# Organizational Culture: Analysis and Change

W. Gibb Dyer, Jr.

**Performing Organization Name and Address**
Sloan School of Management
Massachusetts Institute of Technology
50 Memorial Drive
Cambridge, MA 02139

**CONTROLLING OFFICE NAME AND ADDRESS**
Office of Naval Research
Organizational Effectiveness Group (Code 452)
Arlington, VA 22217

**MONITORING AGENCY NAME AND ADDRESS**
Office of Naval Research
Resident Representative
MIT -- E19-628
Cambridge, MA 02139

**Report Date**
September, 1983

**Number of Pages**
23

**Security Class. (of this report)**
Unclassified

**Supplementary Notes**

**Key Words**
Organizational Culture
Culture Change
Cultural Analysis
Organizational Development

**Abstract**
This paper examines the concept of organizational culture, and presents a methodology for studying culture in organizations. The process of managing culture change is discussed, and some suggestions made for those who wish to change the culture of an organization.
ONR
N00014-80-C-0905
NR 170-911
Massachusetts Institute of Technology
Sloan School of Management
Cambridge, MA 02139

TECHNICAL REPORTS IN THIS SERIES

TR-1 Schein, Edgar H. "Does Japanese Management Style have a Message for American Managers?"

TR-2 Van Maanen, John "Some Thoughts (and Afterthoughts) on Context, Interpretation, and Organization Theory."
February, 1982.

February, 1982.


TR-6 Bailyn, Lotte "Problems and Opportunities for the Maturing Engineer."
Appeared as "Career Fulfillment Strategies for Mature Engineers."
June 1982.

TR-7 Dyer, W. Gibb, Jr. "Patterns and Assumptions: The Keys to Understanding Organizational Cultures."
June, 1982.

TR-8 Bailyn, Lotte "Work and Family: Testing the Assumptions."
(Forthcoming as portion of a book.)
August, 1982.

TR-9 Lindholm, Jeannée "Mentoring: The Mentor's Perspective."
September, 1982.

TR-10 Van Maanen, John, & Stephen R. Barley. "Occupational Communities: Culture and Control in Organizations."
November, 1982.


TR-13 Schein, Edgar H. "Organizational Culture: A Dynamic Model" March, 1983

TR-14 Lawrence, Barbara S. "Age Grading: The Implicit Organizational Timetable." April, 1983


ORGANIZATIONAL CULTURE: ANALYSIS AND CHANGE

W. Gibb Dyer, Jr.

Alfred P. Sloan School of Management
Massachusetts Institute of Technology

SEPTEMBER
July, 1983

MIT WP 0109-11H
TR ONR 21


This chapter prepared with the support of:
Chief of Naval Research, Psychological Sciences Division (Code 452), Organizational Effectiveness Research, Office of Naval Research, Arlington, VA 22217, under Contract N0014-80-C-0905: NR 170-911.
A great deal of attention has recently been given to examining organizations as units with their own cultures, or as sub-cultural units within the larger societal culture. The various writings on the subject suggest that an organization's culture may determine, to a large extent, whether the organization succeeds or fails. The following list describes what some writers believe are key features and effects of organizational culture:

1. Organizational culture affects employee productivity, job satisfaction and commitment (Ouchi, 1981).

2. Groups in organizations often resist changes in their cultures (Dyer, 1982; Schwartz and Davis, 1981).

3. Conflicts that occur between departments or conflicts accompanying mergers are caused by groups having different cultures (Lawrence and Lorsch, 1967; Daughen and Binzen, 1971).

4. New recruits must learn the company culture to become accepted members of the organization (Van Maanen and Schein, 1979).

5. Organizational culture constrains organizational strategy and policy (Schwartz and Davis, 1981).

6. The field of organization development is devoted to making positive changes in the cultures of organizations (French and Bell, 1978.)

* I would like to acknowledge the contribution of William G. Dyer in formulating the ideas concerning implications for culture change that appear at the end of this chapter. I would also like to thank Edgar H. Schein and Richard Beckhard for their helpful comments.
These views suggest that organizational culture is a key variable in organizational analysis that must be taken into account by those interested in effectively managing change. The rest of this chapter will attempt to define the concept of organizational culture; describe how organizational cultures develop; present a rudimentary framework for mapping culture; and, finally, present a few implications for managing culture change.

