

A Process for Changing Organizational Culture

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Much of the current scholarly literature argues that successful companies--those with sustained profitability and above-normal financial returns--are characterized by certain well-defined external conditions. These conditions include having (1) high barriers to entry (e.g., the difficulty of other firms entering the market, so few, if any, competitors exist), (2) non-substitutable products (e.g., others cannot duplicate the firm's product, and no alternatives exist), (3) a large market share (e.g., the firm can capitalize of economies of scale and efficiencies by dominating the market), (4) buyers with low bargaining power (e.g., purchasers of the firm's products become dependent on the firm because they have no other alternative sources) (5) suppliers with low bargaining power (e.g., suppliers to the firm become dependent because they have no other alternative customers), (6) rivalry among competitors (e.g., incentives to improve are a product of rigorous competition), and (7) rare products or services (e.g., offering something that no other company provides) (Porter, 1980; **Barney, 1995**).

Unquestionably, these are desirable features that clearly should enhance financial success. A substantial amount of research supports the importance of these factors. However, what is remarkable is that the most successful U.S. firms in the last 20 years have had *none* of these competitive advantages. The top five performers in the last two decades of the twentieth century—before the dot.com bubble—who literally blew away the competition in financial returns—were not the recipients of any of the so-called prerequisites for success. These highly successful firms are Southwest Airlines (21,775 percent return), Wal-Mart (19,807 percent return), Tyson Foods (18,118 percent return), Circuit City (16,410 percent return), and Plenum Publishing (15,689 percent return).

Think of it. If you were going to start a business and wanted to make a lot of money, what markets will you most likely *avoid*? Airlines, discount retailing, consumer electronics, publishing, food distribution. The list of industries represented by these five companies looks like an impending disaster for new entrants--massive competition, horrendous losses in the industry, widespread bankruptcy, virtually no barriers to entry, little unique technology, many substitute products and services, and a non-leadership position in market share. Yet, these five firms out-performed everyone even with none of the special competitive advantages.

What differentiates these extraordinarily successful firms from others? How have they been able to make it when others failed? How did Wal-Mart take on Sears and K-Mart, the two largest retailers in the world at the time, and almost drive them out of business? While Wal-Mart prospered, its largest rivals were forced to sell-off divisions, replace CEOs (more than once), downsize dramatically, close stores wholesale, and even file Chapter 11 bankruptcy. How did Southwest thrive when several of its strongest competitors went belly-up (e.g., Eastern, Pan-Am, TWA, Texas Air, People Express)? How did Circuit City, Tyson Foods, and Plenum Publishing succeed when their competitors went out of business so rapidly that it's hard to keep up? The key ingredient in every case is something less tangible, less blatant, but more powerful than the market factors listed above. The major distinguishing feature in these companies, their most important competitive advantage, the factor that they all highlight as a key ingredient in their success, is their organizational culture. The sustained success of these firms has had less to do with market forces than company values; less to do with competitive positioning than personal beliefs; less to do with resource advantages than vision. In fact, it is difficult to name a single highly successful company, one that is a recognized leader in its industry, that does not have a distinctive, readily identifiable organizational culture.

With very few exceptions, virtually every leading firm has developed a distinctive culture that is clearly identifiable by its key stakeholders. This culture is sometimes created by the initial founder of the firm (e.g. Disney or Microsoft). Sometimes it is developed consciously by management teams who decide to improve their company's performance in systematic ways (e.g., G.E or McDonalds). But, almost all successful companies have developed something special that supersedes corporate strategy, market presence, or technological advantages. They have found the power that resides in developing and managing a unique corporate culture.

Not all organizations automatically possess a strong and highly effective culture, of course, so this article discusses a methodology for how to lead a culture change effort in an organization. A definition of organizational culture is first provided followed by the explanation of a framework for understanding culture in the context of organizations. Finally, a process for initiating culture change is described which can be used in organizational development interventions.

Definition of Organizational Culture

Although over 150 definitions of culture have been identified (Kroeber & Kluckhohn, 1952), the two main disciplinary foundations of organizational culture are sociological (e.g., organizations have cultures) and anthropological (e.g., organizations are cultures). Within each of these disciplines, two different approaches to culture were developed: a functional approach (e.g., culture emerges from collective behavior) and a semiotic approach (e.g., culture resides in individual interpretations and cognitions). The primary distinctions are differences between culture as an attribute possessed by organizations versus culture as a metaphor for describing what organizations are. The former approach assumes that researchers and managers can identify differences among organizational cultures, can change cultures, and can empirically measure cultures. The latter perspective assumes that nothing exists in organizations except culture, and one encounters culture anytime one rubs up against any organizational phenomena. Culture is a potential predictor of other organizational outcomes (e.g., effectiveness) in the former perspective, whereas in the latter perspective it is a concept to be explained independent of any other phenomenon.

