

# The Paradox of "Corporate Culture": Reconciling Ourselves to Socialization

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- An assistant controller at IBM is rehearsed for a stand-up presentation with flip charts—the principal means of formal communication. Each presentation gets "probed"—IBM's secret weapon for training and assessing young professionals. A manager states: "You're so accustomed to being probed you're almost unaware of it. IBM bosses have an uncanny way of pushing, poking, having a follow-up question, always looking for the hidden ball. It's a rigorous kind of self-discipline we impose on ourselves for getting to the heart of problems. It's also management's way of assessing potential and grooming subordinates for the next job. Senior management spends most of its time 'probing.'" <sup>1</sup>
- An MBA joining Bain and Company, the management consulting firm, is surprised by the incredible number of meetings he must attend—company meetings, recruiting meetings, officer meetings, office meetings, case team meetings, and near-mandatory participation on sports teams and attendance at social events. The objective is to build cohesiveness, participation, and close identification with the firm. There are a set of imperatives for working at Bain: "don't compete directly with peers," "make major conceptual contributions without being a prima donna," "demonstrate an ability to build on others' ideas." In aggregate, these features of Bain's culture are viewed as the underpinnings of success—both internally and with clients. <sup>2</sup>
- An applicant for an entry-level position in brand management at Procter and Gamble experiences an exhaustive application and screening process. His or her interviewer is one of an elite cadre who have been selected and trained extensively via lectures, video tapes, films, practice interviews, and role plays. P&G regards this as a crucial task; it predetermines the creative and managerial resources on which the institution's future depends. The applicant is interviewed in depth for such qualities



as his or her ability to "turn out high volumes of excellent work," "identify and understand problems," and "reach thoroughly substantiated and well reasoned conclusions that lead to action." The applicant receives two interviews and a general knowledge test, before being flown back to Cincinnati for three more one-on-one interviews and a group interview at lunch. Each encounter seeks corroborating evidence of the traits which P&G believes correlate highly with "what counts" for institutional excellence. Notwithstanding the intensity of this screening process, the recruiting team strives diligently to avoid overselling P&G, revealing both its plusses and minuses. P&G actually *facilitates* an applicant's de-selection, believing that no one knows better than the candidate whether the organization meshes with his or her own objectives and values.<sup>3</sup>

- Morgan Guaranty, a bank so profitable and well run that most other bankers use it as a model, competes fiercely for bright and aggressive talent. Once recruited, an extraordinary amount of institutional energy is invested into molding these strong and talented individuals into the Morgan "collegial" style. All employees go through a one year training program that tests their intellect, endurance, and that *requires teamwork* as an essential factor of survival. Constant evaluation assesses interpersonal skills as well as analytical abilities. "The spirit of camaraderie and togetherness" is an explicit objective of entry level indoctrination. Once on the job, frequent rotations provide cross-training and necessitate building an ever-growing network of relationships. Performance evaluations are based not solely upon one's own boss's opinion but upon inputs from every major department with which one interacts. One learns quickly that to succeed one must succeed through the team. Overt political battles are taboo and conflict is resolved directly but never disagreeably. States one officer: "The Morgan traits provide a basic grammar of understanding that enables divergent elements of our organization to speak a common language."<sup>4</sup>

The common thread of these examples is the systematic means by which firms bring new members into their culture. The technical term is "socialization." It encompasses the process of being made a member of a group, learning the ropes, and being taught how one must communicate and interact to get things done. Mention the term "socialization" and a variety of unsavory images come to mind. Some equate it to the teaching of socialism—an incorrect interpretation—but even when correctly understood as the imposition of social conformity, the concept makes most of us cringe. Americans, dedicated by constitution and conviction to the full expression of individuality, regard "socialization" as alien and vaguely sinister. This taboo causes us to undermanage the forces for cohesion in organizations.



