

NEGOTIATING WITH OUR FUTURE CULTURES

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ABSTRACT

Our paper begins and ends with an enduring constant of social systems – “culture.” Culture has provided a baseline context for individuals to belong to larger social systems, as well as bulwark against change in human affairs. Culture has become a basis for defining what becomes institutionalized, and how it to do things that will be perceived as an institution. In the modern world a form of culture known as corporate has become quite important to what we do and who we are. It has become a center-piece for the economic continuity of many social groups and most socio-economic activity. Yet, somehow corporate culture has come to define culture in ways that benefit only some parts of a society at the expense of other parts. In this way culture serves to formalize (to fix) human relations in ways that are against the potentials of the informal (the dynamic). Culture is normally defined so as to give historical meaning of human affairs, but such forms of meaning can be as constraining as they are comforting.

We propose a expanded and reorganized redefinition of culture so as to use the potential in its continuous mirror image to renegotiate human futures. We propose to systemically unfix its sense of permanence, to throw culture into the future as a feed-forward instrument that links future aspirations to present activity. The traditional image of culture as only a feedback mechanism, to remind people of whether they are inside or outside of a cultural group, is stood on its head as a means to bring normative values out from the future. This may all seem conceptually difficult. It is in fact a rather straightforward means to use ideas of the future to direct activities of the present. Herein we pursue this idea via the social systems situation of mergers and acquisitions between two corporate cultures. Examining this context allows us to understand the importance of culture, organizational culture, corporate culture, and how corporate culture can be managed to the benefit of its host as well as context.

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INTRODUCTION

Culture has recently emerged as helpful to understanding societal, organizational and individual change, and to see those forces that resist change. As such culture provides a dual guidance metaphor. While it is widely known to be a barrier against change, it can also be conceived as a platform for it. At a fine-grain individualized level, culture connects segments of the whole person in fragments of time and space. At a more general level it effectively integrates and divides groups and eras. In the broad sense culture is a marker of historical record about integration and division of people and development of social groups. As such it provides a chronology of ethnic, religious, resource-allocation arguments and various rationales for war. It is a descriptor of events and often a prescriptor for direction of the human condition. Once we are aware of this long tradition of culture, and the pessimism it poses for the human condition we can move to present culture in a more integrative, optimistic sense. Culture can also be as a basis for human differences that are worthy of connection.

We propose culture as a systems-touch-stone that can be sent into an increasingly systemic future to integrate that which tends towards the disintegrative. We will exemplify this via results of recently studied successful and unsuccessful mergers in economic organizations where cultural difference has emerged as a means to bind the parts or unravel the whole. As such, culture is a powerful means to negotiate with the future while learning from the past. Thus, culture can be modeled as part of feed-forward as well as feed-back processes.

The intention behind the paper was not to concentrate on business and industry systems but to use them as a doorway into information about the larger set of social systems that have formed modern society and are now being reformed. The underlying intent is to formulate a basis for presenting culture as a construct for being normative about dealing with our future. Critical to this is how cultures have dealt with the concept of change. Two widely varied approaches from 5th Century BC are outlined in our presentation. In some sense the choice between these two approaches has served to define our commonly accepted sense of culture. We argue to revisit that choice and see if the other branch offers a more viable approach culture as a construct for current needs.

Added to this reconceptualization is the notion by Howard Perlmutter and Jacque Masonrouge in the 1960s of missing institutions. Perlmutter, a Professor Emeritus of Wharton, and Masonrouge, a past CEO of IBM International, suggested the idea that societal development depends on its institutions, but that it is currently being stymied by some needed institutions having not yet been designed. They articulated a means to identify and then build the needed institutions. We will build on that work.

