



Managing culture – making culture work for you

This fact sheet has been produced by the consortium research program's research activity 4: *Cultures and structures*. Its aim is to help RTOs develop a greater understanding of the impact of cultures on their organisational capability.

An understanding of culture in organisations can offer insights into individual and group behaviour, and leadership. It can help to explain not just what happens in an organisation, but why it happens. However, many people are concerned not just with understanding culture, and hence organisational life. They see culture as something to be influenced to achieve organisational goals of productivity, profitability, and success in core business. They want to manage culture.

Can culture be managed?

Optimists believe culture can be managed; pessimists deny that it can be, according to Ogbonna and Harris (2002).

They claim that optimists are often business oriented people, who optimistically see the culture of an organisation as being unified and unitary. On the other hand, pessimists are often academically or theoretically oriented, and more interested in explanations than practical utility.

Realists, however, can see both sides of the debate. They are often interested in exploring culture change and are ready to admit some influence – if not control – of culture.

Can culture be changed?

One of the major ways that managers believe they can manage culture is by changing it.

They can use one of the guides that are available, that suggest how to form, transmit or change culture, such as that by Schein (2004).

However, just because people's behaviours have changed in some measurable way, it does not mean the organisational culture has changed – although behaviour change may be all that managers are interested in.

Difficulties in managing culture

- Management of culture is difficult if there is no agreement on what culture is – and culture can be viewed in an enormous variety of ways.
- The complexity of culture can lead organisations to attempt "quick fixes" that are superficial.
- Value-laden judgements on what is the 'right' culture for organisations, without taking into account the unique environments in which they exist, can also make success difficult for managers.

What are the ethics of trying to manage culture?

Lewis (2001) poses organisations with ethical questions they could ask before attempting to manage – or change – culture to influence organisational capability:

- What are the moral and ethical implications of trying to alter such things as feelings, beliefs, values and attitudes?
- Is culture the prerogative of management and does management have the right to try to control or change it?

- What does culture change do to the quality of life for people in organisations?
- What costs to individuality result from encouraging people to devote themselves to the values and products of the organisation, and then asking them to assess their own worth in these terms?

What tools can you use to manage culture?

Tools for managing culture include:

1. management systems
2. organisation models
3. strategies.

Some of these have been influential for a time, and have then been replaced or extended by new ideas. They can often be seen as trends and fashions – some enduring and some not.

1. Management systems

Some management systems used by managers attempting to manage organisational culture include:

Organisational development (OD)

This is a management system of slow, planned change. It is loosely shaped around organisational culture, emphasising how participation, teamwork and problem solving can help an organisation survive environmental challenges. It is still being used, but its effectiveness is being challenged.

Total Quality Management (TQM)

This is a management system used to increase an organisation's productivity and quality by focusing on people making continuous incremental improvement within existing cultures. Some see it, however, simply as a control system which produces and enforces uniformity, without an understanding of existing organisational culture and the possibility of sub-cultures.

Business Process Re-engineering (BPR)

This is a management system of forced, speedy culture change. Where TQM builds a culture that

supports improvement, BPR is a result of frustration over the time it takes to do this.

Competence Based Management (CBM)

This is a system concerned with increasing productivity through a dynamic, systemic, cognitive and holistic view of management. Some see it however, as being based on an economic-rationalist mindset that fosters a culture that can be exploitative of both people and ecological resources.

Terragnismo

This is a management system springing from 1980s Argentina, based on an organisational culture in which knowledge is treated as an asset, and which has strong human and emotional values, high levels of employee involvement and equality, and preference for growth over profits. Prediction, control and efficiency are not as important as adaptability, participation, effectiveness and learning. Organisations using this approach include Semco, VISA card and Mercedes-Benz Credit.

Systems for the future

Peter Senge (1992) presents tools and ideas for what he calls 'systems thinking' that provides a conceptual framework for the way individuals perceive themselves and the world.

He says systems thinking involves a mind-shift from seeing parts to seeing wholes, from seeing people as helpless reactors to active participants in shaping their reality, and from reacting to the present to creating the future. It is a framework for seeing interrelationships not things, and patterns of change rather than static 'snapshots'.

Systems thinking provides an antidote to the helplessness caused by overwhelming complexity, and destroys the illusion that the world is created of separate, unrelated forces.

2. Organisation models

Some organisation models used by managers attempting to manage organisational culture include:

Sustainable organisations

The sustainable organisation demands a radical change in thinking about culture, transforming the organisation from being part of the problem to being part of the solution. It is concerned with increasing productivity in the long-term in order to survive. Its managers aim to build human capabilities that create continuing innovation and high performance. It challenges the dominant economic paradigm and involves broader interests than just shareholders, such as the community in general, the biosphere and future generations (Dunphy et al, 2000).

Innovative enterprises

This model is similar to that of the sustainable organisation, but its managers attempt to institutionalise innovation to give the market edge. They aim to make innovation ordinary and frequent good practice. This model is useful for those who want to build an organisational culture in which innovation flows naturally from how the organisation faces its environment, structures its bureaucracy, leads itself, and manages its internal management system.

Learning organisations

This is not a 'one-size-fits-all' model. The learning organisation continually expands its abilities to shape its own future, influenced by specific elements of organisational culture, which determine, for example, whether the organisation learns from mistakes or ignores them, sees opportunities or threats, and is proactive or reactive in its strategies. Such organisations try to make a working reality of such attributes as flexibility, team work, continuous learning and employee participation and development.

