

Corporations, Culture, and Commitment: Motivation and Social Control in Organizations

Charles O'Reilly

Corporate culture is receiving much attention in the business press. A recent article in *Fortune* describes how the CEO at Black & Decker “transformed an entire corporate culture, replacing a complacent manufacturing mentality with an almost manic, market-driven way of doing things.”¹ Similarly, the success of Food Lion (a \$3 billion food-market chain that has grown at an annual rate of 37% over the past 20 years with annual returns on equity of 24%) is attributed to a culture which emphasizes “hard work, simplicity, and frugality.”² Other well-known firms such as 3M, Johnson & Johnson, Apple, and Kimberly-Clark have been routinely praised for their innovative cultures.³ Even the success of Japanese firms in the U.S. has been partly attributed to their ability to change the traditional culture developed under American managers. Peters and Waterman report how a U.S. television manufacturing plant, under Japanese management, reduced its defect rate from 140 to 6, its complaint rate from 70% to 7%, and the turnover rate among employees from 30% to 1%, all due to a changed management philosophy and culture.⁴

Even more dramatic is the turnaround at the New United Motors Manufacturing Incorporated (NUMMI) plant in Fremont, California. When General Motors closed this facility in 1982, it was one of the worst plants in the GM assembly division with an 18 percent daily absenteeism rate and a long history of conflict in its labor relations. The plant reopened as a joint ven-

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ture between Toyota and GM in 1983. Over 85 percent of the original labor force was rehired, and workers are still represented by the UAW. Although the technology used is vintage 1970s and the plant is not as automated as many others within GM and Toyota, productivity is almost double what GM gets in other facilities. In 1987, it took an estimated 20.8 hours to produce a car at NUMMI versus 40.7 in other GM plants and 18.0 at Toyota. Quality of the NUMMI automobiles is the highest in the GM system, based on both internal audits and owner surveys, and absenteeism is at 2 percent compared to 8 percent at other GM facilities. What accounts for this remarkable success? According to one account, "At the system's core is a *culture* in which the assembly line workers maintain their machines, ensure the quality of their work, and improve the production process."⁵

But a culture is not always a positive force. It has also been implicated when firms run into difficulties. The CEO of financially troubled Computerland, William Tauscher, has attempted to restructure the firm, noting that "a low-cost culture is a must."⁶ Henry Wendt, CEO of SmithKline Beckman, has attributed his firm's current difficulties to complacency. "We've been victims of our own success. . . . I want to create a new culture."⁷ Corporate culture has also been implicated in problems faced by Sears, Caterpillar, Bank of America, Polaroid, General Motors, and others. Even difficulties in mergers and acquisitions are sometimes attributed to cultural conflicts which make integration of separate units difficult. Failure to merge two cultures can lead to debilitating conflict, a loss of talent, and an inability to reap the benefits of synergy.

But what is really meant when one refers to a firm's "culture"? Do all organizations have them? Are they always important? Even if we can identify cultures, do we know enough about how they work to manage them? Four major questions need to be answered:

- What is culture?
- From a manager's perspective, when is culture important?
- What is the process through which cultures are developed and maintained?
- How can cultures be managed?

What Is Culture?

If culture is to be analyzed and managed, it is important that we be clear about what is meant by the term. Failure to clearly specify what "culture" is can result in confusion, misunderstanding, and conflict about its basic function and importance.

Culture as Control—Clearly, little would get done by or in organizations if some control systems were not in place to direct and coordinate activities.

In fact, organizations are often seen to be efficient and effective solely because control systems operate.⁸

But what is a “control system”? A generic definition might be that a control system is “the knowledge that someone who knows and cares is paying close attention to what we do and can tell us when deviations are occurring?” Although broad, this definition encompasses traditional formal control systems ranging from planning and budgeting systems to performance appraisals. According to this definition, control systems work when those who are monitored are aware that someone who matters, such as a boss or staff department, is paying attention and is likely to care when things aren’t going according to plan.