A key characteristic of a culture of the future, as we will define it, is that it can help a social group effectively respond to change by learning to embrace, then create it. In this way culture turns from being a by-product of core, historic values and becomes a vehicle for design of the values that better match the challenges of the 21st century. In this sense we will adopt a systems science perspective in the traditional of Ackoff, Angyal, Emery

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and Trist. In this way culture can become integrative of value differences, continuously seek relations, not separations, and strive to motivate the human spirit without further physical deterioration of the human condition.

CONCEPTIONS OF CHANGE

We begin with a fundamental systems distinction between Parmenides of Elea, and Heraclitus of Ephesus. Both were from the 5th Century BC. The first was a proponent of the riveting idea that true human reality was working with changelessness. The second, while an occupant of the same era, argued the reverse. For Heraclitus reality was change, and, as such, we should concentrate on efforts on negotiating with its ambiguities.

We argue that the Heraclitus approach was closer to systems thinking, and that the difference between the two attitudes is very fundamental to human affairs. It is at the basis of defining who we are, and what we should value and do. We believe that the changelessness attitude has been the most pervasive in design and management of social institutions. The central norm therein was to resist change, and new forms of difference. If we desire a world where embracing change and accepting difference becomes the normative we need to begin with the basics.

It is also interesting to note that a clear and fateful choice between the two worlds was taken in 5th Century in both Greece and China. The subject was the phenomena of change as it related to reality. The objective was to find a way for humans to deal with the relationship. The decision profoundly impacted how humans came to perceive, interpret and manage their separate and mutual realities. Institutions were created to manage changelessness, while resisting the forces of change. Where change would surface and become too strong the “system” could shift a bit. Changelessness, in policy and practice, was the legitimate way of life. Changelessness could always become slightly mobile in the form of “stability.” This “fixed stability” could even move a bit more and expand to include ideas like “sustainable.” All of these were enemies of change, or perceived change as the enemy.

The alternative route was different in a profound sense. It was for whoever became intrigued by the aesthetics of change. Those embracing change defined reality as that which did change. Emphasis was with the beauty of that which was dynamic instead of the protection offered by what was static. The choice was between a changeless state and a state of change. At the most general level the debate dealt with how humans would negotiate with nature. At a more specific level the debate set the stage for how humans would confront themselves and each other.

In summary, the changeless perspective assumed that whatever changed didn't exist or could be assumed to be unimportant to human affairs. This perspective was especially strong in classical physics until the late 19th century, and even prevailed in some aspects of early 20th century relativity theory. For example, Einstein was primarily responsible for the momentous break with Newtonian physics, but yet he showed a fondness for

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maintaining a connection to stability by arguing for the cosmological constant. This would allow there to be sufficient matter to keep the universe from infinite expansion. We see similar tendencies in most religions, legal systems, economic assumptions and other areas of social expectation that attempt to bind groups together. The change perspective assumed the existence of a quite different worldview. Phenomena that did not change were dead, or were negligible as compared to the dynamics that governed the human condition. The emergence and acceptance of the change perspective can be seen as a critical part of the development of much of contemporary science, e.g., modern biological science understanding beginning in the 1920s.

Each offered a different vision of reality, and different constructs and concepts for negotiating with it. Important to research outlined herein are the alternative consequences of each view. Each set out to know, make, maintain and negotiate with a very different set of conditions for the improvement of human well-being. Each designed, fabricated and supported a very different cultural and physical environment. Each came to form a different relationship to nature. The choice made in 500 BC led to a fateful division on the pathway of human development. Changelessness was the apparent choice, leading to design of cultures, institutions and artifacts that denied the dynamic forms of existence. Significant social resources have been invested cultural barricades that resist change. The purpose here is to create a knowledge base for those that want to find a sense of culture that can embrace change as a viable attitude and method to research.

CONCEPTIONS OF CULTURE

Culture exist and operates at various human levels. It is within the individual, via the personality, in the group as socio-ethnic culture, and within the species as part of what we call nature. All three levels need to be considered. There are problems at all three levels, but resources at one can help resolve problems in the others.

We begin by pointing to links in cross-cultural differences and similarities and differences.

