, the manager who is interested in culture yet demands from the consultants to keep it simple, should wonder whether such consultants are up to standard, if they comply with such a request. Of course there are simple solutions: on the level of simple systems, not on the level of highly complex systems. It turns out that “soft” is actually “very complex”.

Conclusion:

The answer to the question: "Are Human Resources obsolete?" is: "Of course not". It would mean that human beings are obsolete. Even when at some point in future robots take over and consider us obsolete, we would probably disagree. The sad thing then would be that we don't have any longer the power to change their perception about us. Read e.g. the book "Homo Deus" of Yuval Noah Harari.

The answer to: "Are Human Resources obsolete?", should be: "No, but let's agree that the term "Human Resources" has become obsolete".

6.4 Remuneration from a cultural perspective

Every now and then a heated debate is conducted over what is considered excessive remuneration, particularly regarding excessive short-term bonus systems. It is seen as a reflection of unrestrained greed. The debate is both political and moral.

The past decade saw the mortgage bubble, the ensuing banking crisis and the advent of several American multi-billionaires who want to pay more taxes.

Whatever the arguments in this political discourse, remuneration can also be studied from a cultural perspective.

Remuneration from a national cultural perspective

In “Culture’s Consequences”, Hofstede mentions several studies which show that the degree of income inequality is correlated to Power Distance, next to country specific circumstances. For example, Guatemala has one of the largest income inequalities globally, which coincides with its large Power Distance. Malaysia’s Power Distance is even larger than Guatemala’s, yet income inequality is much smaller than in Guatemala, although still large. Possibly the large income disparity in Guatemala originates from the distorted relationship between the indigenous people and the “ladinos”, the latter having Spanish roots.

In countries with a small Power Distance, the dimension Masculinity/Femininity also explains income inequality among those small Power Distance countries. In Masculine countries such as the UK and the USA, income inequality is larger than in Feminine countries such as in Scandinavia and the Netherlands.

Companies as Hay consultants that assist firms to assess the appropriate salaries of top managers, apparently do not take heed of these national cultural differences. Applying salary policies of American companies may not be considered justifiable among the general public in Feminine Scandinavia. But even within the USA, excessive salaries and bonuses are questioned by certain groups in society, as it does not feel right. Whereas in the 1970s CEO’s of big companies earned 20 to 40 times more than employees on the shop floor, this disparity is now a 200 to 400 fold difference.

The question is, what is “right”? There are jealous people everywhere in the world who believe that it is not right that “my neighbor earns more than I do”. Jealousy is not only an individual trait, it is also a trait of national culture. There is more jealousy in Feminine cultures than in Masculine ones. A Dutch CEO may claim that he should earn the same as his American counterpart. If this arouses jealousy among the general public in Dutch society, the CEO may see it as their problem, not his. The issue here is that national culture cannot be changed at will and jealousy should be treated as part of Dutch reality. Not taking this into account may jeopardize the success of a Dutch company in the long-term.

Sri Lanka has possibly the highest jealousy factor globally. Every day people write anonymous letters to the Secretariat of the President, to governors and other high ranking people, in which friends, colleagues and family members are denounced. The USA has possibly the lowest jealousy factor, although this may change if a large majority stops believing in the “Great American dream”.

Remuneration from an organizational culture perspective

Let us now turn to remuneration from an organizational culture perspective, involving the principles of capitalism as formulated by Adam Smith in “The Wealth of Nations”.

One could say that Adam Smith stood up to French mercantilism. At that time, the French state had a lot of power to influence the economic process. Adam Smith stated that the best product would be sold at the lowest price if the market would get its way, without any interference from the state. It was “The invisible hand” which then would create the wealth of nations - unless free competition was hampered by powerful parties.

According to these capitalist principles, salaries and fringe benefits should also be determined by free market mechanisms. A truly free market operates under the following conditions:

- Everybody can apply for the job, as long as they meet well defined criteria;
- Everybody, or a representative body of the general public, is aware what applicants will earn under which conditions;
- Everybody, or a representative body of the general public, is aware whether those receiving a pay rise, promotion or a bonus have truly fulfilled clearly defined criteria.

Under such conditions, the labor market is fully transparent, whether jobs are well-paid or not, and there are no entry barriers. In other words, the market is based on merit and not on an ‘old-boys network’. In other words, what is “right” depends on whether the defendants of capitalism apply the same capitalist principles to themselves. If they favor their ‘old boys network’, they are not applying these capitalist principles. In that case, not necessarily the most qualified candidate will be offered the job, but “the guy we know and trust or the guy we owe a favor and from whom we expect a favor in return” will get the job.

This also goes for other less transparent interventions, such as paying out a bonus although pre-defined criteria were not met, or a pay rise not based on any additional merit. In all such cases reality is not congruent with what is claimed. As a consequence everybody involved - not just the top manager - has to cover up and may need support from “friends” in the process.

What are the consequences on the level of organizational culture of “cover-up” operations?

- Those involved may not tell the truth. As long as it does not become public, it will not affect the organizational culture. But once it becomes known, or when people have misgivings about it, the culture will be pushed into a means-oriented direction (D1). This will impact productivity negatively.
- Political games are played in an inner circle of friends, who safeguard the top manager’s position and income through trade-offs. Once people find out or when they have misgivings about it, the culture will be pushed into a means-oriented direction (D1). This will impact productivity negatively.
- Being secretive and not disclosing requested information will push the culture into a more closed direction (D5), which will obstruct free-flowing information.
- A bonus system based on short-term results, will push the culture into a more local direction (D4), making it harder to build a learning organization.
- Irrespective of whether the income of the top manager and other senior managers is public or not, if many employees feel that the guys at the top earn “too much” - whatever “too much” may mean - the following negative effects can occur:
 - It may decrease the degree to which employees identify with their organization on D8.
 - It may induce employees to steal stuff from their employer. This has a direct negative financial effect.
 - Misappropriation will also push the culture into a more means oriented direction on D1.
 - It may push the culture into a more easy-going direction on D3, since a sloppy environment creates more possibilities for theft than a meticulously well-organized environment.
 - It may push the culture into a more local direction on D4. Not everybody will be induced to start stealing from the employer just because they feel that the top misappropriates resources. Thus, those stealing perceive the “good” guys as traitors, whereas the “good” guys perceive those who steal as the “bad” guys. In such situations, certainly the “bad” guys will try to create a climate in which they will support each other against the rest of the world. Thus creating a more local culture on D4.
 - Stealing is only successful in an atmosphere of secrecy, thus pushing the culture into a more closed direction on D5.

But, are all these influences on culture by definition negative? Possibly management has decided that the culture is too goal oriented (D1) given the safety hazards, or that the culture is too open (D5), given the sensitive information which should not fall in the hands of external parties. “Excessive” remuneration might then be useful to bridge gaps between the actual and optimal culture, isn’t it? We do not recommend deploying such interventions to bridge those gaps.

Safety hazards will not really decrease with an increase in “dishonest” behavior. Not only the scores on the dimensions and the gaps between actual and optimal culture tell us what is appropriate or not, but also the content of the dimensions.

What is “excessive” is in the eye of the beholder. Nevertheless, there’s more to be said about remuneration. So far, we focused on top and senior managers who are on the payroll. They do not run the same risks as entrepreneurs do. Entrepreneurs can be enormously successful, but they can also fail and lose everything they owned. Most people think that successful entrepreneurs have earned their success and there is much less finger-pointing. As a result entrepreneurs do not need political games to justify their earnings.

A last issue to be mentioned in this respect is about subcultures. Theft on the shop floor has a direct effect on the subculture of the shop floor. It may have less impact on other subcultures in the organization. Political games at top level to cover up “excessive” remuneration or to safeguard positions may deeply impact not only on top management’s subculture, but also the subcultures throughout of the organization, if it becomes known.

“Excessive” remuneration may have a negative effect on cultures of organizations in which it takes place, and therefore may have a negative effect on the long-term results. This may be one reason why on average family-owned companies do much better than companies quoted on the stock exchange in the long run.

Conclusion:

“Excessive” remuneration is in the eye of the beholder. Nevertheless, wise top managers take this into consideration, if they feel a need to be secretive about their remuneration. They then should question themselves whether they should go ahead with their “excessive” remuneration. If it arouses negative judgments among employees which are not taken seriously, management may create a less functional culture. This can, in turn, offset all their positive contributions, no matter how boastful they may be about their contributions.

6.5 Diversity

The content of the culture of an organization tells us whether and to what extent people who are different will be accepted or rejected by those in power. Before linking diversity with organizational culture, let us first define diversity.

Within an organizational context diversity can be defined as “the degree to which people who differ from those in power are easily accepted or not”. In this definition, diversity describes a state in which people accept or reject differences.

“Those in power” can be people with formal decision-making power in an organization, such as management. It can also be people with informal power who have as much or even more say about what actually happens to those who are different.

Diversity is about inclusion and exclusion. Exclusion can be extremely painful. In the past, trade unions in the UK were able to exert an enormous power at the shop floor. If you would not go along with the directives of your trade union, you would be completely barred. No members of that trade union would talk to you anymore. That is enough for most people to fall in line as it is very hard to resist total exclusion, or else leave.

From the perspective of organizational culture it doesn't matter what these differences are. It can be gender, ethnicity, age groups, cultural background, religion, behavior, dress codes, and what have you.

Those in power define what is different. The process of rejection can contain all kinds of mechanisms, for example:

- Strengthening cohesion within the mainstream group by creating a outsiders group;
- Emphasizing that the different ones are threatening;
- Perceiving the different ones as a nuisance;
- Making the different ones prove themselves to check out whether they are able to adjust, before allowing them into the old-boys-network.

This does not only apply to gender or ethnicity. It is equally valid for successful integration after a merger or acquisition and for successful internationalization.

The combined scores on a number of dimensions tell us to which degree the actual culture enables or hinders the acceptance of diversity. We use the word enable here to emphasize that organizational culture is not the only influencer regarding diversity. Three other influencers are:

- The personality of the people involved. Some tend to discriminate against others who are different, for whatever reason. This discrimination may target one category of people, such as people of a different skin color or homosexuals. It may also be directed to everybody who does not belong to the group with which these people identify.

- National culture. In some cultures “others” are easily accepted, for example among the Maori’s. In other cultures it is much more difficult to be accepted when not born and raised in such a culture, for example in Japan.
- The situation in which people find themselves. People who feel threatened by newcomers will easily reject them. This is currently happening in Europe towards refugees, especially by people who feel they do not benefit from globalization. Notably the Muslims face this rejection, due to the attention in the media to jihadists and the support of Saudi Arabia and Qatar to Muslim orthodoxy.

The dimensions that influence the degree to which diversity is enabled or hindered, are:

D1: Means versus Goal Orientation

D3: Easy-going versus Strict Work Discipline

D4: Local versus Professional

D5: Open versus Closed Systems

D6: Employee versus Work Orientation

D8: Degree of Identification with the organization

In other words, the scores on 6 of the eight dimensions may tell us whether diversity will be easily accepted or rejected.

D1: Means versus goal orientation

In a goal oriented culture, employees identify with the realization of internal goals and objectives. This creates a common purpose and strong work motivation. If employees strongly experience a common purpose and are motivated to do their best, they will not mind the differences so much, for example in behavior and dress code. What counts are the results.

A means-oriented score of 35 or lower implies that the culture is not only means oriented, but also that its culture is located inside the internal normative window which may provoke exclusion. Cultures located in that window display one or more of the following features: People play political games; people only look after their own interests even if this may harm the organization for which they are working; people are creating their own kingdom. In such cultures, people who are not part of the game will be readily excluded, whereas those who work loyally for their “playmaker” can count on inclusion.

D3: Easy-going versus strict work discipline

In cultures that display a strict work discipline, people who look and behave differently will be perceived as a nuisance. And once you are a nuisance in the eye of the beholder you will be excluded. A strict work discipline implies that things are planned in detail and tasks are rigorously implemented. Such a culture is functional when it is essential that people do things right the first time in view of the risks involved when something goes wrong.

The sheer fact that people dress and look differently doesn't necessarily imply that they will also behave differently. But that is often assumed and subsequently it is thought that these outsiders will jeopardize a smooth task execution. It goes without saying that people who not only dress and look differently, but also behave differently will be promptly excluded to safeguard the meticulous task execution, rightly or wrongly.

D4: Local versus Professional

In a local culture, people who look and behave differently run a fair chance to be excluded. In local cultures people are supposed to be loyal towards each other in order to survive in a threatening environment. Threats can be physical as in the case of the army or the police. Threats can also be emotional as in the case of managers who work above their competence level. Such managers feel mentally threatened and may transfer that anxiety to their direct reports. These managers feel emotional threatened and they may transfer feeling of anxiety to their direct reports. If at the same time direct reports are very competent this process may be magnified. Bright direct reports may increase feelings of anxiety among these managers. As a consequence, they will try to stop such direct reports in coming up with "clever" ideas and suggestions for improvement. In other words, these managers are making their direct reports small, by rejecting initiatives and insightful ideas.

When you look and behave differently you will face distrust in such local cultures as insiders doubt whether they can truly rely on you.

D5: Open versus closed system

In a closed culture newcomers have to prove themselves to the ones in power. Newcomers have to show that they are one of those special persons who fit in the organization. This is especially valid for cultures that score inside the internal normative window running from 70-100. Such high scores are by definition dysfunctional unless secrecy is a key feature of the culture for example, in the free masonry, religious sects, certain motor clubs or organized crime. In the Mafia "omertà" is a code of silence. Candidate members of the Mafia have to proof themselves over an extended period.

This dimension has the deepest impact on whether people feel right away included or excluded. Normally, scores of 0 and 100 reflect the lowest and highest scores in our databank, but not in the case of this dimension. The highest score found so far is 70, just where the internal normative window starts. We assume that there must be organizations which cultures score over 70. It is highly unlikely, however, that we will be ever invited to measure such a closed culture. In a culture scoring 100, there would still be people who do not necessarily experience their culture as extremely closed, simply because they are part of the in-crowd.

