A study examined the creation of a new division within an organization, where members of management were primarily from an "immigrant" or regulatory culture, to determine the effects on management and professional satisfaction. Data were elicited through both a survey instrument and in-depth interviews with 26 current employees and 12 former employees of a national organization in the business of managing large tracts of land along with associated resources, which two years earlier had created a new division. (The organization in question employs thousands of people and has a sizable annual operating budget.) The dominant culture of the parent organization stressed a family style culture while, in contrast, the "immigrant" managers prided themselves on hiring the most qualified candidates and not being part of the network which had historically controlled destiny for the parent organization. Results revealed significant differences between management and professional perceptions with regard to teamwork, local and national management, consistency with mission, and productivity. Findings illustrate a profile of a division which was demoralized and alienated from all but one manager. Findings also suggest practical steps consultants may take to ensure more successful reorganization or mergers. (Two figures of data are included; 25 references are attached.) (KEH)
COMBINING DIVERGENT ORGANIZATIONAL CULTURES

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Abstract: Combining Divergent Organizational Cultures

This study examines the results of creating a new division within an organization, where members of management were primarily from an "immigrant," regulatory culture. Members of the "native" culture held assumptions about management style and organizational mission which were unfortunately at odds with those from the regulatory culture. The conflict was not addressed until two years had passed. One-third of the members had left, and morale among those remaining was sufficiently poor to raise attention at the national level. It is argued that an interpretive approach to organizational culture might be helpful in such instances.
COMBINING DIVERGENT ORGANIZATIONAL CULTURES

A record number of mergers and reorganizations have occurred in the United States during recent years. The results of these combinations should be interesting to scholars of organizational culture, who stress the importance of culturally shared understandings to organizational effectiveness (Louis, 1983; Pacanowsky & O'Donnell-Trujillo, 1983; Schein, 1985). Specifically, if coordination depends upon rules known to and observed by members of a common culture (Cronen, Pearce, & Harris, 1982; Pearce & Wiseman, 1983), what happens to those regularities when mergers rather suddenly combine members of different cultures into a new configuration?

The rapid growth of mergers and acquisitions has outpaced studies of their impact on organizational culture. Relatively little is known about the consequences of combining subcultures into common units. The purpose of this research was to survey some dimensions critical to organizational viability subsequent to the combination of cultures. Specifically, the study was aimed at assessing the degree of satisfaction felt by management and professionals who worked in a newly created division of a large national organization.

Scholars who view organizations from an interpretive approach define them as systems of shared meaning; their
very existence depends on the development and maintenance of widely shared interpretations which allow coordinated action to occur (Putnam & Pacanowsky, 1983). Organizational culture is viewed as a network of regularly interacting people who come to share a common set of assumptions about their social world: the organization (Isenhart, 1987).

Through talking, writing and nonverbal communication, these common assumptions are built up and maintained. Organizational members are continually in the sense-making business.

Organizational consultants also emphasize the importance of shared culture (Deal & Kennedy, 1982; Peters & Waterman, 1982). They suggest that organizational culture provides a matrix of values which underlie effectiveness. Waterman (1987) emphasizes the critical importance of employee stories which encapsulate cultural truths, warning managers that whether or not they are "true" or not isn't important; it is the employee interpretation that matters.

Executives, managers, and supervisors are urged to be mindful of the cultural impact of their directives on the organization and its members. While it is obvious that those in positions of leadership have influence, all organizational members are active in creating and maintaining culture. Failure to explore "native" views may lead management to misconstrue the relationship of leadership and culture (Gregory, 1983).
Scholars and practitioners are in agreement on the adverse consequences of mixing cultures. Academicians predict a lack of coordination when several subcultures coexist within the same organization (Martin & Siehl, 1983; Rose, 1988; Smircich, 1983). Morgan (1986) observes a similar result when organizational members with various backgrounds and histories are brought together. Walker (1985) reminds us that, when cultures clash, superiority assertions create unusually intense criticism. Beckhard & Harris (1987) note the losses in potential productivity which often accompany cultural strife in organizations. Many scholars conclude with Posner, Kouzes & Schmidt (1985) that the effect of combining subcultures is a decline in organizational effectiveness.

Practitioners sometimes write more simply: "Most mergers turn out rotten." (Lefkoe, 1987). Failures of and difficulties with mergers are often attributed to cultural clashes of subunits. Popular writing about "the way things are done around here" predicts that when a company tries to combine different and frequently opposite cultures, chaos ensues. Adverse effects include severe personal stress, high rates of employee turnover, and loss of teamwork which might be devoted to productivity. As one computer industry executive put it, "Our biggest opposition doesn't come from the competition, it comes from people inside the company." (Lopez, 1989).
Some organizations have experienced and managed grave differences in organizational expectations--but not without identifying and facing the problem. For instance, Lundberg (1985) offers a model for intervening in such a situation. Many other scholars and practitioners have similar, helpful guidelines for managing conflict related to differing perceptions of appropriate organizational behavior (Folger & Poole, 1984; Gudykunst, 1986).