Most discussions of organizational culture (Cameron & Ettington, 1988; O'Reilly & Chatman, 1996; Schein, 1996) agree with the idea that culture is a socially constructed attribute of organizations which serves as the "social glue" binding an organization together. A majority of writers have come to an agreement that it refers to the taken-for-granted values, underlying assumptions, expectations, and definitions present which characterize organizations and their members (that is, they have adopted the functional, sociological perspective). Culture represents "how things are around here," or the prevailing ideology that people carry inside their heads. Culture affects the way organization members think, feel, and behave.

Importantly, the concept of organizational *culture* is distinct from the concept of organizational *climate*. Climate refers to more temporary attitudes, feelings, and perceptions of individuals (Schneider, 1990). Culture is an enduring, slow to change, core characteristic of organizations; climate, because it is based on attitudes, can change quickly and dramatically. Culture refers to implicit, often indiscernible aspects of organizations; climate refers to more overt, observable attributes of organizations. Culture includes core values and consensual interpretations about how things are; climate includes individualistic perspectives that are modified frequently as situations change and new information is encountered. The approach to change in this article focuses squarely on cultural attributes rather than climate attributes. It considers the "links among cognitions, human interactions, and tangible symbols or artifacts typifying an organization" (Detert, Schroeder, & Mauriel, 2000:853), or, in other words, "the way things are" in the organization rather than people's transitory attitudes about them.

Unfortunately, most people are unaware of their culture until it is challenged, until they experience a new culture, or until culture is made overt and explicit through, for example, a

framework or model. Most people did not wake up this morning, for example, making a conscious decision about which language to speak. It is only when confronted with a different language, or asked specific questions about language, that people become aware that language is one of their defining attributes. Similarly, culture is undetectable most of the time because it is not challenged or consciously articulated. Measuring culture, therefore, has presented a challenge to organizational scholars and change agents.

Measuring Organizational Culture through Competing Values

The Competing Values Framework has proven to be a helpful framework for assessing and profiling the dominant cultures of organizations because it helps individuals identify the underlying cultural dynamics that exist in their organizations. This framework was developed in the early 1980s as a result of studies of organizational effectiveness (Quinn & Rohrbaugh, 1981), followed by studies of culture, leadership, structure, and information processing (Cameron, 1986; Cameron & Quinn, 1999). The framework consists of two dimensions, one that differentiates a focus on flexibility, discretion, and dynamism from a focus on stability, order, and control. Some organizations are effective if they are changing, adaptable, and organic, whereas other organizations are effective if they are stable, predictable, and mechanistic. This dimension ranges from organizational versatility and pliability on one end to organizational steadiness and durability on the other end.

The second dimension differentiates a focus on an internal orientation, integration, and unity from a focus on an external orientation, differentiation, and rivalry. That is, some organizations are effective if they have harmonious internal characteristics, whereas others are effective if they focus on interacting or competing with others outside their boundaries. This dimension ranges from organizational cohesion and consonance on the one end to organizational separation and independence on the other.

Together these two dimensions form four quadrants, each representing a distinct set of organizational effectiveness indicators. Figure 1 illustrates the relationships of these two dimensions to one another along with the resulting four quadrants. These dimensions have been found to represent what people value about an organization's performance, what they define as good, right, and appropriate, how they process information, what fundamental human needs exist, and which core values are used for forming judgments and taking action (Beyer & Cameron, 1997; Cameron & Ettington, 1988; **Lawrence, 2001**; Mitroff, 1983; Wilber, 2000).

Figure 1 goes about here

What is notable about these dimensions is that they represent opposite or competing assumptions. Each continuum highlights a core value that is opposite from the value on the other end of the continuum--i.e., flexibility versus stability, internal versus external. The dimensions, therefore, produce quadrants that are also contradictory or competing on the diagonal. The upper left quadrant identifies values that emphasize an internal, organic focus, whereas the lower right quadrant identifies values that emphasize external, control focus. Similarly, the upper right quadrant identifies values that emphasize external, organic focus whereas the lower left quadrant emphasizes internal, control values. These competing or opposite values in each quadrant give rise the name for the model, the Competing Values Framework.

Each of the four quadrants has a label that characterizes its most notable characteristics--clan, adhocracy, market, and hierarchy. These quadrant names were derived from the scholarly literature and identify how, over time, different organizational values have become associated with different forms of organizations—for example, Weber's (1947) hierarchy, Williamson's (1975) market, Ouchi's (1981) clan, and **Mintzberg's** (1986) adhocracy. (Similar dimensions have emerged in other scholarly domains--such as organizational quality, child development,

leadership roles, information processing, management skills, organic brain functioning, and philosophy—suggesting that the dimensions and the quadrants are very robust in explaining core values and human orientations) (Mitroff, 1983; Piaget, 1932; Hampton-Turner, 1981; **Lawrence, 2001**; Wilber, 2000).