D6: Employee versus work oriented

A very employee oriented culture is a friendly culture. In other words, people who are different will be treated more kind hearted in a friendly culture than in a tough culture. There is one exception in the case of D6: If cultures score in the internal normative window, running from 75 to 100, then the higher the score the more people may flock together to fend off management that behaves in a hard-hearted way. We recently identified this pattern in one of our clients, exactly as it has been described in a research paper.

We had assumed that we would never come across scores above 75. We supposed that in such work oriented organizations, employees would be enslaved and that it would be highly unlikely that such a company would permit outsiders to measure its culture. Yet, in this specific case, we measured a score of 85. Of course, there was no question of physical bondage, but a fair number of respondents, notably foreigners, indicated an emotional bondage. These foreigners were completely dependent on the goodwill of the employer as to whether they could continue working or had to leave the country. The CEO abused his power in this respect. The foreigners crept together in a very cohesive group and supported each other against the MD. As the overall culture did not support acceptance of diversity although the team was very diverse, this extreme work-oriented culture overruled all differences among everyone working below top management.

The reason that many of them stayed on board was because they had wonderful work that took them to many countries, so they took this very work oriented culture for granted. It was in their case offset by the content of the job.

D8: Degree of identification with the organization

If people identify with their organization, it is usually because they are proud of it. People who are proud to work for their employer, will gloss over differences. It is an overall feel-good emotion that softens negative thoughts people may have about others who look or behave differently.

Total picture:

Six dimensions affect acceptance(+) or rejection (-) of diversity, but they do not have the same weight. Tentatively we can discern the impact of each dimension from strong to weak:

1. D5: Open(+) versus closed system (-)
2. D4: Local (-) versus professional (+)
3. D1: Means (-) versus goal oriented (+)
4. D4: Easy-going (+) versus strict work discipline (-)

5. D6: Employee (+) versus work oriented (-). If the culture is very work oriented, D6 may have the highest impact in reverse order (+).
6. D8: Degree of identification with the organization. Strong identification promotes acceptance of people who are different (+), whereas weak identification promotes rejection (-).

6.6 Mergers and acquisitions

Mergers and acquisitions are often less successful than anticipated. Most do not totally fail - in the sense that the company or companies involved go bankrupt or undo the merger or acquisition. More often, capital is destroyed in the process because people from the “weaker” party (normally the party that was acquired) leave as they feel they have not received the same respect as their counterparts receive in the “stronger” party. The ones leaving tend to be the most competent, having more options, being received elsewhere with open arms. Not only can this disrupt ongoing operations, but they also take valuable know-how with them. The value of the “weaker” party decreases considerably, both in the short and long run if many competent people leave.

Often, such failures are blamed on a cultural misfit between the two partners. We have never found any scientific proof for this and that is not surprising. It is very hard to do proper research into the causes of failures and successes of these vastly complex processes. Mergers and acquisitions cannot be reproduced in a laboratory. What is surprising is that it is rarely questioned if a cultural misfit is crucial as a cause of failure.

It is not surprising either that the analogy of a misfit between two partners is being used to explain such failures. Incompatibility of personalities is one of the causes for a divorce or for the dismissal of two managers who fail to work well together. Nevertheless, individual reality does not need to coincide with organizational reality. It is for this reason that Hofstede describes the dimensions in his two models with a vocabulary that does not allude to characteristics of an individual, at least in as far as possible.

Next to the absence of scientific proof for cultural misfit, our experience has never supported such an assumption either. Based on our experience, we pose below some pertinent questions and provide some tentative answers:

Question 1: What is meant by cultural misfit or cultural incompatibility?

Answer 1: We assume that it means that the cultures of both parties in a merger or acquisition are so different that the integration fails. In other words, it is believed that similarity of the cultures of both parties is a recipe for success and that this facilitates integration.

Question 2: Why then, is a cultural audit of both parties not part of a due diligence, given that it is accepted that so much destruction of capital is caused by cultural incompatibility?

Answer 2: The answer is at least twofold:

- It is thought that it is impossible to measure in how far the cultures are similar or dissimilar or instead:
- Cultural incompatibility is just used as an excuse. People know deep down that this is not the real cause of failure.

Question 3: How much difference between cultures will hinder successful integration?

Answer 3: As far as we know, there is no information that can be deployed to assess which degree of similarity or dissimilarity will support or hinder integration. Apparently, the assumption of the misfit has not been backed up by measurements which tell us to how similar or dissimilar the actual cultures of parties were or should be.

Question 4: Does a cultural misfit apply to the entire culture of both parties or only to certain aspects of culture?

Answer 4: The protagonists who claim that a cultural misfit is the culprit for failure of mergers and acquisitions cannot answer this question, because most people working with organizational culture are more concerned with processes than with content of culture.

If the answers above are correct, then the implication is that there is no proof that a cultural misfit is the root cause of so many failures. So, let us come up with some alternative ideas. These are not based on any scientific research, but they still make more sense, as they are founded in our extensive experience with the application of our Model on Strategy, Culture and Change.

Within one and the same organization of any size and complexity, one does not normally find just one culture. Instead, we often find many different sub-cultures. These differences may be either functional or dysfunctional. Differences are functional when work requirements are so different that they require that people relate to their work in different ways. For example, if top managers and machine operators relate to their work in the same way, there will be “something rotten in the state”. Top managers need to be proactive, have a helicopter view, be creative and good communicators. Machine operators need to be precise and meticulous. Should they work with complex and sensitive equipment, then preventive maintenance is key. Preventive maintenance requires a certain degree of pro-activity, but of a different nature than the pro-active attitude demanded from top managers.

If these differences between top management and machine operators are supported by different subcultures, then these differences will not be experienced as a cultural misfit, but rather as functional diversity whether consciously or unconsciously.

If top management performs its tasks in a precise and meticulous manner while lacking a helicopter view, whereas machine operators do have a helicopter view but lack a precise and meticulous approach, supported by different subcultures, then we may talk of a cultural misfit.

Such a misfit, however, is not defined by the degree of dissimilarity among subcultures per se, but rather by differences in work content which are not supported by the two different subcultures.

In other words, it is possible to talk of a cultural misfit, but only if three requirements are met:

1. We should know what the optimal subcultures of different groups within the same organization should be, so that tasks are properly executed in the best possible way.
2. We should know what the actual cultures of different groups within the same organization are, so that optimal and actual cultures can be compared.
3. We should have access to a model that allows us to measure culture precisely and to create meaningful differentiation.

What is true for one organization is of course also true for parties involved in mergers and acquisitions. In addition to the three requirements above, another requirement must be met to achieve successful integration:

4. Successful mergers and acquisitions come within reach when everyone involved accepts that people think and behave differently. Whether the “others” are really different is not important, since everything is in “the eye of the beholder” (see section 6.5).

If mergers and acquisitions fail, it is usually the dominant party that writes history. It is unlikely that they will tell the world that they failed because they rejected “those buggers who behaved like lunatics” – despite the fact that this was how they experienced members of the other party. A cultural misfit sounds like a much more civilized explanation. Moreover, it does not expose the dominant party. Only brave souls from the dominant party will tell the world that the acquisition failed because “we” were unable to make our new colleagues feel at home and we were unable to accept them because they do things so differently from the way we are accustomed to. ‘Doing things’ may refer to how much is planned, to the way people relate to their boss and vice versa and to such things as how meetings are conducted. It also encompasses trivial, but sometimes particularly emotionally loaded aspects such as the words we use, our behavior during lunch time, open or closed doors in the office and greeting each other in the elevator (or not).

When using the Model on Strategy, Culture and Change we can say in general that functional diversity within an organization is found particularly on the dimensions which tell us how people relate to their work. Dimension D3: easy-going versus strict work discipline, is the strongest connected to how people relate to their work. Next, it is found on D1: means versus goal oriented. D1 describes how we relate to our work and to each other internally. Thirdly, functional diversity can be found on D5: open versus closed system. D5 describes

whether we relate to each other inside and outside the company in an open or closed way and whether we use information in a restricted way or let information flow freely.

Functional similarity within an organization, which we also call “corporate identity”, is ideally found on D2: internally versus externally directed. Next, it is found on D4: local versus professional, and on D6: employee versus work oriented.

How much functional diversity is required in an organization depends on the environment in which the various subcultures are embedded, but also on the objectives, tasks and strategies. This applies both inside an organization as well as to parties involved in mergers and acquisitions.

Whether cultures will induce members of an organization to welcome others or encourage them to reject outsiders and newcomers, depends on their position on four dimensions:

- (Sub-)cultures with a clear goal orientation (D1), accept people who are seen as different more readily. The drive to work towards a common internal goal will override differences to a certain degree. When cultures are means oriented, differences between parties will not be compensated by a common drive to make things happen.
- In (sub-)cultures with a strict work discipline (D3), people who behave differently may be seen as a nuisance and will then be more readily rejected. Unconsciously, people working in a strict culture think that the “deviant” behavior of newcomers will frustrate a meticulous task execution.
- In very local (sub-)cultures (D4), people perceive colleagues working in other groups or departments as part of the threatening outside world - to be kept at bay. At the same time, the more local the subcultures, the more small factual differences between groups are experienced as big differences.
- In very closed (sub-)cultures (D5), the dominant party is not inclined to welcome newcomers. Instead, newcomers have to prove themselves for quite some time and even then may not be considered part of the ‘old-boys network’.

You may have noticed that the same dimensions determine diversity and inclusion. For sake of simplicity, we have here left out D6, employee versus work oriented, and D8, degree of identification.

In short, the real question is whether the dominant party is fit to turn the merger or acquisition into a success. If the dominant party’s culture espouses a goal oriented, easy-going, professional and open culture, chances are higher that there will be a healthy fit. If not, and perhaps for good reasons, then we should explore the possibility to create functional diversity inside the dominant party. For teams that have a lot of interaction with

colleagues from the weaker party, it may be best to construct a subculture that is goal-oriented, easy-going, professional and open, if not already partly or totally prevalent.

Mergers versus acquisitions

For reasons of political correctness, or to avoid upsetting the weaker party, a merger is often formally announced, while in reality it is an acquisition. Management should realize though, that untruthfulness may push the culture into a more means oriented direction.

The term 'merger' is not only used for the process of integration of two parties which were previously independent, but also to describe the integration of two internal teams or departments into one group.

Here, when comparing mergers with acquisitions, we limit ourselves to parties which were previously independent. It is easier to realize integration in the case of acquisitions than with mergers. In the case of an acquisition there exists only one center of power, meaning that decisions are taken faster. Nothing hurts employees more than indecisiveness, certainly when lay-offs are looming.

Normally one party is more powerful than the other, no matter whether this is formally acknowledged or not. On the bright side, this facilitates a speedy process - unless political correctness or weak leadership thwart decisiveness. On the down side, the dominance of one party may also inhibit successful integration. If dominance is misused, the needs and emotions of the members of the other party are not sufficiently taken into account. This may imply that the dominant party makes no effort to learn from the strengths the weaker party brings to the table. The members of the weaker party will then not feel welcome and particularly its most qualified will be induced to try their luck elsewhere.

In the same vein, management of the acquiring party frequently expects employees of the acquired party to identify immediately with the new owner. Instant loyalty to this new company to which they have been admitted is required. If a company changes owners too often, or if too many major restructuring operations have taken place, the danger is that employees will translate the next merger, buyout or lay-off - rightly or wrongly - as a total negation of their interests. Employees have little reason in such situations to be loyal to their employer, regardless of how often they are told to be so. Management will reap what it has then sown.

This type of loyalty is unrelated to D4, local versus professional. Company loyalty is most related D8: identification with the overall organization.

The ideal sequence

One of the reasons for mergers and acquisitions to take place is to create economies of scale by which e.g. costs can be decreased. The first challenge after the process of a merger or acquisition should, however, not be cost cutting, but rather integrating operations. Without a successful integration, mergers and acquisitions will fail, unless management has no intention to integrate operations, to work more efficiently or to generate other forms of synergy.

But if it is indeed the intention to integrate operations, then why not simultaneously increase efficiency right away? Increasing efficiency tends to lead (sub-)cultures of both parties into a more strict culture (D3). A strict culture may hinder successful integration. It is therefore that we advise to spend the first six months on promoting successful integration. Only when the integration is rounded off successfully, does it make sense to start increasing efficiency, if at all intended.

International mergers

In an extremely successful multinational, national cultural differences may not pose major challenges for a smooth cooperation across borders. But if there is a potential for conflicts, national cultural differences can raise barriers against successful international cooperation. In other words, if multinationals which used to have few issues with intercultural cooperation become less successful for whatever reason, national cultural differences can play up in cross-border co-operation, even if such differences were never a problem before.

When the culture of the dominant party does not facilitate a successful merger or acquisition, international cultural differences will make integration even more problematic. It is impossible for the weaker party to adjust to the value patterns of the dominant party, although adjustment to different work practices is certainly feasible.

International culture differences can be strengthened by the organizational cultures of the partners. Consider this example of a French-American collaboration:

American companies in general espouse a more open communication climate than French companies. This is a reflection of a smaller Power Distance in the USA than in France. In France, employees normally need to make more efforts than their American counterparts to receive the information they need for their work. In France, knowledge is power.

In addition, the stronger Uncertainty Avoidance in France makes that newcomers are initially treated with more suspicion and that it takes them longer to become accepted than in the USA.

If the organizational culture of the American partner is particularly open (D5), and that of the French partner more closed even in relation to other French firms, the national cultural differences on Power Distance and Uncertainty Avoidance will be exacerbated by the differences in organizational cultures. This will show in communication patterns, sharing of information and making people feel welcome.

It can also be the other way around. National cultural differences may be softened by differences among organizational cultures. Consider this example: Japanese are on average much more disciplined than Danes, which is reflected in their respective positions on Uncertainty Avoidance. Japanese culture displays a much stronger Uncertainty Avoidance than Danish culture. Let's suppose that the organizational culture of the Japanese partner is more easy-going (D3) in comparison to many other Japanese firms. Suppose also that the organizational culture of the Danish partner has a tighter work discipline (D3) than most other Danish firms. In that case, the national cultural differences on Uncertainty Avoidance are countervailed to a degree by their organizational cultures.

