Don’t Give Up on Corporate Culture

MIT Sloan Management Review editor in chief Paul Michelman argues that the importance of corporate culture will dissipate as organizations become flatter and more distributed. However, several readers take a different view.
Don’t Give Up on Corporate Culture

MIT Sloan Management Review editor in chief Paul Michelman argues that the importance of corporate culture will dissipate as organizations become flatter and more distributed. However, several readers take a different view.

As corporations become increasingly flat and networked, and as more people operate as “affiliates” rather than as “employees,” managers and academics alike are wondering about the role of corporate culture in the future. Given that many workers will be contractors located remotely and much collaboration will be project-based, will organizations be able to establish behaviors and shared beliefs that keep everyone marching in the same direction? In a short essay titled “The End of Corporate Culture as We Know It” (which appears on page 1 of this issue and was published earlier this year on the MIT Sloan Management Review website), MIT SMR editor in chief Paul Michelman voiced doubts about the long-term viability of corporate culture, which has been an organizational staple for more than 50 years. As Michelman put it, “We are embarking upon a time when the ‘way we do things’ will be reinvented with each new collaboration.”

The question of what happens to corporate culture in a world where teams come together and dissolve as opportunities rise and fall has triggered a lively debate among visitors to MIT SMR’s website. A number of readers were not prepared to ring the death knell for corporate culture. “No organization is able to exist without [some shared identity] … no matter how distributed the system is,” wrote Patricia Galante de Sá, who owns a training and consulting firm in São Paulo, Brazil. “Essence and purpose will still be paramount.”

Another reader, Komal Mathur, general manager of HR at Tata Consultancy Services Ltd. in Mumbai, India, argued that successful corporations have values that stand the test of time. “There is no denying the fact that cultures will become more vibrant and open than ever before,” wrote Mathur, who has spent more than 20 years working in IT. However, she noted, “Successful organizations are the ones that have enduring and resilient values. … While the organizational structure may become less hierarchical, a value such as ‘respect’ does not change.” Egbert Schram, managing director of itim International, an organizational consulting firm based in Helsinki, Finland, goes even further: “In a world where there is less and less loyalty to employers (and employees), … proactively … managing a corporate culture to enable the organization to adapt to whatever is thrown its way will only become more important, not less.”

For some readers, the question comes down to the meaning of “culture.” David Blyth, a consultant and adjunct associate professor at the University of Western Australia, believes that strong cultures can sometimes be too rigid to respond to changes in the overall business environment, whereas less defined cultures can be more responsive to change. However, he observed that it “doesn’t suggest to me that culture becomes less relevant. It suggests to me we will see an increasing number of enterprises with more fluid, open, and innovative cultures.” Blyth thinks these cultures, while different, “will be every bit as important as the cultures of today’s important companies or those of bygone eras.”

— Reported by Bruce Posner

Comment on this article at http://sloanreview.mit.edu/58430, or send your own question for authors of an MIT SMR article to smrfeedback@mit.edu.
MIT Sloan Management Review

PDFs ■ Reprints ■ Permission to Copy ■ Back Issues

Articles published in MIT Sloan Management Review are copyrighted by the Massachusetts Institute of Technology unless otherwise specified at the end of an article.

MIT Sloan Management Review articles, permissions, and back issues can be purchased on our Web site: sloanreview.mit.edu or you may order through our Business Service Center (9 a.m.-5 p.m. ET) at the phone numbers listed below. Paper reprints are available in quantities of 250 or more.

To reproduce or transmit one or more MIT Sloan Management Review articles by electronic or mechanical means (including photocopying or archiving in any information storage or retrieval system) requires written permission.

To request permission, use our Web site: sloanreview.mit.edu
or
E-mail: smr-help@mit.edu
Call (US and International): 617-253-7170 Fax: 617-258-9739

Posting of full-text SMR articles on publicly accessible Internet sites is prohibited. To obtain permission to post articles on secure and/or password-protected intranet sites, e-mail your request to smr-help@mit.edu.