Organizations tend to develop a dominant orientation and value set—or organizational culture—over time as they adapt and respond to challenges and changes in the environment (Schein, 1996; Sathe, 1985). Just as individuals who face threat, uncertainty, and ambiguity reassert their own habituated behavior with redoubled force (Staw, Sandelands, & Dutton, 1981; Weick, 1993), institutions also tend to respond to challenges by amplifying their core cultural values. As competition, change, and pressure intensify, organizational culture becomes more solidified and is given more prominence and emphasis (**Cameron, 2003** – in Tichy).

Culture Types

As noted in Figure 1, the competing values framework identifies four distinct types of cultures in organizations.

The clan culture, in the upper left quadrant of Figure 1, is typified as a friendly place to work where people share a lot of themselves. It is like an extended family with best friends at work. Leaders are thought of as mentors, coaches, and, perhaps, even as parent figures. The organization is held together by loyalty, tradition, and collaboration. Commitment is high. The organization emphasizes the long-term benefits of individual development with high cohesion and morale being important. Success is defined in terms of internal climate and concern for people. The organization places a premium on teamwork, participation, and consensus.

In the upper right quadrant of the competing values framework is the adhocracy culture. It is characterized as a dynamic, entrepreneurial, and creative workplace. People stick their necks out and take risks. Effective leadership is visionary, innovative, and risk-oriented. The glue that holds the organization together is commitment to experimentation and innovation. The emphasis is on being at the leading edge of new knowledge, products, and/or services. Readiness for change and meeting new challenges are important. The organization's long term emphasis is on rapid growth and acquiring new resources. Success means producing unique and original products and services.

A market culture in the lower right quadrant is a results-oriented workplace. Leaders are hard-driving producers, directors, and competitors. They are tough and demanding. The glue that holds the organization together is an emphasis on winning. The long-term concern is on competitive actions and achieving stretch goals and targets. Success is defined in terms of market share and penetration. Outpacing the competition, escalating share price, and market leadership dominate the success criteria.

The organizational culture in the lower left quadrant, the hierarchy culture, is characterized as a formalized and structured place to work. Procedures and well-defined processes govern what people do. Effective leaders are good coordinators, organizers, and efficiency experts. Maintaining a smooth-running organization is important. The long-term concerns of the organization are stability, predictability, and efficiency. Formal rules and policies hold the organization together.

Cameron and Ettington's (1988) review of the literature found more than 20 dimensions of organizational culture, including dimensions such as internal-external focus, speed, riskiness, participativeness, clarity, power distance, masculinity, and individualism. Each of these dimensions helps establish a profile or a pattern for an organization's culture. By far the three most dominant and frequently appearing pattern dimensions in the literature, however, are

cultural *strength* (the power or preeminence of the culture), cultural *congruence* (the extent to which the culture in one part of the organization is congruent with the culture in another part of the organization), and cultural *type* (the specific kind of culture that is reflected in the organization). Cameron & Ettington (1988) found that “the effectiveness of organizations is more closely associated with the *type* of culture present than with the congruence or the strength of that culture (p.385).”

Profiling Organizational Culture

Cameron and Quinn (1999) reported a great deal of evidence that individuals can accurately describe the cultures of their organizations according to the competing values framework, and that the resulting culture profiles are predictive of multiple performance factors such as organizational effectiveness (Cameron & Freeman, 1991), the success of mergers and acquisitions (Cameron & Mora, 2003), and quality of life in organizations (Quinn & Spreitzer, 1991). The manner in which organizational culture is described and experienced by individuals, in other words, is congruent with the dimensions of the competing values framework (see Mason & Mitroff, 1973; Mitroff & Kilmann, 1976). The key to assessing organizational culture, therefore, is to identify aspects of the organization that reflect its key values and assumptions and then give individuals an opportunity to respond to these cues. An instrument, called the Organizational Culture Assessment Instrument (OCAI), was developed to identify an organization’s culture profile. It has now been used in almost 10,000 organizations worldwide in most sectors (e.g., private sector, public sector, education, health care, new start-ups, NGOs). Examples of the kinds of profiles that result from this instrument are shown in Figure 2.

Figure 2 goes about here

In the OCAI, organization members are provided with a set of scenarios that describe certain fundamental cultural aspects of organizations. Individuals rate their own organization’s similarity to those scenarios by dividing 100 points among four different scenarios, each descriptive of a quadrant in the competing values framework. Six dimensions are rated: (1) the *dominant characteristics* of the organization, (2) the *leadership* style that permeates the organization, (3) the *organizational glue* or bonding mechanisms that hold the organization together, (4) the *strategic emphases* that define what areas of emphasis drive the organization’s strategy, (5) the *criteria of success* that determine how victory is defined and what gets rewarded and celebrated, and (6) the *management of employees* or the style that characterizes how employees are treated and what the working environment is like. In combination these content dimensions reflect fundamental cultural values and implicit assumptions about the way the organization functions. They reflect “how things are” in the organization. This list of six content dimensions is not comprehensive, of course, but it has proven in past research to provide an adequate picture of the type of culture that exists in an organization (see Cameron & Quinn, 1999). By having organization members respond to questions about these dimensions, the underlying organizational culture can be uncovered. The items in the OCAI are reproduced in the appendix.