This research investigated management and professional satisfaction after two years of working together in a new division. It used both a survey instrument and in-depth interviews to assess satisfaction. Decisions about which variables to study were informed by the literature cited above, as well as preliminary results from an internal study one year prior to the survey. The following questions guided the research:

1. To what extent were members satisfied with teamwork?
2. To what extent were members satisfied with leadership at branch, division, and national levels?
3. To what extent were members satisfied with mission?
4. To what extent were members satisfied with productivity?

DESCRIPTION OF THE STUDY

Overview of the Case
A reorganization policy devised by a group of executives who, after carefully analyzing costs and programs, were convinced that the creation of a new division would better coordinate certain programs. What they failed to anticipate was the consequence of combining subcultures on organizational effectiveness. Bringing people together physically is a necessary but not a sufficient condition for coordination.

In this study, the divergent subcultures clashed at both the macro and the micro levels. In general terms, the subcultures valued distinctly different missions for the organization. These different values had been enculturated through work histories and professional orientations. This case study explores the missions preferred by a "family" culture, versus those of a "procedural" culture.

Specifically, the different subcultures endorsed different managerial styles and practices. Managers, like the executives who had appointed them, were unaware of the fact that nonmanagers, through their interpretations and behaviors, were also in the business of creating and maintaining organizational culture. Executives and managers in this case study ignored this approach, insisting on their authority.

Finally, these differences were allowed to fester and destroy organizational potential, as they do in a distressingly large number of other organizations.
Executives who ignored the impact of divergent subcultures in creating the division were unable to confront the resulting difficulties in helpful ways. The failure of reorganization in this case study is possibly more devastating and self-evident than most, but the underlying dynamics are characteristic of unsuccessful combinations.

This essay continues with a discussion of conflicting cultural assumptions, the results of the organizational survey and interviews, recommendations and conclusions.

Background Information

The national organization which recently created a new division is in the business of managing large tracts of land along with associated resources. It employs thousands of people and has a very sizable annual operating budget. The organization and its members are highly respected for their expertise, as well as for their dedication to the values of wilderness and historic preservation.

In the early 1980s, senior management reviewed operations and determined that efficiencies could be achieved by consolidating personnel with expertise in minerals and mining into a separated division, with one primary location in the West and a small staff at the East Coast national headquarters. The goals of senior managers were centralization of expertise and the achievement of systematic management activities nationally. At the time,
there was nothing to suggest that these goals were unrealistic.

Subcultural Differences

While the consolidation of expertise appeared to have many advantages, there were also some inherent problems. Diverging assumptions about mission, management style and conflict management created serious, insidious problems. The contradictory assumptions derived from the fact that the new division was staffed from several different organizations whose missions in minerals management were deceptively similar, but whose organizational cultures emphasized distinctively different work values.

The creation of the new division created several management positions which had not existed before. The decisions on how to fill these positions were debated at top levels. It was concluded that the new organization would be best able to fulfill its distinct function if some "new blood" was brought in to staff it. The Division Director, his Deputy and one of three Branch Chiefs were recruited together from another organization which was also involved in mineral-related concerns. The second Branch Chief came from another related organization and the third Branch Chief who did have direct minerals management experience came from within the parent organization.
Among staff, the ratio of parent to immigrant organization was reversed. Of the 36 employees who had worked for the new division during its first two years, one-third lacked career experience with the parent organization. All but a few of the twenty-six professionals had work experience in the parent organization. In addition to traditional role conflict between management and professionals, a layer of differing cultural assumptions was embedded. The great majority of employees held assumptions about work goals and methods accepted unquestioningly in the parent organization, while those in charge introduced an often incompatible set of work rules.

**Professional Regulatory Versus Family Subcultures**

The cultural orientation of the three managers along with others from the "immigrant" organization might be described as "professional regulatory." Their workplace learning led them to think in terms of goals which were long-range and policy-generating. They saw the proper relation of the division to the rest of the organization as quality control. They expected to exert influence with those above them in the hierarchy by submitting carefully prepared documents through the chain of command. Typically, these workplace assumptions were seldom explicit, absorbed without reflection, and held to be incontestably correct.
The dominant culture of the parent organization stressed a less differentiated, family-style culture, in which responding to the immediate needs of other organizational units should take precedence. Employees with this enculturation worried that their managers would not be successful within the larger organizational context because they were not part of the "old boy network" and didn't play by the "correct rules." When vacancies were not filled from within the parent organization, these employees were annoyed because they believed there were so many qualified candidates "in-house."