Several years ago a large toy manufacturer installed, at considerable expense, a management-by-objectives (MBO) performance appraisal system. After a year or so, top management became aware that the system was working well in one part of the organization but not another. They conducted an investigation and discovered the reason for the failure. In the part of the organization where MBO was working well, senior management was enthusiastic and committed. They saw real benefits and conveyed their belief up and down the chain of command. In the part of the organization where the system had failed, senior management saw MBO as another bureaucratic exercise to be endured. Subordinate managers quickly learned to complete the paperwork but ignore the purpose. The lesson here was that a control system, no matter how carefully designed, works only when those being monitored believe that people who matter care about the results and are paying close attention. When Jan Carlzon became head of SAS Airline, he was concerned about the poor on-time record. To correct this, he personally requested a daily accounting of the on-time status of all flights. In the space of two years, SAS on-time record went from 83% to 97%.⁹

In designing formal control systems, we typically attempt to measure either outcomes or behaviors. For example, in hospitals it makes no sense to evaluate the nursing staff on whether patients get well. Instead, control systems rely on assessing behaviors. Are specified medical procedures followed? Are checks made at appropriate times? In other settings, behavior may not be observable. Whenever possible, we then attempt to measure outcomes. Sales people, for instance, are usually measured on their productivity, since the nature of their job often precludes any effective monitoring of their behavior. In other situations, control systems can be designed that monitor both behaviors and outcomes. For example, for some retail sales jobs both behaviors (how the customer is addressed, how quickly the order is taken, whether the sales floor is kept stocked) and outcomes (sales volume) can be measured.

However, it is often the case that neither behavior nor outcomes can be adequately monitored.¹⁰ These are the activities that are nonroutine and

unpredictable, situations that require initiative, flexibility, and innovation. These can be dealt with only by developing social control systems in which common agreements exist among people about what constitutes appropriate attitudes and behavior.

Culture, may be thought of as a potential social control system. Unlike formal control systems that typically assess outcomes or behaviors only intermittently, social control systems can be much more finely tuned. When we care about those with whom we work and have a common set of expectations, we are “under control” whenever we are in their presence. If we want to be accepted, we try to live up to their expectations. In this sense, social control systems can operate more extensively than most formal systems. Interestingly, our response to being monitored by formal and social control systems may also differ. With formal systems people often have a sense of external constraint which is binding and unsatisfying. With social controls, we often feel as though we have great autonomy, even though paradoxically we are conforming much more.

Thus, from a management perspective, culture in the form of shared expectations may be thought of as a social control system. Howard Schwartz and Stan Davis offer a practical definition of culture as “a pattern of beliefs and expectations shared by the organization’s members. These beliefs and expectations produce norms that powerfully shape the behavior of individuals and groups.”¹¹

Culture as Normative Order—What Schwartz and Davis are referring to as culture are the central norms that may characterize an organization. Norms are expectations about what are appropriate or inappropriate attitudes and behaviors. They are socially created standards that help us interpret and evaluate events. Although their content may vary, they exist in all societies and, while often unnoticed, they are pervasive. For instance, in our society we have rather explicit norms about eye-contact. We may get uncomfortable when these are violated. Consider what happens when someone doesn’t look at you while speaking or who continues to look without pause. In organizations we often find peripheral or unimportant norms around issues such as dress or forms of address. In the old railroads, for example, hats were a must for all managers, while everyone addressed each other with a formal “mister.”

More important norms often exist around issues such as quality, performance, flexibility, or how to deal with conflict. In many organizations, it is impolite to disagree publicly with others. Instead, much behind-the-scenes interaction takes place to anticipate or resolve disputes. In other organizations, there may be norms that legitimate and encourage the public airing of disputes. Intel Corporation has an explicit policy of “constructive confrontation” that encourages employees to deal with disagreements in an immediate and direct manner.

In this view, the central values and styles that characterize a firm, perhaps not even written down, can form the basis for the development of norms that attach approval or disapproval to holding certain attitudes or beliefs and to acting in certain ways. For instance, the fundamental value of aggressiveness or competition may, if widely held and supported, be expressed as a norm that encourages organizational participants to stress winning competition. Pepsico encourages competition and punishes failure to compete.¹² Service is a pivotal norm at IBM; innovation is recognized as central at 3M. It is through norms—the expectations shared by group members and the approval or disapproval attached to these expectations—that culture is developed and maintained.