An important caveat is that it may make little sense to try to describe the culture of the overall Ford Motor Company, for example, inasmuch as it is simply too large, heterogeneous, and complex an organization. Consequently, individuals are directed to target a specific organizational unit as they respond to the questions on the OCAI. Respondents usually are individuals in the organization who have a perspective of the relevant organization’s overall culture, who will be engaged in implementing change initiatives, and whose acceptance is necessary for ensuring a successful culture change effort. These individuals assess the *current* culture of their organization.

Using individual scores on the instrument, respondents participate in a discussion to generate a consensual view of the current organizational culture (not an *average* view), with everyone

having input into the consensus profiling process. Considering the potentially disparate perspectives of individual raters is a rich and enlightening part of culture assessment since it uncovers multiple perspectives that may go unnoticed otherwise. This discussion builds understanding, opens lines of communication, and reveals elements of the organization's culture that a single individual or task force may miss.

Following this consensus building discussion focused on the current culture, this same group of respondents completes the OCAI a second time. This time they rate the OCAI items in response to this question: *If your organization is to flourish, to achieve dramatic success, and to accomplish its highest aspirations in, say, five years, what kind of culture will be required?* After individual culture scores are produced a second time, a consensus building process occurs again in which a preferred future culture profile is developed by the respondent group. The *current* and the *preferred future* culture profiles can then be compared to determine the extent to which a culture change process is required. In a large majority of organizations, some culture change is desired as indicated by a difference in the culture profiles resulting from the two consensus building discussions.

A Process for Changing Organizational Culture

Changing organizational culture is a very difficult goal to achieve, not only because culture is largely unrecognized, but because once set, commonly shared interpretations, values, and patterns are difficult to modify. However, once it has been determined that culture change is a desired objective, members of an organization can engage in a set of steps that will put a culture change process in motion. The outcome of these steps is a process for moving an organization's culture from the current state to the preferred future state. These steps are based on the work of several authors who have described successful change interventions aimed at organizational culture change (e.g., Hooijberg & Petrock, 1993; Denison, 1989; Trice & Beyer, 1993; Cameron & Quinn, 1999; **Kotter, 1995**). These steps initiate change in individual and organizational processes, conversations, language, symbols, and values, none of which by itself ensures that culture change will occur, but in combination they create a great deal of momentum toward fundamental culture change in organizations.

To explain these seven steps, an (anonymous) organizational example is provided with its current and preferred future culture profiled in Figure 3. The solid line represents the organization's current culture, and the dotted line represents the preferred culture. The results of the culture assessment process indicated that this organization desired to change its culture toward the clan and adhocracy cultures and away from the hierarchy and market cultures. Examples of how this organization engaged in this seven step culture change process are provide below.

Figure 3 goes about here

1. *Clarifying meaning.* The first step in culture change is to clarify *what it means* and *what it doesn't mean* for the organization's culture to change. Moving toward one particular type of culture does not mean that other culture types should be abandoned or ignored. It means only that special emphasis must be placed on certain factors if the culture change is going to be successful. Questions that may be addressed when determining what culture change means and doesn't mean include: What are the attributes that should be emphasized if the culture is to move toward the preferred quadrant? What characteristics should dominate the new culture? What attributes should be reduced or abandoned in the move away from a particular quadrant? What characteristics will be preserved? What continues to be important about this culture type even though there will be an emphasis on another culture type? What are the most important trade-offs?

The purpose of this step is to clarify for the organization the things that won't change as well as the things that will. Wilkins (1989) identified the importance of building on corporate character in any change effort, that is, on the core competencies, the unique mission, and the special organizational identity that has been created over time. An organization should not abandon core aspects of what makes it unique, whereas some other aspects of the organization will need to be transformed. Identifying what culture change means and doesn't mean helps remind the organization about what will be preserved as well as what will be changed.

By way of illustration, the organization profiled in Figure 3, for example, interpreted a culture change toward the clan quadrant to mean more employee empowerment, more participation and involvement in decision making, and more cross-functional teamwork. More clan emphasis did not mean lack of standards and rigor, an absence of tough decisions, or a tolerance for mediocrity. Further, moving away from the hierarchy quadrant was interpreted to mean fewer sign-offs on decisions, less micro-management, and eliminating paperwork. It did not mean lack of measurement, not holding people accountable, and not monitoring performance.