What Is Organizational Culture?

There is currently a wide variety of views regarding the definition of the concept of organizational culture (Dyer, 1982). When anthropologists study a culture, they usually begin by examining the physical artifacts present, the language of the "natives," and the various behavioral patterns. Much of what has been written about organizational culture has also focused on what might be called the verbal, behavioral, and physical "artifacts" exhibited by members of an organization (Schein, 1981). Verbal artifacts are socially shared language, stories and myths; behavioral artifacts are found in the organization's rituals, ceremonies, and behavior patterns, while physical artifacts are reflected in the organization's art, its physical environment, and technology. While these artifacts often have important symbolic meaning for members of the organization, they are merely the overt expressions of key perspectives, values, and assumptions. And it is the perspectives, values, and assumptions that are central because they embody the interpretation of the artifacts, thus representing the belief system behind the artifacts. To illustrate, let us briefly examine each of these aspects of culture and describe how they relate to one another.
Perspectives

Perspectives are those socially shared ideas and actions used by members of an organization to deal with some problematic situation. They are situation specific rules of conduct deemed important by members of the organization (Becker, et al., 1961). Moreover, the situations in which these rules are applied differ in their degree of concreteness. They may range from a rather specific situational problem, such as how one should appropriately greet the boss first thing in the morning, to a more general situation such as what one should do to be advanced to a top management position. Furthermore, perspectives entail both the formal and informal rules that a member of the organization uses to guide his or her behavior in these types of situations. One way to identify a "perspective" is to pose a problem. For example a new employee might ask: "what gets a person fired or in trouble in this organization?" or "how should an employee handle the performance review interview?" Depending on the organization, the answers to these kinds of questions often vary greatly, reflecting rather different organizational cultures.

Values

While perspectives prescribe what is appropriate conduct in a specific situation, values are broader, transsituational principles regarding the "goodness" or "badness" of particular artifacts and ideas. Values are the general goals, ideals, and "sins" of the organization. Leaders often attempt to formalize these broad standards in statements of "corporate philosophy" to provide general guidelines for individual and organizational action. For example, one organization's statement of values states that: the organization wants to be profitable; it wants to provide growth for its
employees; it wants to protect the environment; it wants to make a quality product; and the organization wants its employees to be ethical in their business dealings.

Assumptions

The term "assumptions" refers to those taken-for-granted beliefs found at the core of an organization's culture. They are the tacit premises from which the artifacts, perspectives, and values are derived. Although perspectives and values of some organizations may be somewhat similar, if their basic organizational assumptions are different, the organizations themselves will be quite different from each other. It is not always easy to differentiate between an assumption and a value. Both represent ways of looking at the culture and illustrate the way people act, feel, and think in the organization. To illustrate how assumptions underlie these other "levels" of culture, the following example from the "GEM Corporation" is presented.

The relationships between each of these levels of organizational culture is shown in Table 1. At the top of Table 1 is a "verbal artifact" of the culture of the GEM Corporation -- a shared story that concerns how a new manager was told to "do the right thing" to get his idea adopted. The story reflects a situation-specific perspective; that is, managers should show initiative to "push" their ideas, even when told their ideas may not work, and supervisors who may encounter a subordinate with a "crazy idea" should not attempt to stifle their initiative. Furthermore, when one compares this situation to other situations involving GEM's socialization practice of leaving newcomers "alone" and situations where GEM managers demonstrate
their "fear of rules and red tape," a broader value of "autonomy," often discussed by GEM managers, becomes apparent. Finally, after mapping a number of GEM values such as autonomy, we are able to infer that one basic assumption of the GEM culture is that "humans are basically good and capable of governing themselves." Thus, this particular assumption underlies a vast array of artifacts, perspectives, and values. It is the theme that underlies these overt pieces of the GEM cultural mosaic and ties them together.

Categories of Assumptions

Those who have studied cultures have outlined a number of categories of assumptions that may prove useful in the study of organizational cultures (Kluckhohn and Strodtbeck, 1961; Schein, 1981). Table 2 lists the general categories of cultural assumptions and outlines briefly, in question form, the different kinds of orientations within a given category that might be found in a particular organizational culture.