However, there is an important difference between the guiding beliefs or vision held by top management and the daily beliefs or norms held by those at lower levels in the unit or organization. The former reflect top management's beliefs about how things ought to be. The latter define how things actually are. Simply because top management is in agreement about how they would like the organization to function is no guarantee that these beliefs will be held by others. One CEO spoke at some length about the glowing corporate philosophy that he believed in and felt characterized his firm's culture. After spending some time talking to mid-level managers in the organization, a very different picture emerged. A central norm shared by many of these managers was "Good people don't stay here." It is a common occurrence to find a noble sounding statement of corporate values framed on the wall and a very different and cynical interpretation of this creed held by people who have been around long enough to realize what is really important.

Moreover, norms can vary on two dimensions: the intensity or amount of approval/disapproval attached to an expectation; and the crystallization or degree of consensus or consistency with which a norm is shared. For instance, when analyzing an organization's culture it may be that for certain values there can be wide consensus but no intensity. Everyone understands what top management values, but there is no strong approval or disapproval attached to these beliefs or behaviors. Or, a given norm, such as innovation, can be positively valued in one group (e.g., marketing or R&D) and negatively valued in another (manufacturing or personnel). There is intensity but no crystallization.

It is only when there exist both intensity and consensus that strong cultures exist. This is why it is difficult to develop or change culture. Organizational members must come to know and share a common set of expectations. These must, in turn, be consistently valued and reinforced across divisions and management levels.¹³ Only when this is done will there be both intensity and consensus. Similarly, a failure to share the central norms or to consistently reinforce them may lead to vacuous norms, conflicting interpretations, or to micro-cultures that exist only within subunits.

To have a strong culture, an organization does not have to have very many strongly held values. Only a few core values characterize strong culture firms such as Mars, Marriott, Hewlett-Packard, and Walmart. What is critical is that these beliefs be widely shared and strongly held; that is, people throughout the organization must be willing to tell one another when a core belief is not being lived up to.

The Role of Culture in Promoting Innovation—How is it that firms such as Intel, Hewlett-Packard, Cray Research, 3M, and Johnson & Johnson successfully develop both new products and new ways of doing things? How can culture help or hinder this process? The answer lies in those norms that if they were widely shared and strongly held by members of the organization, they would actively promote the generation of new ideas and would help in the implementation of new approaches.

What are these norms? This question was put to over 500 managers in firms as diverse as pharmaceuticals, consumer products, computers and semiconductors, and manufacturing. Table 1 contains a list of the norms that were most frequently cited. Several things are notable about this list. First, regardless of the industry or technology, managers identified virtually the same sets of norms as important. While the process of innovation varies widely across efforts to discover new drugs, improve oil exploration, build new electronic devices, or develop a new toilet bowl cleaner, the norms that facilitate these efforts are remarkably consistent. Second, these norms all function to facilitate the process of introducing new ways of doing things and to help people implement them. For example, when people share the expectation that it is not only permissible but also desirable to challenge the status quo, the likelihood of innovation is increased.

At Cray Research, a prime example of a firm whose success depends on its ability to innovate, creativity and diversity are seen as virtues. Similarly, at Intel Corporation, a company whose strategy has long been to be a first-mover and innovator, all employees are told to expect conflict and to deal with it directly. To resolve conflicts, employees are trained in a process called "constructive confrontation," which helps them deal with the conflict in productive rather than destructive ways. At Johnson & Johnson a similar belief is referred to as "creative conflict."

To appreciate how critical the norms shown in Table 1 can be to innovation, envision an organization that is characterized by norms the opposite of those listed. Imagine an organization where failure is punished severely, where no recognition or rewards are provided for those doing things differently, where the past is venerated and only ideas generated internally are considered worthwhile, where "dumb" ideas are ridiculed and people are never encouraged to take risks, and where there is no drive to change or improve things. In this environment, one would be amazed to see any change. Contrast this with an organization such as 3M in which a basic