The debate between "individuality" and "socialization," like politics or religion, evokes a strong emotional response. Due perhaps to our hypersensitivity to the topic, most corporations avoid the issue. Most American managers know relatively little about the precise process through which strong culture firms "socialize." There is little written on the subject. Business schools give the subject a passing wink. In fact, business schools find themselves in a particular dilemma since, in extolling management as a profession, they foster the view that a cadre of "professional managers" can move from firm to firm with generic skills that enable them to be effective in each. This runs squarely against the requirements of a strong culture. MIT's Edgar Schein states: "I believe that management education, particularly graduate (business schools), are increasingly attempting to train professionals, and in this process are socializing the students to a set of professional values which are, in fact, in a severe and direct conflict with typical organizational values."<sup>5</sup> It is not surprising that many businesses have become disenchanted with MBAs in line management positions because of their tendency to skip from one firm to the next. It is certainly of interest that most strong culture firms, if they hire MBAs at all, insist on starting them from the ground up and promote exclusively from within. There are no significant MBA programs in Japan—and Japanese students earning MBAs in the U.S. are sent primarily for language skills and the cross-cultural experience.<sup>6</sup>

Consider the fad that currently surrounds the subject of "organizational culture." Many adherents lose enthusiasm when brought face-to-face with the stark reality that "creating a strong culture" is a nice way of saying that an organization's members have to be more comprehensively socialized. Most American firms are culturally permissive. We are guided by a philosophy—initially articulated by Locke, Hobbes, and Adam Smith—which holds that individuals who are free to choose make the most efficient decisions. The independence of the parts makes a greater sum. Stemming from this tradition, American organizations allow members to do their own thing to a remarkable degree. Trendy campaigns "to become a strong culture" encounter resistance when an organization's members are asked to give up their idiosyncrasies and some of their individuality for the common good. The end result is usually the status quo.

Of course, some firms do openly worry about their "culture." Many, however, often err on the side of fostering "pseudo-cultures." (There are numerous examples in Silicon Valley.) Issuing "company creeds" or hosting rituals like "Friday night beer busts" may project the aura of corporate culture; but such elements alone do not facilitate organizational effectiveness. Real changes in style cannot prevail without a carefully thought through and interlocking socialization process.

The crux of the dilemma is this: We are intellectually and culturally opposed to the manipulation of individuals for organizational purposes. At



the same time, a certain degree of social uniformity enables organizations to work better. The less we rely on informal social controls, the more we must inevitably turn to formal financial controls and bureaucratic procedures. U.S. firms that have perfected and systematized their processes of socialization tend to be a disproportionate majority of the great self-sustaining firms which survive from one generation to the next. Virtually none of these companies discuss "socialization" directly. It occurs as an exercise of the left hand—something that just happens "as the way we do things around here." When we examine any particular aspect (e.g., how the firm recruits, the nature of its entry level training, its reward systems, and so forth), little stands out as unusual. But when the pieces are assembled, what emerges in firms as different as AT&T is from P&G, as Morgan Guaranty is from IBM or Delta Airlines, is an awesome internal consistency which powerfully shapes behavior.

### Steps of Socialization

It is time to take socialization out of the closet. If some degree of socialization is an inescapable necessity for organizational effectiveness, the challenge for managers is to reconcile this with the American insistence upon retaining the latitude for independent action. The solution is neither mind control nor manipulation. It is neither necessary nor desirable to oscillate from extreme individualism to extreme conformity. We can learn from those who have mastered the process. A practical middle road is available. Strong culture firms that have sustained themselves over several generations of management reveal remarkable consistency across seven key steps.

**Step One:** Careful selection of entry-level candidates. Trained recruiters use standardized procedures and seek specific traits that tie to success in the business. Never oversell a new recruit. Rely heavily on the informed applicant deselecting himself if the organization doesn't fit with his personal style and values.

The earlier Procter and Gamble illustration captures the crucial aspect.<sup>7</sup> Recruitment is the organizational equivalent of "romance." Hiring someone is like marriage—and a broken engagement is preferable to a messy divorce. Recruiters are expected to get deeper than first impressions. Their skill and intuition are developed by intensive training. A great deal of thought is given to articulating precisely and concretely the traits that count. The format for recording these traits is standardized. From the recruit's point of view, the extensive screening sends a signal: "You've got to be special to join." The screening process causes one to reveal oneself and causes most to wonder if they are good enough to get in. This increases receptivity for the second stage.



**Step Two:** Humility-inducing experiences in the first months on the job precipitate self-questioning of prior behavior, beliefs, and values. A lowering of individual self-comfort and self-complacency promotes openness toward accepting the organization's norms and values.

