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Guiding Corporate Culture using "I Opt"® Technology

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Abstract

Corporate culture is the invisible companion of management. Together they serve to provide the framework for human coordination. Maximum efficiency and effectiveness can only be realized when these two elements work together to further the common interest.

There is no natural mechanism by which culture and management are automatically aligned. Left to their own devices they can be supportive, benign or antagonistic with equal ease. This article shows how management can actively influence culture in a predictable direction and to a known degree. It outlines how the three variables of (1) structure, (2) frequency and (3) bandwidth can be deployed to systematically engineer corporate culture in any direction desired.

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Guiding Corporate Culture using "I Opt" Technology

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The Cultural Framework

This article is the third in a trilogy that outlines how "I Opt" can be used to analyze and guide corporate culture. The first of these articles appeared in the June 2006 issue of JOE (Salton, 2006a) and is available on-line at www.oeinstitute.org. That article outlines a tool that visualizes a firm as kind of a creature with a defined nervous system (Graphic 1). The article shows that this type of structure will always characterize any organization with a unitary chain of command.

The "I Opt" Map article goes on to show that any organization will always have a defined network whose characteristics can be analyzed and whose behavior is predictable. This can be done on any level from individual to group to an entire firm. It shows how the effects of external "sensors" (e.g., consultants) are systematically incorporated into the network while remaining distinct from it. Finally, it shows how the effects of information traveling over the network can guide the "movement" of its appendages (i.e., the tentacles in Graphic 1) in predictable manner.

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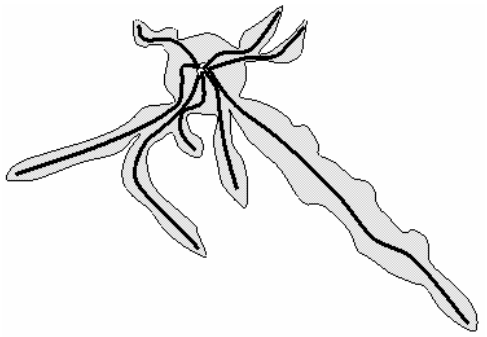
GRAPHIC 1
"I OPT" MAP REPRESENTATION OF A CORPORATION



The "I Opt" Map is the framework within which corporate culture is created and sustained. This type of explicit definition is mandatory for any methodology that seeks to systematically influence corporate culture. Without it confusion will reign on what is included or outside the cultural scope. "I Opt" has met the challenge by defining exactly what is being addressed.

Creation of Values and Beliefs

The second article in the trilogy was published in the November 2006 issue of JOE (Salton, 2006b) and is also available on-line at www.oeinstitute.org. This article shows how values and beliefs as well as behaviors systematically arise from information processing elections.

The article explains how the behaviors that can be accurately predicted by "I Opt" will automatically give rise to beliefs. Beliefs are feelings of certainty that something exists or is true. It follows that behaviors consistently applied in the conduct of life will come to solidify a belief that the principles embodied in those behaviors are "true." They are working every day in the person's life. For example, a person can come to believe that "creativity" is a good in and of itself if that person uses creativity every day to resolve life's issues.

Similarly, the article shows that values are created by the same process. Values are the relative worth or importance that people assign to things. Values can attach to any "thing," including beliefs and behaviors. For example, those beliefs that underlie behaviors that are used more frequently will probably be deemed to have greater value.

The article continues by showing how values and beliefs can combine to create entire philosophic systems. This happens because the strategic styles and patterns that underlie beliefs and values have an inherent commonality driven by the method and mode that defines styles and patterns. For example, the article shows how the philosophy of "individualism" can be created by a strong adherence to a "Changer" strategic pattern.

The article concludes by noting that processes lying outside of "I Opt" technology can create global values and beliefs. History, teaching, indoctrination

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and upbringing are only a few of the items that might influence a particular value or belief. "I Opt" is a lot but is not everything.

The "I Opt" Map provides a solid framework for addressing corporate culture. The specification of how values and beliefs are created provides an equally firm foundation to address the content of the corporate culture existing within the framework.

This is the third article of the trilogy. It uses the concepts of the "I Opt" Map and the insights on the creation of values and beliefs. It will show how corporate culture can be created or adjusted in any desired direction with a probabilistic certainty of final outcome.

Culture Defined

Influencing corporate culture requires that control mechanisms be defined. To accomplish this the thing that is being controlled (i.e., corporate culture) must first be operationally defined in a precise manner. The definition that best meets this operational requirement is culture as "shared beliefs, values and behaviors that are not determined by biology" (American Heritage Dictionary, 2000) This expansive description appears to fit with the wide variety of dictionary definitions available and breaks down into elements that can be systematically addressed (see Table 1).

Culture is a control mechanism. The "shared" element of the definition implies that there is some kind of commonality of expectation or standards (e.g., norms). These norms exert an influence even on those members of the group who do not fully subscribe to them. However, this is not the only control mechanism. Management is probably the more immediate and powerful of the influences on behavior in a corporation.

Management-Culture Interaction

Management and culture are both present in any firm. The difference lies in conscious intent. Culture involves self-generated commonality created by the constituent parts of the firm (i.e., its people). A reasonable analogy for culture might be the autonomic or involuntarily nervous system in an animal. Like that autonomic system, culture is there all of the time whether you think about it or not. It is also working every minute of every day, whether you want it to or not. It arises from the very existence of the firm and needs no permission or effort to sustain itself. Like breathing, it is easy to forget that it is there and functioning.

A reasonable analogy for manage-

TABLE 1
CULTURAL DEFINITION

Culture: Shared beliefs, values and behaviors that are not determined by biology.
Beliefs: The feeling of certainty that something exists or is true (Cambridge, 2002).
Values: The importance or worth of something (Cambridge, 2002); e.g., the rank order of beliefs.
Behaviors: The action or reaction of something (Wordnet, 2003).