Insert Table 2

While this table presents only six categories of assumptions (of course there may be more), it provides a framework within which to begin thinking about the types of core assumptions one might find when studying culture in organizations. Moreover, students of the field of management and organization studies will notice the striking similarities between some of these categories and the works of other organizational theorists. For example, McGregor's Theory X and Theory Y assumptions closely parallel the assumptions about human nature; the "nature of truth" assumptions are often implicit in the decision making literature on participation, e.g., authoritarian vs. participative; the assumptions about the nature of
activity are often seen in the works of Maslow and Argyris, while the assumptions about the environment seem to reflect the typology of organizations' environmental orientations described by Miles and Snow (1978).

**Cultural Patterns**

Using this framework of organizational culture, the process of uncovering the "cultural pattern" involves deciphering the relationship between the core assumptions operating in a given culture at a particular point in time. For example, a study of the culture of the GEM Corporation conducted by the author revealed three key assumptions of that culture:

1. Relationships are assumed to be collateral, with strong bonds of kinship — "like a family."
2. Humans are assumed to be good, and capable of governing themselves.
3. Truth is discovered through conflict, by confronting and testing ideas.

This particular pattern of assumptions underlies a culture that values autonomy and conflict while maintaining a supportive atmosphere through its strong kinship ties. Much like siblings, members of this organization "fight" with one another, but still maintain close personal relationships. Their strong sense of individual initiative fosters the confrontive, combative atmosphere in the company.

In contrast with this pattern, another organization the author has studied has a culture where relationships are primarily hierarchically ordered rather than being collateral. People are assumed to be untrustworthy and truth is seen as residing in bureaucratic rules and regulations rather than discovered through conflict. The behavior of people in this organization is characterized by careful conformity to company rules and the wishes of those in authority in the organization.
In summary, the key to understanding a given culture is in deciphering the particular patterning of the organization's core assumptions.

"Creating Culture"

The previous discussion outlined what organizational culture is. We will now turn our attention to theories concerning how organizational cultures are created and develop. First, it has been noted that individuals bring their own set of perspectives, values and assumptions to an organization, and this "latent culture" often determines their behavior in the organization (Becker, et al., 1961). While culture is, of course, a social rather than individual phenomenon, to the extent that organizational founders/leaders bring a culture with them and are able to impose their own set of beliefs on their subordinates, they become the "creators" of organizational cultures. Pettigrew (1979) points out that founders and other leaders "may be seen...as creators of symbols, ideologies, languages, beliefs, rituals and myths; aspects of the more cultural and expressive components of organizational life." Thus one determinant of culture may reside in the particular set of perspectives, values and assumptions that key organizational members bring to the workplace.

According to Edgar Schein, as founders/leaders attempt to operate an organization successfully, there are two basic problems that must be solved:

1. The problem of adapting to the external environment; and
2. The problem of integrating members of the organization to work together in a cooperative effort.

Schein argues that organizational cultures emerge as members of the organization attempt to solve basic problems of adaptation and integration. To the extent that a given "solution" to these two problems is deemed
successful and valid by members of the organization, it is reflected in the shared understandings of how to deal with the problem, thus forming the basis of cultural perspectives, values and assumptions (Schein, 1981).

The final determinant of organizational culture that we will consider may be found in the adaptive responses of individuals to a given culture. Schein (1969) describes four basic problems individuals face when entering a group:

1. Identity — "Who am I to be?"
2. Control and Influence — "Will I be able to control and influence others?"
3. Needs and Goals — "Will the group goals include my own needs?"
4. Acceptance — "Will I be liked and accepted by the group?"

The individual solutions to these problems may be many and varied, but if certain individual solutions to these problems are deemed useful by other members of the organization (although not necessarily consistent with the prevailing culture) they may be adopted by others and transmitted to succeeding generations of new members. In this way the cultural pattern may be changed or elaborated as "cultural innovation" takes place.

