CONSTRUCTING 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

Bob Waisfisz
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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.
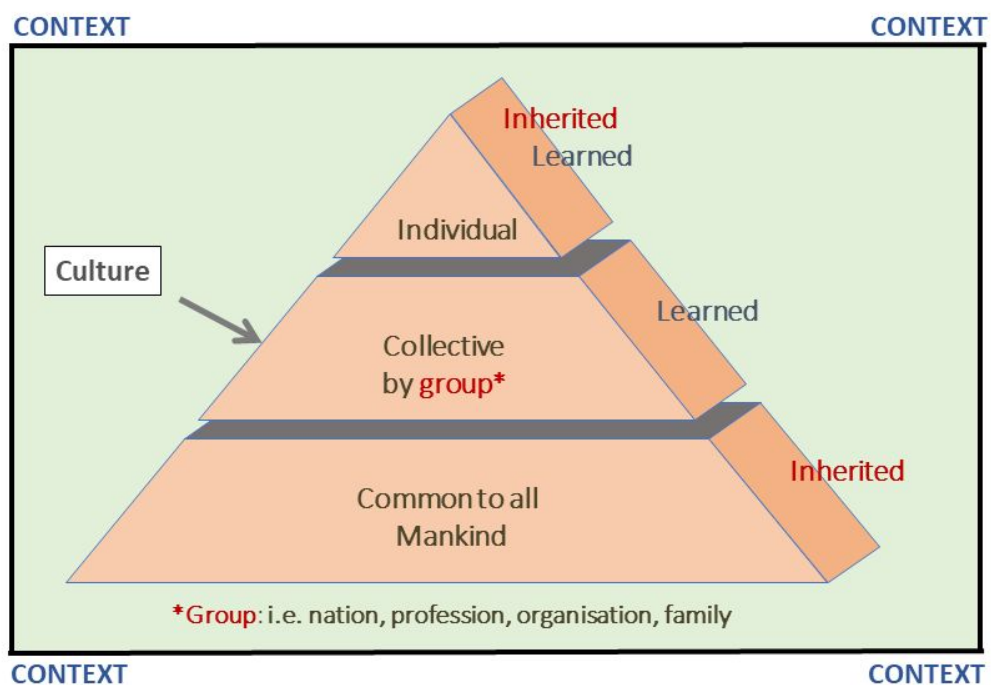
1.2 Definitions of culture

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"

CONTEXT CONTEXT

Inherited
Learned

Individual

Culture

Learned

Collective
by group*

Inherited

Common to all
Mankind

*Group: i.e. nation, profession, organisation, family

CONTEXT CONTEXT

National culture reflects itself on different levels of reality. A popular breakdown is shown below:
Diagram 2

THE DIFFERENT LEVELS OF CULTURE

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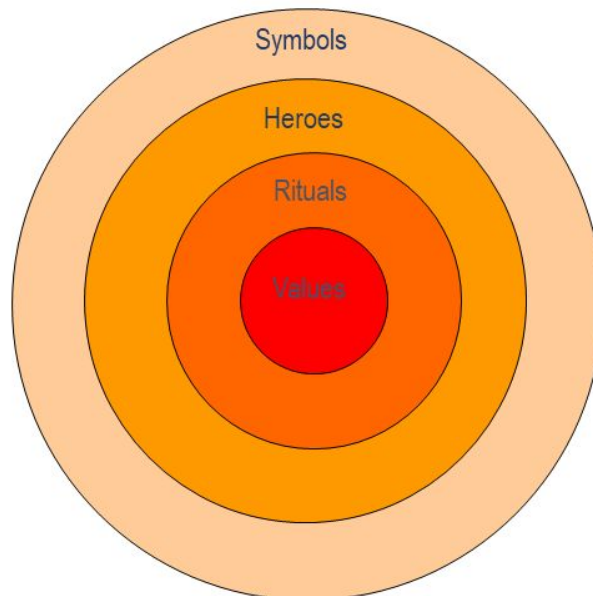
Values, the core of national culture, have been defined as a broad preferences for one state of affairs above others to which strong emotions are attached and by which one group distinguishes itself from another group. This definition implies that:

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

Factors influencing culture
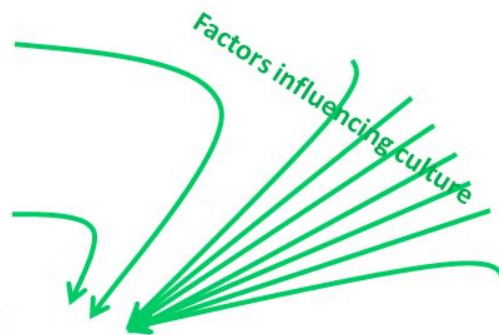
The arrows in diagram 3 indicate that many factors shape organizational culture. Of these two are cultural: One is national culture. The second one is the relative number of women working in an organization due to an average cultural difference between women and men. Of course, there are many non-cultural 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 identified[1], 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.

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[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.

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.

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
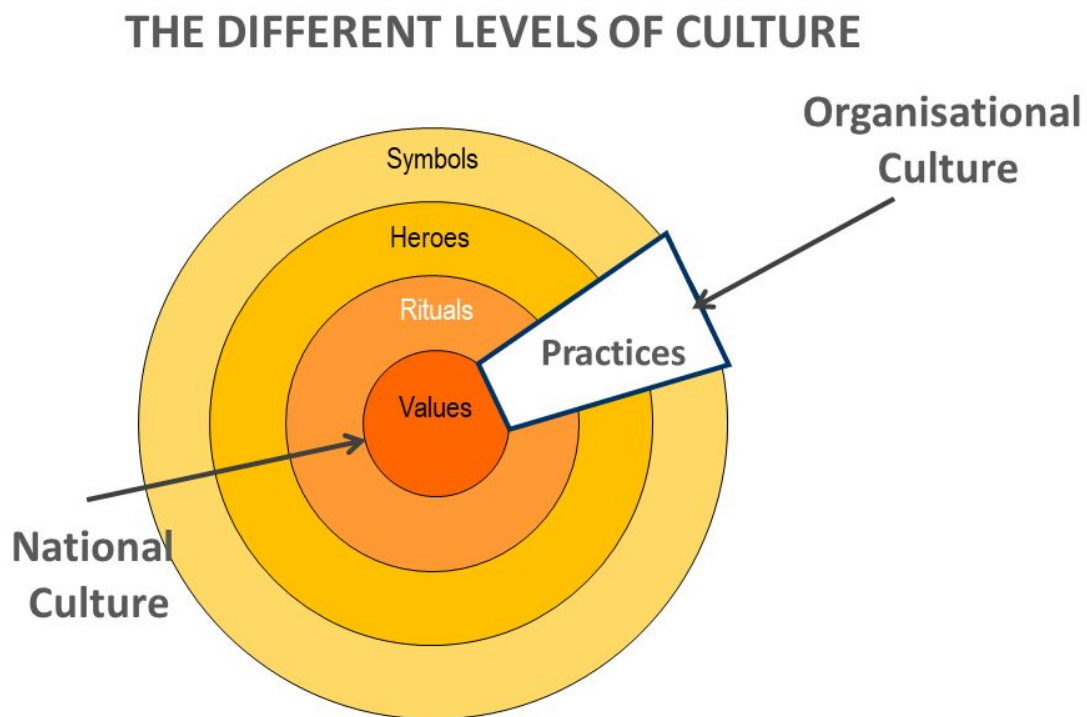
Differences among organizational cultures within one and the same national culture are especially determined by different practices. If we look, however, at the subsidiaries of a multinational, the national value differences immediately come to the foreground. So we should not compare cultural differences 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 another[2]. 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.

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[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: 1. Achievement 2. Recognition 3. Content of the job 4. Responsibility 5. Advancement 6. Growth	**Leading to dissatisfaction if not met:** 1. Company policy 2. Supervision 3. Relationship with boss 4. Work conditions 5. Salary 6. 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 Dennison´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 conveyer 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 complexity[3]. 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. 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.

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[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.

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 then 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.