Most strong culture companies get the new hire's attention by pouring on more work than can possibly be done. IBM and Morgan Guaranty socialize extensively through training where "you work every night until 2:00 a.m. on your own material and then help others."<sup>8</sup> Procter and Gamble achieves the same result via "upending experiences," sometimes requiring a new recruit to color in a sales territory map—a task for which the novice is clearly overqualified.<sup>9</sup> These experiences convey a metamessage: "While you're smart in some ways, you're in kindergarten as far as what you know about this organization." One learns to be humble. Humility tends to flourish under certain conditions; especially long hours of intense work that bring you to your limits. When vulnerability is high, one also becomes close to one's colleagues—and cohesiveness is intensified in pressure-cooker environments where little opportunity is given to re-establish social distance and regain one's bearings. At the investment banking firm Morgan Stanley, one is expected to work 12-to-14 hour days and most weekends. Lunches are confined to the firm cafeteria and limited to thirty minutes; trainees are censured for taking lunch outside.<sup>10</sup> Near identical patterns of long hours, exhausting travel schedules, and extensive immersion in case work are true at the major consulting firms and law practices. Socialization is a little like exercise—it's easier to reconcile yourself to it when you're young.

**Step Three:** In-the-trenches training leads to mastery of one of the core disciplines of the business. Promotion is inescapably tied to a proven track record.

The first phase of socialization aims to attract the right trainees predisposed toward the firm's culture. The second instills enough humility to evoke self-examination; this facilitates "buying in" to the firm's values. Increasingly, the organizational culture becomes the relevant universe of experience. Having thus opened one's mind to the company's way of doing business, the task is now to cement this new orientation. The most effective method for doing so is via extensive and carefully reinforced field experience. While IBM hires some MBAs and a few older professionals with prior work experience, almost all go through the same training and start at the same level. It takes six years to grow an IBM marketing representative, twelve years for a controller. McKinsey consultants and Morgan Stanley analysts must likewise earn their way up from the ranks. The gains from such an approach are cumulative. When all trainees understand there is one step by step career path, it reduces politics. There is no quick way to jump ranks and reach the top. Because the evaluation process has a long time horizon, short term behavior is



counterproductive. Cutting corners catches up with you. Relationships, staying power and a consistent proven track record are the inescapable requirements of advancement. Those advancing, having been grown from within, understand the business not as financial abstraction but as a hands on reality. Senior managers can communicate with those at the lowest ranks in the "short hand" of shared experience.

**Step Four:** Meticulous attention is given to systems measuring operational results and rewarding individual performance. Systems are comprehensive, consistent, and triangulate particularly on those aspects of the business that are tied to competitive success and corporate values.

Procter and Gamble measures three "what counts" factors that have been found to drive brand success. These factors are Building Volume; Building Profit; and Planned Change (defined as changes which simply put, increase effectiveness or otherwise add satisfaction to a job).<sup>11</sup> Operational measures track these factors using Nielsen market share indices as well as traditional financial yardsticks. All performance appraisals are tied to milestones which impact on these factors. Promotions are determined by success against these criteria—plus successful demonstration of management skills.

Another example of comprehensive, consistent, and interlocking systems are those used at IBM to track adherence to its value of "respecting the decency of the individual." This is monitored via climate surveys; "Speak up!" (a confidential suggestion box); open door procedures; skip-level interviews; and numerous informal contacts between senior-level managers and employees.<sup>12</sup> The Personnel Department moves quickly when any downward changes are noted in the above indices. In addition, managers are monitored for percent performance appraisals completed on time and percent of employees missing the required one week a year of training. All first-level managers receive an intensive two-week course in people management and each managerial promotion results in another week-long refresher. These systems provide a near "fail-safe" network of checks and double checks to ensure adherence to IBM's core value of respecting individual dignity.