In summary, current theories of "culture creation" in organizations suggest that:

1. Organization founders or other leaders bring a culture with them to the workplace that is then adopted by other members of the organization;

2. The assumptions, values, and perspectives of a given culture emerge as members of the organization attempt to solve the organizational problems of external adaptation and internal integration; and

3. Individual members of an organization may be "culture creators" by developing successful solutions to the problems of identity, control, individual needs, and acceptance, which are then passed on to the next generation.
Uncovering (Mapping) Organisational Cultures

One of the first procedures needed to bring about change in an organization's culture is to uncover the existing cultural pattern. The following are some areas to examine and questions to ask when doing a study of an organizational culture.

As mentioned earlier, founders are often seen as the source of culture. Thus it is useful when studying culture to discover:

1. Why was the organization founded? What was/is the founder/leader trying to achieve?
2. What problems did/do the founder/leaders encounter in managing the business? How were they solved?
3. What are the founder/leader's perspectives, values, and assumptions concerning how the organization should be managed?

Organizational responses to the problems of adaptation and integration may be discovered by determining:

1. What major crises has the organization gone through? How did the organization deal with these crises?
2. What major changes have been made over time in:
   A. Strategy
   B. Structure
   C. Technology
   D. Organizational Size
   E. Leadership
   How and why were the changes made? How did these changes affect the organization?
3. How does the organization reward and control its members?
4. How are decisions made, e.g., participative vs. authoritarian?
5. What are relations like between employees, e.g., close vs. individualistic?
To determine individual adaptation responses, one might ask:

1. What are the organization's socialization practices?
2. What does an employee need to know or do to become an accepted member of the organization?
3. Which individuals have been successful and which have failed? Why?
4. How does one gain power and influence?
5. How do some get "noticed" and get their ideas adopted?

Of course, these are not all the questions that could be asked, and one should begin to develop questions and hypotheses about the culture as the analysis is in progress.

To begin to find answers to these questions, data might be obtained from the following sources:

1. Key inside informants — The analyst should attempt to find informants who are knowledgeable about the organization.
2. Outside informants — Similarly, interviews might be conducted with customers, suppliers, external consultants, etc., who have had contact with the organization.
3. Observation — If possible, the analyst should observe and participate in the activities of the group under investigation to obtain first-hand accounts of the social scenes of interest.
4. Internal Documents — Annual reports, histories, memos, and operational data are all useful to corroborate and expand on data gathered from interviews and observations.
5. External documents — Industry publications, newspaper reports, and other external reports can also be invaluable sources of information.
6. Questionnaires — While questionnaires have limited benefit in mapping a culture, they can be useful to test hypotheses or gather attitudinal data after a preliminary study of the culture has been completed. One can then write questions that are relevant to the culture.
Before proceeding further, a few notes of caution are in order. First, in a study of culture in an organization one is not likely to find a single organizational culture, but multiple cultures — usually along departmental or hierarchical boundaries. Thus one must attempt to delineate different perspectives, values, and assumptions, and outline the boundaries and "overlaps" between the cultures that may be embedded in the organization. Second, discrepancies between espoused beliefs and actual behavior are commonplace. Thus differentiating the espoused or ideal culture from the practices of members of the organization is a necessary part of cultural studies. The analyst should attempt to discover under what conditions organizational members deviate from espoused beliefs. Finally, cultural studies are often difficult to disguise. Care must be taken to protect informants as well as the organization itself if one agrees to keep the findings anonymous.

Managing Cultural Change

The process of managing cultural change in organizations is relatively unexplored terrain, even though organization development began and persists under the premise that it is interested in creating positive changes in organizational cultures. French and Bell (1978) define organization development as being devoted to "culture change." The following seven steps seem to be the key activities and processes that accompany successful efforts to manage cultural change:
1. **Conduct a Culture Audit**

The first step in the change process involves a diagnosis of the culture. The key perspectives, values and assumptions shared by members of the organization should be mapped, as well as potential subcultures within the organization. Delineating the key situations and activities where the culture is "played out" is an important part of the diagnosis. Moreover, discrepancies between espoused beliefs and actual behavior should also be noted. The goal of the diagnosis is to develop an accurate "map" of the cultural pattern.

