

EVALUATING AND TRANSFORMING ORGANIZATIONAL CULTURE

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Regardless of how one feels about attempting to manage organizational culture there are some basic steps that can and should be taken to evaluate and analyze the cultural values and norms of an organization at any point in time. The results of this process can be used as a tool to identify subtle changes that might be implemented in the areas that appear to be catalysts in creating, reinforcing and transforming cultural values and norms including stated instrumental and terminal values, conscious socialization processes, rituals and routines, and organizational language and symbols. Effective evaluation can also be used to develop and implement strategies for transforming those values and norms as deemed necessary for effective execution of the strategies of the organization. The basic steps in analyzing and evaluating the culture of an organization include the following:

- Identify the instrumental and terminal values that are part of the organizational culture and attempt to determine how they are actually influencing the behaviors of the members of the organization.
- Evaluate whether the chosen cultural values of the organization are reflected in the goals, norms, procedures and rules that exist within the organization and whether those goals, norms, procedures and rules are effectively transmitting the selected values to the internal and external stakeholders of the organization.
- Identify the preferred role orientation for employees (i.e., institutionalized or individual) and examine the methods and tactics used to socialize new employees to determine whether they are effective in promoting the desired role orientation.
- Identify the stories, ceremonies, language and symbols used by the organization to illustrate and promote the organization's cultural values and build desired behavior patterns and evaluate their effectiveness in educating employees about the culture of the organization and building commitment to organizational goals and cooperation within the organization.

Certain areas and issues merit special focus and attention during the analysis and evaluation process. One thing that needs to be done is for there to be objective assessment should be made of the behaviors and outcomes that senior management pays the most attention to in terms of measurement and control. The actions that receive the greatest emphasis in terms of allocation of resources and rewards will inevitably be important factors in the cultural values and norms of the organization. For example, if employees believe that their managers are more interested in "form over substance," they will likely spend unnecessary and unproductive time trying to impress their managers with fancy

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presentations that may or may not adequately address the critical issues associated with the subject matter of the presentation. Another example is the organization that constantly stresses a lack of tolerance for any defects in the outputs of the production process. While this type of goal can certainly be understood notice should be taken of the impact it might have on behaviors of managers and employees. One byproduct may be a strong aversion to taking calculated risks which might lead to important breakthroughs for the company because failure would be inconsistent with the prevailing “zero defects” mentality embedded in the cultural values of the organization. Fear of defects may also lead managers and employees to spend excessive time and other resources on projects to obtain “perfection” when it is, in fact, inefficient to seek the higher level of quality. Finally, if the organizational culture is such that employees are punished and ridiculed for challenging existing practices and raising ideas for new ways of doing things it is likely that employees will soon learn not to challenge the status quo and the potential for innovation within the organization will be diminished substantially.

Analysis and evaluation of the prevalent culture characteristics is the first step to making changes thought necessary to improve the effectiveness of the organization. Once the analysis of the current culture has been completed an attempt should be made to identify the most important cultural norms and values and how they are impacting the way in which the organization does business and the how the members of the organization (i.e., the managers and employees) behave as they carry out their day-to-day tasks and interact with one another and external stakeholders. The next step is to clearly define the desired changes in the mission and purpose of the organization and its overall strategic goals and objectives of the organization and to identify the behaviors of managers and employees that appear to be necessary and appropriate to achieve the new goals and objectives. Once that step has been completed senior management must identify the changes in the cultural values and norms of the organization that would be required in order to promote the desired behaviors consistent with organizational strategy. Among other things, senior management must determine what strengths of the current organizational culture should be retained in order to achieve the new strategic goals and objectives and look for ways to continue to encourage and reinforce those specific values and behaviors. In addition, senior management must determine what major weaknesses and deficiencies of the current organizational culture will need to be changed in order to achieve the new strategic goals and objectives. Certain values and norms may be inconsistent with the organization’s new strategy and it is also likely that elements of the organizational culture have having a detrimental impact on the productivity in the workplace and the emotional well-being of the employees. Decisions must be made regarding what new cultural values and behaviors need to be promoted and how that can be achieved including changes in the socialization and ongoing training of employees.

Effecting meaningful changes in organizational culture is a challenging job that must be approached carefully and methodically. Success or failure depends on a variety of factors including the level to which existing cultural values and norms have become embedded within the organization, the magnitude of the changes that are being attempted, the time and resources that the organization is willing to commit to the change effort and the degree of advance planning and follow-through by all of the departments and business

units that will be impacted by the changes. Trice and Beyer have developed the following list of considerations and suggestions that should be taken into account by senior management whenever an attempt is made to change organizational culture²:

- The need for cultural change is best understood and appreciated when significant events have occurred with respect to the organization and its performance. For example, if earnings have significantly deteriorated employees are more likely to accept the notion that some sort of change is needed. However, be careful not to unnecessarily diminish the good things that the organization has done in the past.
- Merely declaring that change is need is not enough; senior management must also provide the rest of the organization with a clear idea about why the changes are needed and how they expect the organization to look and act once the changes have been implemented. This vision of the future should be optimistic, yet realistic.
- It should not be expected that employees will be willing to change simply because it is “best for the organization”. An effort must be made to educate employees about how the changes will benefit them personally and make their day-to-day experience with the organization more enjoyable.
- Senior management must expect and understand the inevitable resistance to change even when it is clear that the status quo is not working. Among employees there will certainly be a fear of the unknown, self-interest, a need for security, and reluctance to deviate from comfortable and habitual activities and attitudes. Departments and other groups within the organization will also have their own objections and barriers based on real or perceived threats to their existing power and influence, different perceptions of organizational issues and goals, and new limits on the resources available to them for their activities.
- Too much change can really be “too much” and senior management must seek to maintain some level of continuity within the organizational culture while focusing on those changes that are absolutely essential.
- Effective and permanent change requires a long-term commitment to implementation and institutionalization of the new cultural elements. Plans for cultural change need to include investment in sufficient resources to make sure that the changes are understood and accepted.
- Change should be communicated through a variety of media and exclusive reliance on impersonal memoranda and e-mail messages should be avoided. Employees should be given opportunities to ask questions, express reservations and make suggestions about the details of implementing the changes.
- Cultural change requires creation and/or modification of cultural forms and senior management should explicitly consider what should be done with respect to stories, ceremonies, rituals, symbols and language.
- Socialization processes should also be modified in order to ensure that new members are immediately exposed to the desired changes in the organizational culture. This will usually require training for managers and others who serve as mentors and teachers for members when they first arrive at the organization.

² H. Trice and J. Beyer, *The Cultures of Work Organizations* (New York: Prentice Hall, 1992).

- Senior managers must be prepared to exercise leadership in describing the desired cultural changes and making sure that they are understood and accepted by all of the employees of the organization. Change leaders must be self-confident, exude a strong belief in the new values and norms, and be able to communicate effectively.

It is important for senior managers to be patient and calm throughout any effort to make significant changes in organizational culture. The oft-quoted phrase that “change does not happen overnight” is particularly true with respect to cultural elements and it should not be expected that changes will be executed with perfection. Organizational cultures take a long time to develop and problems typically arise only after lengthy periods of deterioration. It should therefore not be surprising that positive changes in organizational culture will not occur immediately and a significant period of trial and error may pass before the hoped-for benefits will be realized. When planning for organizational change it is important to create procedures for monitoring progress so that senior management remains on the proper path and attention continues to be paid to implementation.