Table 1. Norms That Promote Innovation

A. Norms to Promote Creativity	B. Norms to Promote Implementation
<p>1) Risk Taking</p> <ul style="list-style-type: none"> • freedom to try things and fail • acceptance of mistakes • allow discussion of "dumb" ideas • no punishments for failure • challenge the status quo • forget the past • willingness <i>not</i> to focus on the short term • expectation that innovation is part of your job • positive attitudes about change • drive to improve <p>2) Rewards for Change</p> <ul style="list-style-type: none"> • ideas are valued • respect for beginning ideas • build into the structure: <ul style="list-style-type: none"> • budgets • opportunities • resources • tools • time • promotions • top management attention and support • celebration of accomplishments • suggestions are implemented • encouragement <p>3) Openness</p> <ul style="list-style-type: none"> • open communication and share information • listen better • open access • bright people, strong egos • scanning, broad thinking • force exposure outside the company • move people around • encourage lateral thinking • adopt the customer's perspective • accept criticism • don't be too sensitive • continuous training • intellectual honesty • expect and accept conflict • willingness to consult others 	<p>1) Common Goals</p> <ul style="list-style-type: none"> • sense of pride in the organization • teamwork • willingness to share the credit • flexibility in jobs, budgets, functional areas • sense of ownership • eliminate mixed messages • manage interdependencies • shared visions and a common direction • build consensus • mutual respect and trust • concern for the whole organization <p>2) Autonomy</p> <ul style="list-style-type: none"> • decision making responsibility at lower levels • decentralized procedures • freedom to act • expectation of action • belief that <i>you</i> can have an impact • delegation • quick, flexible decision making • minimize the bureaucracy <p>3) Belief in Action</p> <ul style="list-style-type: none"> • don't be obsessed with precision • emphasis on results • meet your commitments • anxiety about timeliness • value getting things done • hard work is expected and appreciated • empower people • emphasis on quality • eagerness to get things done • cut through the bureaucracy

financial goal is to have 25 percent of annual sales come from products developed over the last five years. Allen Jacobsen, 3M's CEO, says, "People ask me how do you get people to be innovative. It's simple. You give them responsibility for their own destinies and encourage them to take risks."¹⁴ The secret to 3M's success isn't in Mr. Jacobsen's words but in the norms that form 3M's culture. These norms are widely shared and strongly held because management up and down the line provides the resources and encouragement to sustain them. It is the expectations held by people throughout the company, not just in R&D, that makes 3M and similar firms so innovative.

There is nothing magical or elusive about corporate culture. One has only to be clear about the specific attitudes and behaviors that are desired, and then to identify the norms or expectations that promote or impede them.

Why Culture Is Important

There are two reasons why a strong culture is valuable:

- the fit of culture and strategy, and
- the increased commitment by employees to the firm.

Both these factors provide a competitive edge, giving a strong culture firm an advantage over its competitors.¹⁵

Strategy and Corporate Culture—Every firm has, implicitly or explicitly, a competitive strategy which dictates how it attempts to position itself with respect to its competitors. Once established, a firm's strategy dictates a set of critical tasks or objectives that must be accomplished through a congruence among the elements of people, structure, and culture. For example, a decision to compete on innovation rather than price requires an appropriate formal structure and control system which then indicates the types of people required to accomplish the objectives and to fit the structure. The choice of a strategy also has significant implications for the informal organization or culture; that is, the norms of the organization must help execute the strategy.

An illustration of the importance of fit between strategy, people, structure, and culture can be seen in the history of the three major Silicon Valley firms that manufacture integrated circuits. Although operating in the same product market, Intel, National Semiconductor, and Advanced Micro Devices have each pursued a different strategy that is reflected in their people, structures, and cultures. National Semiconductor has chosen to compete largely as a low-cost manufacturer. To do this, it emphasizes strict cost control, a functional organizational structure, and a culture emphasizing numbers, a lack of frills, and a certain ruthlessness that has earned its people the sobriquet of "animals of the valley." Intel, however, has chosen to compete on product innovation. It has a looser formal organization with a

culture valuing collegial interaction and the development of new technologies and products. Advanced Micro Devices has chosen a marketing strategy offering very high quality products, often as second source. Its strength has been in its marketing, and its culture reflects the value placed on selling, service, and quality.