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ment is that of the central (rather than autonomic) nervous system. Management is the system of actions, conventions and practices that are consciously imposed on a firm. The intent is to guide short-term behavior toward some type of defined objective. It is monitored and enforced by authority. Lose the focus on the objective and the directed behavior evaporates. Lower monitoring or relax enforcement and directed behavior begins to wander. Unlike culture, management is not "automatic." It requires on-going attention if it is to function.

Management and culture work together to govern the behavior of the "creature" defined by the "I Opt" Map. The range of behaviors possible within a firm are infinite. Management can only focus on the core behaviors relevant to the firm. This leaves a lot of room for other behaviors—functional, dysfunctional, disruptive and supportive. Management systems cannot control everything.

For example, management systems typically do not explicitly define how conflict is to be handled, speed of response or telephone etiquette. Yet any of these can be important to the functioning of a business. There are also things that are impossible to fully specify such as grooming standards, appropriate levels of familiarity and social manners. These undefined, but potentially important behaviors are the realm of culture.

There are even more abstract behaviors that fall within the scope of culture. Things like creativity, enthusiasm and vision are often cited examples. Items such as these can be frustrated by management but cannot be mandated by it. Rather, it is culture that creates the environments where these meta-behaviors can flourish.

Basically, culture controls those elements of behavior that are not specified by the management system. In other words, culture handles the leftovers. This means that management and culture are substitute goods. They can be "traded-off." Management can reduce the realm of culture at any time simply by imposing articulated standards of behavior and then watching to make sure that they are followed.

Table 2 defines some of the major characteristics of both management and culture. Each can take over aspects of the other. However, any organization will always have both and they will interact to produce the "personality" of a firm.

The 1994 turnaround of Chrysler illustrates the interaction of management and culture. Bob Lutz, the then President of Chrysler took the initiative and introduced new management, communication channels and product development methods. The result was a dramatic improvement in quality, cost savings and improved profits. With the Daimler-Benz acquisition "Chrysler reverted to 'old-style' behavior." (Zatz, 1994). That "old style behavior" was the culture. It had merely been temporarily moved aside by a management overlay. Beliefs and values had not changed. Behavioral preferences had been suppressed but not displaced. Once the management system constraints were removed the underlying culture simply reasserted itself.

Management is easy to see. It is the imposed and visible element guiding the behavior of the firm. It rightfully gets credit or blame for the performance of

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TABLE 2
CULTURAL AND MANAGEMENT CONTRASTED

	MANAGEMENT	CULTURE
TARGET	**Behaviors**	**Beliefs, Values, Behaviors**
SETUP	**Install and Maintain**	**Install and forget**
DURATION	**Changeable**	**Permanent**
SCOPE	**Targeted Areas**	**All Pervasive**
HORIZON	**Short-term**	**Long-term**
COST	**Continuing**	**Up-front**

Source: Salton: Organizational Engineering Seminar, Ann Arbor, MI. April 2006.

the firm. Culture works in the background making management easier or harder. It is invisible since it resides in the ordinary interactions of people. There are, however, situations where its power can be felt.

Cultural effects are most easily seen in corporate mergers. For example, on paper the merger of Matsushita (Panasonic, Pioneer, JVC, etc.) and MCA (Universal Studios, MCA records, Cineplex Odeon theaters, etc.) made sense. The Japanese firm had a lot of money and MCA needed it. The market for Matsushita products was slowing and it needed to redeploy its assets. The numbers made sense. Financial logic blinded the players to the elephant in the room.

The elephant's name was corporate culture. Matsushita was staid, deliberate and cautious. Its management system reflected that posture (Mcgarvey, 1997). Decisions were reviewed and re-reviewed. Detail was copious. Reporting was rigorous. In effect, the management system reflected its culture (i.e., beliefs, values, and behaviors). MCA, by contrast, was adventurous. Decisions were fast. Risk was accepted as a cost of creativity. Informality ruled and individual initiative was prized. Its management system had grown organically with its culture and had adopted a somewhat relaxed standard. Both cultures were well suited to the management system that they supported. They both served their respective firms well and neither can be seen as "right" or "wrong."

All parties recognized the managerial differences and believed that they could be reconciled. They are explicit, easy to see and capable of being adjusted to mesh. Cultural differences are another matter. They were invisible and not explicitly addressed. These cultural differences predestined the merger to failure.

In retrospect, the reasons seem obvious. Detail takes time to gather and prepare. Imposing it as a requirement foreclosed MCA's fast decision capability.

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Decision reviews limited individual initiative. Rigorous reporting focused attention on seemingly irrelevant matters. Formality compromised the scope of issues that might be addressed. The result was that the staffs of both MCA and Matsushita resisted each other in a thousand different and subtle ways. Frustration was inevitable. The breakup was probably a relief to all involved. You have to be careful when there is an elephant in the room.

The point of this section is that management and culture are separate but interrelated things. They can be addressed independently. However, in practice they always appear together. They can complement or conflict with each other. This article considers only the cultural element but recognizes that a successful cultural initiative will always encompass both control systems.

How "I Opt" Fits

"I Opt" strategic styles have been shown to be a reliable predictor of behavior (Soltysik, 2000), a major component of the cultural equation. "I Opt" is also based on human information processing. This means that it is not dependent on the individual bio-chemical factors inherent in psychology (e.g., "feelings"). This makes it well suited for use with group phenomena such as culture.

Culture is not confined to behaviors. It also involves values and beliefs. The earlier article in this series (Salton, 2006b) has shown that many of these are a natural outcome of "I Opt" style elections. This means that "I Opt" technology embraces all of the components of culture.