We cannot predict whether the international culture differences of two partners will be widened or narrowed by their organizational cultures. But: to measure is to know. On the basis of the two cultural Models, it is possible to assess in how far and where international mergers and acquisitions will produce major challenges, and what to do to facilitate successful integration.

Conclusion:

Whether mergers and acquisitions succeed or fail depends in part on organizational culture. There is, however, no proof that success or failure is defined by a cultural fit or misfit between the parties concerned. Instead, the crucial question is whether the culture of the dominant party welcomes newcomers who may look and behave differently.

6.7 Health and safety

With help of the model also “Health and safety” is covered as one of the around 200 topics which fall within the realm of organizational culture. The (sub)culture of an organization either enables or hinders realization of health and safety. Please note that we don’t make here a difference between health and safety risks, seen from the perspective of organizational culture.

As “Health and safety” is a broad subject, all six autonomous dimensions play a role. Here, we will distinguish between two kinds of risks:

- a. Risks that are highly unpredictable (“Unpredictable risks”) or highly predictable (“Predictable risks”). In reality of course, there are many shades in-between and:
- b. Risks that employees run due to an unhealthy work environment (“Inherent risks”) or risks that customers and the general public run due to the way an organization handles its work or manages consumer risks (“External risks”).

We could have dubbed inherent risks internal risks, as the opposite of external risks. But inherent risks are not always internal: Police officers run risks at work which is in large part outside on the streets. It does not sound proper to call those risks internal, although the wording is not wrong.

Combining these types of risks, we can differentiate between four categories:

1. Predictable risks which are part of the job: “Predictable inherent risks”.
2. Predictable risks created by organizations by which people who do not work there may be affected negatively: “Predictable external risks”.
3. Unpredictable risks which are part of the job: “Unpredictable inherent risks”.
4. Unpredictable risks created by organizations by which people who do not work there may be negatively affected.

National cultural differences certainly also affect the way people deal with “Health and safety”, but this goes beyond this book. At the end of this section we will examine the “Health and safety” approach developed and sold by the chemical company DuPont.

6.7.1 *Predictable inherent risks*

For predictable inherent risks it can be calculated what the odds are that “Health and safety” is endangered at work and under which circumstances if no precautions are taken. For example when:

- a. No compliance with rules and procedures that are introduced to avoid dangerous situations such as the danger of explosion or of injury when using equipment improperly, improper handling of poisonous waste, etc.;
- b. Control is insufficient;
- c. Preventive maintenance is neglected.

a. Non-compliance

A very goal-oriented culture (D1), is unlikely to support people to comply with the internal rules to avoid risks. Such a culture will instead induce people to be entrepreneurial; to be willing to run risks in order to become successful. To stress compliance and to ensure that people will follow safety procedures a culture should ideally score between 35 to 55 on D1.

b. Insufficient control

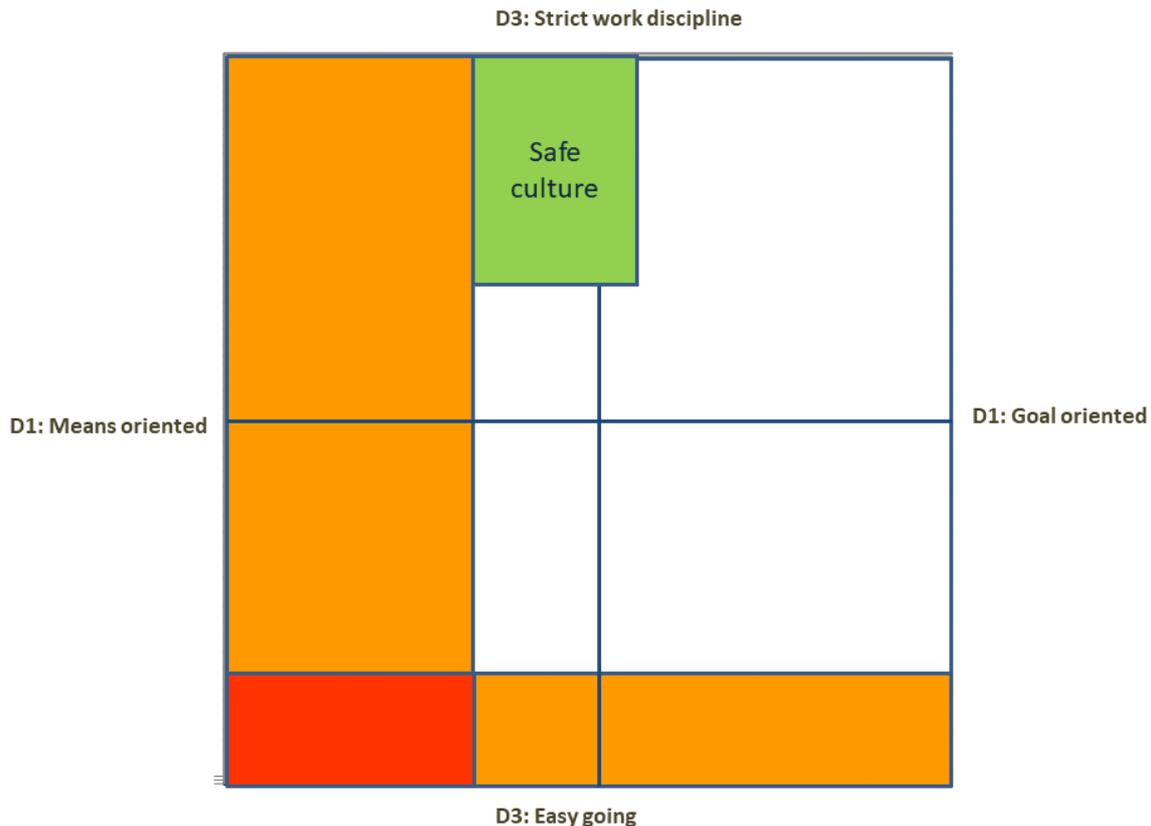
An easy-going culture (D3) does not support people to check, check and double check. What's more, a very easy-going culture will induce people to think out of the box and to cope with unpredictable situations.

But here we talk about predictable situations. In order to avoid safety risks it is important that strict control is exercised. Ideally the culture should score above 70 on D3. In Diagram 55, the optimal cultural area to promote and enforce safety is depicted. It shows that this area is rather small which requires proper stewardship of management and workers alike.

c. Negligence of preventive maintenance

The requirements of the positions on D1 and D3 also apply to preventive maintenance. The subculture of people in charge of preventive maintenance should score in the same green area of Diagram 55. Moreover, if preventive maintenance plays an essential role in avoiding dangerous situations, it should be conducted by people with a caring attitude. Machos would not do a good job in preventive maintenance.

Diagram 55 - Avoiding predictable inherent health and safety risks



6.7.2 Predictable external risks

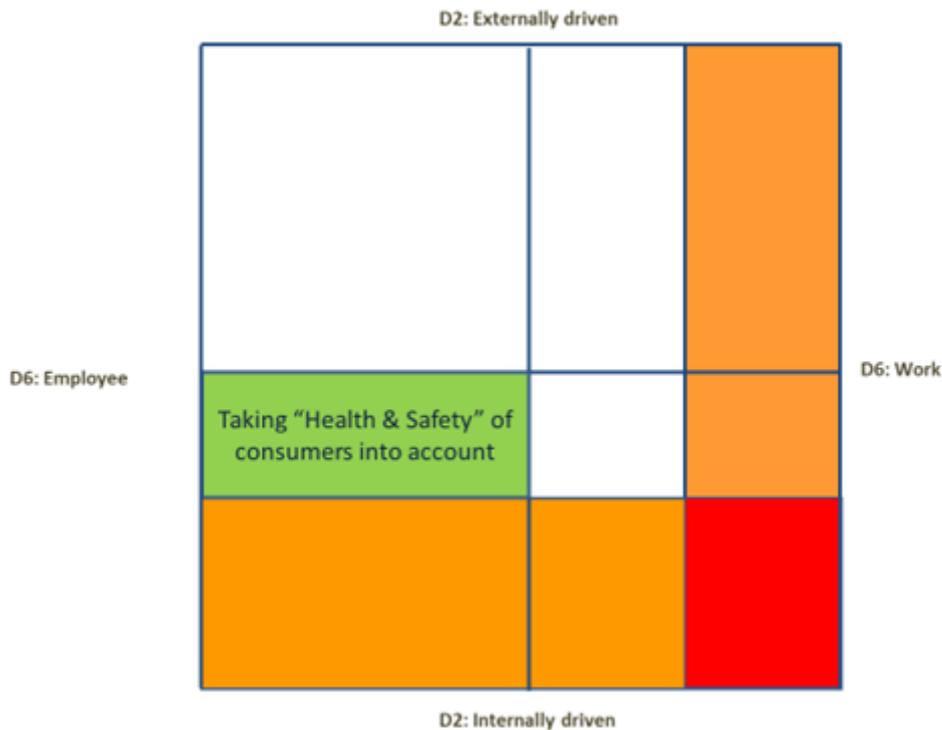
Predictable external risks are created by organization that may affect outsiders negatively: people who do not work there.

- This can be caused by the nature of consumption goods put in the market. The first thing that comes to mind here is smoking. Smokers may be able to assess the risks they run of lung cancer. It is fairly predictable. It is also an external risk as it affects everyone smoking whether employees or consumers. But, as long as governments do not forbid smoking¹⁴, what is the relation with organizational culture? Nothing of course, were it not that tobacco companies put stuff in their cigarettes to make people become addicted. In other words, creating profit is all that counts. Companies that knowingly sell products which harm the health of their consumers have an extremely externally driven culture (D2). A tobacco company that would strive to minimize the adverse health effects of their products, needs a very meticulous work attitude to process the (tiny) quantities of additives to be decreased, increased or added. To make this happen management needs to be very ethical, giving up part of their turnover, profit and bonuses.

¹⁴ By the way, the author of this book is a non-smoker, yet would not advocate a ban on smoking. It only would increase the power of the underworld already more than it has now.

Only an internally driven culture will enable such an ethical attitude. The big question is, who will enforce this? When profit is the overriding motivator, this may also be reflected by a work oriented culture on D6.

Diagram 56 - Avoiding predictable external health and safety risks



- Next to the risks consumers run when buying and using consumer articles, there are risks which have nothing to do with what people outside work do. Dangers that people are aware of, yet are unable to combat or avoid, belong to the arena of politics. Think of climate change: people may be able to do something about it, but mainly through political action. These risks fall outside the scope of this book.

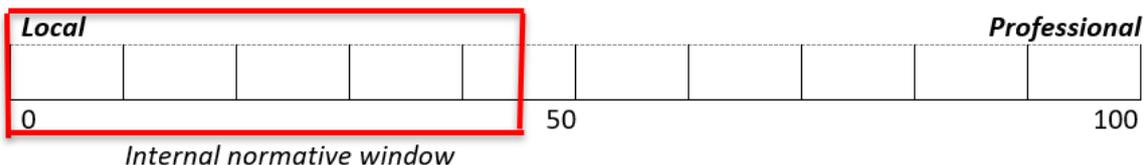
6.7.3 Unpredictable inherent risks

As discussed before, the most salient aspect of police work is that it can be both exceptionally threatening and unpredictable. Police officers have to deal with people who often behave in an unpredictable manner. It is hard if not impossible to predict behavior of criminals, hooligans and ordinary citizens under stress. Police officers therefore need to be able to rely on one another, to cover each other's back in such situations. This is translated in need for personal loyalty among them, leading to a local culture (D4). For the police, a score of 20-45 on D4 is functional. Diagram 56 shows the decreased normative window in all those cases where people are physically threatened by the outside world. This applies to police officers, soldiers or any group that runs the risk of being injured (or worse) by outsiders.

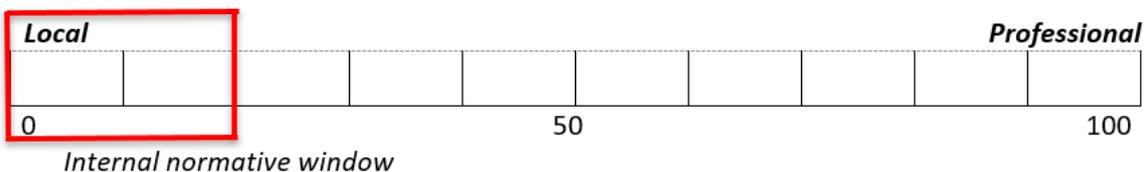
The internal normative window for such groups does not run from 0-45 but instead from 0-20. A culture that scores below 20 reflects practices of covering up each other's misdeeds. This certainly runs counter to what the police is supposed to do: maintaining law and order.

Diagram 57 – internal normative windows on D4

From:



To:



If the authorities want to change the police culture from local to professional, for example to encourage women and ethnic minorities to enter the corps, it will not help to tell police officers that safety risks are part of the job. Instead, they should be allowed to be who they are. The only way to introduce diversity successfully is to diminish the safety risks so that the need for loyalty decreases.