For a strategy to be successfully implemented, it requires an appropriate culture. When firms change strategies, and often structures, they sometimes fail because the underlying shared values do not support the new approach. For example, a large, integrated electronics firm with a very strong culture based on technical excellence decided to enter the word processing market. Although they already made equipment that could easily be used as a basis for a word processor, the culture that made them successful in the design and manufacture of satellites and other sophisticated equipment ultimately sabotaged their efforts to design a word processor. The firm's engineers had a strong ethic of "getting it right" and would not release the machine. The window of opportunity for entry into the market passed, leaving the firm with a \$40 million write-off of their investment. The point is both simple and important. As firms grow and strategies change, the culture or social control system also needs to be realigned to reflect the new direction.

Culture and Commitment—Culture is critical in developing and maintaining levels of intensity and dedication among employees that often characterizes successful firms. This strong attachment is particularly valuable when the employees have knowledge that is instrumental to the success of the organization or when very high levels of motivation are required. When IBM bought ROLM, the critical resource was not the existing product line but the design and engineering expertise of ROLM's staff. A failure to gain the commitment of employees during mergers and acquisitions can diminish or destroy the value of the venture. In contrast, a highly dedicated workforce represents a significant competitive advantage. Under turbulent or changing conditions, relying on employees who wait to be told exactly what to do can be a liability.

How, then, do strong culture organizations develop intensity and commitment? A 20-year veteran of IBM was quoted in a *Wall Street Journal* article as saying, "I don't know what a cult is and what it is those bleary-eyed kids selling poppies really do, but I'm probably that deeply committed to the IBM company."¹⁶ To understand this process, we need to consider what commitment is and how it is developed. By understanding the underlying psychology of commitment, we can then think about how to design systems to develop such an attachment among employees.

Organizational Commitment—What is meant by the term "organizational commitment"? It is typically conceived of as an individual's psychological bond to the organization, including a sense of job involvement, loyalty, and a belief in the values of the organization. There are three processes or

stages of commitment: *compliance*, *identification*, and *internalization*.¹⁷ In the first stage, *compliance*, a person accepts the influence of others mainly to obtain something from others, such as pay. The second stage is *identification* in which the individual accepts influence in order to maintain a satisfying, self-defining relationship. People feel pride in belonging to the firm. The final stage of commitment is *internalization* in which the individual finds the values of the organization to be intrinsically rewarding and congruent with personal values.

Conceiving of commitment as developing in this manner allows us to understand how a variety of organizations—ranging from cults to strong culture corporations—generate commitment among their members. In fact, these organizations can be categorized based on the type of commitment displayed by their members. Cults and religious organizations, for example, typically have members who have internalized the values of the organization and who become “deployable agents,” or individuals who can be relied upon to go forth and proselytize.¹⁸ Japanese organizations, Theory Z, and strong culture firms are characterized by members who have a strong identification with the organization. These employees identify with the firm because it stands for something they value. In typical corporations, members comply with directions but may have little involvement with the firm beyond self-interest; that is, there is no commitment with the firm beyond that of a fair exchange of effort for money and, perhaps, status.

How Culture Is Developed

How do people become committed to organizations? Why, for example, would someone choose to join a cult? How do firms such as NUMMI get the incredible levels of productivity from their employees (as one team member said, “I like the new system so much it scares me. I’m scared because it took me 18 years to realize that I blew it at GM. Now we have a chance to do things a different way.”)? The answer to this puzzle is simultaneously simple and nonobvious. As Jerry Salancik has noted, “commitment is too easy,” yet it relies on an understanding of human motivation that is counter-intuitive.¹⁹

Constructing Social Realities—Most discussions of motivation assume a stable set of individual needs and values.²⁰ These are seen as shaping expectations, goals, and attitudes. In turn, these are presumed to guide behavior and people’s responses to situations. In Maslow’s theory, for instance, people are assumed to have a hierarchy of needs.²¹ The managerial consequence of this view can be seen in our theories of job design in which jobs are supposed to be designed to take advantage of the desire of people to grow and self-actualize.²² But are such theories correct? The empirical evidence is weak at best.²³ In spite of numerous efforts to demonstrate the

effect of needs and personality, there is little support for the power of individual differences to predict behavior.