"I Opt" also features ratio (i.e., exact) measurement. This means that mathematics can be used to assess individuals and groups. It is the interplay of individual strategic profiles that create the standards that become culture. Accurately measuring group behavior, not just individual conduct, is an essential condition for any effective cultural initiative. "I Opt" ratio measurement makes this possible.

The "I Opt" Map (Salton, 2006a) is another essential ingredient. It defines the boundaries of the "thing" that has a culture. It also describes the transaction channels through which the culturally relevant information flows. It outlines who is likely to influence who and by how much. With this, the effects of potential cultural initiatives can be traced and assessed.

In summary, "I Opt" is a natural fit for addressing culture. It directly addresses behavior, a principal component of culture. Beliefs and values flow from the information processing patterns (Salton, 2006b) thus locking in the three of the four components of culture (see Table 1). Exact measurement allows degrees of commitment to be estimated on both individual and group levels. This measurement also allows the final component of culture, the "shared" aspect, to be addressed. "I Opt" technology thus has the capacity to cover all of the cultural bases in a comprehensive, exact and elegant manner.

Shared Values, Beliefs, and Behaviors

Culture is a system that resides in the specific combination of people participating in the system. The second article in this trilogy (Salton, 2006b) showed how values, beliefs and behaviors auto-

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matically arise from the information processing elections of an individual.

Basically, the article pointed out that people tend to believe in "things" that work for them in their personal lives. They assign value to these "things" in accordance with the relative importance that those things contribute to the successful conduct of their lives. For example, if you conduct a life governed by disciplined action you are likely to place high value on qualities like certainty of outcome and methodical execution. If, on the other hand, your life is governed by unpatterned thought you are likely to place the most value in creativity and flexibility. Different lives give rise to different values and beliefs.

The different values, beliefs and behaviors used in individual lives can conflict when the people carrying them are brought together in pursuit of a common purpose. For example, methodical execution precludes flexibility. This will not be an issue where a particular activity clearly calls for a particular approach. However, most things do not come with labels. They can be successfully addressed in multiple ways. This is where preferences come in to play. The exercise of these different preferences is an inherent source of conflict in most organized activities. It cannot be avoided, only controlled.

Since culture is by definition "shared" values, beliefs and behaviors the next step is to use "I Opt" to show how the very different approaches of individuals can combine into a system that can typify an entire organization. To do this we must start with an individual "I Opt" profile of a real person as shown in Graphic 2.

While the Reactive Stimulator style and the Performer pattern are most strongly represented in Graphic 2, all other styles patterns are also represented. This is to be expected since all have value in navigating life. Different life patterns will generate different proportions. Individual beliefs, values and behaviors will typically follow the commitment to the style (short-term) and pattern (long-term) preference associated with it (see the Cultural Snowflakes on www.iopt .com for sample characteristics associated with styles and patterns).

Everyone in a group also has a profile that represents how they prefer to conduct life. Their profiles can be overlaid to create a representation of the group as a whole. This is shown in Graphic 3 which is the actual group to which the individual in Graphic 2 belongs.

The gray area in the center is the area where a majority of the group (in this case, at least 8 of 14 group members) have a position. This is the area where the "sharing" is the highest since it is the area that most of the people will find acceptable. Thus the majority area best describes the probable "culture" of a group. In this case, the Conservator pattern is likely to govern group culture If a decision (behavior) or cultural variable (belief or value) were to land in this area, at least a majority (8 out of 14) would find it acceptable if not ideal.

The individual graphic (Graphic 2) has been highlighted in with a bold line on Graphic 3. It can be readily seen that this person's profile will not be perfectly aligned with that of the group. To one degree or another, all of the other group members are in a similar position. There is no such thing as a "perfect" fit between individual and group culture. Culture is always an accommodation.

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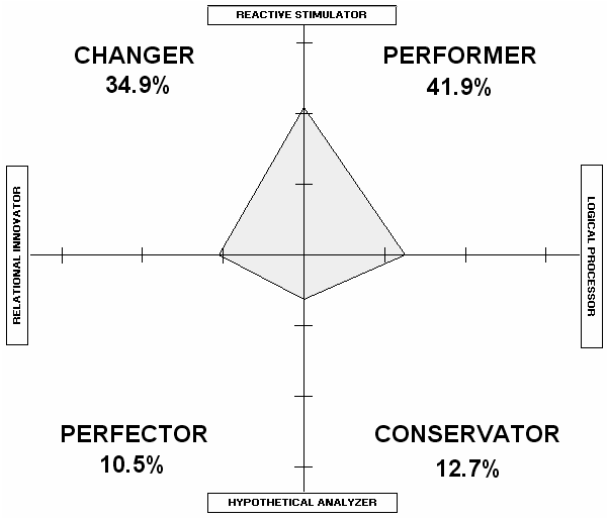
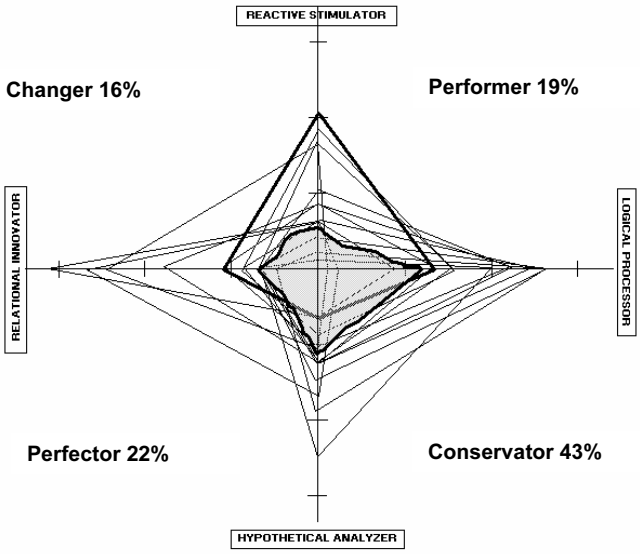
GRAPHIC 2
INDIVIDUAL "I OPT" PROFILE



GRAPHIC 3
GROUP "I OPT" PROFILE



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The point of this section is that the cultural direction of a group can be measured. Likely behavioral choices can be predicted. Competency values ("how to do something"—see Salton, 2006b) arising from these behaviors can be estimated with a degree of certainty. The moral values ("what should be done"—see Salton, 2006b) can be probabilistically assessed. Finally, the beliefs arising from the particular mix of competency and moral values might reasonably be inferred. "I Opt" technology moves culture from the ranks of speculative guess to the realm of probabilistic certainty.