2. **Cultural Assessment and Need for Change**

After outlining the cultural pattern, the effects of the pattern can begin to be assessed, and the need for change determined. Cultural change is often needed if 1) the cultural pattern is not solving or will not solve in the future the problems of integration or adaptation facing the organization or 2) the pattern has negative consequences for individuals in the organization. For example, as organizations grow and evolve we often find that their cultures are incompatible with the changing circumstances. The particular values and beliefs that may have been highly functional when a company was small may prove dysfunctional when the organization grows significantly. Likewise, a culture may also create conditions causing poor productivity, low job satisfaction and high turnover. In assessing the need for change, it is critical to determine the causal links between the cultural pattern and current problems facing the organization, and recognize that the various problems may not necessarily arise from the culture, e.g., the problems might be technological, structural, etc.
3. **Assess Cultural Risk**

If a proposed change violates the current cultural values and assumptions, managing the change may be exceedingly difficult. Thus one must assess the risk of failure as well as explore the potential negative consequences to the culture as a result of a given change (Schwartz and Davis, 1981). If a given change is believed to be consistent with the prevailing culture, successful change is more likely. For example, attempting to change from a culture that values autonomy to one that values hierarchical authority and order would probably be quite difficult. However, if a change in a culture that values conflict, like the GEM Corporation, was to advocate the use of a structured conflict decision making model such as the delphi technique, the change might readily be adopted since this model of decision making also operates off the premise that conflict is desirable. In this way the potential risk of any intervention can be assessed by examining its congruence or incongruence with the prevailing cultural pattern. Moreover, since culture is a pattern, any change in one of the key assumptions or values may affect the rest of the pattern. Thus the risk of changing not only the aspect of the culture that is undesirable but other desirable aspects of the culture should be considered.

4. **Unfreezing the Cultural Pattern**

Kurt Lewin has suggested that change only occurs after the system is "unfrozen." In the case of organizational culture, this means that change occurs when the perspectives, values, and/or assumptions are called into question, producing a high degree of tension within the organization.
The view of organizational culture presented earlier characterizes culture primarily in terms of basic assumptions, fundamental beliefs about human nature, the environment, etc. These tacit premises are so fundamental that they are rarely called into question. It seems likely, therefore, that changing them can be quite difficult indeed. A number of studies of organizational culture indicate that most changes in culture are generally not planned, but accompany rather sudden, and at times cataclysmic events such as:

A. Death or retirement of the founder/leader.
B. Leadership succession.
C. A decision to merge or sell the business.
D. Dramatic changes in growth or profitability.
E. Major technological changes.
F. Fundamental changes in strategy and/or structure.

These events often "unfreeze" or destabilize the entire "cultural system," causing all sorts of previously predictable behaviors to become unpredictable. To the extent that members of the organization can anticipate such events and possibly capitalize on the fact that such events provide opportunities to initiate cultural changes, the potential impact of such events on the company culture should be explored.

Although cultural change may be possible in the absence of these kinds of events, fundamental changes in culture will probably not occur unless the cultural pattern is in some way destabilized. Thus managing cultural change
may require a certain opportunism to begin the change process when such events occur, or to create conditions which may unfreeze the pattern.

5. **Elicit Support from the Cultural Elite**

Top management or other opinion leaders are often the "cultural elite" in an organization. They interpret events for members of the organization and are the "culture setters," establishing the rules of conduct to be followed by members of the organization. Successful cultural change is often not possible without the support of these individuals. Thus a strategy for locating these individuals and generating their support is essential.

6. **Selecting an Intervention Strategy**

Once the previous steps have been followed, interventions for carrying out the change can be developed and implemented. While there are a variety of possible interventions that might be used, in most cases cultural change occurs when people adopt a different set of values and assumptions. To accomplish this reorientation, new and old employees alike may need to be socialized to the new cultural pattern. This may require extensive training, new reward systems, and new structures to support the change. Team building, role negotiation and bargaining interventions may also be necessary steps in the change process to change group values and assumptions. Furthermore, key individuals that hold the "old" beliefs may need to be replaced by those who hold the desired set of assumptions and values.
7. Monitoring and Evaluation

Often cultural change does not occur quickly. Such change is characterized by incremental changes over time. Thus a system for monitoring and evaluating the change during the transition to a new set of values and beliefs is essential. Such a system should be used as a means of developing new strategies and interventions to foster the desired changes in the culture, as well as to provide guideposts for measuring the change and performance.