Consider the results of two experiments. In the first, Christian seminary students were approached and given one of two requests. Both asked them to extemporaneously address a visiting class in a discussion of the parable of the Good Samaritan. They were told to walk over to a classroom building to do this. In one condition they were informed that the class was already there and that they should hurry. In the other condition they were told that the class would arrive in several minutes. As they walked to the classroom, all subjects passed an old man (the “victim”) dressed in shabby clothes and in obvious need of help. The experimenters were interested in what proportion of Christian seminarians thinking of the Good Samaritan would stop and help this person. Surprisingly, in the condition in which the subjects were told to hurry, only 30 percent paid any attention. Think about this. Seventy percent of a group of individuals with religious values who were training to be ministers failed to stop. Ninety-five percent of those who were not in a hurry stopped to help.

In another experiment, researchers observed when students using a campus restroom washed their hands. They discovered that when another person was visible in the restroom, 90 percent washed their hands. When no other person was visible, less than 20 percent did so.

What explains these and other findings? What often seems to account for behavior are the expectations of others. As individuals, we are very susceptible to the informational and normative influence of others. We pay attention to the actions of others and learn from them. “In actuality, virtually all learning phenomena resulting from direct experience occur on a vicarious basis by observing other people’s behavior and its consequences for them.” We watch others and form expectations about how and when we should act.²⁴

Yet, we are not sensitive to how much of our world is really a social construction—one that rests on shared agreements. We often tend to underestimate the degree to which situations and the expectations of others can constrain and shape behavior. Strong situations —ones in which there are very clear incentives and expectations about what constitutes appropriate attitudes and behavior—can be very powerful. When we care what others think, the power of these norms or social expectations can be heightened.

Mechanisms for Developing Culture—How can cultures be developed and managed in organizations? All organizations—from cults to strong culture corporations—draw on the same underlying psychology and create situations characterized by strong norms that focus people’s attention, provide clear guidance about what is important, and provide for group reinforcement of appropriate attitudes and behavior. Four common mechanisms are used to accomplish this. What varies across these organizations is not what is done but only the degree to which these mechanisms are used.

- *Participation*—The first mechanism that is critical in developing or changing a culture are systems that provide for participation. These systems encourage people to be involved and send signals to the individual that he or she is valued. These may range from formal efforts such as quality circles and advisory boards to less formal efforts such as suggestion systems and opportunities to meet with top managers and informal social gatherings. What is important about these processes is that people are encouraged to make incremental choices and develop a sense of responsibility for their actions. In some cases, such as work design, the specific choices made may be less important for future success than the fact that people had the chance to make them.

From a psychological perspective, choice is often associated with commitment. When we choose of our own volition to do something, we often feel responsible.²⁵ When the choice is volitional, explicit, public, and irrevocable, the commitment is even more binding.²⁶ For instance, direct sales companies have learned that by getting the customer to fill out the order sheet, they can cut cancellations dramatically. A large number of psychological experiments have convincingly shown that participation can lead to both commitment and enjoyment, even when people are induced to engage in physically and emotionally stressful activities such as eating earthworms and becoming bone marrow donors.²⁷

How do organizations use participation? Marc Galanter has documented how members of the Unification Church use processes of incremental commitment to recruit cult members.²⁸ Individuals are invited to dinner, convinced to spend the weekend for a seminar, and in some cases, induced to remain permanently with their new found "friends." Interestingly, there is no evidence that people who join cults under these circumstances are suffering from any psychopathology. Religious organizations often use elaborate systems of incremental choice and participation leading to greater and greater involvement. Japanese-managed automobile companies in the U.S. also have elaborate systems of selection and orientation that rely heavily on these approaches, as do American "strong culture" firms.