In contrast, the "immigrant" managers prided themselves on hiring the most qualified candidates and not being part of the network which had historically controlled destiny for the parent organization. These competing views of organizational behavior would have been divisive in any distribution, but the fact that most of the managers (regulatory) shared cultural assumptions contrary to those of most of the professionals (family) made those differences even more pernicious.

Unwillingness to Confront Differences

A number of difficulties might have alerted executives to the need for intervention in the new division. By the end of its first two years of existence, the new division was already experiencing serious difficulties. The Division Director and managers from the related organization were concerned at what they viewed as inferior work products (written reports) and
excessive employee resistance to direction. Scientists, technologists and the other manager were distressed at what appeared to be mismanagement: lack of clear direction, turf struggles and political considerations which interfered with professional judgments, and harrassment of employees who voiced disagreement. The gap between management/staff perceptions of difficulties in the new division continued to widen.

Senior management on the East Coast responded to the situation by sending out a staff member who interviewed management and a number of the senior employees. The staff member identified teamwork, management, mission and productivity as issues at risk in the division. While the staff member passed this information on orally to senior management, her findings were never disclosed to employees, as anticipated. Worse yet, senior employees who had been promised confidentiality in the interviews felt that they were subsequently harrassed.

During the course of the following year, one-third of the professionals left, either through transfer, early retirement or resignation. Among those who left, feeling they had been driven out, was the one minerals manager who had been a member of the parent organization. One branch manager organized a weekend meeting for members to voice their concerns, but the Division Chief refused to attend or consider their results.

METHOD
**Sample and Data Collection**

At the beginning of the third year of operations, senior management in the national office decided that the situation had become rather grave and commissioned an organizational audit by an independent consultant (this author). The goal of the audit was to assess the organization in those same areas found to be deficient in the earlier interviews and to make recommendations for improvement. Meetings were held with staff and management to brief them on the purpose and procedures of the audit. The results of individual responses were confidential but a summary report was later released.

The audit consisted of interviews with all 26 current members of the division, along with the 12 members who had resigned within the past year. Each member was provided with a copy of the questionnaire at the time of the interview so that they were clear as to the exact wording and sequence of the questions. The few who were interviewed by telephone each had copies of the interview questions prior to the prearranged calls.

Ample time was allowed to explore responses to the survey instrument. The average interview ran thirty minutes, with the shortest taking twenty minutes and the longest lasting one hour. All interviewees were invited to return for an additional sessions, and several did so.

**Measures**
The survey instrument was developed by the author for use in audits and teambuilding efforts. It was influenced by the work of Likert and Likert (1979) in the assessment of organizational climates. It was modified to represent the structure of this division (three branches) and problem areas which had surfaced in the earlier, unreleased internal study. The instrument appears in Figure I.

The survey instrument assessed the extent to which management and employees were satisfied with the areas of concern: teamwork, division and executive management, consistency with mission, and productivity. Teamwork was a five item scale, with a sixth item asking for an overall rating. Satisfaction with the Division and Branch Chiefs also consisted of five items, and one overall rating. Satisfaction with the national office consisted of three items and one overall rating. While mission and productivity were assigned four items and one overall rating each.

There were 32 items to be ranked from 1 (low/poor) to 10 (high/excellent). In addition, there were four open-ended questions dealing with future courses of action. Demographic information was also collected.

In the complete audit, comparisons were made between the opinions of management, clericals, and professionals. Comparisons among all employees of the three branches were also made. In addition, analysis was made to determine differences between past and present employees. The focus of this study is
differences between management (the Division Chief and three Branch Chiefs all from immigrant organizations at the time of the study) and professionals (25 scientists and engineers, 20 of whom were from the parent organization at the time of the study).

RESULTS

A combination of numerical rankings and employee comments produced results which show significant differences between management and professional perceptions with regard to the five areas of concern: teamwork, local and national management, consistency with mission, and productivity (see Figure II for a summary of results). Results are divided into responses from management (the Division Chief and the three Branch Chiefs) and the twenty-five professionals who reported to the three branches (known by the acronyms SOB, WEB, and BOB). The profile which emerges is of a division which is demoralized and alienated from all but one manager.