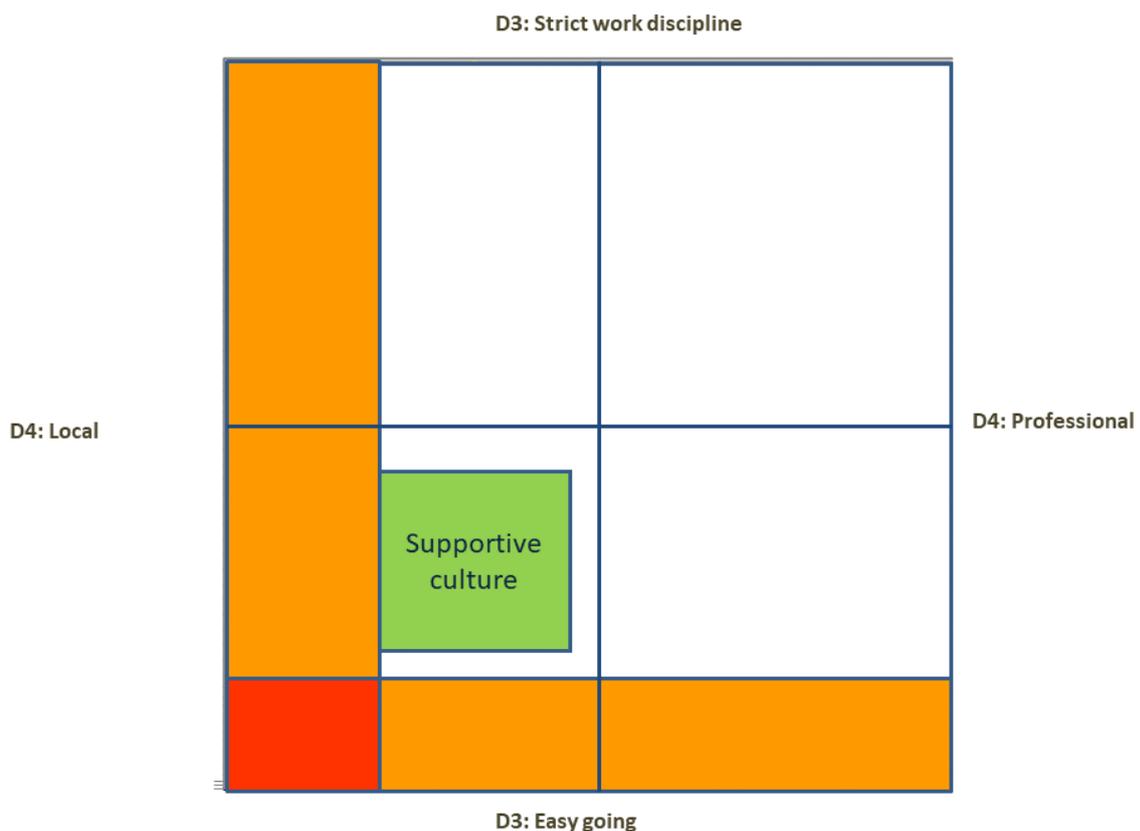
As unpredictability is part of the job, it doesn't help either if authorities try to create a stricter culture. This would make policemen and women less prepared to react immediately, although being when on call. In that case the culture will make that it is felt that finishing administrative chores has priority.

Diagram 58 below combines the optimal scores on D3 and D4 to enable the police to cope successfully with unpredictable "Health and Safety" situations. The police culture should score inside the green area. Here as well, the cultural area that assists people in coping effectively with threatening situations is small and requires proper stewardship of management and employees alike. It also requires a proper attitude of governmental authorities towards groups dealing with safety hazards on behalf of society.

This does not imply that governmental authorities should accept everything that happens inside police corps. There is a thin line between a culture that does not support diversity and one in which discrimination flourishes.

Governmental authorities that do not acknowledge the threatening environment and try to impose a dysfunctional culture on police corps can make their culture more local than necessary. Government then becomes part of the threatening outside world, which may lead to a more discriminatory attitude among police officers.

Diagram 58 - Coping with unpredictable inherent health and safety risks



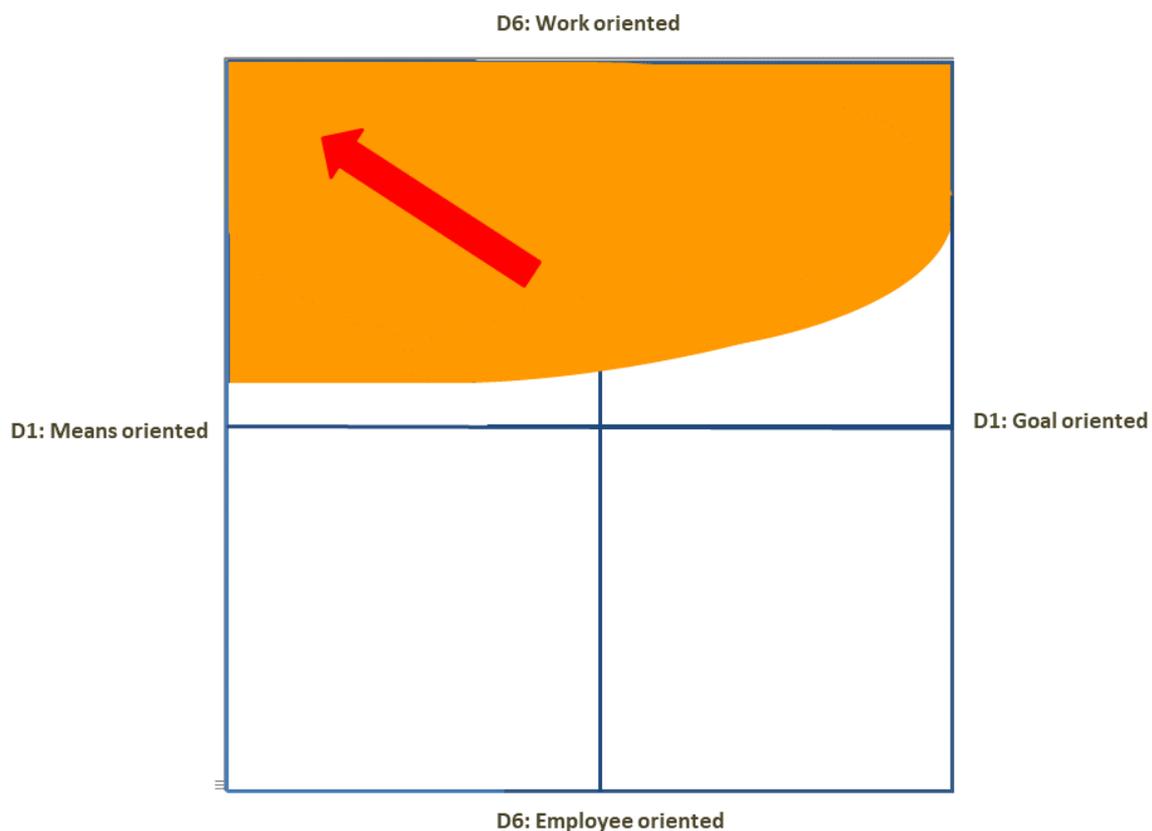
6.7.4 Unpredictable external risks

Nuclear power plants are a prime example of unpredictable external risks. The public at large has no control over what happens inside a nuclear power plant and whether e.g. an explosion takes place or not, is totally unpredictable to outsiders. Yet, this will not affect the culture of a nuclear power plant directly, but indirectly it does. See the potential effect of the attitudes of the general public on the culture of nuclear power plants in section 6.12

6.7.5 Some more cultural factors increasing health and safety risks

There are of course more cultural aspects that affect the safety of employees and as a consequence their health. Diagram 27 in section 3.8 section shows that cultures, in which people are put under pressure during extended periods of time, can create an unhealthy work environment; i.e. in a work oriented culture on D6; employee versus work oriented. This is aggravated if at the same time the culture scores means oriented on D1; means versus goal oriented. Then, it is hard to identify with the internal goals of one's organization. Being put under pressure without a cause makes work life more difficult. This is the more so, the more the score on both dimensions moves diagonally towards the upper left hand corner, as depicted in diagram 59 below.

Diagram 59



Individuals in such cultures who have a penchant for perfectionism run a fair risk of a burn-out.

Closed cultures (D5) that also display means orientation (D1) and a work orientation (D6) can aggravate stress and uneasiness for everyone who is and feels excluded by the in-crowd. Yet, one cannot always avoid such a closed culture. In police corps an open culture would backfire as that would facilitate easy access to confidential information. Safeguarding confidential information does not need to create exclusion, but the culture has then to be managed in a sophisticated way.

6.7.6 *Health and safety: the DuPont way*

Perhaps it is just nasty gossip, but on several occasions we heard from (former) employees of DuPont that the company no longer applies its very own admonitions regarding health and safety. If that is true, the information we received makes total sense. Apparently, one of the cornerstones of DuPont's training approach is that the entire company must pay a lot of attention to health and safety, even those employees who do not run health and safety risks. The vision behind it is that top management needs to walk the talk to hammer the point home, down to the lower echelons. We have been told that every meeting has to start with information about health and safety, including top management meetings.

As mentioned on several occasions in this book, the problem with core values is that their protagonists claim they should apply throughout an organization. This makes sense if there are no subcultures in an organization, but in any organization of a certain size and complexity subcultures exist and if they do not, they should be created because not everyone should relate in the same way to their work and the tasks at hand.

Health and safety deals to a high degree with how we are supposed to relate to our work. For example, whether procedures are correctly implemented (D1) and a strict work discipline is maintained (D3). In this section we have shown that rather precisely defined cultures have to be put in place to guarantee health and safety, depending on the nature of the risks. It is very unlikely that everyone in a diversified work situation should therefore relate in an identical way to their work.

Requiring employees who do not run health and safety risks to start each morning with a mantra in which it is promised that everything is done to lower the number of accidents, doesn't seem a good idea. We experienced this at Head Quarters of a mining company. The mines were located far away and most people at HQ would never visit a mine. Yet, those in charge of health and safety told us that HQ needs to set an example to those working in the mines being located thousands of miles away..

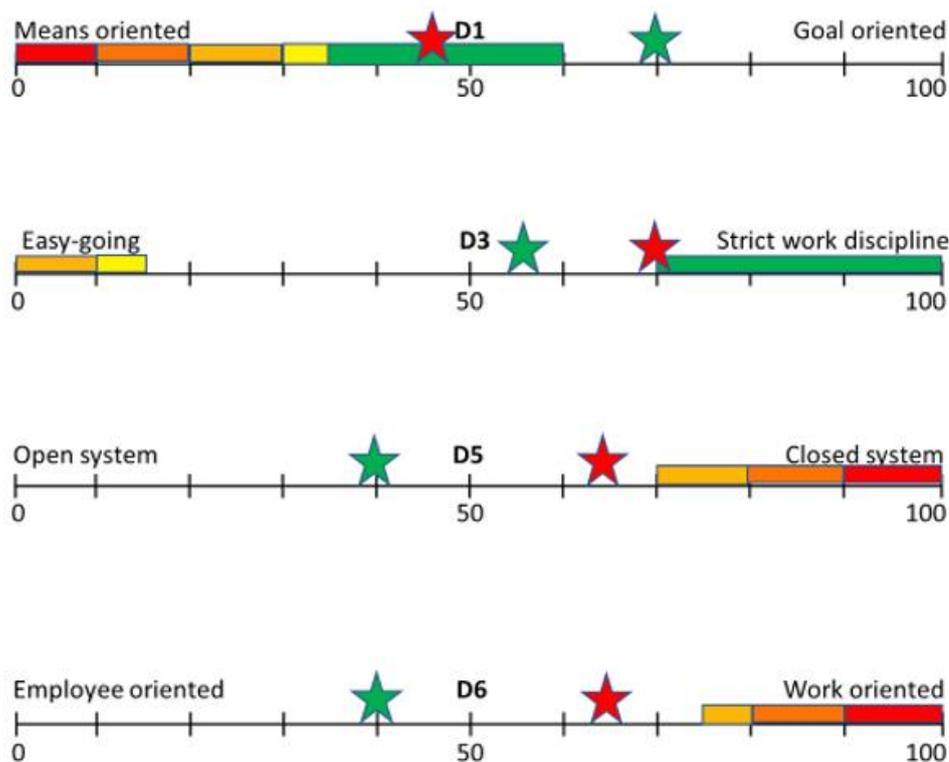
That sounds pretty odd for the following reasons:

- They had not build a prototype of a mine at HQ in which they could exercise;
- Why would they need to set an example anyway? It is of course essential that the subcultures in mines enable health and safety to the highest degree, not necessarily at HQ.
- We were told that if people from HQ would visit their mines, they should know what to do. It was not made clear why, unless the idea was that people from HQ do not like to be instructed and instead want to be in charge in whatever situation. But does that make sense? People responsible for health and safety in the mines should also be responsible for visitors to ensure that they comply with the safety procedures. Whether the visitors come from HQ or from outside the company should not make any difference.

If a lot of energy is spent on health and safety indiscriminately, it may create cynicism among people who do not work in dangerous work environments.

For this particular mining company, the average actual scores we found in HQ are indicated with red stars and the optimal culture as defined by management with green stars. This is compared with the optimal scores presented in diagram 59 to avoid predictable inherent health and safety risks.

Diagram 60 - The culture of HQ in this particular mining company to avoid predictable inherent health and safety risks



On the two primary dimensions regarding health and safety (D1 and D3) the culture of HQ scored excellent regarding avoiding predictable inherent health and safety risks. Yet these actual scores were not befitting an ideal situation at HQ but in their mines. Cultures positioned in the green areas of D1 and D3 enable avoidance of predictable inherent health and safety risks. Management acknowledge implicitly that health and safety should be much less of an issue at HQ than their preoccupations with health and safety showed. On two of the secondary dimensions (D5 and D6), the actual culture of HQ was neither in line with avoiding health and safety risks nor with the optimal culture as defined for HQ. In other words, never stop thinking.

We have found similar patterns regarding implementing Total Quality Management, TQM. As with health and safety, nobody can be against the drive to increase and safeguard quality. Yet, if TQM becomes emotionally the final objective to be realized, it may backfire by pushing the culture into a means oriented culture (D1), if it is instead that productivity should be emphasized.

6.8 Global companies

In this context, we define a global company as one that has a presence in several countries - say more than five - in which employees cooperate fruitfully together, irrespective of ethnicity and culture. Fruitful cooperation across ethnicity and culture is part of the topic of diversity as discussed in section 6.5.

The following factors enable successful international cooperation:

- Economic and financial success
- Managerial awareness of the importance of culture
- Proper intercultural know-how
- Appropriate personalities
- Suitable organizational culture

6.8.1 *Economic and financial success:*

People like to work for a thriving company and are willing to take things for granted in return. In other words: employees in other countries than Head Quarters are more willing to adjust to different cultural practices, because of the benefits they obtain in a successful company.

The reverse is also true: in a company in trouble, chances are higher that conflicts will arise. Employees experience pressure to perform, either from their superiors or from themselves. Management may emphasize cost cutting and efficiency, which requires a strict work discipline (D3). In such an organizational culture people who behave differently from the norm are considered a hindrance to realizing a “well-oiled machine”.

Conflicts are emotional events. During such events national cultural programming may take over from organizational culture, even in a strong organizational culture. People have different ways to avoid and resolve conflicts, in part depending on the national cultures they come from. This only adds to emotional hardship.