Group Interaction

Individuals interact with each other to form the culture of a group. Groups interact with other groups to form the culture of larger entities. Interconnected groups must reach some level of "shared" expectations if their common mission is to be fully realized. If this relationship extends over time, the expectations (i.e., behaviors and values) will need to be stable if the groups are to function efficiently. In other words, a stable subculture will be needed.

Graphic 4 shows the structure of first and second level management of an actual organization. Group VP "A" is highlighted as participating in two distinct groups. This dual membership provides assurance of a degree of continuity. Group VP "A" is positioned to represent the interests of each group to the other—including cultural interests.

This structure was first articulated by Likert (1967, Likert) who aptly named it a Linchpin Structure. Using this lens organizations can be looked on as a network of overlapping Venn Diagrams (1880, Venn—usually represented as overlapping circles that describe the relationship of sets). This kind of "natural" coordination mechanism (i.e., participation in overlapping groups) is built into the management structure of most firms.

Since "I Opt" offers the ability to measure things exactly we can take the concept of overlapping sets a step beyond that available to Likert. We can measure the majority area of both of the groups with whom Group VP "A" participates and overlap them (see Graphic 5).

The relatively high degree of overlap between the two groups suggests that Group VP "A" will not have much of a challenge reconciling the cultures of the two groups. As with individuals fitting into groups, the fit between groups is never perfect. However, the greater the overlap the more likely they are to be able to find accommodation.

The area where the majority profiles of the two groups overlap is referred to as the "common area." This is the zone where both groups can reach common agreement without sacrificing their strategic preferences. The common area for the two groups in Graphic 5 is expanded and shown in Graphic 6. Over a long series of transactions on issues involving both groups, the characteristics of this common area will come to typify the culture of the combined groups (e.g., a department, division, group, etc.).

The common area in Graphic 6 is a matter of consequence for decisions that breach the interests of the groups. For example, a policy decision might affect production methods overseen by the Second Level management team. That decision might also affect the control

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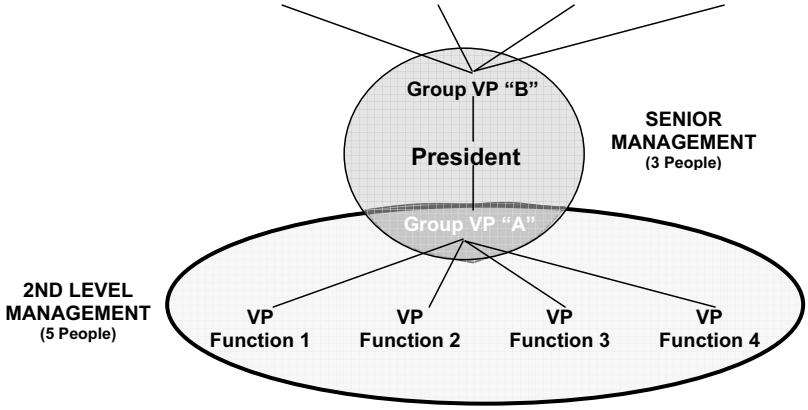
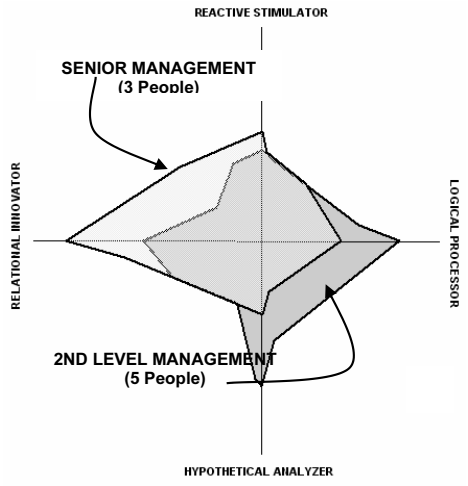
GRAPHIC 4
"I OPT" MAP OF ACTUAL MANAGEMENT GROUPS



GRAPHIC 5
MAJORITY PROFILE OVERLAP
MANAGEMENT GROUPS



methods used by the Senior Management team. Both groups have a material interest in the outcome.

Participants must consider the interests of both of the groups involved in offering resolution strategies. In other words, Group VP "A" must consider the interests of the Senior Management group as well as the Second Level group. In arriving at a decision group members propose, recast, modify, adjust and reshape each other's suggestions. Sooner

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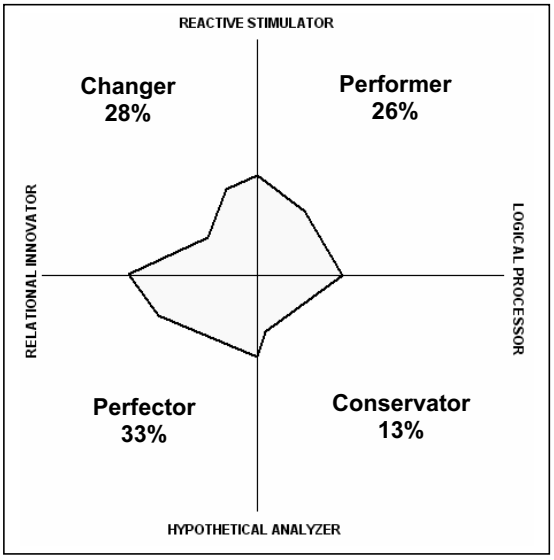
GRAPHIC 6
COMMON AREA
MANAGEMENT GROUP OVERLAPS



or later, someone will come up with something that lands in the area acceptable to a majority of group members. This is the common area of Graphic 6. It is the area where most (but not all) decisions are likely to fall.