Implications for Creating Culture Change

Changing an organization's culture represents a significantly deeper level of change than simply making modifications in parts of a system. From a systems perspective, the focus of change usually centers on improving certain system outputs by making some modifications in sub-system conditions. But at the deepest level, a cultural change means dealing with the basic assumptions of the organization — the essential character of the organization.

If the analysis presented above is accurate, there is a flow of connection between assumptions — values — perspectives — artifacts. The values, perspectives, and artifacts are natural consequences of the pattern of assumptions. An interesting question concerns how culture changes, given this view. Is the process reversible? If one changes the artifacts or the rules, regulations, and definitions of behavior, will this result in a shift in values or assumptions? At least one connection that appears in this reverse direction comes when new rules, or even physical changes are initiated by a new, strong leader. One of the events identified earlier as having a major impact on an organization's
culture was leadership succession. There is something about a new leader who may have different assumptions and values that has great potential for altering the prevailing pattern of culture. Business history is replete with stories of the effects of an organization’s founder on the culture: Henry Ford, John D. Rockefeller, Thomas Watson, Andrew Carnegie, Hewlett and Packard, J. C. Penney, Willard Marriott -- to name just a few. More recently, there is some anecdotal evidence to support the notion that a new, strong leader can have an impact on the culture of the total organization. Stories are told about the impact of such figures as Lee Iacocca at Chrysler and Charles Brown at AT&T.

Early in the study of organizations, Max Weber wrestled with the issues surrounding this kind of fundamental change in organizations. He clearly saw organizations becoming routinized and bureaucratized, with organizational assumptions moving from kinship and nepotism assumptions to rational, rule-oriented assumptions. Weber then asked the question: “can an organization change out of this bureaucratic mode?” Weber saw the powerful effect of what he called the “charismatic leader.” This person, who others perceive as having special, extraordinary powers, would be able to come into the organization, and by the power of his/her person shift the basic pattern of the organization. It appears that to create change, this person must be both charismatic (as seen by others) and in a position of power and influence. With this power base, the new leader can articulate new patterns and values and have them accepted (although not always without resistance and conflict). Weber points out the charismatic power of Jesus Christ who told the Jews that although in the past they had been told to love their friends and hate their enemies, he preached a new set of beliefs -- to love their enemies, turn the other cheek, go the extra mile. Christ
also taught the ineffectiveness of trying to piece together the old and new cultures. He preached that you could not sew new material into old cloth or put new wine in old bottles. The resulting conflict between the old and new forces led to his crucifixion. But Michels (1949), in his provocative analysis, developed his "Iron Law of the Oligarchy," suggesting that when the charismatic leader is gone, the leader's strong lieutenants or disciples (the oligarchy) attempt to establish the basic pattern of the leader and see that it is perpetuated. This pattern remains until a new charismatic leader emerges and another round of change occurs. This is one of the first theories developed dealing with culture change based on leadership succession of a particular type of leader.

More recently, Alvin Gouldner (1954) and Robert Guest (1962), in their studies of a gypsum mine and an automotive plant, clearly showed the change in the basic cultural pattern of these organizations when the leaders were replaced. The new leaders in each organization held different assumptions about the nature of the workers, the way people should be treated, and the processes for getting decisions made and work accomplished.