2. *Identifying stories.* Since organizational culture is best communicated through stories (Martin, 1992; Martin, et al., 1983), a second step is to identify one or two positive incidents or events that illustrate the key values that will characterize the organization's future culture. That is, real incidents, events, or stories are recounted publicly in order help individuals capture a sense of what the culture will be like when the new culture is in place. What will the new culture feel like? How will people behave? What is an illustration of when something consistent with preferred future culture has occurred in the past? The key values, desired orientations, and behavioral principles that are to characterize the new culture are more clearly communicated through stories than in any other way. Not only do these stories help clarify the culture change, but individuals are less anxious about moving into an unknown future when they can carry parts of the past with them. When the parts of the past being carried forward are examples of best practices, peak performance, and aspirational levels of achievement, organization members are motivated to pursue them, they are clear about what is to be accomplished by the change, and they can identify with the core values being illustrated.

In the organization illustrated in Figure 3, the most common and motivational story associated with the preferred future culture was of a special project that had recently been accomplished approximately 75 percent ahead of schedule and 80 percent under budget with extremely high morale and identification among employees. Numerous examples of innovation and entrepreneurship made that achievement possible. In fact, the watch cry was, "Make the impossible possible" in the project team. Elements of that story were used to illustrate what the organization as a whole was shooting for in their future culture.

3. *Determining strategic initiatives.* Strategic initiatives involve the activities that will be started, stopped, and enhanced. They are actions designed to make major changes that will produce culture change. What new things must be begun? What activities will be stopped, or what would have been done that will now not be done as a result of the culture change initiative? Most organizations have much more difficulty stopping something than starting it, so identifying what won't be pursued is a difficult but critical step. What resource allocation changes does this imply? What new resources will be required? What processes and systems need to be designed, or redesigned, to support the change initiatives? In what ways can the organization's core competencies be leveraged and magnified so that the culture change products a sustained competitive advantage?

Identifying what is to be started is a way to help the organization think of strategic initiatives that have not been previously pursued. Identifying what is to be stopped helps focus resources and energy so that non-value-added activities—usually characteristic of the previous culture—will not inhibit the change process. Identifying what is to be enhanced implies that some activities

being pursued currently can engender change if they are enhanced with more resources, more attention, or more leadership.

Examples of strategic initiatives in the illustrative case in Figure 3 include the development of a leadership development program, a unique employee ownership program, and a budgeting process that set aside funds for entrepreneurial ventures and experimentation within the company.

4. *Identifying small wins.* The rule of thumb regarding small wins is to find something easy to change, change it, and publicize it. Then, find a second thing easy to change, change it, and publicize it. Small successes create momentum in the desired direction, inhibit resistance--since seldom do people resist small, incremental changes--and create a bandwagon effect so that additional supporters get on board. When individuals see that something is changing, even if it is small in scope, a sense of progress and advancement is created, and that sense helps build support for the larger and more fundamental changes. The biggest mistake made by organizations instituting a small wins strategy is that the first two steps are achieved but not the third. That is, small changes are initiated but they are not publicly acknowledged and celebrated. The publicity accompanying the small wins is the chief momentum creator.

In the illustrative case (Figure 3), part of the culture change effort involved the dismantling of an old program, including some physical structures. Certain of these visible physical structures were dismantled even though doing so was not a necessary part of the new strategy nor did their demolition create any particular advantage. The removal of the structures was simply part of a small wins strategy—to show progress, create a sense of momentum, and build support for the larger initiatives. Other small wins included things as simple as changing a color scheme in buildings, painting offices, decorating work spaces, and eliminating (or creating) special parking spaces.

5. *Craft metrics, measures, and milestones.* Determining the key indicators of success, what to measure, how to measure it, and when certain levels of progress will be noted is a crucial part of the change process. An important shortcoming in most change processes, especially when the target of change is as soft and amorphous as organizational culture, is the neglect of hard measures of achievement and progress. Change requires the identification of indicators of success in culture change as well as interim progress indicators. A data gathering system needs to be designed as does a time frame for assessing the results. What gets measured gets attention, so the key initiatives and outcomes must have metrics and measuring processes associated with them. Of course, overloading systems with multiple measures is a sure way to kill change initiatives, so the key to good metrics, measures, and milestones is to identify few enough to be helpful, attached to decisions and resource allocations, attached to the key levers and indicators of change, and understood by those involved in the culture change process.

By way of example, the organization in the case illustration specified times for specific changes to be completed, designed follow-up and reporting events, and developed mechanisms such as a monthly interview program in order to ensure that individuals and organizational units followed through on personal commitments and assignments.

6. *Communication and symbols.* It is certain that resistance to culture change will occur in the organization. Individuals' basic way of life will be challenged and changed, and familiar territory will be altered. Fundamental aspects of the organization will be changed, so culture change is sure to generate stiff resistance. Communicating the culture change process, therefore, is a critical tool in helping to overcome resistance and generate commitment. Explaining why the culture change is necessary and beneficial is probably the most vital step in generating commitment. Research suggests that people tend to explain "why" to people they care about and hold in high esteem. They tend to tell "what" to those they care less about or hold in low esteem.