The common area is stable. It is there week after week, month after month, decision after decision. Individual decisions can fall anywhere. However, over a long series these decisions will tend to fall in proportion to the percentages listed. The reason is simple. The percentage describes an area in which a decision has the opportunity to fall. The bigger the area, the more likely it is that the randomly proposed solutions will fall into it. No magic. Just common sense.

In the case of Graphic 6 the values, beliefs and behaviors associated with the "Perfector" Pattern will come to typify the combined stance of both groups. Behaviors involving study, assessment and planning would be seen as the most likely norm. Competency values of thoroughness, caution and clarity will come to be seen as guiding this behavior. Beliefs such as understanding as a universal good are likely to find some ground in which to take root.

It is worth noting that neither of the two groups involved favors the "Perfector" pattern. The Senior Group favors "Changer" (i.e., upper left quadrant) and the Second Level Group favors "Conservator" (i.e., lower right quadrant). In Sociology this is referred to as an emergent. The result of interaction is distinct from the properties exhibited by the contributors. In practical terms, this

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explains the often cited but rarely explained unpredictable nature of organizational combinations. You now know at least one of the reasons. You also know that it need not be unpredictable.

A firm can be seen as a chain of group to group overlaps. Each relationship will bend the culture in one way or another. The composite of these overlaps is what comes to characterize the culture of the firm as a whole. Guiding the culture of a firm involves the conscious modification of interactions. These modifications adjust the character of the profiles of the groups that comprise the firm. Group profiles link together into chains that produce predictable cultural results (within the limits allowed by the management system). A key to the management of this process are the people in the firm who hold leadership positions.

Cultural Sledgehammer

Since corporate culture is founded on people, anything that affects the people who together make a firm will affect culture. You do not need a theory to initiate a pervasive cultural change. The most visible of these initiatives come from the office of the CEO. If successful it is a legacy that will live beyond the CEO's tenure. It is a tempting target and one that is regularly attempted. Examples of these initiatives are not difficult to find.

Jack Welch, GE's legendary CEO, began the process of changing GE by axing over 100,000 employees and earning the nickname "Neutron Jack." He then flipped into positive mode by installing one of the first Six Sigma quality programs (limiting defects to 3.4 per million operations) and adding about 100 firms per year to the GE family. The combination of changing the management practice (e.g., Six Sigma and other things) and changing the mix of people produced a different GE. For 86 years it had been the top firm in patents issued. By the time Welch retired GE was not even in the top 20. But, during Welch's tenure GE outperformed 93% of the Fortune 500 in total return on investment (Brock, 2002). A firm that had been renown for innovation had become one noted for operations. Culture had changed.

Not everyone has been as successful. Albert "Chainsaw" Dunlap of Sunbeam infamy had a strategy of cutting staff and using intimidation to demand results. The bet was that the people who remained would figure something out. They didn't. The firm went into bankruptcy in 2001. Still other CEOs tried to build a culture from scratch. Enron did this by stacking the firm with "smart, sassy, creative, and risk-taking" people (Business Week, 2002). They got the culture they wanted but neglected the management systems necessary to control it. Culture is not everything. The result was catastrophic.

The CEO level "sledgehammer" method works—sometimes. You must believe that the management team that guides the cultural initiative has some quality or insight that allows them to "sense" the right thing to do. History of success is no measure. In his best selling book "Mean Business" (1996, Dunap) Dunlap listed success stories involving businesses in 17 states and three continents. It did not help him with Sunbeam. There will always be people like Al Dunlap who point to the past as evidence of the merit of their methods.

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The only issue is whether it will work next time? Make your bet.

Cultural Drivers

The "sledgehammer" examples illustrate that, to one degree or another any cultural initiative will "work." Unfortunately, without the guidance of a firm theory (i.e., what causes what and why) its direction and degree is a matter of chance. "I Opt" technology provides a theory that converts this "chance" into a probability.

There are controllable variables that are always relevant and have predictable cultural effects. These variables can be mapped and their probable impact traced throughout the interconnected system that is a typical firm. They are ideal tools for consciously influencing corporate culture and are outlined in Table 3.

Structure is the most important of the variables and defines the flow of information in a firm. Information flows are a prime carrier of corporate culture. Structure refers to how people are connected to each other within a corporate framework. In terms of the nervous system analogy, these connections are the synapses of the system. They determine which signals will be passed on as well as their character and their intensity. They always matter.

The result of the human interaction at these connection points are predictable using "I Opt" technology. Formal academic research (Soltysik, 2000) as well as tens of thousands of actual applications have demonstrated that "I Opt" technology is accurate and reliable in predicting outcomes. The concepts on which "I Opt" is based can be accessed with ordinary common sense.

For example, "I Opt" might identify a person highly committed to a structured approach (e.g., detailed input). This person might be connected with another who is committed to an unpatterned method (opportunistic input). With this knowledge, the likely performance of the pair is entirely predictable.