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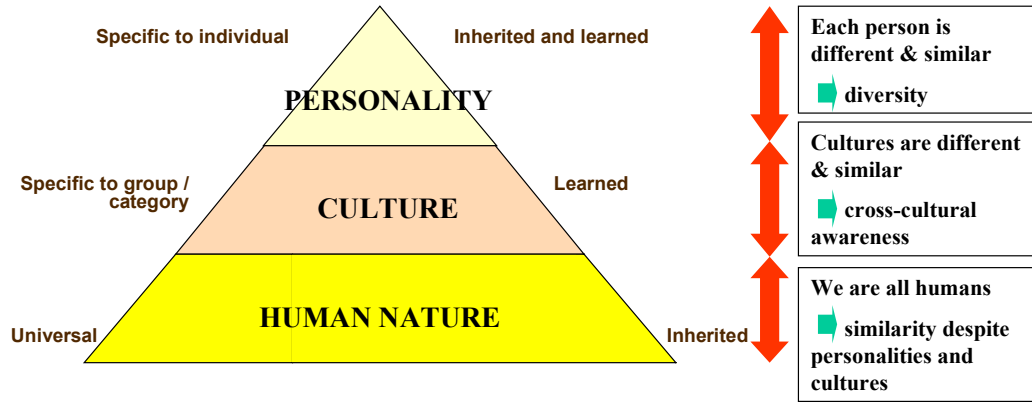
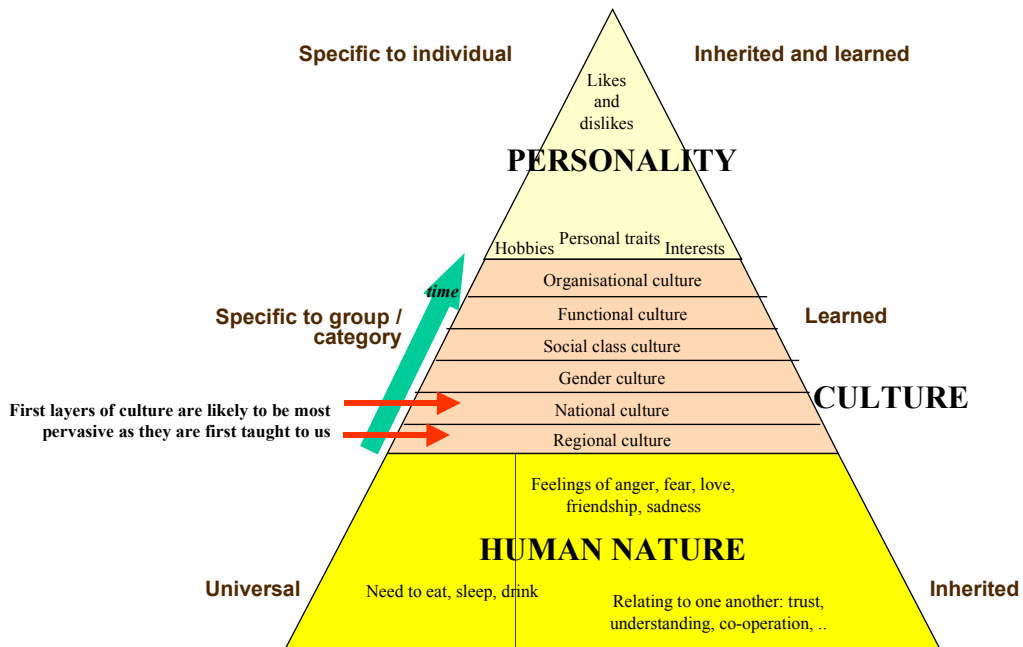


FIGURE 1: A CULTURAL CONTINUUM

FIGURE 2: POTENTIALS IN THE CONTINUUM



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Significance:

We can conceive of culture as a pyramid of types. Each individual carries a myriad of these possibilities within themselves. Some allow us to differentiate ourselves from others, while some bind us to others. The virtually infinite variety allowed by this is herein seen as a very valuable resource for systems management. As such culture no longer simply “is,” but is turned into a resource for helping humans to become; i.e., a platform for purposeful change. Thus, the problem and solution to conceptions of change and culture are included in the same framework.

