



LEARNING, CULTURE, AND CORPORATE CHANGE PART ONE: THE IMPORTANCE OF CULTURE

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We Learn Through Culture

Culture is the *human engine and steering wheel of enterprise*, the sum total of the human-created influences within the company. Think of culture-in-action as “how we do things around here”. Culture includes beliefs, values, habits, and other influences that set strong expectations for group and individual behavior. These cultural expectations are potent, not trivial, and tend to hold everyone in place. Once culture is in place, much of what the group members, i.e., company employees, think and do becomes habitual and automatic.

Culture is the very air we breathe. I remember two incidents from my early childhood growing up on a Nebraska farm. When I was a small child, farming was incredibly dirty work. In managing livestock there was the handling of feed and animal waste; working on tractors in fields was accompanied by the ever-present cloud of dust and insects; working on machinery involved grime, fuels, lubricants, and accumulated dirt and debris; harvesting and handling grains and hay was a scratchy, itchy job done in a cloud of mold, dust, dirt, and particles of plant matter; there were buildings to keep clean, a big place to maintain, and welding and carpentry to do. There was a lot of dust and grime, and most of the time when you did farm work you got pretty dirty.

One day, around 1950, when I was about five years old, I was watching the men work on a broken corn picker mounted on a tractor. Within a short time everyone was grimy and grunting, while straining at bolts and other stubborn parts of machinery. I was small and invisible to them. After an hour or so I went to the side of another tractor, took a handful of grime off of the engine block, and smeared it on my hands, arms, and face. Then I picked up a wrench, found a stubborn nut, and went to work. I grunted like the men, wiped my hands on my pants, and shortly had the plug removed from the oil pan of the tractor, whereupon all the engine oil ran out onto the ground. Fortunately the engine wasn't running so it wasn't ruined. When the men finally stopped for lunch, I became visible again, along with what I had done. The ubiquitous question to small children, “What are you doing?” was answered by the equally ubiquitous response to the adults, “I don't know.”

But I did know. I was working like a man. I simply duplicated what was obvious to me, namely being terrifically dirty and straining at a bolt or nut with a big wrench. Until I was asked what I was doing, my sense of accomplishment at having gotten that big and stubborn plug out of that hole was considerable. Here I was, at a very young age, being acculturated into the world of men doing farm work. My desire to join that group was real and palpable. I wanted to be dirty too. I wanted to use a wrench. I wanted to get a bolt loose. I wanted to be part of what was going on, so I did my best to copy what they were doing.

This process of enculturation happens because humans are inherently social animals. We have a deep need to fit in and be accepted. When a human being large or small is dropped into a new cultural environment, he or she will immediately begin to scope out and learn “how things are done around here.”

A true loner is a rare exception, and is generally viewed as weird, odd, different, and possibly even dangerous. Sometimes the group will accept or tolerate a loner or misfit, but not usually or completely.

The second incident from my childhood involved one of my mom’s silver dinner knives and a wooden-framed window screen on the house. I had observed the men using crowbars and nail pullers to take apart some mangers that were to be rebuilt. I wandered off to the house, took one of the dinner knives (a nail bar in my view), and proceeded to take down a window screen. Within thirty minutes I had entirely dismantled the wooden frame, as well as ruined the knife. I had the sense to know that this was not all good. So I hid the evidence beneath the porch, which was later found. I denied everything, having not yet learned the rules of evidence.

So here I was again, duplicating men’s work, real work, as I saw it. Once again I was mimicking behavior, learning to be a man, in general, and a farmer in particular. The organizational equivalent of my farm-boy stories is duplicated in thousands of settings and millions of ways every day in large and small companies. It’s as true of adults as it is of children that we tend to scope out what is going on and how it is done, and then work to reproduce it. Like children, that which is most obvious to us is most likely to be replicated in our efforts and behavior. We try to learn and embody the company culture—just as I did as a five year old. After we’ve been inside a company for five, ten, or twenty years, we’ve not only learned the culture, but we’ve become one of the transmitters and enforcers of the culture.

Why Is Culture Important?

Culture brings the past into the present and projects it into the future. Culture reinforces precedents and carries forward tradition. Culture provides for stability and continuity, and in that way can be a very good thing. Culture can also resist change and innovation, smothering personal freedom, creativity, experimentation, and progress. In business, *company culture* can cut both ways. If the external realities are fairly stable, and the company has a strong identity and culture that is in alignment with those realities, then culture contributes to success. However, when external circumstances change dramatically, requiring equally substantial change within the company, a strong culture can often interfere with the company’s ability to adapt. Unless the culture is one that values rapid response, creativity and innovation, and readily embraces change, quite often culture gets in the way of a company’s ability to change.

The Need For Change

Today we have a business world characterized by ever-accelerating change. There are more players and stronger players, there are more entrepreneurs world-wide than ever in history, new technologies are having transformational impacts on all businesses and industries, markets are more open and free, pace of life is increasing, and customers are more demanding. All these changes are creating *pivotal realities* for companies, and the entire business environment is

becoming more Darwinian in nature. Many companies are being forced to change. It's truly—adapt or die. As the external environment changes, companies must match or exceed that rate of change. As we know, particularly from legacy companies in legacy industries, such change is really remarkably difficult.

Prerequisites For Fast, Effective Change

Any time we set out to accomplish dramatic, rapid change we'll be swimming upstream against culture—history, habit, customs, values—and an unbelievable set of arrangements that were designed for another time and another context. Many people in the company will have personal stakes in keeping those arrangements just as they are, regardless of how badly they fit present realities. Virtually no one readily and willingly gives ground when personal stakes are involved, and many will have a strong sense of entitlement to the benefits of “things as they are.”

In addition, while constancy and familiarity may be boring to some, to many others it's reassuring and comforting. Many employees resist the idea of disrupting the stability they've grown used to; never mind that underlying that “stability” is a deep vulnerability created by changed circumstances. Finally, some—perhaps many—by virtue of unwillingness or inability, will be unable to meet the demands imposed on them by the new regime. Some can't make it no matter how hard they might try, and these employees—some of them with long service—will be afraid of the changes being articulated by senior leadership.

Ideally a successful change initiative brings the maximum number of people *willingly* to the change effort, and results in a critical mass of truly committed employees. What, then, are the prerequisites for creating this willingness and commitment? Willingness and commitment are founded on understanding. If we want willing and committed people, then we must help them understand how the company's circumstances have changed, the implications of those changes, what can be done, and what it means to them.

The Leadership Challenge: Defining, Modeling, Inspiring, And Enforcing

The leadership challenge has four parts. The first is to clearly articulate the culture that's needed for success, and to articulate the changes from the old to the new. The second and third are to personally embody the new culture—to demonstrate—and to inspire people to implement the changes. The fourth is to make it real through all the various mechanisms of reward and enforcement.

Leaders must ask: What is it that we want people to see and hear every day when they come to work? What do we want them to think is important and to replicate in their own work? How do we make sure that the visible goals and processes that dominate the work culture are the ones that lead to organizational vitality? What values and principles will make the best corporate culture and best ensure real success? How do we establish these and put them in place so that new members are acculturated into practices that truly work and are aligned with the purposes and goals of the business?