Included in IBM's mechanisms for respecting the individual is a device known as the "Penalty Box."<sup>13</sup> Often a person sent to the "penalty box" has committed a crime against the culture—for example, harsh handling of a subordinate, overzealousness against the competition, gaming the reporting system. Most penalty box assignments involve a lateral move to a less desirable location—a branch manager in Chicago might be moved to a nebulous staff position at headquarters. For an outsider, penalty box assignments look like normal assignments, but insiders know they are off the track. Penalty boxes provide a place for people while the mistakes they've made or the hard feelings they've created are gradually forgotten—and while the company looks for a new useful



position. The mechanism is one among numerous things IBM does that lend credence to employees' beliefs that the firm won't act capriciously and end a career. In the career of strong, effective managers, there are times when one steps on toes. The penalty box is IBM's "half-way house" enabling miscreants to contemplate their errors and play another day. (Don Estridge, maverick pioneer of IBM's success in personal computers and currently head of that division, came from the penalty box.)

**Step Five:** Careful adherence to the firm's transcendent values. Identification with common values enables employees to reconcile personal sacrifices necessitated by their membership in the organization.<sup>14</sup>

Of all the steps this is perhaps most essential. It is the foundation of trust between organization and individual. Values also serve as the primary safeguard against our great fear that highly socialized organizations will degenerate into an Orwellian nightmare.<sup>15</sup> Much of our resistance to socialization stems from the suspicion that corporations are fundamentally amoral and their members, once socialized, will pursue inappropriate goals. There are, in fact, significant checks and balances in American society against the extremes of social manipulation. Government, the media, and various other stakeholders such as consumers, environmentalists, and unions become powerfully vocal when corporations cross the line of decorum. And of the great self-sustaining institutions, all over a half century old, little evidence exists of major transgressions despite their strongly socialized cultures. These corporations avoid the undesirable extremes by continually recommitting themselves to shared values that keep them in tune with society.

Placing one's self "at the mercy" of an organization imposes real costs. There are long hours of work, missed weekends, bosses one has to endure, criticism that seems unfair, job assignments and rotations that are inconvenient or undesirable. The countervailing force for commitment under these circumstances is the organization's set of transcendent values which connect *its* purpose with significant higher-order human values—such as serving mankind, providing a first-class product for society, or developing people. Prior to joining Delta Airlines, candidates hear endlessly about the "Delta family feeling." Numerous anecdotes illustrate that Delta's values require sacrifices: management takes pay cuts during lean times; senior flight attendants and pilots voluntarily work fewer hours per week in order to avoid laying off more junior employees.<sup>16</sup> Candidates who accept employment with Delta tend to accept this quid pro quo, believing that the restrictions on individual action comprise a reasonable trade-off. In effect, Delta's family philosophy is deemed worthy enough to make their sacrifices worthwhile. The organization, in turn, needs to honor its values and continually reaffirm their importance. To the outsider, the fuss IBM makes over "respecting



the dignity of the individual," the intensity with which Delta Airlines expresses "the Delta family feeling," may seem like overzealousness. But for those within, these values represent a deeply felt mission. Their credibility and constancy is essential to the socialization transaction.

**Step Six:** Reinforcing folklore provides legends and interpretations of watershed events in the organization's history that validate the firm's culture and its aims. Folklore reinforces a code of conduct for "how we do things around here."

All firms have their stories. The difference among firms that socialize well is that the morals of the stories all tend to "point north." Procter and Gamble fires one of their best brand managers for overstating the features of a product. The moral: ethical claims come ahead of making money. Morgan Stanley canonizes partners with legendary skills at "cutting a deal." One of the richest legacies of folklore was found within the former Bell system where numerous stories and anecdotes extolled employees who made sacrifices to keep the phones working.

The Bell folklore was so powerful and widely shared that when natural disaster struck, all elements of a one million member organization were able to pull together, cut corners, violate procedures, make sacrifices against measurement criteria—all in the interest of restoring phone service. This occurred despite extensive bureaucratic obstacles and illustrates how folklore, when well understood, can legitimize special channels for moving an organization in a hurry.<sup>17</sup>

**Step Seven:** Consistent role models and consistent traits are associated with those recognized as on the fast track.

Nothing communicates so powerfully to younger professionals within an organization than having peers or superiors who share common qualities and who are formally or informally recognized as winners. Far more can be taught by examples than can ever be conveyed in a classroom. The protégé watches the role model make presentations, handle conflict, write memos—and replicates as closely as possible the traits that seem to work most effectively.