We propose looking at corporate mergers and acquisition behavior as a way to identify and map the potentials for change of culture because it offers a great deal of information about the problems in managing cultural difference badly and the potentials in doing it well.

CONCEPTIONS OF CHANGE AND CULTURE: MANAGING CULTURAL DIFFERENCE IN M&A ACTIVITIES

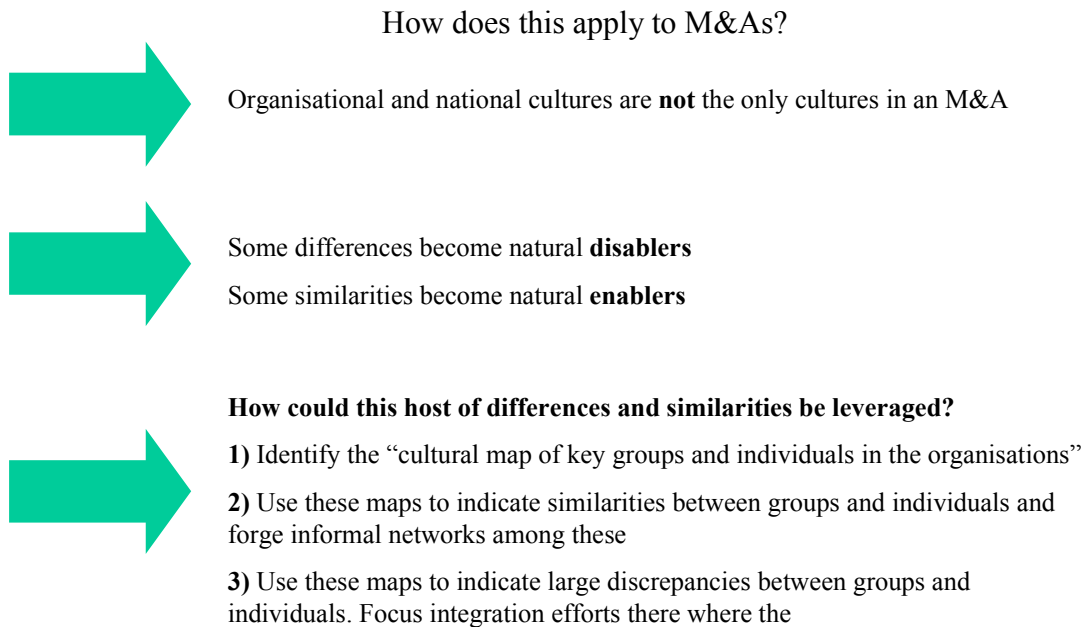
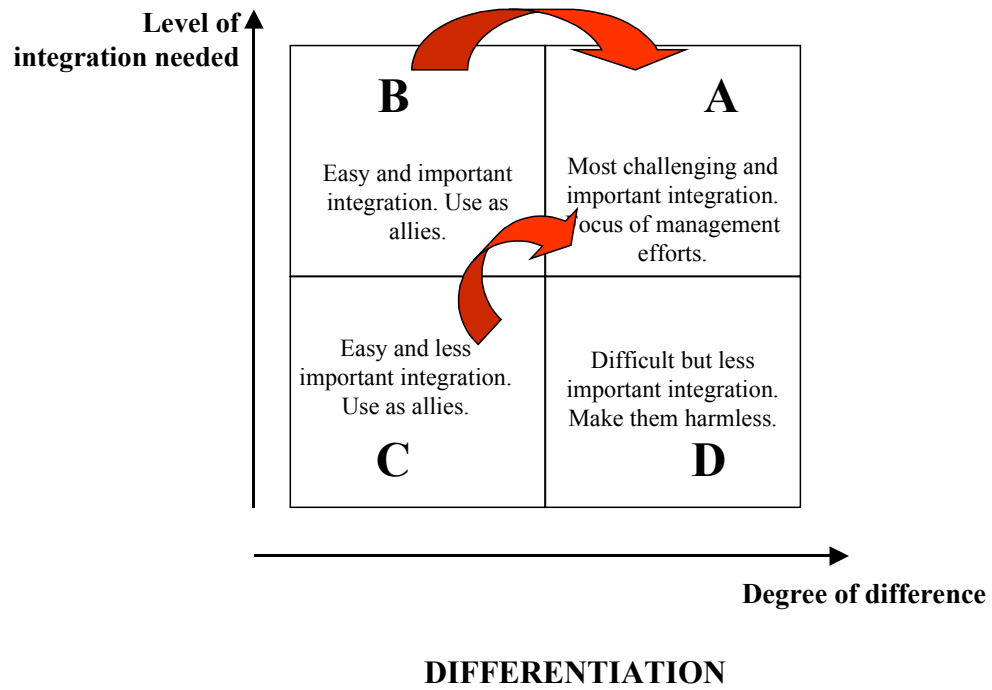