Economic and financial success, however, is not the only factor that contributes to successful international cooperation. We will see that even financially less successful companies can become or remain truly global.

6.8.2 *Managerial awareness*

Managerial awareness of the importance of cultural differences is a sine qua non to become a truly global company. It is accepted wisdom that such awareness can be best realized by only promoting or hiring managers to top positions who have been successfully expatriated to countries with cultures that differ substantially from their home country.

Some top managers contradict this by stating that they have travelled abroad extensively, so they know the world. In general, however, this is not sufficient to truly understand the extent to which national cultural differences influence work.

Short visits to operations abroad by top managers will not give them enough time to find out what is really happening. This makes it hard to really appreciate the effects of differences between national cultures.

In addition, in some countries subordinates may comply nominally with a lot of the demands of a top manager from Head Quarters, in particular in Collectivist countries with a large Power Distance. Once the HQ manager has turned his back, they will revert to “normal”.

Many managers who lack extensive work experience abroad tend to underestimate the crucial effect of national cultural differences on successful cooperation. This is evident in several assumptions that top managers hold, who never worked as an expatriate. For instance:

- Top managers from Masculine countries in particular tend to deny that international cultural differences are of any importance. Taking such differences into consideration, consciously or unconsciously, would make work life “overly complex” and hinder them in being “on the ball” and decisive. They may reject culture outright as something soft and therefore irrelevant.
- All too often, top management at HQ does not only define the expected output in their foreign subsidiaries, but also how this has to be realized. By defining the ‘how’, top management assumes that what works in one country also works in another. Unfortunately, this is not necessarily the case; we are dealing here with human beings and that is reflected in issues such as motivation, remuneration criteria, performance assessment and communication style. By imposing the “how” next to the “what”, top management can cause the culture of their foreign subsidiaries to become less goal oriented than required (D1) and less externally driven (D2).

In short: quite often, top managers think they can only be in control if people around the world execute the work similarly. The problem is that their foreign colleagues may pay lip service to HQ but do it their own way, knowing very well that the demands from HQ are counterproductive. It is hard for top management to know **how** things really are done abroad, certainly when they do not speak the language. It is easy to know **what** has been done by checking the results and indeed, it is the “what” that should really count. The need to be in control is often phrased in terms of “rolling out new work procedures”.

Not only managers need intercultural awareness to make a company truly global. Every employee who interacts on a regular basis with foreign colleagues needs this.

6.8.3 Proper intercultural know-how

People who work abroad and understand the cultural rationale of someone else's attitudes and behavior, will become less easily upset by these differences. Most people in individualist cultures expect a "yes" to mean "yes" and a "no" to mean "no", just to give an example. In collectivist cultures this is not necessarily the case. Not because people prefer to lie, but because losing face, or letting others lose face, especially one's senior, is so threatening that they will not easily say "no". Saying "no" can be polite in certain circumstances, for example, when you are invited to dinner in a collectivist culture. Then you ought to decline the invitation at first, to check whether that invitation was not just a mere polite gesture. But in this case too, avoiding loss of face is what drives the interaction.

Once people from individualist cultures grasp this phenomenon, they will no longer take offence at people not speaking the "truth". We will not elaborate further here why loss of face is such a threatening event in collectivist societies, notably Asia.

Proper insight ensures that employees from different cultures do not denounce each other, plus it ensures that management refrains from culturally counterproductive interventions and take appropriate action instead. Hofstede's Model on National Cultures is a useful starting point to map national cultures and their consequences for successful cooperation.

6.8.4 Appropriate personalities

Know-how alone is not sufficient to become successful in the international arena. It is also important that people who interact with others who think and act differently, genuinely enjoy diversity, rather than feeling overwhelmed and threatened by it.

Several personality tests have been developed to measure how people cope with such differences. Most people are not able to change their personality, so this is a given. There are therefore also tests that indicate how and in how far an individual should change his//her attitudes and behavior to become more successful interculturally. These tests are more about (self-) awareness, and willingness to adjust one's behavior in crucial situations. They are not about changing one's personality or one's values.

6.8.5 Proper organizational culture

No matter how much experience, awareness and know-how people may have, if the organizational culture does not enable "diversity", a company (or any other type of organization) will never become truly global. From an organizational cultural perspective, no difference can be made between gender, age groups, ethnicity and national culture. The only thing that matters is whether and in how far organizational culture hinders or enables employees to interact successfully with people who look and act differently.

What has been said in section 6.6 about mergers and acquisitions therefore applies here as well. An organizational culture that is goal oriented (D1), easy-going (D3), professional (D4) and open (D5), will be constructive in building a global company.

Keep in mind, however, what was said in section 4.6, “From single issues to focus”. Building a truly global company cannot be the only objective management wishes to achieve. Management usually faces simultaneous major objectives. Only by comparing the requirements for the optimal culture, can management make the proper choices for each identified subculture. Luckily, diversity is a pliable requirement, since it is not necessary to meet the optimal scores on all four dimensions to enable diversity successfully.

Conclusion

Management of companies who want to become or remain successful players in the global marketplace had better take their organizational culture into account. The smaller the competitive edge, in terms of for example economies of scale or innovation, the more critical organizational culture becomes.

6.9 Corruption

6.9.1 Introduction

What is called corruption in one country may not be called corruption in another. In many collectivist countries an exchange of gifts may not be seen as corruption but as a way to establish and cement mutual friendship and business relations and as such, is totally acceptable.

Yet, corruption exists everywhere, based on what people perceive as corruption in their own context.

As the saying goes: “Opportunity makes a thief”, but of course not everybody will be seduced to inappropriate acts if the opportunity arises.

The same goes for organizational culture. Some organizational cultures induce employees to accept bribes, whereas other cultures countervail corruption. Dishonesty never depends just on organizational culture, but also on for example, one’s moral stance and the degree of deprivation.

In this book we try to cover all kind of organizations. We assume that normally organizations try to eradicate corruption, at least if it is prevalent. Nevertheless there are some to whom corruption is a means to an end to obtain an income.

6.9.2 The model and consequences

With the exception of D7 (acceptance of leadership style), all dimensions of organizational culture influence the degree to which corruption is enabled or hindered:

- D1: Means versus Goal orientation;
- D2: Internally versus Externally driven;
- D3: Easy-going versus Strict work discipline;
- D4: Local versus Professional;
- D5; Open versus Closed systems;
- D6: Employee versus Work orientation;
- D8: Degree of identification with the organization.

D1: Means versus Goal orientation

Cultures that are positioned in the internal normative window of D1 usually contain important (in)formal leaders who put their self-interest before the interest of the owner(s) of their organization. This is even more valid when a culture scores towards zero.

In the case of large banks, this may not only harm owners but also tax payers, as these banks are too big to fail.

People who put their self-interest above the interest of owners or the general public are not necessarily corrupt, but the dividing line between self-enrichment and corruption is very thin.

When it is no longer just the individual who is corrupt, but when corruption comes a means to an end and part of the (implicit) organizational strategy, such cultures can be very goal oriented. Think of some successful organizations engaged in such activities as Ponzi schemes and drugs trafficking, but this is not the place to consider such organizations further.

D2: Internally versus Externally directed

In cultures that score below 70 on this dimension, employees may be guided by ethical considerations. Employees in organizations that score high are more guided by pleasing the client at all cost. If they strongly identify and sympathize with the needs of their clients, they may find themselves on a slippery slope where it becomes ever harder to oppose to requests from their clients, even if it requires illegal activities. Certain accounting firms have to keep a keen eye on this slippery slope when they are also engaged in much more profitable consultancy activities. Governmental authorities try to induce auditing firms to put their consultancy activities into separate entities to avoid that auditors neglect their control function, but so far to no avail.

A measurement of a Ministry of Finance in an African country revealed that its culture was extremely externally driven. It was well known among the public that bribing its civil servants would be conducive to become exempt of whatever taxes formally had to be paid.

D3: Easy-going versus Strict work discipline

Easy-going cultures are characterized by less control.

This dimension does not tell us whether corruption prevails, but when people are tempted to become corrupt it is easier to get away with it in an easy-going culture than in a strict culture.

D4: Local versus Professional

In a very local culture people will not easily unveil corrupt behavior of their “mates”. Such cultures are a response to a threatening outside world, which requires strong loyalty among the group members to cover each other’s back. In extreme forms, this can lead to colleagues standing side by side no matter what a teammate did towards “outsiders”.

D5: Open versus Closed systems

Corrupt people have something to hide. It is easier to do so in a closed culture than in an open one. If corruption is committed by the (in)formal leaders they may be instrumental in building a closed culture. This is irrespective of whether individuals accept bribery or whether it is a means to an end.

D6: Employee versus Work orientation

People who are under tremendous pressure for an extended period tend to become less clear about proper and improper behavior. In a very work oriented culture, what counts is to get the job done, no matter how.

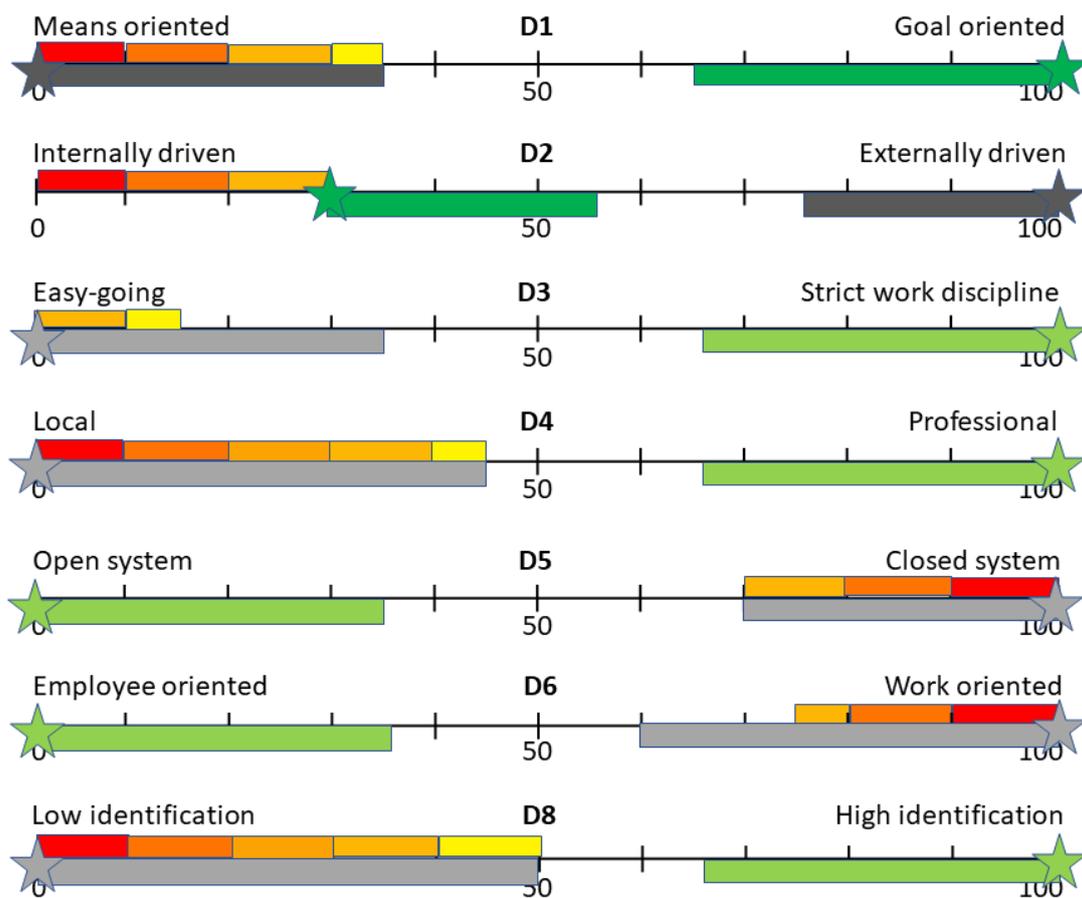
D8: Degree of identification with the organization

Employees who do not identify with their organization, are less inhibited to take bribes, unless corruption is a means to an end for the entire organization.

6.9.3 How to avoid corruption?

Diagram 61 consolidates the information on where corruption is most easily enabled. Dark grey lines indicate that scores on these two dimensions, D1 and D2, enable corruption. Light grey lines indicate that such positions play a secondary role in enabling corruption. A black or grey star indicates extreme positions in this respect. In order to avoid corruption as much as possible one simply has to reverse the scores, indicated in green.

Diagram 61 - How to avoid corruption from a cultural perspective



Whether corruption will actually take place, once an organizational culture enables it, depends on:

- If people are fundamentally dishonest;
- If people are not well to do and are convinced that this is caused by greed of the very wealthy;
- If people are very poor and live in high Uncertainty Avoidance cultures;
- If people are unsuccessful and live in a Masculine country, where showing success is the norm.

Corruption is especially likely to happen in a context that induces people to accept bribes, for example out of poverty or when there are large inequalities, while not posing severe sanctions.

6.10 The police force

Many examples from the police force have been quoted in this book, in particular about the criminal investigation department. These examples will strike a chord with most of us. We know them from our own experience, from news items, suspense literature, movies and television.

The most salient part of police work is that can be extremely threatening and unpredictable. You never know, as a police officer, what you have to do next. Our audits show that the culture of police corps can vary tremendously. Yet there are constants: The police in general tends to be easy-going rather than strict (D3) and local rather than professional (D4). Both positions make sense.

The unpredictability of police work makes that a strict work discipline would hinder the officers to do their job well. If their culture would score strict, they would feel an urge to plan their work meticulously, yet being unable to do so. They would also be unprepared for the unexpected, react sluggishly and feel frustrated. In turn the public would resent the sluggish and bureaucratic attitude, when they expect police officers to act on the spur of the moment.

Next to the unpredictability of their work, the menacing work environment makes that police officers seek mutual and personal loyalty, so that they are certain that their back is covered. Personal loyalty is a reflection of a local culture (D4). Whereas local cultures are normally dysfunctional, it is highly functional in a threatening surrounding. Police officers are required to quell riots, to intervene in quarrels between bar brawlers, hooligans or married couples, to chase and arrest criminals and to intercept drug-trafficking.