Strong culture firms regard role models as the most powerful ongoing "training program" available. Because other elements of the culture are consistent, those emerging as role models are consistent. Morgan Stanley carefully selects its high-potential cadre for the combination of energy, aggressiveness, and team play that the organization requires.<sup>18</sup> Procter and Gamble exhibits extraordinary consistency among its brand managers across traits such as tough mindedness, motivational skills, enormous energy, and ability to get things done through others.<sup>19</sup>

Unfortunately most firms leave the emergence of role models to chance. Some on the fast track seem to be whizzes at analysis, others are skilled with people, others seem astute at politics: the result for



those below is confusion as to what it *really* takes to succeed. The set of companies, formerly parts of the Bell System, have a strong need to become more market oriented and aggressive. Yet the Bell culture continues to discriminate against candidates for the high-potential list who, against the backdrop of the older monopoly culture, are "too aggressive."<sup>20</sup>

The seven dimensions of socialization, while not surprising when examined individually, tend to be overlooked and undermanaged. Many companies can point to isolated aspects of their organizational practices that follow these patterns but rarely is each of the seven factors managed as a concerted and well-coordinated effort. Rarer yet is the firm where all seven hang together. Indeed, it is *consistency* across all seven elements of socialization process that results in a strong cohesive culture that lasts over time.

### The Case for Socialization

All organizations require a certain degree of order and consistency. To achieve this, they either utilize *explicit* procedures and formal controls or *implicit* social controls. Great firms tend to do an artful job of blending both. American firms, in aggregate, tend to rely on formal controls. The result is that management often appears to be over-steering, rigid, and bureaucratic. A United Technologies executive states: "I came from the Bell system. Compared to AT&T, this is a weak culture and there is little socialization. But, of course there is still need for controls. So they put handcuffs on you, shackle you to every nickel, track every item of inventory, monitor every movement in production, and head count. They control you by balance sheet."<sup>21</sup>

An inordinate amount of energy in American companies is invested in fighting "the system." (We often find ourselves playing games to work around it.) When an organization instills a strong, consistent set of implicit understandings, it is effectively establishing a common law to supplement its statutory laws. This enables us to interpret formal systems in the context for which they were designed, to use them as tools rather than straitjackets. An IBM manager states: "Socialization acts as a fine-tuning device; it helps us make sense out of the procedures and quantitative measures. Any number of times I've been faced with a situation where the right thing for the measurement system was 'X' and the right thing for IBM was 'Y'. I've always been counselled to tilt toward what was right for IBM in the long term and what was right for our people. They pay us a lot to do that. Formal controls, without coherent values and culture are too crude a compass to steer by."<sup>22</sup>

Organizations that socialize effectively manage a lot of internal ambiguity. This tends to free up time and energy; more goes toward getting the job done and focusing on external things like the competition and the customer.



"At IBM you spend 50% of your time managing the internal context," states a former IBMer, now at ITT, "at most companies it's more like 75%."<sup>23</sup> A marketing manager at Atari states: "You can't imagine how much time and energy around here goes into politics. You've got to determine who's on first base this month in order to figure out how to obtain what you need to get the job done. There are no rules. There are no clear values. Bushnell and Kassar stood for diametrically opposite things. Your bosses are constantly changing. I've had 4 in 18 months. We're spread out over 43 buildings over a 20-mile radius and we're constantly reorganizing. All this means that you never have time to develop a routine way for getting things done at the interface between your job and the next guy's. Without rules for working with one another, a lot of people get hurt, get burned out, are never taught the 'Atari way' of doing things because there isn't an 'Atari way.'"<sup>24</sup>

The absence of cultural rules makes organizational life capricious. This is so because success as middle and senior managers not only requires managing the substance of the business, but increasingly involves managing one's role and relationships. When social roles are unclear, no one is speaking the same language; communication and trust break down. Remember, the power to get things done in corporations seldom depends on formal titles and formal authority alone. In great measure, it depends on a person's track record and reputation, knowledge, and a network of relationships. In effect, the power to implement change and execute effectively relies heavily on one's *social* currency, something a person accumulates over time. Strong culture firms *empower* employees helping them build this social currency by providing continuity and clarity. Organizations which do not facilitate this process incur a cost.