FIGURE 3: SEEKING THAT WHICH DISABLES AND ENABLES

We then face the problem of systems integration. This has long been a fundamental problem in systems science research beginning with biological and moving to psychological systems. In some domains integration is more critical than others. Treating it as a uniform need seems to create many unnecessary problems, some of which become unmanageable. The following diagram illustrates one means to segment the relative need for integration and differentiation.

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FIGURE 4: MANAGING THE DUAL NEED FOR INTEGRATION/



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Non-managed integration process

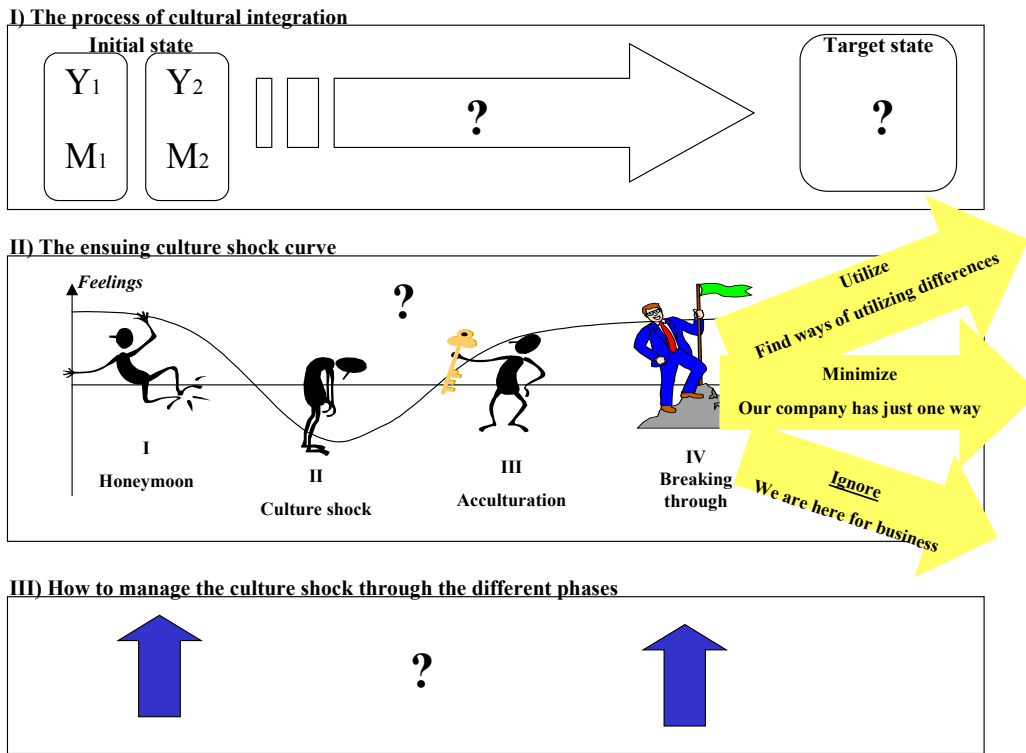


FIGURE 5: LETTING TRADITION MANAGE THE M&A INTEGRATION PROCESS

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Well-managed integration process

