

Organisational culture and change essay



**ASSIGN
BUSTER**

Culture within an organisational context is a widely explored paradigm. It is nature and mottled definitions have formed the basis of organisational study for many decades. From Handy's cultural forms in the notorious " Gods of Management" 3, to the Morganest metaphoric representations of the concept such as, culture as a web, an onion, or an iceberg⁶. Therefore, the contents of culture encompasses a wide range of organisational phenomena including surface features such as values and forms of expression: preconscious factors such as symbols and norms: and deep structures such as basic assumptions and worldviews (Pettigrew 1979; Frost et al 1985)⁷. They all imply that culture is an integral part of organisations, that without due consideration, development of strategy will ultimately lead to failure, leading to the assumption that culture should always fit with organisational strategy. Revenaugh² suggests that most researchers assume that corporate culture is an important consideration for understanding and effectively managing organisations, and thus supports that argument. Bringing me to the purpose of this essay, which is to explore the context of organisational culture in more depth and come to a more discernible conclusion about its relationship with strategic management.

As a result of its wide and varying definitions, corporate culture can be hard to define, measure or manage; these definitions reveal culture to be a complex concept that involves many factors as suggested by numerous academics such as Pettigrew⁵. Thompson and Strickland (1987) offer this explanation: " Every organisation is a unique culture, it has its own special history of how the organisation has been managed, its own set of ways of approaching problems and conducting activities, its own mix of managerial

personalities and styles, its own established patterns of “ how we do things around here”, its own legendary set of war stories and heroes, its own experiences of how changes have been instituted – in other words, its own climate, folklore and organisation personality” 2. Naturally there are other definitions given but the basic thinking of this concept in organisational terms is twofold. As a component that represents the core of the organisation and it’s way of doing things or as its Achilles heel.

The first view sees culture in terms of encapsulating distinctive competences⁸. The later though is often attributed to the term “ Icarus Paradox” (Miller 1990)⁶. Miller argues that there is a tendency for organisations to become victims of the very success of their past. Here arises the concept of strategic drift, where an organisations response to the changing environment is often within the parameters of the organisations culture, which over time becomes more and more apparent. In this respect culture is traditionally seen as a preventative to change, which stifles innovation and results in a momentum of strategy that can lead to strategic drift. In short the organisations response to the business environment is internally constructed rather than objectively understood. This view therefore supports the assumption that strategic change must always be accompanied by an appropriate cultural change.

The opposite of strategic drift is strategic fit. This is also known as the process of incremental development. Quinn (1980) and Lindblom (1958)¹¹ have argued that incremental development in organisations is not only inevitable, but also logical. Managers are aware that it is not possible to know about all the influences that could affect the future of the organisation.

So to cope with uncertainty, strategies must be developed in stages, carrying members of the organisation with them. This allows the organisation to try out new ideas and experiences to see which are likely to be effective and to stimulate commitment within the organisation through continual, but low scale change. Mintzberg and Waters (1985)⁹, argue that building too much upon what manager's espouse is precarious because whether managers choose to follow the notion of logical incrementalism or not is irrelevant, because it doesn't automatically follow that they behave in such ways. This highlights the difference between the intended strategy and the one actually being followed - the realised strategy. This difference is often attributed to some unseen internal power, which for the purpose of this essay we will call culture.

The point is there has been a good deal of discussion in recent years about the formulation and implementation of strategy. Thus the argument I'm trying to represent here is that for strategic change to be effective practitioners must bear in mind cultural constraints. In other words, the proposition that cultures should always fit with organisational strategy is correct but only because it assumes that culture can be measured and controlled. The rationalistic models (such as logical incrementalism) that have dominated the complexity we call scientific management, are only the tip of the iceberg, and should only be seen as an integral part of a much wider process, as there are other explanations that explicate how managers cope with the complexity of managing change. Allaire and Firsirotu (1984)¹ for instance suggest that how the organisation scans its environment is of major importance, that leadership, decision-making style, and organisational

design are of significance to the process, but the argument put forward by Schein⁴ is that the concept of organisational culture embraces all of these variables, therefore organisational strategy is the outcome of organisational culture, not the other way around.