Continuity and clarity also yield great dividends in reducing career anxiety. The ebbs and flows of career fortunes attract close scrutiny in organizations. Mixed signals surrounding such things as rewards, promotions, career paths, criteria for being on the "fast track" or a candidate for termination, inevitably generate a lot of gossip, game playing, and counterproductive expenditure of energy. Some might feel that these elements can be entirely resolved by the explicit provisions in the policy manual. Fact is, many of the criteria of success for middle and senior level positions are implicit. It is almost impossible to articulate in writing the nuances and shared understandings that govern the rise or demise of executives. The rules tend to be communicated and enforced via relatively subtle cues. When the socialization process is weak, the cues tend to be poorly or inconsistently communicated.<sup>25</sup>

Look carefully at career patterns in most companies. Ambitious professionals strive to learn the ropes but there are as many "ropes" as there are individuals who have, by one means or another, made their way to the top. So one picks an approach and if by coincidence it coincides with



how your superiors do things, you're on the fast track. Far more prevalent, however, the approach that works with one superior is offensive to another. "As a younger manager, I was always taught to touch bases and solicit input before moving ahead," a manager of a Santa Clara electronics firm states, "It always worked. But at a higher level with a different boss, my base touching was equated with 'being political.' Unfortunately, the organization doesn't forewarn you when it changes signals. A lot of good people leave owing to misunderstandings over things of this kind. The human cost in weakly socialized organizations tends to go unrecognized."<sup>26</sup>

What about the cost of conformity? A senior vice-president of IBM states: "Conformity among IBM employees has often been described as stultifying in terms of dress, behavior, and lifestyle. There is, in fact, strong pressure to adhere to certain norms of superficial behavior, and much more intensely to the three tenets of the company philosophy—1) respect for the dignity of the individual, 2) providing first-rate customer service, and 3) excellence. These are the bench marks. Between them there is wide latitude for divergence in opinions and behavior." A Procter and Gamble executive adds: "There is a great deal of consistency around here in how certain things are done and these are rather critical to our sustained success. Beyond that, there are very few hard and fast rules. People on the outside might portray our culture as imposing lock-step uniformity. It doesn't feel rigid when you're inside. It feels like it accommodates you. And best of all, you know the game you're in—you know whether you're playing soccer or football; you can find out very clearly what it takes to succeed and you can bank your career on that."<sup>27</sup>

It is useful to distinguish between norms that are central to the core factors that drive business success and social conventions that signal commitment and belonging. The former set is most essential as it ensures consistency around certain crucial activities that link to a firm's strategy. At IBM, people, customers, and excellence have priority. As noted earlier, IBM's format for stand-up presentations and its style of "probing" are seen as vital to keeping the culture on its toes. Bain, Morgan Guaranty, and Procter & Gamble each imposes variations on this theme.

The second set of norms are, in effect, organizational equivalents of a handshake. They are social conventions that make it easier for people to be comfortable with one another. One need not observe all of them, but as some conventions count more than others, one strives to reassure the organization that one is on the team. The important aspect of this second set of social values is that, like a handshake, they are usually not experienced as oppressive. Partly, this is because adherence is only skin deep. (Most of us don't feel our individualism is compromised by shaking hands.) In addition, these social conventions are usually self-evident to prospective members and self-selection eliminates many whose integrity would be violated by observing them.



## Misconceptions

The aim of socialization is to establish a base of attitudes, habits, and values that foster cooperation, integrity, and communication. The most frequently advanced objection is that the companies who do so will lose innovativeness over the long haul. The record does not bear this out. Many of the companies who socialize most extensively are the ones that have lasted over many generations—at least *prima facie* evidence of sufficient innovation to cope with the changing environment. Further consider 3M or Bell Labs. Both socialize extensively and both are highly innovative institutions—and they remain so by fostering social rules that *reward* innovation. Another misconception is that socialization necessarily occurs at the expense of maintaining a desirable amount of internal competition. Again, IBM, P&G, major consulting firms, law practices, and outstanding financial institutions like Morgan Stanley are illustrations of strong culture firms where internal competition tends to be healthy but intense. There is, of course, an ever present danger of strong culture firms becoming incestuous and myopic—the “General Motors syndrome.” Most opponents of socialization rally around this argument. But what is learned from the firms that have avoided these pitfalls is that they consciously minimize the downside of socialization by cultivating *obsessions*—not just *any* obsession, but ones that serve to continually wrench attention from internal matters to the world outside. The four most common “obsessions” are quality, competition, customer service, and productivity. Each demands an external focus and serves as a built-in way of maintaining vigilance. Positive examples are McDonald’s obsessive concern for quality control, Toyota’s for productivity, IBM’s for customer service, and Morgan Stanley’s for competition. These “obsessions” contribute to a lot of fire drills and are regarded as overkill by some. But they also serve as an organizational equivalent of calisthenics. They maintain organizational alertness and muscle tone for the day when real change is required. It should be noted that organizations which tend to be obsessive over internal matters, such as Delta’s with “the family feeling,” may be riding for a fall.<sup>28</sup>