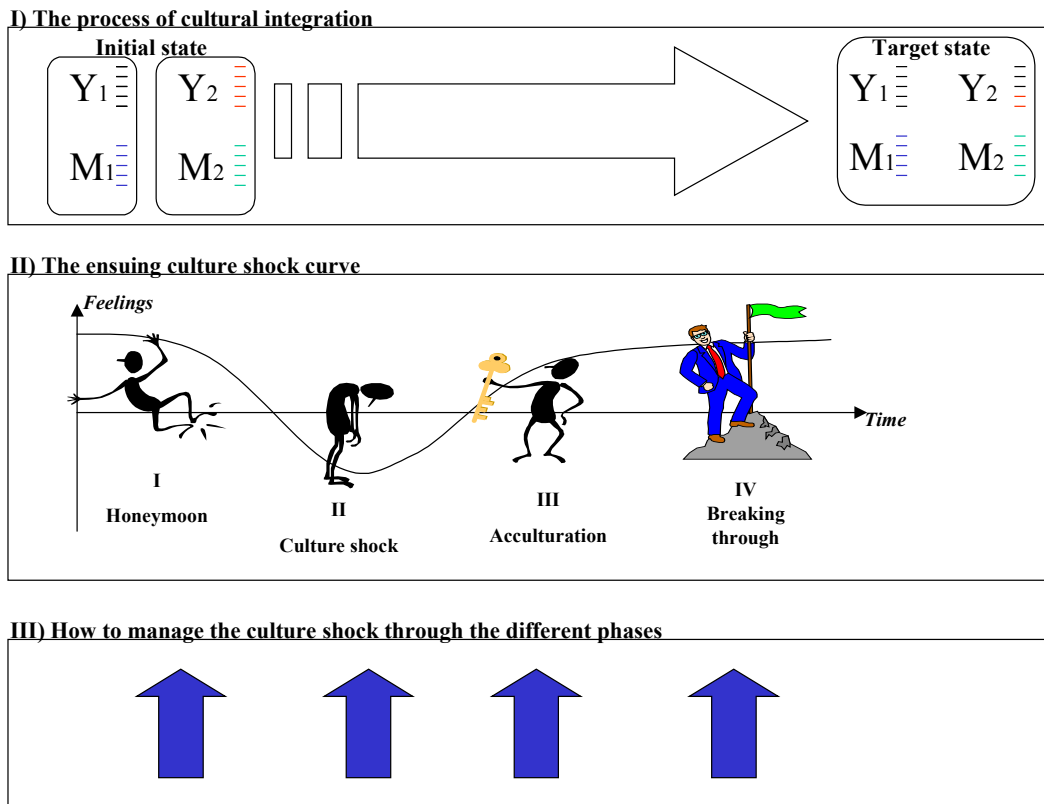


FIGURE 6: USING CHANGE CULTURE TO MANAGE THE INTEGRATION PROCESS

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What happens in the integration ...