A survey of the separate categories describes the specifics of this dismal state of affairs. With regard to teamwork, management rates it 6.42, while the branch averages range from 3.71 to 4.40. Interviews revealed that teamwork was not only lacking, but in some cases prohibited. That is, one of the Branch Chiefs (procedural) has forbidden anyone on her staff from sharing information with a person from a different branch.
The staff (family) views such procedures as preventing them from collaborating to produce a quality product.

Responses to the overall management items directed at the Division Chief indicate that management rates him above average (6.42); in contrast, the professional staff rates him poorly (1.85-3.01). The Division Director's approach to conflict has been to ignore it whenever possible, and, when impossible, to tighten controls. For instance, his latest directive was a prohibition of talking in the halls.

The overall ratings of Branch Chiefs suggests that management rates them highly (8.53), but they are differentially rated by their professional staffs (SOB Chief =2.96 or poor, WEB Chief=5.02 or average, BOB=7.44 or above average, another significant difference). The SOB Branch Chief is not respected and is accused of a long list of personal and professional indiscretions. The WEB Branch Chief is evaluated well by some employees and poorly by others, resulting in an average rating.

The BOB Assistant Director is highly regarded by his staff.

Ratings on the relationship with the East Coast office show the least variability between subcultures. The overall ratings range from the BOB branch at 3.71 or less than average, to the WEB branch at 6.22, or slightly better than average. This is the sole instance in which differences between management and branches are not significant. In comments, both staff and management speak highly of senior management (those who created
the division) but feel they should have addressed the personnel situation sooner.

The ratings with regard to mission has one significant variation from the previous pattern. Management feels it is behaving quite consistently with mission (7.04). Professional staff ratings on mission vary from low (3.38 for SOB and 3.67 for BOB) to above average for WEB (6.82). Since most of the professionals in the WEB branch are from regulatory cultures, it may be that they tend to concur with management about a regulatory mission. Members of the other two branches reported feeling distressed that the division is not responding to requests from other units and at the long delays in getting out even small products.

Ratings on productivity return to the significant difference between the management/professionals pattern. Management sees the division as above average in productivity (6.55), while the branches rate it closer to average (4.43, 5.26 and 5.83).

DISCUSSION & CONCLUSIONS

Procedural vs. Family Culture

It is sobering to consider that an equally long section might have been written about factors favorable to the success of the new division. Most prominently, the division was generously funded and staffed; throughout its existence, it has enjoyed resources sufficient to carry out its mission.
adequately. However, this and other strengths were overwhelmed by the clash between subcultures. Adequate resources and talented staff did not outweigh the effects of deep and unconfronted cultural differences. Members from the relationship-oriented organizational culture (mostly staff scientists and engineers) valued a service mission, freedom to work with a minimum of regulations, and timeliness of product. Members from the task-oriented organizational culture (mostly managers) valued a regulatory mission, compliance from subordinates, and correctness of product.

These conflicts about content were compounded by a conflict over process: how to handle conflict in the workplace. Professional staff valued the open exchange of differences, expecting a respectful hearing and an ultimate negotiation of issues. All but one manager valued authority, expecting fewer complaints and more loyalty.

There are obvious limits to the ability to generalize from any case study. There are inherent limitations in survey research. The presence of a control group might indicate that subcultural differences were less explanatory than some other as yet unidentified variable. If this division was flawed in some way not apparent to its members or the author, it might have foundered despite everyone’s best efforts.

It might be argued that results may be more parsimoniously explained as a simple management/staff conflict: cultural interpretations shouldn’t be necessary to explain differences
which are built into organizational roles. Both interview and survey results suggest that this conflict, while it may be influenced by the usual role differences, cannot be explained adequately thus. In-depth interview comments uncovered feelings of hostility far beyond the usual "them/us" perceptions of management and professionals.

In the survey, the one branch chief who tried to confront conflict (e.g., behaved as members of the family culture would) was highly evaluated by his staff (BOB). Also in the survey, only on "consistency with mission" did professionals from regulatory cultures agree with their fellow immigrants (managers) in endorsing moderate satisfaction. Cooke and Rousseau (1988) find that subcultural differences within organizations occur across hierarchical levels. A simple role conflict interpretation does not fit the data; it is more likely that cultural affiliation and role may interact on salient items.

Another objection to the cultural interpretation might be that satisfaction or lack thereof is a result of competency. That is, the Division and two of the three Branch Chiefs might be ill suited for their jobs and would cause dissatisfaction regardless of organizational culture. Certainly, there were some episodes reported which would lend credence to this slant. A larger sample or repeated cases would make this possibility easier to evaluate. Again, it is likely that competence is one of the variables interacting with culture.
Finally, one of the strongest arguments for the importance of culture to the damage in the division comes from the members themselves. Those who commented on the report took had varying opinions on its recommendations, from total endorsement to total rejection. However, both professionals and managers agreed that the cultural interpretation fit their "native" experience.