The underlying dilemma of socialization is so sensitive to core American values that it is seldom debated. When discussed, it tends toward a polarized debate—especially from members of the media and academics who, as a subset of the U.S. population, tend to be among the most preoccupied with individualism and individual rights. A central premise of this essay is that such polarization generates more heat than light. We will do better if we can advance beyond the extremes of the argument.

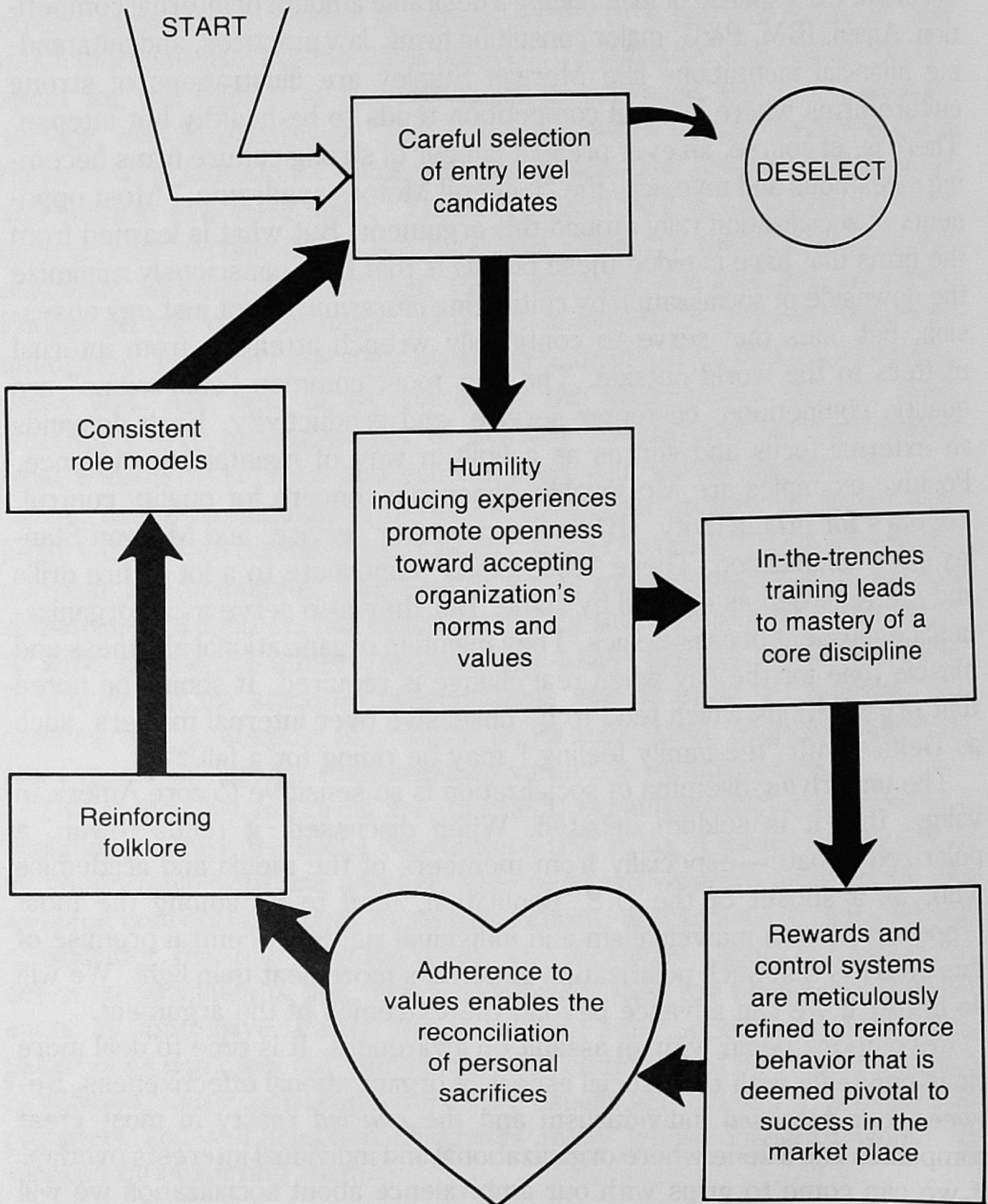
Revolutions begin with an assault on awareness. It is time to deal more clear-mindedly with this crucial aspect of organizational effectiveness. Between our *espoused* individualism and the *enacted* reality in most great companies lies a zone where organizational and individual interests overlap. If we can come to grips with our ambivalence about socialization we will