- *Management as Symbolic Action*—The second mechanism commonly seen in strong culture organizations is that of clear, visible actions on the part of management in support of the cultural values.²⁹ In organizations, participants typically want to know what is important. One way we gain this information is to carefully watch and listen to those above us. We look for consistent patterns. When top management not only says that something is important but also consistently behaves in ways that support the message, we begin to believe what is said. When the CEO of Xerox, David Kearns, began his quest for improved quality, there was some initial uncertainty about whether he meant it. Over time, as the message was repeated again and again, and as resources continued to be devoted

to the quality effort, norms developed setting expectations about the role and importance of quality throughout the corporation.³⁰

An important function of management is to provide interpretations of events for the organization's members. Without a shared meaning, confusion and conflict can result. Managers need to be sensitive to how their actions are viewed. Interpreting (or reinterpreting) history, telling stories, the use of vivid language, spending time, and being seen as visible in support of certain positions are all potential ways of shaping the organization's culture. This does not mean that managers need to be charismatic. However, managers need to engage in acts of "mundane symbolism." By this they can insure that important issues get suitable amounts of time, that questions are continually asked about important topics, and that the subject gets on the agenda and it is followed up.

The appropriate use of symbols and ceremonies is also important. When Jerry Sanders, CEO of Advanced Micro Devices, decided to shift the firm's strategy toward innovation, he not only made substantive changes in budget, positions, and organizational structure, he also used a symbol. As a part of the many talks he had with employees describing the need to change, Sanders would also describe how important it was to invest in areas that others could not easily duplicate—such as investing in proprietary products. He would describe how a poor farmer would always need a cash crop at the end of the year if he was to survive. But if he began to prosper, a smart farmer would begin to plant crops that others might not be able to afford—crops, for example, that took more than a year to come to fruition; crops like asparagus. The notion of asparagus became a visible and important symbol for change within AMD, even to the point where managers begin referring to revenues from new proprietary products as "being measured on asparagus."

Symbols are not a substitute for substance, and ceremonies cannot replace content. Rather, many of the substantive changes that occur in organizations, such as promotions or reorganizations, have multiple meanings and interpretations. Over time, people may lose a clear sense for what the superordinate goals are and why their jobs are important. In strong culture organizations, managers frequently and consistently send signals helping to renew these understandings. They do this by continually calling attention to what is important, in word and in action.

- *Information from Others*—While clear messages from management are an important determinant of a culture, so too are consistent messages from coworkers. If control comes from the knowledge that someone who matters is paying attention, then the degree to which we care about our coworkers also gives them a certain control over us. Years ago, several researchers conducted an experiment in which subjects were placed in a room to complete a questionnaire. While they were doing this, smoke began to flow from an air vent. While 75% of the subjects who were alone re-

sponded by notifying the experimenter of a possible fire, only 38% did so when in the company of two other subjects. When these other two were confederates of the experimenter and deliberately said nothing, only 10% of the subjects responded. One conclusion from this and other similar experiments is that we often take our cue from others when we are uncertain what to do.

In organizations, during periods of crisis or when people are new to the situation, they often look to others for explanations of what to do and how to interpret events. Strong cultures are typically characterized by consensus about these questions. In these settings there are often attempts made to insure a consistency of understanding and to minimize any us-them attitudes between parts of the organization. For instance, strong culture firms often pride themselves on the equality of treatment of all employees. At Mars, all employees punch a time clock and no one has a private secretary. At Gore-Tex, WalMart, Disney, and others there are no employees or managers, only associates, team members, and hosts. At NUMMI, Honda, and Nissan there are no private dining rooms for managers and both managers and workers often wear uniforms. In the Rajneesh Commune, everyone wore clothes with the color magenta.

The goal here is to create a strong social construction of reality by minimizing contradictory interpretations. In cults, this is often done by isolating the members from family and friends. Some religious organizations do this by encouraging extensive involvement in a variety of church activities and meetings. Japanese firms expect after work socializing. At NUMMI, for instance, each work team is given a semiannual budget to be spent only on team-sponsored activities where the entire team participates. In corporations, 60 hour work weeks can also isolate people from competing interpretations. Some electronics firms in Silicon Valley have provided employee T-shirts with slogans such as "Working 80 hours a week and loving it." With this commitment of time, workers may be as isolated as if they had joined a cult.

- *Comprehensive Reward Systems*—A final mechanism for promoting and shaping culture is the reward system, but not simply monetary rewards. Rather, these systems focus on rewards such as recognition and approval which can be given more frequently than money. These rewards also focus on the intrinsic aspects of the job and a sense of belonging to the organization. Recognition by your boss or coworkers for doing the right thing can be more potent in shaping behavior than an annual bonus. In the words of a popular management book, the trick is to catch someone doing something right and to reward it on the spot. While tokens such as scrolls or badges can be meaningless, under the right circumstances they can also be highly valued.