Explaining “why,” therefore, communicates both caring and esteem to those involved in the culture change process.

Sometimes in order to make a case for change, the current or past state is criticized or denigrated. The problem is, most organization members were a part of the previous condition as well as part of the future culture change. Criticism of the past diminishes commitment because it is interpreted as a criticism of organization members’ previous best efforts. Instead of criticism, holding a funeral—celebrating the best of the past but outlining a future in which certain parts of the past will not be carried forward—is a more effective way to move past aspects of the old culture that will be buried and left behind.

Building coalitions of supporters among key opinion leaders, involving individuals most affected by the changes, and empowering individuals to implement aspects of the change process are also ways to help reduce resistance. Sharing as much information as possible on a regular basis, and as broadly as possible, helps inhibit the tendency people have to make up their own information in the presence of ambiguity or uncertainty. Reducing rumors by providing factual information, providing feedback on initiatives, and holding public events to share up-dates are all ways to engender support.

Finally, among the most important initiatives that accompany culture change is a change in symbols. Symbols are visual representations of the new state, so identifying symbols that signify a new future is an important part of culture change. Symbols help organization members visualize something different, provide a new interpretation of the organization, and provide a rallying point for people supportive of the change. New logos, new structures, new events, new charters, or other symbolic rallying points can be used.

The organization in Figure 3 produced video tapes featuring individuals working on the culture change to highlight progress in the change efforts, held regular town meetings to share up-dated information, sent teams of representatives to various parts of the organizations to address questions and hold focus groups, and created numerous symbols—including specific company songs—signaling the successful culture change initiative.

7. *Leadership development.* All organizational change requires leadership, champions, and owners. Culture change does not occur randomly or inadvertently in organizations, and it requires leaders who are consciously and consistently directing the process. A great deal has been written on the role of leaders in change processes, of course, and a review of leadership principles are not repeated here. However, two key points should be made. One is that each aspect of the culture change process—for example, each strategic initiative, each communication process, and so forth—needs a champion or someone who accepts ownership for its successful implementation. Accountability is maintained best when specific individuals are designated as owners of the initiative—and an array of owners helps ensure broad participation and commitment. Second, not only must current leaders champion the culture change, but a cohort of future leaders must be prepared to lead the organization when the culture change has been put in place. The new leadership competencies that will be required in the preferred future culture must be specified. Differences between current leadership and future leadership requirements should be articulated. Then, learning activities, developmental experiences, and training opportunities must be put in place to develop the needed leadership competencies. Selection processes must be aligned with the strengths needed in the future culture, not just the way things are at the present time.

The organization illustrated in Figure 3 implemented activities such as the following to help ensure that sufficient bench strength existed in their leadership ranks to lead the transformed organizational culture: (1) on-going 360 feedback processes with sponsorship and coaching, (2) formal mentoring by (mainly) senior executives, (3) management development and training

programs, (4) assigned reading material outside the normal work-related material, (5) attendance at professional conferences each year, (6) a formalized support group for high potential leaders, (7) developmental and stretch assignments at work, (8) non-work service opportunities aimed at giving back to the community.

Summary

Almost all organizations develop a dominant type of organizational culture over time, and these culture types can be reliably and validly assessed using an instrument based on the competing values framework (see Cameron & Quinn, 1999). Particular types of cultures form as certain values, assumptions, and priorities become dominant when organizations address challenges and adjust to changes. These dominant cultures help the organization remain consistent and stable as well as adaptable and flexible in dealing with the rapidly changing environment. Whereas organizational cultures often change in predictable ways over time (Cameron & Whetten, 1981; Quinn & Cameron, 1983) organizations face the need to change cultures as a result of environmental jolts, mergers and acquisitions, new marketplace opportunities, or the need to implement certain kinds of organizational changes. Without a change in culture, for example, most change initiatives such as TQM, downsizing, mergers and acquisitions, and teamwork often fall short of expectations (Cameron, 1997). The problem with trying to change culture is that it is such an amorphous and vague characteristic of organizations, it is hard to know what to target and where to begin. This article has explained one relatively well-known process for effectively leading an organizational culture change process. An instrument has been discussed that helps assess the organization's current culture, its preferred future culture, and the leadership activities that are needed to help culture change occur.

The main objectives in outlining this assessment process and the seven steps for implementing culture change are to help ensure that the organization is clear from the outset regarding what its current culture is and why it needs to change. A common mistake in organizations desiring to improve is that they do not take the time to create a common viewpoint among employees about where the organization is starting and where it needs to go. Unsuccessful organizations often launch a new change program without considering the need to develop a consensual view of the current culture; to reach consensus on what change means and doesn't mean; the specific changes that will be started, stopped, and enhanced; the small wins and celebrations that are required; the measures, metrics, and milestones required for accountability; the communication system that is required; and the on-going leadership demands faced by organizations in the midst of culture change (Cameron, 1997). This article simply provides a short but well-tested formula for overcoming the common obstacles to culture change and helping to make the process of culture change more systematic.