**Recommendations**

Pursuant to the audit, the author recommended that the Division Director and the SOB Branch Chief, who were roundly rejected by employees, be removed. Unfortunately, while both are individuals with talent, results are overwhelmingly clear that they are unacceptable to this group. Ideally, a new director would approach cultural differences less evaluatively and be skilled in intergroup communication.

Whether or not the present management is retained, it was suggested that significant time be set aside in division meetings for training in appreciating differences in the work orientations of others. Unless the two subcultures are willing to look at past patterns and take at least partial responsibility for future conduct in the division, personal stress, attrition, and low productivity are likely to continue.

At this writing, the executive director on the East Coast who commissioned the audit has been replaced. Several other dissatisfied professionals have left, but the Division Director and the Branch Chiefs remain. In contrast to the
recommendations, local managers "shot the messenger" and have prevailed upon national management to protect their positions. Remaining members report that conflicts are less frequent; no one was willing to generalize about productivity. It appears that in the future, the regulatory culture will overpower the family culture through attrition.

Consultant Caveats

What does this study offer to practitioners? First of all, it reinforces the importance of having support from the management group. In this case, three of the four division managers were threatened by the study and only participated because it was forced on them by their immediate boss at the national level. They responded in kind, by circumventing him and receiving protection from an executive even higher up in the national organization. Perhaps their support might have been cultivated by not releasing the results, but using them instead for the basis of a coaching program.

Secondly, the importance of exerting influence at the inception of a merger or reorganization is emphasized. Considering the mix of cultural assumptions and the overlap of one subculture with most of management, the interpretive consultant would argue against bringing in a critical mass of managers who might prove more loyal to one another and former organizational norms than they would to the new unit. This argument should not be construed as opposed to "bringing in new
blood," but it does surface the risk that the usual management/professional conflicts will sharpen.

Finally, there are contributions a consultant might make even after difficulties surface. Members could be acquainted with the cultural paradigm, as a way to identify and tame their differences. Ideally, the consultant could help members be explicit about the assumptions which are causing such friction, as a preliminary to coping with them.

Coordination within an organization begins, not ends, with the physical proximity of those responsible for the product. Coordination of meaning is fundamental to organizational survival and development. When units include employees who bring different assumptions about work orientation, these differences must be addressed as a preliminary to coordination. As organizations restructure, merge, or in other ways change, a cultural approach will be helpful in diagnosis and remediation.
REFERENCES


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Based on a scale from one (lowest) to ten (highest), please rate the following aspects of organizational effectiveness:

A. Teamwork
1. Cooperative working relationships among employees:
2. Cooperative working relationships among branch managers:
3. Open communications:
4. Positive morale within the division:
5. Acceptable rate of turnover:
6. Please assign an overall rating to teamwork:

B. Division Management
Please rate the Division Chief on the following items:
7. Gives clear, consistent direction to the Division:
8. Communicates decisions to those who implement:
9. Devises workable plans for the office (budget/work flow):
10. Delegates responsibility to appropriate employees:
11. Promotes according to merit:
12. Please assign an overall management rating to the Division Chief:

Please rate your Branch Chief on the following items:
13. Gives clear consistent direction to the Branch:
14. Communicates decisions to those who implement:
15. Devises workable plans for the Branch:
16. Delegates responsibility to appropriate employees:
17. Promotes according to merit:
18. Please assign an overall rating to the Branch Manager:

C. Relationships with Washington Office
19. Sensitivity to personnel issues:
20. Management support:
21. Effectiveness of Associate Director:
22. Please assign an overall effectiveness rating to WASO:

D. Extent of Consistency with Mission
23. Technical support for field offices:
24. Plans for protection of natural resources:
25. Implementation of those plans:
26. Developing policies and regulations:
27. Please assign an overall effectiveness rating to mission:

E. Productivity
28. Technical competence:
29. Reasonable work loads:
30. Appropriate assignments:
31. Timeliness of response:
32. Please assign an overall effectiveness rating to productivity.

Employee recommendations (no numerical ratings)
33. How would you prioritize needs for improvement?
34. What corrective steps might be taken to implement improvement?
35. How motivated are employees to make needed changes?
36. What could you contribute to improvement?
## Figure II

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<td>Mgmt</td>
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<td>Overall Management</td>
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* Indicates significance at the .05 level or below.

** This represents the rating given the 3 Branch Chiefs by professionals who reported directly to each one, therefore, no total average is figured.