High performing organisations

In this British model, managers focus on people and their learning, and the development of trust, personal responsibility and leadership. Supporting elements such as structure, strategy, systems, procedures and resources are seen as useful only in empowering people and enabling them to achieve the full measure of their abilities.

Innovative organisations create learning cultures

Victor Callan (2004) presents case studies on learning organisations in VET that promote innovation by empowering their people to develop new and different ways of meeting training needs of employers. For example:

- Institute of TAFE Tasmania has adopted a learning culture approach to training packages, exploring flexible and work-based strategies to facilitate students' learning.
- Gold Coast Institute of TAFE plans an innovation register to measure the success of innovative tools and competencies.
- Australian Institute of Care Development has a board that expects new ideas, and judges staff on managing risks and new projects.

3. Strategies

Strategies used to manage culture include:

Strategic alliances

These are cooperative efforts on specific ventures and joint projects, which demand an understanding of each partner's culture.

Knowledge management

This is a strategy of transmitting culture by making use of new technology in information systems, and by reinforcing the value of people and their contributions to organisations. Knowledge management can encourage organisations to be learning organisations which are open to change.

Flexible learning / flexible delivery

The Australian Flexible Learning Framework writes: 'flexible learning, which includes e-learning, is about the learner deciding what, where, when and how they learn'. Flexible learning thus offers a client-centred and workplace-centred focus for an organisation. Flexible learning practices have had a wide impact on many determinants of organisational culture: learners; teachers, their job designs, work, safety and professional development; human resources practices; organisational management; and technological resources.

Overcoming cultural barriers to sharing knowledge

Richard McDermott (2000) describes different ways companies build their knowledge management approach to fit their culture:

- PricewaterhouseCoopers build sharing knowledge into their brand identity: *'People, Knowledge, and Worlds'*.
- Ford uses peer pressure to encourage sharing information, and offers remedial training to overcome poor team performance and knowledge hoarding.
- American Management Systems follows the principle: *it's not what you know that gives you power; it's what you share about what you know.*

Find out more

The consortium research program website

<http://www.consortiumresearchprogram.net.au>

Culture management:

Ogbonna, E & Harris, L 2002, 'Managing organisational culture: Insights from the hospitality industry', *Human Resource Management Journal*, vol.12, iss.1, p.33–54, viewed 26/3/2005.

Lewis, D, 2001, 'Organisational culture—theory, fad or managerial control?' *Management and organisational behaviour*, (eds) Wiesner, R and Millett, B, John Wiley & Sons, Milton, QLD.

Senge, P 1992, 'The fifth discipline', Random House, Milsons Point, NSW.

Culture change:

Schein, E 2004, *Organisational culture and leadership*, 3rd ed, Jossey-Bass, San Francisco.

Organisational development (OD):

Practicing: an on-line OD Network magazine, <http://www.odnetwork.org>, viewed 1/8/2004.

Total quality management (TQM):

TQM Magazine, <http://caliban.emeraldinsight.com/vl=461985/cl=64/nw=1/rpsv/tqm.htm>, viewed 1/8/2004.

Business Process Re-engineering (BPR):

BPRINT Institute, <http://www.brint.com/BPR.htm>, viewed 1/8/2005.

Competence based management (CBM):

Seventh International Conference on Competence Based Management, <http://www.cbm.net/>, viewed 1/8/2005.

Terragnismo:

Mastering management online, iss.4, <http://www.ftmastering.com/mmo/index04.htm>, viewed 1/8/2005.

Sustainable organisations:

Dunphy, D Benveniste, J Griffiths, A & Sutton, P (eds) 2000, *Sustainability: The corporate challenge of the 21st century*, Allen and Unwin, St. Leonards, NSW.

Innovative enterprises:

Callan, V 204, *Building innovative vocational education and training organisations*, NCVET, Adelaide.

Learning organisations:

Lewis, D 2001, 'Organisational culture—theory, fad or managerial control?' *Management and organisational behaviour*, (eds) Wiesner, R & Millett, B, John Wiley and Sons, Milton, QLD.

Strategic alliances:

Bodi, A Maggs, G & Edgar, D 1997, *When too much change is never enough: Stories of organisational change*, Business and Professional Publishing, Warriewood, NSW.

Knowledge management:

Alvesson, M & Kärreman, D 2001, 'Odd couple: making sense of the curious concept of knowledge management', *Journal of Management Studies*, vol.38, no.7, pp.995–1018.

Flexible learning/flexible delivery:

Palmieri, P 2003, *The agile organisation: Case studies of the impact of flexible delivery on human resource practices in TAFE*, NCVET, Adelaide.

Personalising the challenges

- How can an understanding of culture help your organisation to deal with change?
- What are the links between culture and capability in your organisation?

This consortium research program is funded by the Department of Education, Science and Training (DEST) and managed by the National Centre for Vocational Education Research (NCVER). The views and opinions expressed in this document are those of the author(s) and do not necessarily reflect the views of DEST and NCVER. Any errors and omissions are the responsibility of the author(s). For any further information on this fact sheet, please contact Thea Fisher, at the Centre Undertaking Research in Vocational Education at the Canberra Institute of Technology at Thea.Fisher@cit.act.edu.au

Research activity 4 is a project on *Organisational culture and structure*, and the research team is Berwyn Clayton, Andrea Bateman, Mike Brown and Roger Harris. It is one of nine research activities in the consortium research program.