Figure 1 The Competing Values Framework

Figure 2 Culture Profiles for Six Organizations

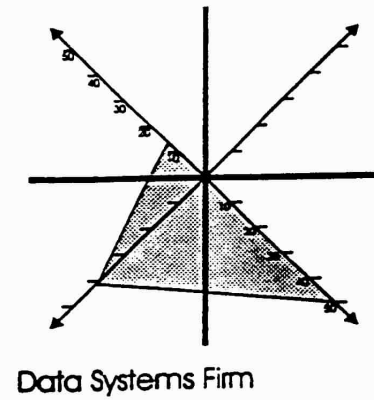
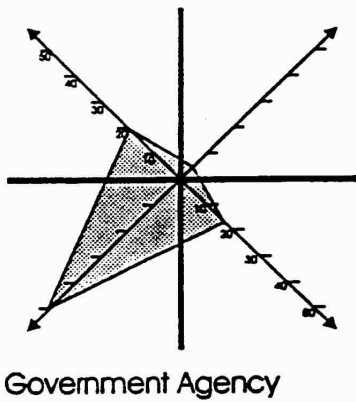
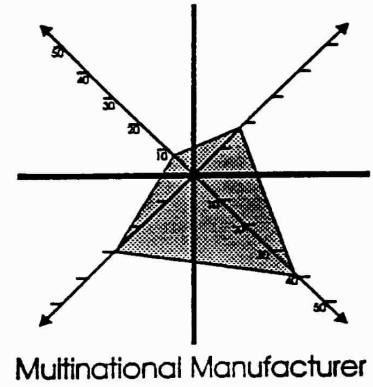
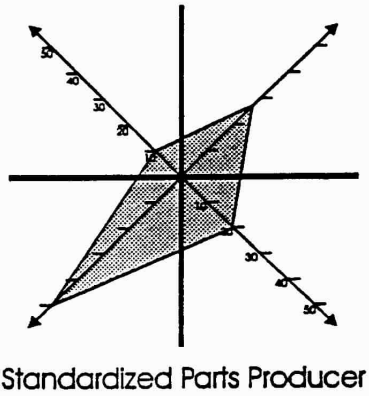
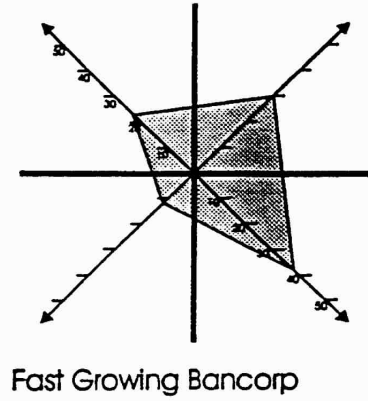
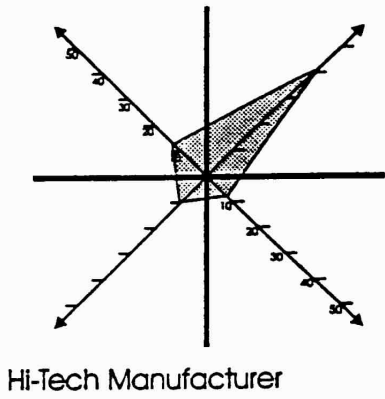
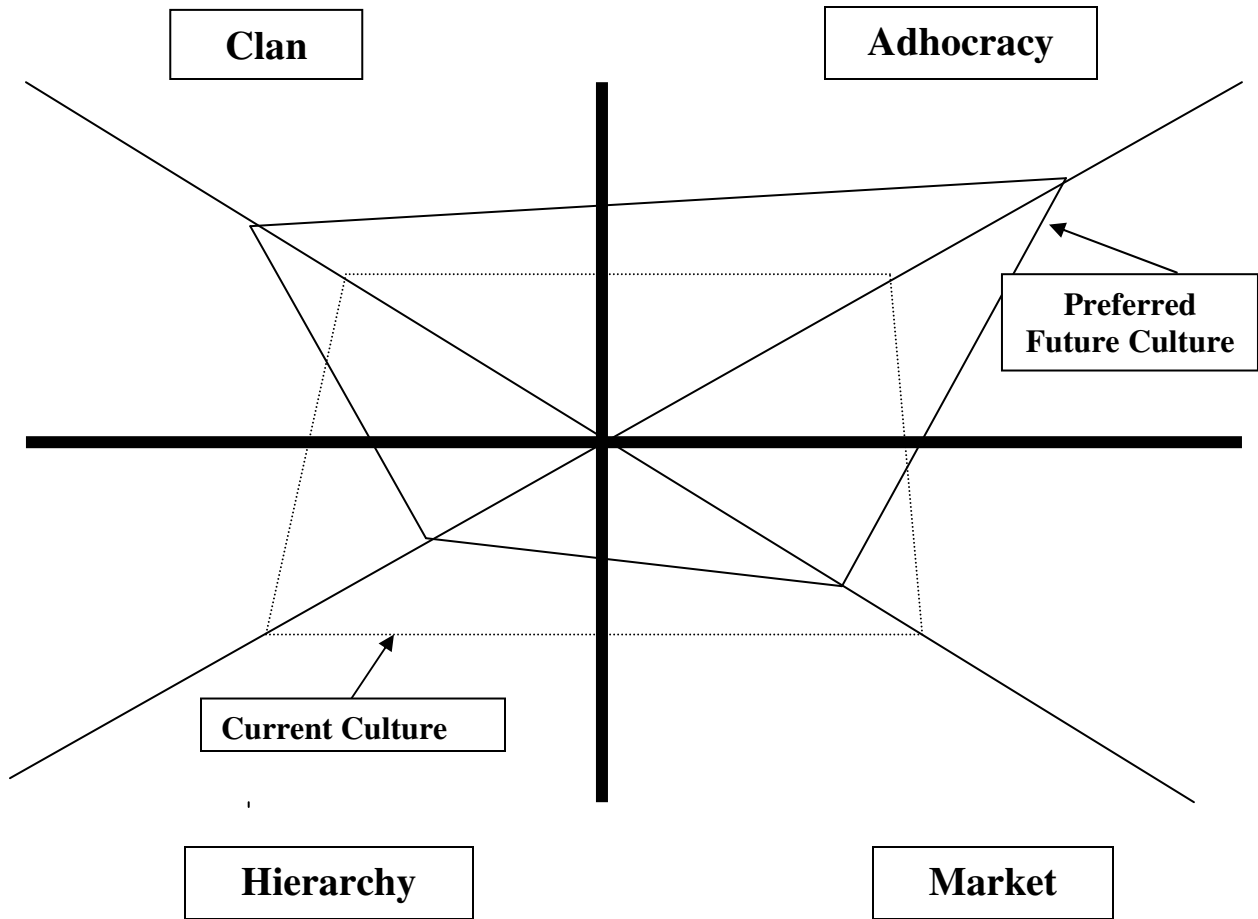