The consequences of this particular combination of an easy-going and local culture is often not well understood by authorities who are imposing ever more paperwork on the police. Such strict administrative procedures lead to resistance in easy-going cultures (D3). It is not surprising that many a policeman hates this red tape, which is tremendously increasing over time. A police corps needs strong administrative backup to ensure proper preparation of lawsuits, but instead of structuring the work in such a way that police officers are not burdened by administrative duties, central government often treats the police as naughty children who need to be educated properly.

In the same vein, authorities which impose diversity on the police should realize that its functional local culture may hamper this. Differences are felt larger in a local culture than in a professional one. In other words, perceived differences in appearance and behavior may be emotionally magnified by their local culture. Unconsciously officers may wonder whether “we can rely on those different ones in moments of acute danger”.

Women who want to join the police force know that they will be checked out and tested. They will only survive if they are able to beat these “tough” men in a men’s world. That’s even more valid when the term diversity embraces more than gender.

Diversity can be easiest realized in cultures that are goal oriented (D1), easy-going (D3), professional (D4) and open (D5).

From this one can surmise that D4, local versus professional, plays a more important role in the successful introduction of diversity than D3, easy-going versus strict work control. There are continuous concerns about the long-term sustainability of diversity within the police force and for good reasons. Local cultures foster a strong social control to be like the rest in “our” group.

The term ‘easy-going’ seems to contradict the fact that the police operates frequently under threatening conditions. With ‘easy-going’ we refer to a situation in which work discipline is de-emphasized.

Apart from D3 and D4, one cannot predict how the police will score on the other dimensions. On all other dimensions different scores are possible. However, there are interesting observations on how the police force scores on D2, internally versus externally directed.

After the student movements in 1968, the public opinion especially in the Netherlands changed about the way the police should operate and behave. Authorities and the higher echelons within the police started a campaign for more customer service. This drive was rather amazing, since the police force is supposed to maintain law and order. Without a proper model to categorize work reality, people easily confuse all kinds of issues. This led to the Dutch police force - and in some other countries as well – became too externally driven and customer oriented (D2). A lack of customer service does not necessarily imply that people are treated in a rude or unfriendly manner. Customer service is about whether and in how far the needs and wishes of clients are taken into account or whether ethical and moral issues take precedence. In the sixties, “minding your manners” was indeed an issue among police officers, but this is related to a culture that is open (D5) and employee oriented (D6). In such cultures people treat each other friendlier than in closed and work oriented cultures.

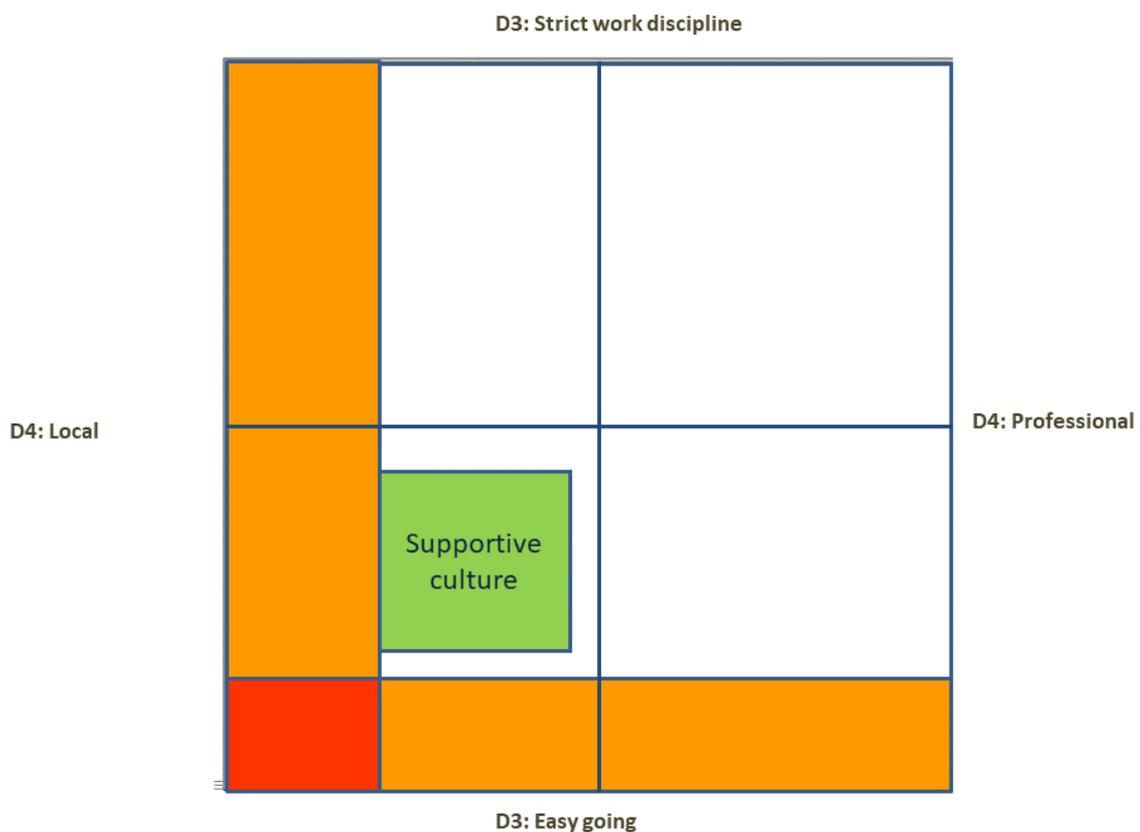
Were the police positioned within the service industry, then D2 would also have played a role in showing friendliness. In the service industry, consumption starts the moment customers come into contact with service providers. The question is whether the main task of the police is to supply services to individual customers, or whether it should maintain law and order for the general public. We dare to say that it is maintaining law and order. When this is done properly, the police deliver a great service to the public at large.

As criminal groups become more professional, the police have to professionalize to keep up, which requires a professional culture. Yet, part of the police force will continue scoring local. In order to solve this, the different functions of the police force, have to be disentangled.

Conclusion:

The demands of quite some governments in Europe on their police forces show that they are often ignorant of the nature and the environment of police work. Police culture is the result of specific requirements: being on call and working in a threatening environment. This makes the combination D3 and D4, easy-going and local, typical for the police forces. See diagram 62, which is the same as the one shown earlier in diagram 58.

Diagram 62 - Coping with unpredictable safety risks



The green area in diagram 62 depicts a culture that supports police corps to do a proper job. Central governments which try to change this cultural position without waging an uphill battle can only do so if they make the work environment less threatening. This applies to all other professional groups in a similar situation, such as ambulance staff.

6.11 Reliable government

How can the culture of a governmental organization support reliability seen from the perspective of civilians? Which requirements come into the picture? In this section, we will explore various kinds of governmental entities, including the central government, municipalities and (semi-)governmental institutions such as the central bank. We will refer to all these institutions as governmental organizations.

By reliability we mean a government that serves the interest of its citizens in a transparent, predictable, cost-worthy and fair way. Fair means that a) citizens in the same situation will be treated in the same way and b) the government will not favor one group of citizens over others by which income inequality will increase. There may be many more definitions of a “reliable government”, but this one serves our purpose well.

Let us now check with help of the six autonomous dimensions which cultural characteristics support politicians and civil servants to treat citizens in a fair manner.

D1: Means versus goal orientation

The first requirement is that politicians and civil servants do not play political games and favor certain people. In other words, nepotism in whatever form, is out of the question. In a very means oriented culture positioned inside the internal normative window of D1 between 0-35, political games are likely to take place. That does not imply that there are no political games in cultures that are less means-oriented and score above 35. Only in very goal-oriented cultures that score above 75, we can assume that political games that are detrimental to citizens, are unlikely to happen. A 100% guarantee cannot be issued: apart from culture, personalities and the context are also weighing in.

Secondly, civil servants should not be entrepreneurial. Citizens should be able to count on a government that creates and maintains a safe and predictable environment. In order to ensure this, the score should not be higher than 60.

In short, the optimal area for governmental organizations on D1 is between 35 - 60. A more specific position depends on whether:

- More predictability towards citizens is needed, which means a score in the lower range of 35-60 or whether a changing environment requires a proactive attitude, which means a higher score in the 35-60 range.
- The tasks civil servants have to execute are more or less repetitive. Ever more repetitive work is taken over by automation, which pushes the optimal culture ideally towards a more goal oriented culture on the high end of the 35-60 range.

It may well be desirable that, regarding scores on D1, a governmental organization makes a differentiation within the range of 35 to 60 between function groups and hierarchical levels, depending on its size and the different tasks of its departments.

A stand-alone score says nothing about functionality. A score of 47,5, right in the middle of the 35-60 range, does not necessarily imply a reliable government. It can also be a reflection of a highly entrepreneurial spirit bogged down by an excessive degree of politics acted out by civil servants at the higher echelons. Though it would be uncommon to encounter such a combination, remember: in the case of culture never say “never”, and never say “always”. Not only the score on a dimension has to be taken into consideration, but also the content of that score has to be taken into consideration.

D2: Internally versus externally driven

One may expect that to civil servants in democratic countries, the main stakeholders are civilians. In reality the main stakeholder is often the minister. The minister is formally the boss of a ministry, although the boss can also be the secretary general. No matter who is the real boss, the question is whether the minister or the secretary general serve the interests of society at large or of special interest groups, such as their political party, powerful companies or lobbyists. Let's assume in this book that the stakeholder is the society at large, that is, the civilians who are consumers of governmental services.

Governmental organizations are by definition monopolists, implying that they do not need to be externally driven. Civilians need them anyway, so from that perspective, their culture could score 0. But also here, it is not recommendable that a culture is positioned inside the internal window, which runs from 0 – 30 on D2.

In a culture that is very externally driven, civil servants may try to meet the demands of interest groups as well as those of individual citizens. In order to ensure that citizens can count on equal treatment, civil servants have to follow many rules and regulations. The culture of an governmental organization should therefore not score higher than 50 on D2. The optimal position for governmental organizations on D2 is therefore between 30 – 50, and there should not be much variety within the government. A more specific position depends on whether:

- Maintaining law and order is emphasized to defend the interests of peaceful and less assertive citizens vis-à-vis law-breaking citizens. In such a case a score on the low end of the 30-50 range is recommendable, notably for the police and the Public Prosecutor.
- Assisting citizens who have been treated unfairly or unlawfully is emphasized, for example in the case of complaints agencies and Ombudsmen.

Contrary to D1, where a functional differentiation can be recommendable, the position on D2 should ideally be shared throughout the organization. The research of Hofstede has shown that people cannot make a distinction between internal and external customer orientation, unless these groups are located wide and far apart.

D3: Easy-going versus strict work discipline

The internal normative window of D3 is small: between 0 - 15. Government should not score below 15.

Citizens may expect their government to execute its work well planned and in a cost-conscious, punctual and serious fashion. After all government is spending taxpayers' money. One can assume a culture that reflects a strict work discipline, being ideally located around 75. Higher ranking civil servants may score somewhat lower and desk clerks somewhat higher, stretching the range between 65 to 85. Nevertheless, we all know instances where governmental organizations overdrew their budgets twice or triple, think of public works. This reflects a culture which does not have a sufficiently strict work discipline in place.

Some governmental organizations may host large groups for whom it would, however, not be advisable to score high, given the nature of its work. Think of police officers on call, criminal investigation officers, the military on missions or the Public Prosecutor's Office. In their case it is impossible to plan their work meticulously. They need to be flexible and able to improvise on the spot. The average optimal score for such groups is 35, with those who are 100% on call and don't know what to expect next, scoring somewhat lower and those who also have to conduct administrative tasks somewhat higher. It should be understood that in a very easy-going culture it is almost impossible to conduct proper administrative procedures.

The gap between the optimal scores of 30 and 85 is so large that frequently, central government is not able to manage these "deviant" groups properly, which might be aggravated by a culture that is not sufficiently professional (see next section).

A reliable government should be willing and able to differentiate its culture in line with the different tasks it has to perform. This requires a sophisticated approach, certainly at the higher levels. A differentiation among subcultures in government which run contrary to the expected, leads to a total mess. Imagine that most governmental organizations work sloppy, while the police force is working meticulously and neglects impromptu action. Wouldn't we all want to emigrate to a country with a fair and just government?

Government should score on D3 in the 65-85 range, with the exception of civil servants on call or unable to plan ahead whose culture should ideally score between 30 and 45.

D4: Local versus Professional

Citizens are not a homogeneous group. Every person is unique and so are citizens. In addition, all societies are unequal, but some more unequal than others. Poor citizens may receive more government support than wealthy citizens, and wealthy citizens may in percentage pay more taxes than less wealthy citizens.

If in reality it is the other way around, inequality will be increased. In that case it is questionable whether a government can be called reliable.

Citizens do not all share the same attitude towards the law. Imagine someone who murdered his partner out of jealousy. The government has to ensure that this doesn't become common practice and that citizens are not hurting the interests of others unlawfully, even more so when it does not regard individuals but criminal groups. The police force is there to maintain law and order and as discussed, it often does so under threatening circumstances. The optimal culture for the police force is on the local side of this dimension, between 20 - 45 depending on how threatened police officers feel. The same applies to all other governmental organization in which civil servants are being threatened and harassed by citizens and certainly if they are threatened by criminal gangs. If now simultaneously such organizations are managed by fear the degree of threat is even stronger. In that case civil servants not only feel threatened by outsiders but also by their manager(s).

Admittedly, it is not always easy for governments to serve its citizens in a transparent, predictable, cost-worthy and fair way. Government nowadays has to deal with a wide range of issues, from the proliferation of weapons of mass destruction to hackers trying to disrupt society, and internet sources promulgating "alternative facts" or indoctrinating disillusioned people. Dealing with these challenges requires a highly professional culture in order to do the job well. Such (sub-)cultures should score between 70-80 depending on the urgency and complexity of the challenge at hand. If these challenges are not very urgent, the culture could be slightly less professional, in the range of 65-75, which makes the total recommendable range from 65-80. This is so, unless civil servants feel physically threatened.