If the person using structure is placed in the senior position, it is likely that transmission will be delayed as more detail is sought. If the unpatterned method is in charge, transmission is likely to be fast but incomplete. This is not all that will happen but it is enough to give a sense of why "I Opt" works. The character, quality and quantity of information govern behaviors people use to navigate life. Structure is the organization of relationships that prescribe these probable interactions that

TABLE 3
CORPORATE CULTURE DRIVERS

STRUCTURE:	**The chain of command relationships—who reports to who.**
FREQUENCY:	**The numbers of times people meet to discuss matters relating to the functions of the firm**
BANDWIDTH:	**The number of different subjects that are discussed.**

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together comprise the life to be navigated. No mystery. Just common sense.

Frequency is the second most important variable. It is a measure of how often people within a defined structure meet to discuss matters of corporate relevance. The more often they meet, the more likely it is that the profile of the originator of the information will have its intended effect. The reason is simple. The greater the frequency, the greater the opportunity to bend a decision in their favor. This is not rocket science.

Bandwidth is the last variable. It is the number of subjects on which person is referenced. The more subjects that a person addresses in his/her interactions, the greater will be the influence of their profile on the firm as a whole. Again, the reason is simple. The more subjects, the more paths there are available for a particular profile to exert influence.

These three variables are the basics needed to guide corporate culture. Additional variables can be added and the ones cited can be refined. This kind of adjustment may be appropriate in particular situations. However structure, frequency and bandwidth are sufficient to carry the day in most situations.

As far as the author is aware, this paper is the first time that these variables have been articulated together as components of the cultural equation. However, none of them are new. Anyone who has held a senior executive position intuitively knows of them and their power. They have used them in including and excluding people from decisions. They adjusted direction by increasing or decreasing the frequency of meetings. They have broadened or narrowed the influence of people by inviting or excluding them from particular kinds of decisions. The concepts are as old as management. The difference is that these decisions have for the most part been local. "I Opt" technology systematically extends their reach. It does this in a way that can be used to set a particular direction and assure reasonable probabilities of success.

Substitution Strategy

The people in the chain of command typically have the authority to determine frequency and bandwidth in ordinary conduct of their corporate affairs. The "who reports to who" component thus controls the two other tools of cultural control. It is the single most powerful influence on corporate culture.

"I Opt" technology offers two basic methods of systematically using structure as a cultural adjustment tool. The most direct of these is illustrated in Graphic 7.

The Substitution Strategy is a sophisticated version of the "sledgehammer." People whose profile bias them against a particular cultural direction are replaced with people whose profile favors it. This does not necessarily mean that the replaced people are fired. They may just be transferred. It does mean that they are moved out of chain of influence in the targeted area. The result of the substitution is shown in Graphic 8.

Under the initial structure the group was biased toward a "Conservator" pattern. Careful, methodical, cautious and accurate planning and implementation characterized their behavior. Speed is sacrificed in favor of certainty. Risk is minimized by favoring proven methods. A civil and measured demeanor is likely to characterize the group as a whole.

Substituting people (see the X marks

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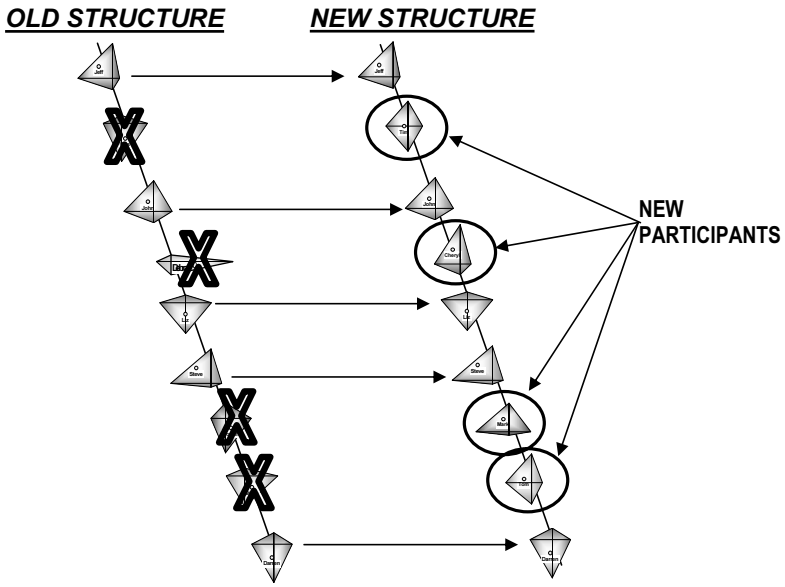
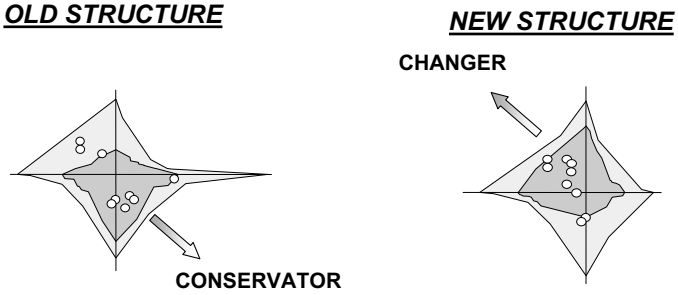
GRAPHIC 7
REPLACEMENT STRATEGY OF CULTURE CHANGE



GRAPHIC 8
GROUP EFFECT OF REPLACEMENT STRATEGY



on Graphic 7 to see the profiles eliminated) changes the common area. The group shifts toward a "Changer" pattern. The degree of the likely change is plainly visible by the gray area in Graphic 8. In this case an aggressive "I got an idea! Let's give it a try" attitude is likely to prevail. Planning and analysis is replaced with experimentation. Expedient methods replace proven strategies. Both speed and risk increase. New ideas are encouraged and acted upon. The group demeanor

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changes from civil, measured discourse to emotion laden, fast paced exchanges.