Figure 3 Comparing an Organization's Current and Preferred Future Culture Profiles



Appendix The Organizational Culture Assessment Instrument
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1. **DOMINANT CHARACTERISTICS**

- A. The organization is a very special place. It is like an extended family. People seem to share a lot of themselves.
- B. The organization is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks.
- C. The organization is very production oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.
- D. The organization is a very formalized and structured place. Bureaucratic procedures generally govern what people do.

2. **ORGANIZATIONAL LEADERS**

- A. The leaders of the organization are generally considered to be mentors, facilitators, or parent figures.
- B. The leaders of the organization are generally considered to be entrepreneurs, innovators, or risk takers.
- C. The leaders of the organization are generally considered to be hard-drivers, producers, or competitors.
- D. The leaders of the organization are generally considered to be coordinators, organizers, or efficiency experts.

3. **MANAGEMENT OF EMPLOYEES**

- A. The management style in the organization is characterized by teamwork, consensus and participation.
- B. The management style in the organization is characterized by individual risk-taking, innovation, flexibility, and uniqueness.
- C. The management style in the organization is characterized by hard-driving competitiveness, goal directedness, and achievement.
- D. The management style in the organization is characterized by careful monitoring of performance, longevity in position, and predictability.

4. **ORGANIZATION GLUE**

- A. The glue that holds the organization together is loyalty and mutual trust. Commitment to this organization runs high.
- B. The glue that holds the organization together is orientation toward innovation and development. There is an emphasis on being on the cutting edge.
- C. The glue that holds the organization together is the emphasis on production and goal accomplishment. Marketplace aggressiveness is a common theme.
- D. The glue that holds the organization together is formal rules and policies. Maintaining a smooth running organization is important.

5. **STRATEGIC EMPHASES**

- A. The organization emphasizes human development. High trust, openness and participation persist.
- B. The organization emphasizes acquiring new resources and meeting new challenges. Trying new things and prospecting for new opportunities are valued.
- C. The organization emphasizes competitive actions and achievement. Measurement targets and objectives are dominant.
- D. The organization emphasizes permanence and stability. Efficient, smooth operations are important.

6. CRITERIA OF SUCCESS

- A. The organization defines success on the basis of development of human resources, teamwork, and concern for people.
- B. The organization defines success on the basis of having the most unique or the newest products. It is a product leader and innovator.
- C. The organization defines success on the basis of market penetration and market share. Competitive market leadership is key.
- D. The organization defines success on the basis of efficiency. Dependable delivery, smooth scheduling, and low cost production are critical.

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