undoubtedly make our organizations more effective. Equally important, we can reduce the human costs that arise today as many stumble along ineffectually on careers within companies that lack a sufficient foundation of social rules. This insufficiency is only partly the result of ignorance. In equal measure it derives from our instinctive resistance to social controls—even when some measure of them may be in our own best interest.

## BOX 1

## SEVEN STEPS OF SOCIALIZATION





## BOX 2

**Compute Your "Socialization" Score**

Respond to the items below as they apply to the handling of professional employees. Upon completion, compute the total score. For comparison, scores for a number of strong, intermediate, and weak culture firms are to be found below.

	<u>Not true of this company</u>			<u>Very true of this company</u>	
1. Recruiters receive at least one week of intensive training.	1	2	3	4	5
2. Recruitment forms identify several key traits deemed crucial to the firm's success, traits are defined in concrete terms and interviewer records specific evidence of each trait.	1	2	3	4	5
3. Recruits are subjected to at least four in-depth interviews.	1	2	3	4	5
4. Company actively facilitates de-selection during the recruiting process by revealing minuses as well as plusses.	1	2	3	4	5
5. New hires work long hours, are exposed to intensive training of considerable difficulty and/or perform relatively menial tasks in the first months.	1	2	3	4	5
6. The intensity of entry level experience builds cohesiveness among peers in each entering class.	1	2	3	4	5
7. All professional employees in a particular discipline begin in entry level positions regardless of prior experience or advanced degrees.	1	2	3	4	5
8. Reward systems and promotion criteria require mastery of a core discipline as a precondition of advancement.	1	2	3	4	5
9. The career path for professional employees is relatively consistent over the first six to ten years with the company.	1	2	3	4	5
10. Reward systems, performance incentives, promotion criteria and other primary measures of success reflect a high degree of congruence.	1	2	3	4	5
11. Virtually all professional employees can identify and articulate the firm's shared values (i.e., the purpose or mission that ties the firm to society, the customer or its employees).	1	2	3	4	5
12. There are very few instances when actions of management appear to violate the firm's espoused values.	1	2	3	4	5



13. Employees frequently make personal sacrifices for the firm out of commitment to the firm's shared values.

1 2 3 4 5
14. When confronted with trade-offs between systems measuring short-term results and doing what's best for the company in the long term, the firm usually decides in favor of the long-term.

1 2 3 4 5
15. This organization fosters mentor-protégé relationships.

1 2 3 4 5
16. There is considerable similarity among high potential candidates in each particular discipline.

1 2 3 4 5

Compute your score: \_\_\_\_\_

For comparative purposes:

Scores		
Strongly Socialized Firms	65-80	IBM, P&G, Morgan Guaranty
	55-64	ATT, Morgan Stanley, Delta Airlines
	45-54	United Airlines, Coca Cola
	35-44	General Foods, Pepsi Co.
	25-34	United Technologies, ITT
Weakly Socialized Firms	Below 25	Atari

References

1. Interview with Skip Awalt, Director of Management Development, IBM, Armonk, NY, May 26, 1982.

2. Interviews with Bain Consultants, 1983. Also, see: "Those Who Can't, Consult," *Harpers* (November 1982), pp. 8-17.

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