If strategic change is viewed this way instead, what emerges is that the complexity that manager's face cannot be objectively analysed, because managers hold to a set of core beliefs and assumptions. There is also likely to exist at some level a core set of beliefs and assumptions held relatively common by managers, either called "ideational cultures" or "myths" (Hedberg and Jonsson, 1977)⁷. Either way this set of beliefs, embraces assumptions about the nature of the organisational environment, the nature of its leaders, and the operational routines seen as important to ensure the success of the given organisation. All these assumptions lead to the conclusion that whilst it would be necessary to modify corporate culture to ensure effective strategic change as the proposition suggests, given the nature of cultural paradigm it's not always possible to adhere to that rule.

I'd suggest that an organisation's culture is far more easily perceived to those from outside the organisation. An example of this type of action can be associated with Compaq Computers, who during the 1990's bought in a new CEO (Eckhard Pfeiffer), who within a year had a new strategy in place involving the complete overhaul of the company. Pfeiffer said: "We had to recognise what had gone wrong and name the problems early. Only by asking for dramatic change can people see their way out of old habits. Sometimes it is more difficult to achieve a 10% cost reduction than it is to tell people they have to achieve 50%. Small incremental steps block your

view of doing something fundamentally different” 12. The success of this strategy contradicts the beliefs of Quinn (1980) and Lindblom (1958)¹¹ whose views on the value of logical incrementalism are highly regarded and instead offers support for the work of Mintzberg and Waters (1985)⁹.

Alternatively there is the view that when organisations have a strongly shared vision or culture it is often easier for organisations to get things done more effectively (because it captures distinctive competences). If people share a common set of goals, a common perspective and vocabulary on what to do and how to accomplish it, it allows them to coordinate their behaviour more effectively. Managing through shared vision and with a strong organisational culture has been a very popular prescription for organisations (Deal and Kennedy, 1982, Peters and Waterman 1982, Davies 1984)⁷, and is also supported by the actions of Pfeiffer who also wanted to preserve Compaq’s culture, which stood for quality, service and innovation. “I was 100% for culture. Let us keep the culture but let us solve our problems”¹². This view suggests that it is not always necessary to change the organisations culture in order to achieve an appropriate strategic change that the proposition being discussed is inaccurate and only represents one side of the argument.

The work of Gagliardi⁴ suitably sums up all of the assumptions and contradictions discussed during this essay. Starting with Schein’s view that values and assumptions are at the core of an organisations culture and adding that every organisations primary strategy is to protect the organisations identity rooted in those assumptions and values. He then discussed the possibility that there are a number of secondary strategies

that are developed and implemented which bear in mind the primary strategy. These strategies may be directed towards the internal or external environment and are either instrumental (management of external problems of adaptation and internal problems of integration) or expressive (seek to protect the stability and coherence of shared meanings). In developing this concept Gagliardi traced three types of change, which arguably have formed the main threads of this essay.

Firstly there is apparent change, which is where new problems are confronted by choosing from a range of different options permitted by the company culture. Secondary strategies only produce changes at a superficial level, as the organisation only adapts within the confines of its existing identity, similar to the process of logical incrementalism. Secondly Gagliardi proposes the concept of Cultural Incrementalism where a strategy stretches the existing organisational culture to include new values alongside its old ones. This is very much the approach taken by Pfeiffer in the overhaul of Compaq. Finally there is revolutionary change; Gagliardi argues this is where strategic change is imposed upon the organisation, which does not comply with existing cultural values and beliefs, and requires the organisation to create new values and symbols in order to achieve the desired change. In this case it is more appropriate to say that "the old firm dies and a new firm, which has little in common with the first, is born". In other words strategic change doesn't always fit with the organisations culture.

At one end of the scale exists that strategy which when aligned with the organisational values, does not require an appropriate cultural change. On the other hand when strategies are in conflict with assumptions and values,

<https://assignbuster.com/organisational-culture-and-change-essay/>

culture is either overthrown where it is then replaced or destroyed, or the strategy is resisted and never implemented. Somewhere in between those two extremes exists a middle ground or a compromise where strategies are different but not incompatible with assumptions and values, and it is only necessary to expand the existing culture so that it incorporates some new assumptions and values. In conclusion, Gagliardi's model separated culture and strategy, by suggesting that different strategic moves have different effects on an organisations culture and the examples I have illustrated throughout this essay would seem to agree with that assertion. That whilst the proposition being analysed is partly correct, in light of the findings of this essay I offer a more discernable explanation, " Organisational cultures sometimes fit with organisational strategy, but it isn't always appropriate to fit the culture with the strategy and vice versa" and to quote Strebel (1996)¹⁰ " successful change takes place on a path that is appropriate to the right situation" and of which accordingly makes my point.