

50 Shades of Organisational Culture (and why it often sucks)



Once, long ago, there was a time that organisations didn't have 'a Culture'. Or rather, no one knew about it and neither did anyone care. In those days, organisational culture was: show up for work, do as you're told and get paid. And although today we cannot image any company without a cultural strategy, once long ago the sky was blue!

"Culture eats Strategy for Breakfast" (P. Drucker)

And then Mr. Drucker showed up and painfully pointed out that organisations (people in general) had a tendency to develop 'certain ways' to do things. And that the older an organisation became, the more these 'certain ways' turned into unwritten laws that were strictly enforced by the company's veterans. New employees were quickly shown the ropes on 'how we do things around here' and asking why, in general, wasn't a good career move. At the time most organisational culture was purely inductive and could come from anywhere. If a management team was lucky, they were able to exercise some influence over it and nurture the good parts. If they were unlucky however, Mr. Drucker had a point! Organisations quickly recognized that culture could make or break a company. People like Ger Hofstee et al, did much research and wrote several books on the subject. And it didn't take long before companies were all into organisational culture. Managers turned into cultural shamans and every desk chair was allotted its own cultural environment. In other words, company culture was 'hot' and ever since a regular topic on the management agenda. But now, roughly 45 years later, most managers agree that organisational culture is a pain in the buttocks, it sucks big time! And here is why.

Non-Tangible

For starters, company culture is a Non Tangible Asset and therefore very difficult to put a value on. And although many business gurus agree that having a good company culture is worth millions, But I yet have to find this item on the balance sheet of the annual report or in the company's Net Present Value calculation. If it is THAT valuable, I wonder why haven't we been able sell it to someone ?

Immeasurable

What actually is company culture? For some it is the mindset of the people in the organisation (I'm leaning to this one). For others it is the combined history and heritage of the company's founders, products and markets. And again others claim it's the unwritten 'way things are done' and/or 'an invisible brotherhood of working men'. Or even a mix of all these items! Whatever it is, clearly the diverse perception alone makes the phenomenon an immeasurable and unpredictable factor. And since nearly all business dudes agree that this beast can be both an asset as well as a liability, company culture basically is a managers' worst nightmare!

Spiritual or Sectarian

I don't like to bring this up, but this disturbing example makes an excellent point. Most of us remember the stories of a special German armed force from WWII called: "The Waffen SS" or "Gestapo". This group of people developed an almost sectarian organisational culture within the German army with dark magic, occult

rituals and even devil worshipping. Disturbing! But even today we see strange rituals e.g. within the free masons or even the church. This also is organisational culture! And one may wonder how this relates to the well educated, intelligent and science based workforce of today? Do they want be part a of that?

Who Controls It?

As already mentioned, we don't really know what company culture is and that it can come from anywhere. Evidently, this makes culture very hard to direct. Not even to mention that even if we knew where to start, we don't really know how! And while some managers insist that they are 'on top of ' the company's culture, I like to think that it takes only one small bee in the car to create a hell of a mess!. There is very little control over culture.

Who Owns It ?

Basically, nobody and simultaneously everybody. Which brings up a very interesting thought. Rationally, a company's Value = Assets - Liabilities. Everything paid more, is defined as Goodwill. And we believe that Goodwill comprises of Strategy, Structure, Process, etc. But if we all agree that Strategy is insubordinate to Culture, **does that mean that in essence Goodwill = Culture?** And if so, why are the stockholders receiving this value? After all, they're not the only ones who own it!

It's never right for all

A company's culture can only be valued from a certain viewpoint. Take a different viewpoint, and the culture rating can go from very good to very bad. I.e. from an investors viewpoint a strict employee control culture may be great. From an organisational point of view it's a disaster! A Bonus culture (financial industry) may be great for employees. But from a Governance or Customer perspective it's the worsted! In other words, we never get it right.

Compromised by ethnic groups

An then there's these people that are convinced that company culture is about Ethnic background. I.e. the culture is only right if it follows an ethnic tradition, believes or religion. They don't consider at all, what the outcome of their culture is. The culture IS the outcome. Where do you go with this idea? What does it add to your company? Is this something to be nurtured? Or should it be eliminated? We don't know! And please don't think you can ignore this! These people are serious!

It costs lots of time & money

Since we already agreed the no one really knows what culture is, and that no one really owns it, and it's very hard to control, and that we don't really know how to measure it's results aren't we spending a hell of lot of time and money on something we don't know if it brings us something? Wouldn't it be a whole lot easier and cheaper to just forget about the whole thing and get on with or work?

How far must you go?

See, basically culture is learned behaviour. It is the combined subset of all our conditioning, upbringing, schooling, surroundings, events, etc., etc. This all combines in who you are and how you perceive the world around you. It is your Ego. We may try to bring together a group of individuals with comparable experiences and thus comparable life views. i.e. create a 'tribe'. But in essence everyone has a different 'life story' and thus different learned behaviour and

THUS his/hers very own culture! Do we want to tend to them all? Is that even possible? What would that bring us?

Give it some time and we probably could come up with a whole lot more annoying questions. But I guess we've got the point. Organisational Culture is a Complex, Shady and Costly animal. So what should we do with? Here's my five cents on the matter.

So what about it?

Culture is all about people and most people are 'onions'. In the outer layers we show the world the person that we would like to be, or a person that we assume the world likes us to be. Peel those layers away and we find multiple layers of believe systems. I.e. the myriad of life experiences that has programmed a human being into the person that he is. But I assume that at the core, 99% of all people experience the same feelings and emotions when it comes to happiness, love, security, sadness, fear, anger, etc. These values exist from the minute we are born and are rarely compromised by historical outside events. I believe that at the core of the human being, culture (which is learned behaviour) doesn't exist.

So, what does that mean for organisational culture? First, I believe that organisational culture is important, but that it currently receives too much fuss. Because I just don't believe in the full malleability of organisational culture and certainly not that we can create it out of a textbook. I also don't believe we can change, manage or nurture organisational culture using the outer layers of the human onion. We have to go to the core. I believe that if we want to nurture an organisational culture, with certain properties, that works on multiple levels and across multiple different geographical regions, we will need to work with people on finding commonality based on human core values. It is there where basic understanding originates. Because I can't think of a single person that doesn't know what love is.

But for sure, organisational culture will remain a subject with many shades of grey.

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