The advantage of using "I Opt" with the substitution version of the "sledgehammer" strategy is knowledge. You know exactly what you will be getting once the transition is complete. In addition, you know the tradeoffs that will be made. Nothing comes without a price. You know what you are losing to get what you want. In this case, precision and certainty are being exchanged for speed and creativity. This kind of decision is an appropriate management responsibility.

Virtual Strategy

Direct structural adjustment is the most certain of the cultural modification tools available. But it is a blunt tool. There are times when its use is not appropriate. In these cases the two other cultural drivers of frequency and bandwidth can be used to alter information flows without replacing people.

The Virtual Strategy involves favoring the profiles that you want to emphasize using frequency and bandwidth. This is illustrated in Graphic 9. No one is removed from or added to the existing structure. The only change is the degree and kind of participation.

This strategy effectively creates a new subgroup. Objectively, the common area is unchanged. Practically, it has been reweighted in favor of the "Changer" strategy. More new ideas will be generated and more experimentation will occur since the existing "Changers" will be operating with less constraint. However, the effect will not be as pronounced as in the Substitution Strategy. The others in the chain are still there. Even if less involved, they will still have an effect. They can be expected to influence cultural direction thorough decisions on allied subjects. Direction may be altered as decisions move toward implementation. The emphasis will change toward "Changer" preferences but at a more measured and perhaps in a more torturous manner.

Another consideration involved in the use of the Virtual Strategy is measurement. Using the Substitution Strategy the likely impact of the change can be estimated. The Virtual Strategy provides no such indication. Rather, reliance must be put on monitoring and observation. Frequent adjustments might reasonably be expected. Overall, the Virtual Strategy is more labor intensive than its Substitution counterpart. The Virtual Strategy can change corporate culture. It will just take longer and be less certain in outcome than its Substitution Strategy alternative.

Combination Strategy

The Substitution and Virtual Strategies are separated in this paper for purposes of clarity. However, there is no reason that they cannot be used together. People can be substituted and at the same time the distribution of responsibilities can be changed. This will be the most likely choice in most situations.

The reason for favoring a combination strategy is that the different nodes on the management chain serve different functions. Some of those functions are best served by people whose profiles do not conform to the desired cultural direction. For example, an R&D group probably needs financial control. This may be best served by a person who is highly committed to detail, using trusted methods and who favors certainty of

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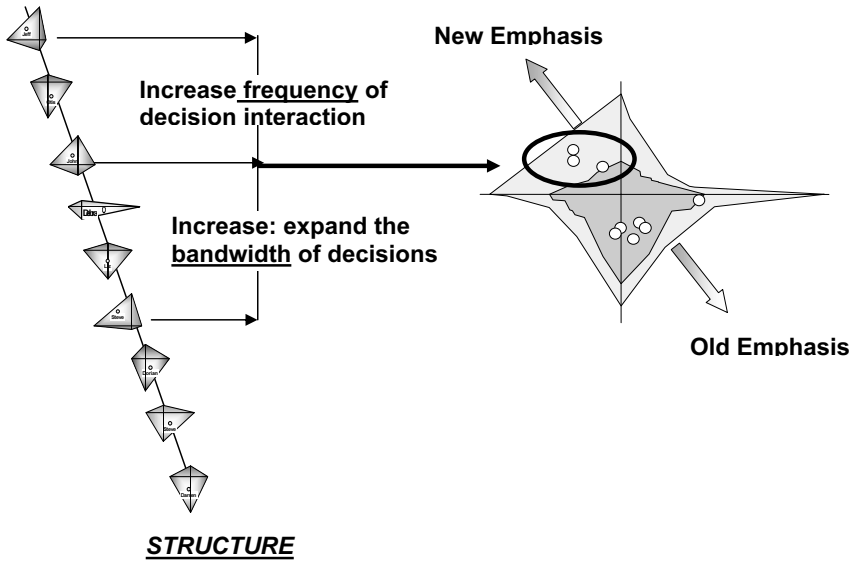
GRAPHIC 9
VIRTUAL STRATEGY OF CULTURE CHANGE



outcome. This is not the formula for successful R&D. It can be the formula for financial integrity.

The Virtual Strategy can mitigate cultural discrepancies inherent in the R&D/Finance situation described above. It is unlikely to completely reconcile it. There is no complete solution. There are, however, ways to limit the natural tension. One key is knowledge. Simply explaining how different "I Opt" profiles generate different sets of behaviors, values and beliefs is often enough to take the "edge" off of a situation. The natural tension will remain. But the emotional element can be replaced with rational understanding.

Managing Global Values

Values, beliefs and behaviors generated by "I Opt" profiles are not everything. Cultural qualities can arise from a variety of sources. History, religion, and gender are among the host of factors that can generate aspects of a corporate culture. History can include corporate as well as personal experience. For example, in the early years of the Dotcom industry it was common practice to find engineers sleeping under desks. Working all night was seen as "dedication." This value was born out of the needs of a startup company. It continued well beyond the need and remnants persist in firms have become worldwide giants.

Since a "value" is a measure of worth, it can attach to anything. Some examples of generally recognized positive global values are provided in Table 6.

Negative global values can also entrench themselves in a firm. Candidates such as dishonesty, greed,

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TABLE 6
PARTIAL LISTING OF GLOBAL VALUES
(values that are independent of strategic profiles)

Ambition	**Dignity**	**Hygiene**
Awareness	**Expertise**	**Industry**
Brilliance	**Friendliness**	**Intelligence**
Charm	**Family**	**Kindness**
Cheerfulness	**Heroism**	**Respect**
Civility	**Hospitality**	**Skillfulness**
Courage	**Honesty**	**Strength**

despair, intolerance and distrust readily come to mind. All that is required for these to infiltrate a firm is for enough people to hold them and express them in behavior that others can see and share. The ability for dysfunctional values to gain supremacy has been amply demonstrated by the Enron experience. Global values are matters worthy of management attention.