In the case of D4, the recommended range for governmental organizations runs from 20 to 80. A reliable government should be willing and able to differentiate its culture on D4 in line with the different tasks it has to perform. This requires a sophisticated approach, certainly if in one and the same organization some teams need a local culture to perform well, even when overall, the need for a professional culture is on the rise.

To be more specific, governments in general should have a professional culture located in the range of 65-80. In teams where employees work under threatening conditions, the culture should ideally be positioned between 20 and 45.

D5: Open versus closed system

Transparency requires an open culture, that allows citizens or their representatives to certify that their government behaves in a reliable manner. At the same time, some governmental offices possess a whole lot of confidential data about citizens, which requires a more closed culture to ensure that such information does not fall into wrong hands.

A conflict of interests can be lurking, and the challenge is to set those organizations and functional groups which handle confidential information apart from those who do not. To do justice to a transparent government, groups that handle confidential data should be kept as small as possible.

The internal normative window lies between 70 and 100, implying that no team or office should score above 70 on D5. It is not advisable either to espouse an extremely open culture of 0. There is no reason why citizens should feel very welcome when interacting with governmental organizations. It could well be dysfunctional if just anyone enters the premises of a governmental organization without any controls and roams around. The best range for governmental organizations lies between 35 and 70.

Governmental organizations or functional groups that do not handle confidential data should score between 35 and 45. Organizations or teams that handle sensitive information that could influence negotiations or be harmful to citizens when made public, should have a culture in the 60 to 70 range.

Whether the communication flow is open or closed not only depends on D5, but also to a lesser extent, on D1, means versus goal orientation. Where open communication is desired and feasible, government should make an effort to have an open culture, while limiting closed cultures to teams that handle confidential information and keeping these teams as small as possible. In the latter case such teams should also not score very goal oriented on D1.

D6: Employee versus Work orientation

Ideally, the government serves citizens and not the other way around. Civil servants and their political leaders should be willing to take the personal interests of citizens to heart. They should treat them kindly and to lend a listening ear to citizens who find themselves in insecure situations. To enable such an attitude, government should strive for an employee oriented culture in the range of 25 to 35.

One may wonder what the way citizens are treated has to do with the way managers treat employees, which is essentially what D6 measures. There is an indirect yet strong relation between civil servants who are treated nicely and their treatment of citizens.

An employee oriented culture reflects a management that takes both co-responsibility for the welfare of its people as well as for the environment, such as clean air.

The dimensions D6 and D1 are unrelated, at least not in the long run. In the long run productivity and effectiveness are not influenced by D6. In the short run, a more work oriented culture can influence productivity and efficiency positively, but if people are put

under pressure for an extended period, they will break-down or pretend to be busy when their boss is watching, without being really productive.

The same applies to D2, internally versus externally directed. Maintaining law and order does not imply that police officers should be unfriendly or rude. That may be difficult if police officers are besieged by protesters, but even then the challenge is to behave correctly.

Summary:

Table 11 and diagram 65 summarize the cultural requirements for a reliable government. These requirements depend, of course on the tasks at hand and on the context in which a specific governmental organization operates.

Table 11 – A reliable government

| Dimension | Range of scores |
|--|------------------------|
| D1: Means versus goal orientation | 35 – 60 |
| D2: Internally versus externally driven | 30 – 50 |
| D3: Easy-going versus strict work discipline | 30 – 45 or 65 – 85 |
| D4: Local versus professional | 20 – 45 or 65 – 80 |
| D5: Open versus closed system | 35 – 45 or 60 – 70 |
| D6: Employee versus work orientation | 25 – 35 |

Diagram 63 - A reliable government

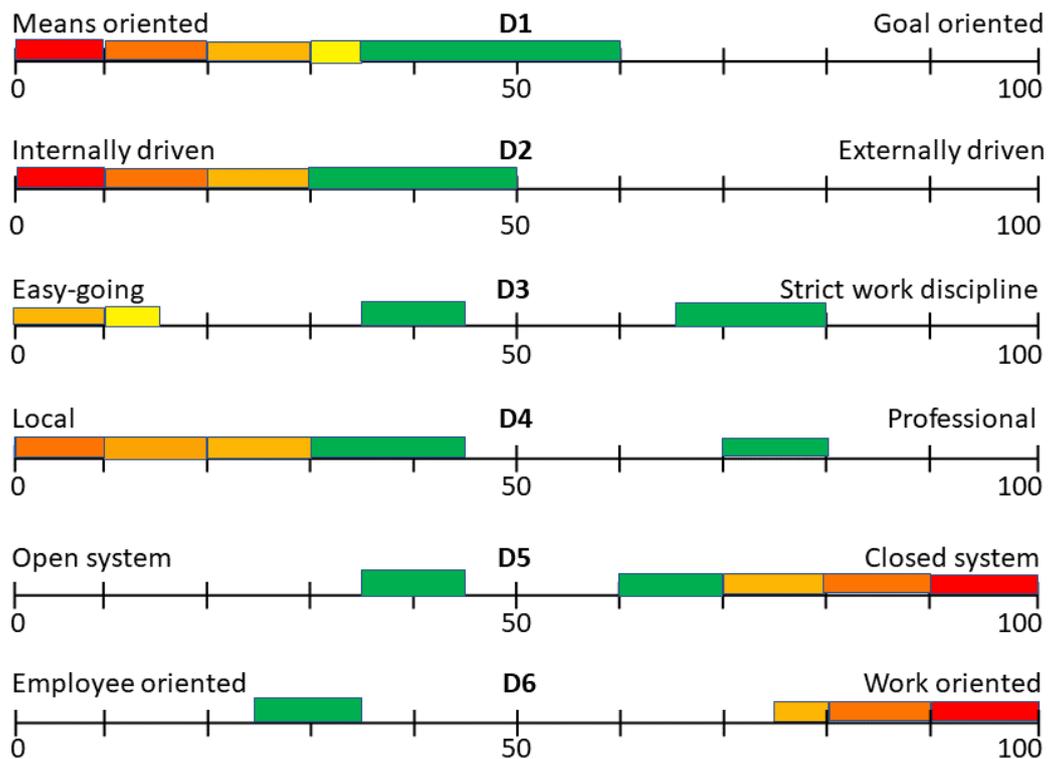


Diagram 63 shows which cultures enable a reliable government.

The strategic windows, in green, are rather small. This implies that the cultures of governmental organizations need to be managed properly to enable civil servants and ministers to do a good job.

Culturally speaking, a reliable government has to meet conflicting demands. This can be solved by creating functional diversity on the dimensions, D3, D4 and D5. In the diagram this is depicted by two strategic windows per dimension. Also here, the strategic windows are small, requiring deep understanding of culture and its ramifications.

Democracy may be a more precarious form of government than people are often aware of. Especially in this era, when inequality of wealth and income is increasing in many countries.

6.12 Nuclear power plants and related industries

We have conducted culture scans in three nuclear power plants in two different countries. In one of them a calamity had happened. In two of them, a large number of scans were performed among different teams. To interpret the results of the scans, a large amount of relevant documentation was consulted. In view of the sensitive nature of their operations, we were explicitly asked not to disclose the names of the plants, nor the full nature of their cultures or details of the calamity. We trust however, that this chapter will still be insightful of the cultures of such plants.

Introduction

The only way to manage the energy production of a nuclear power plant is to make sure that nothing goes wrong and the plant remains in operation, day and night. It is not possible to increase the production of electricity through human interventions. It is even impossible to come close to the core of the area where electricity is produced. Health and safety of a lot of people are at risk if things go wrong. Not only of the people on site, but also of those who work and live nearby and downwind. Making sure that nothing goes wrong is paramount and has to be achieved by control and preventive maintenance.

What to expect

In order to guarantee health and safety, the culture of a nuclear power plant should be:

- Slightly means oriented (D1): A score of 35-45 is required to ensure that everyone in the plant identifies with the how of doing things.
- A very strict work discipline (D3): A score of 80-100 is required to ensure that people work meticulously and disciplined and do things right the first time.
- Open (D5): A score of 20-35 is required to ensure that people inform each other without any hesitation if things go wrong, without becoming overly talkative.

Some lessons learned

Advocates of nuclear energy claim that it is cheaper than any other form of electricity production. This may have led to leaderships of nuclear power plants focusing on:

1. Production of kilowatt per hour at optimal cost effectiveness;
2. Avoiding interruption of production at all cost.

This was certainly the case in the three power plants that we measured.

Cost effectiveness can normally be achieved by high efficiency combined with high productivity. By nature of the production process in nuclear power plants, however, there is not much scope to increase efficiency nor productivity. Productivity and efficiency can be decreased if the operations of a power plant are stopped, but productivity cannot be stepped up.

The drive to be successful led in all three nuclear power plants to a culture that was way too goal oriented, with average scores of around 70. Moreover, the cultures were not sufficiently strict with average scores of 55 on D3. In essence, people in the plants believed that they were fully committed to “health and safety”, but in reality, this appeared not to be the case.

Based on our measurements and extensive documentation on nuclear power plants, we discovered that the culture of nuclear power plants tends to be closed instead of open (D5). Obviously, this is because the public in general will react very strongly if it turns out that something went wrong or is unsafe in a particular nuclear power plant, even if it is a minor incident. After all, the potential consequences can be disastrous. Many among us still remember the Chernobyl catastrophe in 1983. No wonder then that there is a large public movement pressing politicians to do something against these dangerous nuclear power plants. In reaction, management and employees of such plants tend to downplay or even conceal accidents and avoid airing dirty laundry, which is a reflection of a closed culture. The research of Hofstede et al. showed that cultures are either open or closed. There are no cultures that are open internally, but closed towards the outside world, or the other way around. This induces leaderships of nuclear power plants who have to manage anxiety among the general public, to make their cultures closed towards both the outside world and internal operations.

In other words, the actual cultures of the three nuclear power plants in our data bank lacked the functional cultures that could guarantee “health and safety”. Too often it is believed that if the right procedures and processes are in place, nothing can or will happen. This is not only true for nuclear power plants, but for every industry where “health and safety” are of prime importance. Certainly, the right processes and procedures must be in place. But if the culture does not fully enable its proper implementation, then “health and safety” cannot be guaranteed.

Here are two examples from our databank:

Example 1:

In a nuclear power plant, one expects a culture that is characterized by a means orientation and a strict work discipline, in view of all the risks. Yet, an audit in a nuclear power plant revealed a fairly goal oriented (70) and easy-going (35) culture. This was pretty dangerous for everyone living within a radius of about 100 kilometers of that plant.

Employees of a nuclear power plant may be over optimistic as a rule, but they are not stupid. This high-risk finding begged an explanation. It turned out that all managers were engineers and fully aware of the safety dangers. They constantly came up with innovations to diminish safety risks and encouraged others to do the same. They were continuously busy inventing better procedures or new gadgets to increase safety. They seemed obsessed with

their technical hobby and who would curb this lofty attitude, since safety was the issue, was it not?

Yet, in the process they made the culture ever more goal oriented and easy-going, since it was geared towards facilitating innovation rather than ensuring “health and safety” as such. Our recommendation was to concentrate safety innovation in the hands of a small team, physically disconnected from the teams running operations and maintenance, so that no “cultural contamination” could take place. Yet, the innovative team should not be put away so far that their improvements no longer fitted actual work situations.

Example 2:

A nuclear power plant called us in after a major disaster had occurred. Three years prior to that, another incident had happened in that same plant. At that time, the electricity company owning the plant immediately conducted an investigation into the cause of this incident. Next to technical issues, it was found that the culture was too closed. Rank and file people were afraid to convey bad-news-messages higher up. To remedy this, all employees were sent on training courses about how to communicate in an open way.

Top management of the electricity company was very committed to ensure that this would never happen again, and all employees had to participate in 3 to 6 training courses on communication. It looked like a military campaign to drill participants to communicate in an open way.

There are many ways to change culture, but we believe training is one of the least effective, and we were surprised to see that the training seemed to take root. A repeat audit after three years, showed that overall, the culture of the different function groups and hierarchical levels scored very open. Indeed, we were approached in a very open way in the beginning. All documents about the minor accident three years back were made available to us. However, we soon found out that the culture of the nuclear power plant was not really open. The mother company had forced them to hand over all relevant documentation, but for the rest, our counterparts behaved in a very closed manner.

When assessing the culture of an organization one should look at the organization from as many angles as possible. The interaction with a client also provides relevant information, at least if the information is unequivocal. In this case, the way reports were used, or to put it more exact: not used, and the way we were treated reflected a closed culture instead of an open culture.

What did we conclude from this contradictory information?

- a. Respondents had not lied when answering questions about the openness of their culture. Instead they were brainwashed to believe sincerely that they had an open culture.
- b. The interventions had not really made the culture open.
- c. Our system had not been able to look through “brainwashing”. This time only, we were fooled by a brainwashing experiment, which supports our saying that in the case of culture one should never say “never” and never “always”.
- d. One should never be satisfied by just one way of looking at culture. When different perspectives do not match, find out why.
- e. We cannot assume that the closed culture caused the disaster. In all likelihood this had more to do with a culture that was too goal oriented (D1) and too easy-going (D3). In this case, safety standards had been set at a much too optimistic level. But then, higher safety standards would certainly have decreased cost effectiveness considerably. This would have run counter to the claim that nuclear energy can compete successfully with other sources of energy.

6.13 Traditional mining companies

Many multinational traditional mining companies share two aspects:

1. HQ is located far away from most if not all mining operations;
2. Production is in bulk.

By traditional we mean companies that produce minerals in bulk, such as coal or iron ore.

The consequences of these two aspects are:

1. People at HQ often have no clear idea what happens in the mines and what is needed to assist management on location to do a good job.
2. Customer orientation is much less an issue than, for example, in the service industry. Nobody wants to buy ten tons of iron ore nicely wrapped in gift paper.

The research of Hofstede and colleagues has taught us that at group level people cannot make a distinction between internal and external customer orientation. In other words, if internal units service each other well, external customer orientation will also score high. After all, those servicing external clients well, can expect that they will be serviced well by their colleagues. If, however, internal units service each other poorly, then also external customers will be serviced poorly. It is impossible to service external clients well, if there is no proper internal support.

