An organization’s culture is made up of relatively stable characteristics. It develops over many years and is rooted in deeply held values to which employees are strongly committed. In addition, there are a number of forces continually operating to maintain a given culture. These include written statements about the organization’s mission and philosophy, the design of physical spaces and buildings, the dominant leadership style, hiring criteria, past promotion practices, entrenched rituals, popular stories about key people and events, the organization’s historic performance evaluation criteria, and the organization’s formal structure.

Selection and promotion policies are particularly important devices that work against cultural change. Employees chose the organization because they perceived their values to be a “good fit” with the organization. They become comfortable with that fit and will strongly resist efforts to disturb the equilibrium. The terrific difficulties that organizations like General Motors, AT&T, and the U.S. Postal Service have had in trying to reshape their cultures attest to this dilemma. These organizations historically tended to attract individuals who desired situations that were stable and highly structured. Those in control in organizations will also select senior managers who will continue the current culture. Even attempts to change a culture by going outside the organization to hire a new chief executive are unlikely to be effective.

Our argument should not be viewed as saying that culture can never be changed. In the unusual case in which an organization confronts a survival-threatening crisis, members of the organization will be responsive to efforts at cultural change. However, anything less than that is unlikely to be effective in bringing about cultural change.

Changing an organization’s culture is extremely difficult, but cultures can be changed. The evidence suggests that cultural change is most likely to take place when most or all of the following conditions exist:

A **dramatic crisis** This is the shock that undermines the status quo and calls into question the relevance of the current culture. Examples are a surprising financial setback, the loss of a major customer, and a dramatic technological breakthrough by a competitor.

**Turnover in leadership** New top leadership, which can provide an alternative set of key values, may be perceived as more capable of responding to the crisis.

**Young and small organizations.** The younger the organization is, the less entrenched its culture will be. Similarly, it’s easier for management to communicate its new values when the organization is small.

**Weak culture** The more widely held a culture is and the higher the agreement among members on its values, the more difficult it will be to change. Conversely, weak cultures are more amenable to change than strong ones.

If all or most of these conditions exist, the following management actions may lead to change: initiating new stories and rituals, selecting and promoting employees who espouse the new values, changing the reward system to support the new values, and undermining current subcultures through transfers, job rotation, and terminations.

Under the best of conditions, these actions won’t result in an immediate or dramatic shift in the culture. In the final analysis, cultural change is a lengthy process—measured in years rather than in months. But cultures can be changed. The success that new leadership had in turning around the cultures at companies like Harley-Davidson, IBM, and Electronic Data Systems attests to this claim.