The easiest way to influence the global values of a firm is to monitor the intake of new employees. Culture is a matter of mass. Everyone entering the firm need not conform. People carrying some negative global values can sometimes be valuable. It is only necessary that a firm build in a bias toward people who share the global values that management wants cultivated. The bias will cause the culture to tilt. That tilt will then act to restrain people who are valuable in certain dimensions but who carry some negative aspects. Generally, a firm is not well-served by creating a monoculture of any character—even ones considered to be "good."

Changing existing global values is more difficult but can be done. Management practices can change them over long periods. Management can reward and/or enforce particular behaviors. These eventually become "history" and evolve into an accepted moral standard (i.e., what "should" be done). Google's celebrated "Great just isn't good enough" dictum might be an example of a global value being installed by management. This refers to the expectation that people will "always deliver more than expected" (Google, 2006). If this behavioral practice is reinforced in objectives, meetings and performance reviews it will be an entrenched part of the Google culture. At that point listing it as part of an articulated philosophy may still be desired but will be superfluous. It will happen automatically.

Global values can also be "taught" using more conventional methods. While global values are not driven by strategic profiles, the profiles can have a role to play in consciously installing them. Different strategic styles respond to different approaches. For example, the LP wants facts, proof and explicit direction. The RS is energized by emotion and defined targets. The HA wants reasons and a sense of how things fit together. The RI is stimulated by novelty and new paths. Teaching is just a form

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of information transfer. Gearing instruction to the way people prefer to process information increases the odds that they will "get it."

Teaching can sensitize people to a particular value and motivate them to subscribe to it. However, it will never be enough to install values as part of a firm's culture. To be an element of culture requires that global values be displayed. This is how people come to know that they are "shared." This happens automatically with the competency values generated by "I Opt" profiles. Competency values focus on "how" things are done and the "how" can be seen by all. Global values are usually more subtle. However, their display can be engineered and promoted.

Teaching can plant the seed. For the seed to grow it needs nourishment. This nourishment requires a process, not an event. Those attempting to guide a cultural adjustment must arrange to have the desired cultural attribute displayed, preferably by the executives of the firm. Talking about it is good but not enough. Actually displaying the attribute in action carries much more weight.

Specifying a program to adjust global cultural values is beyond the scope of this paper. However, the foregoing is probably sufficient to indicate how it might be approached. As with any other element of culture, once it has taken hold nothing more need be done. It will be self-sustaining.

Summary

This article began by showing that culture and management are interdependent systems of control. Management is the active piece that is guided by corporate strategy and tactics. Culture handles the leftovers. It is the silent component that is always running in the background. It is the unavoidable outcome of human interaction. It is important because it can frustrate or facilitate corporate success. It is worthy of management attention.

Cultures can and are being changed. The most dramatic and crudest approach is the "sledgehammer"—cut staff and hope for the best. Changing management systems can also work if focus is maintained long enough. Teaching can help but is seldom enough by itself to create enduring cultural change. Current ways of influencing culture are clumsy and inexact. They all can work but there is no assurance that any of them will.

An earlier article showed how strategic profiles can generate competency values. This article carried the ball forward by showing how individual profiles of multiple people can combine to create a common area which is a group profile. This agreement area (i.e., the common area where profiles overlap) generates moral values (how things should be done) that are then imposed upon group members whose profiles contributed to its creation. When this happens, a culture has been formed or modified.

The article goes on to explain how group profiles can themselves be combined to get common areas involving multiple groups. These higher level combinations also have a profile of their own which describes their likely behavior and values. A system of nested cultures has been created. When chains of these subcultures are set into the "I Opt" map (i.e., the "octopus" like creature in Graphic 1) the culture of entire firms become visible.

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The ability to attach numbers to cultural drivers (i.e., the areas of overlap) opens the door for prediction with probabilistic certainty. The predictions are also a basis for continuous validation. As long as predictions come true, confidence grows in the approach being used. A series of predictive failures is a signal that something has been missed. "I Opt" technology provides a self-checking mechanism to accompany its cultural guidance.

The article then explains how an established culture might be changed. The Replacement Strategy is a controlled version of the "sledgehammer" method. Instead of whacking away blindly, precise selections can be made. All of the information available to the "sledgehammer" advocate (e.g., recommendations of other executives, evaluations, experience, etc.) is available to the cultural engineer so nothing is lost. But an important element is added. The change in the common area caused by the substitution of people can be measured. Rational judgment replaces guesswork and hope.

"I Opt" technology provides another option, a Virtual Strategy. Existing people are left in place. Changing the frequency of interactions and the bandwidth (i.e., scope of items addressed) changes the organizational dynamics in predictable ways. The "common area" is adjusted by reweighting participants rather than replacing them. The effect is less dramatic but the direction and degree of culture change can still be rationally assessed.

Finally, the role of learning and cultural programs was touched upon. These are seen as vehicles for controlling global values that are not directly generated by strategic profiles. The effect on actual culture is not as measurable as the structural and virtual strategies. However, the direction can be set and given sufficient persistence, they will work.

This article is not a textbook and much detail has necessarily been omitted. However, it is hoped that the reader will hear the "ring of truth." The possibilities of consciously creating the kind of culture that benefits all involved should be visible to all. Cultures are big, broad things and there is a place for everyone. The challenge at an individual level is to find the right niche. The challenge at the corporate level is to match the management and cultural systems of the firm to the market that it serves. Done properly, this then supports the niches in which the individuals can thrive.

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