In one mining company, management of various mines complained bitterly about the poor service from HQ. In quantitative terms they received sufficient support, but qualitatively, it was not what they needed. Despite many requests to attune services to their needs, HQ kept on providing the same superfluous services. The whole company, including HQ, displayed a very internally driven culture (D2).

As a consequence, management of the mines set up their own service departments, notably for HR. There was hardly any cooperation between the mines, that were located far apart from each other, and every mine reinvented the wheel and set up their own service departments. With all the overlap, this was a costly affair. As long as prices of these commodities were high, it didn't really hurt the company. But when we were called in prices were low, yet HQ management believed that they knew better and management of the mines should shut up.

Another interesting finding was that health and safety procedures had been put in place at HQ some years before, when a couple of miners were killed. The subsequent investigation revealed that the cause of the disaster was sloppy implementation of safety procedures. With HQ far away from the mines and few HQ people who had ever visited a mine, we were surprised by the heavy emphasis on internal health & safety procedures. HQ reasoned that they should set a proper example even though office life was devoid of imminent dangers.

Another reason was that visitors from HQ at the mines should know how to avoid dangerous situations.

This was a reflection of the same attitude regarding the services made available to the mines. HQ knew best and all others had to follow its admonitions and copy the behavior of those coming from HQ to visit them.

In reality, it would have been better if HQ supported management of the mines to improve health & safety procedures. Management of the mines should be made fully responsible for the safety of everybody working in the mines as well as for visitors, irrespective of where these visitors come from.

We made two suggestions to them:

1. HQ was very big. Just the sheer size of the main building of HQ was impressive. HQ had turned into a true bureaucracy.

Managers who grow the business want to ensure that the company does well. As a consequence, they will normally do well. Managers who grow the bureaucracy at HQ ensure that they themselves do well by being in control of more people reporting to them. Whether the company does well is another issue.

In general, D2 should be the same throughout the entire organization, but here we suggested to create functional diversity on D2, internally versus externally driven. The mines could keep their culture as it was: somewhat internally driven (45). HQ would have to move up to a more externally driven attitude (around 70). Only in that way the subculture of HQ would enable people to properly service the mines, and it would diminish bureaucracy at HQ.

In general, it is not easy to create functional diversity on D2. In this case, because the physical distance between HQ and the mines was and still is very big, the different behavioral patterns could not “contaminate” each other.

2. Our second suggestion was to downsize HQ with 75% and delegate many services to the mines. HQ would only define the service objectives and coordinate between the different mines. As the mines were located in different countries, setting up their own HR department made sense. Every country has its own labor laws and regulations. We preferred this second suggestion.

In reality, nothing changed. The CEO had not been involved in the first place. One of his direct reports who had initiated this change project, had hoped that the CEO would come on board once he had seen the power of our approach. This did not happen because an external consultant in our field of expertise became upset when his assignment was not prolonged, and he wrote an article in which he denounced the company anonymously. As a consequence, the CEO was deadly against anybody working in the field of culture. If only we had known...

6.14 Trends during the past thirty years

Over time, from the mid-1980s when Hofstede and his colleagues conducted the research on organizational culture, to this date, we observed a number of fascinating shifts. These shifts are central tendencies and do not apply to separate measurements. Most measurements have been conducted in Northern Europe and North America. Based on measurements done in lower income countries, it seems that these shifts took place notably in Europe and North America. The shifts we observed are:

- Actual culture: D1 – Effects of increasing automation and decreasing loyalty
- Actual culture: D2 – Decreasing complacency
- Work paradise: D2 – Increasing complacency
- Work paradise: D3 – From easy-going to more strict work discipline
- Actual culture: D4 – Increase of fear among especially managers
- Actual culture: D7 – Decreasing acceptance of leadership style
- Actual culture: D8 – Decreasing identification with one's organization.

6.14.1 Actual culture: D1 – Effects of increasing automation and decreasing loyalty

Two forces have opposite effects on the scores on D1, means versus goal oriented. In spite of this, it will become ever more challenging to realize more goal orientation.

Increasing automation may require action to align a new work reality with optimal culture. We have been witnessing on-going automation for a long time. Automated work leads to less repetitive work. Work will become more challenging for those who are able to stay on board. As a consequence, the culture can become more goal oriented, unless safety and health considerations do not allow this. Whether cultures become more goal oriented or not, depends on in how far management is aware that culture can be used as an additional tool of management in a changing world.

The second force is the decreasing loyalty between employer and employee, which may require countervailing action to maintain cohesion among those working in and for an organization. When loyalty between employer and employees becomes weaker, the strength of cultures will also become weaker, which in turn decreases goal orientation. When the employees in an organization perceive their work reality differently, it will be difficult it to harness them towards a common goal.

Decreasing loyalty between employer and employee happens due to:

- a. Changes in national cultures
- b. Outsourcing
- c. Portfolio management
- d. Temporary workers
- e. Working from home
- f. Moving on

a. Changes in national cultures

In many countries we see that self-interest is emphasized more and more at the cost of loyalty to the group to which one belongs. This is a reflection of a slow increase of "Individualism", coupled with a decreasing respect for authorities as a reflection of a lowering "Power Distance" (see section 4.2.4). These developments slowly weaken the employer-employee relationship.

This type of loyalty is unrelated to D4 (Local versus professional). D4 is about loyalty to one's direct boss or one's work team only.

b. Outsourcing

If companies are planning to outsource certain functions or have already done so, employees may rightly or wrongly infer that their work will disappear. In such situations it is difficult to identify with the goals and objectives of one's company, which leads to less goal orientation.

c. Portfolio management

It has become quite fashionable to buy and sell (parts) companies as if these are products without human involvement. Selling part of one's company implies that the employer considers his or her people dispensable.

Employees of (parts of) companies which have been acquired are told that they should quickly identify with their new employer. Yet, if people are treated like merchandise instead of human beings, it is hard for them to remain loyal. How do they know that they will not be sold off again in the near future? They will have a hard time identifying with the goals and objectives of their new employer.

d. Temporary workers

There is a trend to make more use of temporary workers, as this allows employers to economize. By definition, a temporary relationship will not get the employer a lot of buy-in.

e. Working from home

People who work from home feel less part of the core group running the show inside an organization. Although research shows that people work equally hard from home, it is not easy to stay emotionally connected. This also applies to temporary workers.

f. Moving on

Culture is everywhere. Shifts, slow as they may be, affect employers and employees, in terms of more self-interest and certainly in terms of less respect for authorities. Employees are per definition less loyal to their employer now than in the past. New opportunities or getting bored may induce especially "professionals" to move on.

It is becoming ever more challenging for employers to obtain more loyalty from their employees in order to increase goal orientation, which will make employees work smarter. But, it also implies that employers should become more loyal to their employees in order to make this happen.

6.14.2 Actual culture: D2 – Decreasing complacency

It may not be surprising that it is rare these days to identify companies in which even a minority describes their actual culture as complacent. With increasing international competition, more and more respondents feel that there is always scope for improving things. Here we see how changes in the outside world influence the content of organizational culture. Complacency is a reflection of an internally directed culture.

6.14.3 Work paradise: D2 – Increasing complacency

There is a reverse trend as well, notably in people's work paradise. There, the ideal seems to make way that work life would be best if "we don't need to worry about what competitors do" and that "there should not be scope for improvement as we do already everything the best possible way".

In the earlier days people described their work paradise frequently by a willingness "to make things better". Increasing complacency in people's work paradise might be interpreted as growing fatigue among the ordinary employee.

6.14.4 Work paradise: D3 – From easy-going to more strict work discipline

An intriguing trend we identified relates to a shift in preference for a stricter work discipline. In the late 80s and early 90s of last century, respondents preferred by far an easy-going culture: a relaxed culture in which there is a lot of fun and where work is not taken too seriously, where you can organize your own work and have no worries about costs and timing, and where quality is emphasized over quantity.

On from the early nineties, we see a gradual shift towards a less easy-going work paradise. Nowadays, many respondents seem to be irritated by internal misuse of resources, which they do not want to see in their work paradise. In the earlier days this was not an issue at all, although there is no indication that there was less abuse of company resources in the past. Tentatively, one may conclude that it is an implicit and perhaps unconscious protest against two trends:

- The decreasing loyalty between employer and employee, and its consequences for the way employees are being treated (see under 6.14.1);
- The widening gap in remuneration between rank and file employees and top managers.

6.14.5 Actual culture: D4 – Increase of fear among especially managers

We observed that over the years, cultures are becoming more local and less professional. A trend towards more professionalism would be easier to explain, considering the large-scale internationalization and an emphasis on creating learning organizations.

One of the triggers of this reverse trend is that our cultural audits show less acceptance by managers of a critical attitude of their direct reports.

Why are managers warier of a critical subordinate than in the past? A tentative answer could be that quite a number of people are promoted above their competence level, the so-called Peter Principle. It is hard to say “No” to a promotion even if you wonder whether you are sufficiently qualified to meet the new challenge. You will receive a higher salary, your status will increase and so is the power you will hold. All attributes which are difficult to denounce by many among us. Not a problem if you receive the necessary support to develop your managerial skills. But when the time lacks for internal support and coaching, work life may become pretty threatening. You may try to improve your know-how and skills in your spare time and independently. But again, this is not often feasible because of lack of time and resources. A critical attitude of direct reports towards you and your suggestions, ideas and decisions is then often unconsciously translated by you, the manager, as a direct attack. One way to handle such threatening situations is to demand personal loyalty from your direct reports.

These days, everything is moving faster than in the past and managers have to manage people who are more emancipated and outspoken, while there is less time to develop their own managerial skills.

A manager who wants to be surrounded by yes-men makes direct reports small.

If a manager exacts personal loyalty from direct reports, they know that it is not wise to contradict him or her. They make themselves small and become yes-men. They know that they are not supposed to stick their head above the crowd.

These are characteristics of a local culture (D4). This does not imply that we frequently find local scores. Other factors compensate for these local characteristics, such as “keeping professionally up-to-date at the individual level”, or “we don’t need to live at home according to the convictions, norms and attitudes prevalent at work”, or “quality is emphasized over quantity”.

While on average cultures in many organizations are now positioned slightly on the professional side (between 50-65), the range used to be clearly on the professional side 60 - 75.

Some consequences are that:

- Capabilities of direct reports will not be used to its full potential;
- It will be more difficult to create a learning organization;
- Successful introduction of “diversity” will be harder to achieve.

6.14.6 Actual culture: D7 – Decreasing acceptance of leadership style

Once, in management theories, the idea was proposed that by increasing the span of control, managers would delegate more. The assumption was that their style would become more consultative, as it would be very difficult to remain in control of everything their increasing number of direct reports did. Indeed, in Anglo-Saxon and North European countries with a small Power Distance, most employees prefer a consultative leadership style. More aggressive international competition and privatization of organizations that never faced competition before, increased the pressure on managers to perform, no matter whether the managers put themselves under pressure or outside factors did. This led to:

- Managers are fully delegating “unimportant” tasks. Direct reports performing these tasks may receive no guidance from their managers whatsoever, or they may experience the management style of their boss as consultative.
- At the same time, managers keep decision-making tasks which are important to them, close to their chest. Direct reports performing such tasks may experience their manager as autocratic or paternalistic, but not consultative. Important tasks are normally tasks of which the results form the basis for remuneration and promotion.

The same manager therefore may be judged very differently by those direct reports who have full authority and responsibility and by those who have little say in what they are supposed to do. All in all, the percentage of direct reports who experience their manager as consultative has on average gone down in the Western world according to the data we have collected. This affects the number of respondents who report having a direct boss with a management style which they prefer negatively. The consequences of an overall lower acceptance of the leadership style (D7) is a weaker stay motivation. Moreover, capabilities of direct reports are not used to its full potential.

6.14.7 Actual culture: D8 – Decreasing identification with one’s organization

Many of the factors which negatively affect goal orientation (D1) have the same negative effect on D8. Employers who are not very loyal to their employees, make it difficult for them to identify strongly with the overall organization they work for.

Less identification with one’s organization will also weaken stay motivation, in the same way as has been described in section 6.8.6: a misfit emerges between the leadership style they prefer and the one they get.

Overall conclusion:

Many of the trends and shifts in culture are negative by nature. It could be that these developments slowly result in a dull competitive edge of Western companies. The best way to countervail these developments is by using organizational culture as an additional tool of management.

Not only annual financial audits should be made compulsory but also cultural audits!

Yet, we do not address solely the Western world. Cultural audits conducted in organizations in Collectivist national cultures with a large Power Distance will help management in a different way. The challenge in such cultures for top management is to find out what really happens on the shop floor. Rank and file employees tend to tell their boss what they think the boss wants to hear. This can only be overcome if such cultures are characterized by a great deal of trust throughout the organization. If no trust exists, it may take many, many years to overcome this, if at all. Another way to find out what really happens is by conducting cultural assessments.

ABOUT THE AUTHOR

Bob Waisfisz was born in 1942 in the Netherlands and studied economics at the University of Amsterdam. On top of this he studied sociology and cultural anthropology.

As a child he lived in Indonesia and after graduation from university, he worked for some years in Turkey and Lebanon. Since 1969 he has travelled extensively for his work and continues to do so today.

Since the 1970s he has been actively involved in institutions who transfer know-how to people in developing countries and are involved in capacity building

From 1980 until 1982 he was managing director of a postgraduate Management Training Institute, associated in those days with the Technical University of Delft, now called the Management School of Maastricht (www.msm.nl). There he gained detailed knowledge of management styles in all their variety. It is there that he met Professor Geert Hofstede in 1980, and they started to collaborate intensively.

From 1983 onwards, companies have called in Bob for training and consultancy on successful international cooperation.

At Bob's request, Geert Hofstede and his colleagues conducted additional research on organizational culture. Bob used this research to develop an integrated approach to measuring and changing organizational culture, as described in this book.

Bob is an avid speed skater (his Dutch self) and skier (his mountainous non-Dutch self). He also enjoys swimming, playing the piano, reading and grows a considerable part of his family's foodstuff himself. As he also enjoys the social side of life, he sometimes feels bewildered and wonders whether one life is sufficient or whether reincarnation offers a sweet solution to cope with his abundance of predilections.