It seems clear that at least one planned change strategy for altering the organization's culture is to initiate a change in leadership. But certain conditions appear to be important: 1) the new leader must be seen as having charisma or organizational power; 2) the new leader must have the basic assumptions and values that are seen as being needed to replace the old ones; 3) the new leader needs a certain level of skill in relating to others; 4) the new leader must articulate the new pattern and put in place the perspectives (rules, regulations) and artifacts that represent the new pattern; and 5) if resistance occurs, the leader must be able to manage it in such a way that conflict does not dismantle the organization.
In addition to leadership succession, a different strategy to change organizational cultures has also been attempted. The thrust of this change strategy is centered on trying to change the basic assumptions and values of existing leaders. The argument is: you cannot always replace existing leaders, but it is possible to get current leaders to alter their fundamental assumptions and values and then be a catalyst for initiating broader changes in the organization’s culture. This belief was an integral part of the t-group, sensitivity training movement prevalent during the 1950s and 1960s. During this period, while the t-group was the predominant management training mode, McGregor, Likert, Blake and Mouton were writing about the desirability of the Theory Y, System 4, and 9-9 styles of leadership. Since these styles represent strong basic assumptions about people and organizations, the question was naturally asked: "How do you change an organization from Theory X to Theory Y, or from System One to System Four, or from 9-1 to 9-9?" The answer at the time was to send key managers to a t-group. However, the research done on the impact of t-group training on changing basic organizational cultural patterns is not encouraging. There were indications that people who went through t-groups did go back and alter some of the personal behavior patterns, but it is not clear how much they also changed some of the basic values and assumptions in the organization. Because of the relative ineffectiveness of t-groups in making organization-wide changes, the movement called "Organization Development" (O.D.) emerged emphasizing the alteration of organization structures and processes with less emphasis on changing the basic values of the existing leaders. There is little evidence that O.D. interventions result in a change in the basic assumptions of the organization. Many of those who practice the profession of organization development have cultural
values different from the prevailing culture of the organization they work in, but the interventions that are implemented are often geared toward altering certain system conditions or processes, and are not aimed at producing deeper cultural change.

When, as a result of an organization development intervention, a change is made in an existing procedure, policy, regulation, or behavioral pattern, or a restructuring or job enlargement, there is no question that this represents a change in the culture at one level. However, it appears very possible that certain artifacts and perspectives of a culture can be changed without disturbing its basic assumptions or values to any great degree. Workers in the system can see that some conditions have changed, but the fundamental character of the organization remains the same. The issue of culture change in organizations sharply identifies a critical issue that still needs further investigation: "How important is a change in basic assumptions and values in effecting any real change at any level, and how do you bring about these basic changes in the culture?"

Summary

The topics of organizational culture and culture change are rather new areas of interest in the field of organization development. Comparatively little is yet known about the nature of organizational cultures and how to change them. However, the framework of organizational culture, cultural diagnosis, and culture change presented in this chapter hopefully will provide the reader with some new ideas and tools to better understand and manage the process of culture change in organizations.
Table 1

**LEVELS OF ORGANIZATIONAL CULTURE**

<table>
<thead>
<tr>
<th>CULTURAL ARTIFACT</th>
<th>(shared story)</th>
</tr>
</thead>
<tbody>
<tr>
<td>There's the phrase: &quot;do what's right&quot;.... I was given a story when I first was coming aboard that described it. A middle manager who wanted to do something was told by his boss; &quot;no, you can't do that, that's crazy.&quot; And so he pushed back. He did what was right. He went to the next guy up, his functional boss, and was told that it was crazy. So he went to the vice president's level and they told him it was crazy, but &quot;do what's right.&quot; And then he wound up in the president's office, and he told him it was crazy, but &quot;do what's right.&quot; That kind of thing is a piece of the culture that says &quot;if it's right, you do it!&quot;</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PERSPECTIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers should show initiative — don't merely take &quot;No&quot; for an answer if you believe something is &quot;right.&quot; Superiors shouldn't stifle this initiative.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy is important value in management.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TACIT ASSUMPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humans are basically good, and capable of governing themselves.</td>
</tr>
</tbody>
</table>
**Table 2**

**CATEGORIES OF ASSUMPTIONS**

1. **The Nature of Relationships** -- Are relationships between members of the organization assumed to be primarily hierarchical, collateral or individualistic in nature?

2. **Human Nature** -- Are humans considered to be basically good, basically evil, or neither good nor evil?

3. **The Nature of Truth** -- Is "truth" (i.e., correct decisions) discovered from external authority figures, or is it determined by a process of personal investigation and testing?

4. **The Environment** -- Is there a basic belief that humans can master the environment; or be subjugated by the environment; or attempt to harmonize with the environment?

5. **Assumptions about Time** -- Are members of the organization oriented primarily toward the past, the present, or the future?

6. **Assumptions about Activity** -- Assumptions about the nature of human activity can be divided into a three point range of:
   a. **Doing Orientation** -- Are humans basically proactive?
   b. **Being Orientation** -- Are humans passive and unable to alter existing circumstances?
   c. **Being in Becoming** -- Is a person's primary goal the development of self as an integrated whole?
Bibliography


Michels, R. *Political Parties.* Glencoe, Ill.: Free Press