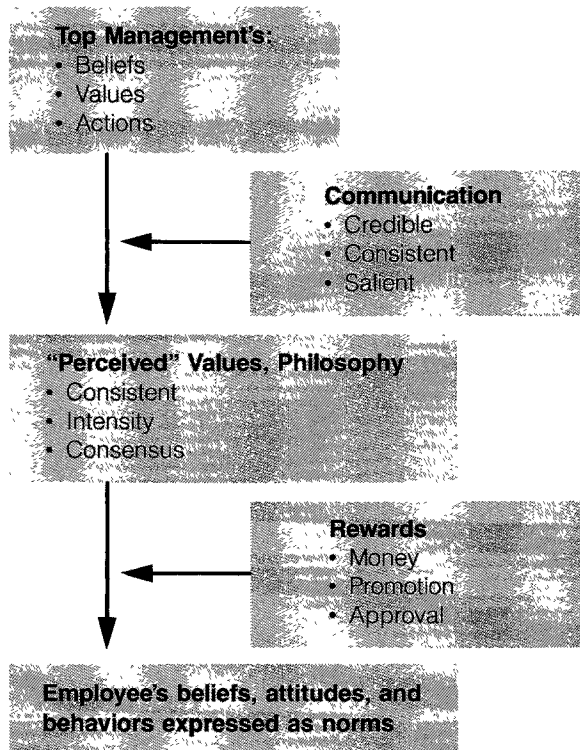
It is easy to desire one type of behavior while rewarding another. Often management professes a concern for quality while systematically rewarding only those who meet their goals, regardless of the quality. Innovation

may be espoused but even the slightest failure is punished. At its simplest, people usually do what they are rewarded for and don't do what they're punished for. If this is true and to be taken seriously, then a simple analysis of what gets management's attention should give us a sense for what the culture supports. Who gets promoted? At 3M, one important aspect of success is to be associated with a new product introduction. If innovation is espoused, but doing things by-the-book is what is rewarded, it doesn't take a psychologist to figure out what the firm actually values. In fact, if there are inconsistencies between what top management says and what is actually rewarded, the likely outcome will be confusion and cynicism.

Managing Culture

Each of these can affect the development of a shared set of expectations. As shown in Figure 1, the process begins with words and actions on the part of the group's leaders. Even if no explicit statements are made, subordinates will attempt to infer a pattern. If management is credible and communicates consistently, members of the group may begin to develop consistent expectations about what is important. When this consensus is also rewarded, clear norms can then emerge.

Figure 1



Whether or not these norms constitute a desirable culture depends on the critical tasks to be accomplished and whether the formal control system provides sufficient leverage to attain these. If culture *is* important, four steps can help a manager understand how to manage it.

- Identify the strategic objectives of the unit. Once identified, specify the short-term objectives and critical actions that need to be accomplished if the strategic objectives are to be accomplished.
- Analyze the existing values and norms that characterize the organization. This can be done by focusing on what people in the unit feel is expected of them by their peers and bosses and what is actually rewarded. What does it take to get ahead? What stories are routinely told? Who are the people who exemplify the group? Look for norms that are widely shared and strongly felt.
- Once these are identified, look for norms that may hinder the accomplishment of critical tasks; norms that would help but are not currently present; and conflicts between what is needed and what is currently rewarded.
- Once these are identified, programs can be designed to begin to shape or develop the desired norms. These can draw upon the psychological mechanisms discussed previously.

The logic here is straightforward and links culture to those activities critical for the implementation of strategy and for generating widespread understanding and commitment among the organization's members. Obviously, these actions take time and management resources to accomplish. However, to ignore them is to ignore a social control system that may already be operating in the organization. The issue is whether this system is helping or hindering. Managers need to be sensitive to what the central organizational norms are and how they can affect them. To not be sensitive to these issues is to ignore the advice of a CEO who said, "We will either be a victim or a successful result of our culture."

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