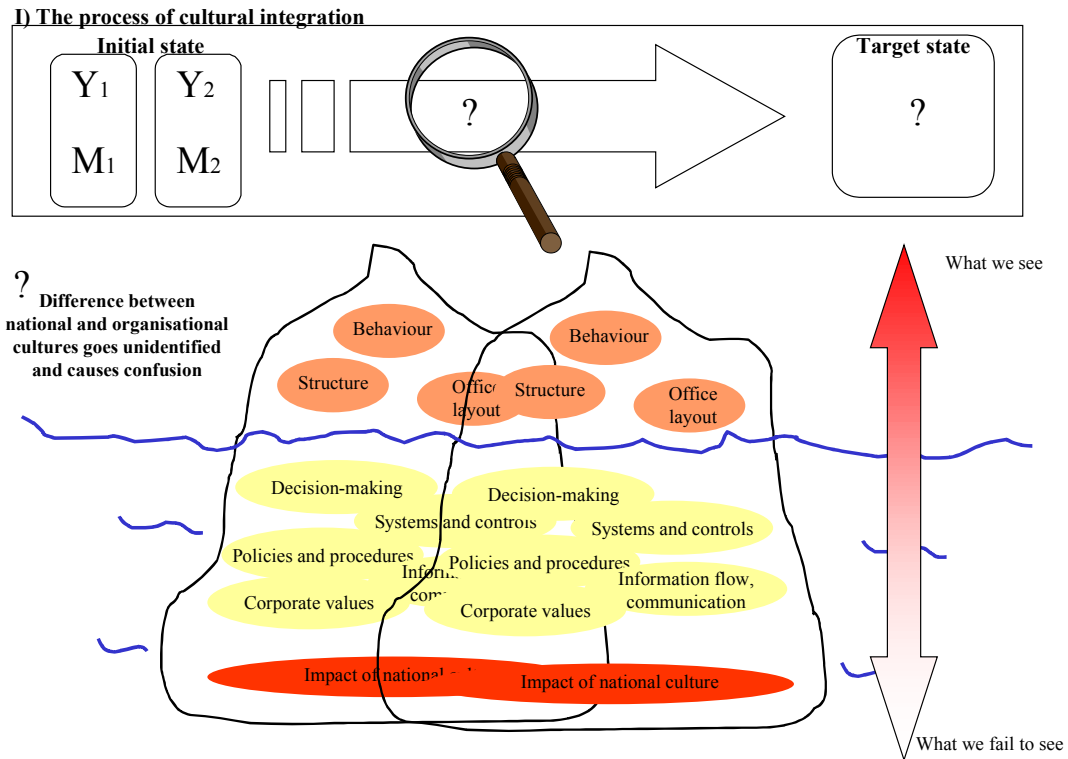


FIGURE 7: UNDERSTANDING THE PROCESS: A BASIS FOR FEEDFORWARD MANAGEMENT VIA CHANGE CULTURE

CONCLUSIONS

The above work is now being used as a basis to carry out research with a collection of firms, in socio-ethnic different cultures, that have attempting to integrate different corporate cultures. The following four phases are planned for this research.

Phase 1: set the scene and context for an acquisition of an organization by another.

- Understand the rationale behind the planned deal.
- Understand both organizations situation prior to the initiation of the integration process.
- Understand what was intended by integration, and what was achieved.
- Identify the key players in the above process.

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Phase II: understand the cultural integration process.

- Define and describe the parts to be integrated.
- Identify the timeline for integration.
- Contrast the process with the timeline.
- Describe the actual integration.

Phase III: understanding the management of the cultural integration process

- Identifying what was being managed, who were the managers, who was held responsible and what models of management were utilized in the process.
- Describe the organizational processes in terms of attributes of take off, culture shock
- and landing.

It is accepted that the role of culture is critical to merger and acquisition success and failure, but after saying that we find large gaps in understanding of the integration process. To date much of it has been treated as a black box that resulting in good and bad activities. Our intention it to make use of systems integration theory so as to provide better knowledge about the M&A process that is becoming increasingly important in economic society. What is learned here may also be helpful in the other domains of societal interaction: political, man-nature, and socio-technical.

We will examine the process from the context of the cultural distinction between change and changelessness. This seems helpful in a context of ever more rapid change and with a growing proportion of organizations basing their mission on technological and societal change.