

## “The “Yin” and “Yang” of Corporate Culture”

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- *An exclusive interview with the founder of “Denison Organizational Culture Model,” Daniel Denison*

In talking about organizational culture, people always refer to Edgar Schein and Cameron and Quinn (referred to separately in the sub-column “Edgar Schein’s Organizational Culture Model” and “Competing Values Framework”). What are the differences between your research and theirs?

Generally speaking, my work and these scholars’ work have many similarities. These three are all the top scholars of organizational behavioral science and organizational culture, and they have written many books. My work is derived from the same origins as theirs. Schein is an organizational psychologist; I have read many of his books. I have worked a lot with Cameron and Quinn in the areas of publishing and high-level management consulting.

But my work also has some areas of focus, mainly researching the relationship between culture and corporate performance. I developed a measurement index, in an effort to clarify how organizational culture influences corporate performance. My research shows healthy culture is a motivating factor for high performance.

**Why did you want to invent a system to measure culture?**

Although people have conducted in-depth and fruitful research on organizational culture on a conceptual level, and have even developed some valuable models, but in the past there was practically no research that could prove the relationship between organization culture and organizational performance.

Schein’s research on organizational culture is mainly qualitative - similar to methods of clinical observation, which is important. I rely on several indicators in measuring culture. Although I do rely on indicators, this does not mean, however, that I think these indicators can measure every aspect of culture, such as language, symbolism, history, etc...

Schein research made a big contribution to the area of organizational culture and his proposed underlying assumption within organizational culture enlightened us a lot. But a lot of managers do not attach the necessary importance to his work. Managers might say, “Your clinical observation way is effective and discloses many things. So what? What does this have to do with running a corporation?”

I think my work and Schein’s can complement each other; he laid the foundation for us on a conceptual level which enabled us to establish a framework. From another aspect, managers rarely say: “I did all this work after reading Schein’s book.” I try to meet a manager’s needs on

a more practical level.

Cameron and Quinn are my friends from the University of Michigan and my colleagues. The reason why I work in Michigan is very likely because they very appreciate the work I do. In 1990, I published Corporate Culture and Organizational Effectiveness, in which I utilized their commonly used “opposition values orientation framework.” We all used, for example, the four characteristics, “flexible,” “stable,” “internal,” and “external,” to describe organizational culture.

According to what research group scholars say, this is a generic framework. Its origin can be traced back to Harvard University’s Paul Lawrence and Jay Lorsch who, in the 1960’s, came up with the Management Contingency Theory. They believed that in the pursuit of effectiveness, an organization faces a basic contradiction between an organization’s internal integration and its external adaptation.

Although the framework is similar, there are still marked differences. For example, in our model, there is “mission” dimension, but Cameron and Quinn have a dimension of “rational goals”. In spite of the fact that both sides are related to goals, there are still differences in the meaning of the goals. Some organizations pursue rational economic and financial goals, but some organizations also focus on being long term, committing to pursuing the organization’s mission and vision. The latter organizations can better stimulate the strength of the members within the organization. Using Medtronic as an example, is it possible that Medtronic’s only pursuit is rational financial goals? If you understand their established processes, you find that this is not the case.

**Schein says that it is impossible for us to completely understand organizational culture. Why you think your 12 dimensions have captured the core of organizational culture?**

I completely agree with what Schein said. Organizational culture is very complicated and involves a wide range of topics. My model, however, provides a simple way for handling culture, and probably only catches of 10% of the things within culture. But this 10% actually includes the most relevant things within culture. (Continued below)

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## **Edgar Schein’s Organizational Culture Model**

Edgar Schein is retired management professor with honors from Massachusetts Institute of Technology (MIT), Sloan School of Management. He is recognized as one of the founders of organization psychology and an authoritative expert on company culture. His major works include Organizational Culture and Leadership, and the Company Culture Survival Guide. Schein thinks all organizations should solve two problems: first is external adaptation, second is internal integration, including cultivating common language, distributing rights and establishing status, setting up standards for rewards and punishments, and establishing rules, etc...

Organizational culture is a set of basic assumptions that members share in the process of solving these two problems in an organization. After being tested by previous cases these assumptions are respected by the organization's members, and even will be transmitted to new members.

Schein identified that organizational culture has three dimensions. On the surface is visible behavior, rules and some "artifacts." In the middle are the values the company advocates, and on the bottom is members' basic assumptions. The surface culture is the result of the bottom culture. The reason for the occurrence of the visible cultural situation in the surface culture is because the bottom culture is playing a role in it. For example, if you go to a company and see that all the employees are dressed formally, then this is the surface culture of that corporation. Why are they all dressed formally? If want to find out the answer, you must go deeper into their culture. It's possible you will discover that they do this because maybe they hope the organization will be neat and uniform and that a neat and uniform team could promote product efficiency. Or they think uniformity could enhance their sense of authority, making it easier to obtain the trust of customers.

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## Competing Values Framework

Kim S. Cameron and Robert E. Quinn both are "Management" and "Organization" professors from the Rose Business School at Michigan University. They founded the competing values framework for evaluating organizational culture.

Cameron and Quinn think organizational culture is closely related to two dimensions. The first dimension describes an organization as being external or internal focus. The second dimension describes an organization as tending to be flexible or controlled. These two dimensions largely define members' behaviors and an organization's culture.

These two dimensions determine four types of culture:

1. Human Relations Culture: This kind of culture emphasizes flexibility at the same time as emphasizing internal control. The corporation possesses strong cohesion, and the employees have a clear, common goal. Staff participation and development are given high priority. Companies with this type of culture are like big families.
2. Open Systems Culture: Companies with this type of culture pay attention to flexibility and external markets. People feel an entrepreneurial spirit. Innovation is the key word in this kind of company. Staffs are keen on offering innovative solutions.
3. Rational Goal Culture: This culture emphasizes control and the external market. The managers usually attach a lot of importance on results, for example they pay attention to market share and production rates. They believe that an organization should use planning, goal setting and other rational behaviors to maximize productive rate and efficiency.
4. Internal Process/Hierarchy Culture: This kind of culture puts emphasis on control. The company is usually internally focused. The construction of the organization is coherent and hierarchical. Everyone does things according to a strict flow.

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I have a Japanese client. The company's chairman hates it most when someone wears a striped shirt. Everyone in the company knows this one thing. This is an important integral part of the company's corporate culture (Denison Laughs). In his company, if you want to make a presentation, you at least need to wear an un-striped blue shirt. Of course a white, well-ironed shirt is best. But a blue shirt or white shirt can't be used to forecast and raise company performance. What we should do is to focus on those things that can be measure and manage cultural characteristics in order to provide managers with useful cultural management tools.

Besides a culture model you also founded a leadership development model. Why is a leadership survey necessary? How does it relate to the culture model?

First of all, although surroundings can affect people, as author Ben Schneider said, it is people who create a surrounding. If people lack skills, you have no way of changing the surrounding. If you want to pursue higher achievement goals, your human capital must have higher levels of talent. Your HR and systems should strengthen each other to form a positive feedback. Therefore, if you want to change an organization, you must cultivate leadership talent.

Besides this, like many new things, when the leadership development model appeared, it was being driven by customer needs. Customers said to us they had taken the culture survey and they knew the status of their culture. Now they wanted to make some changes to the culture. So how can they combine leadership development with the cultural reforms? It's just like constructing a building. You need to be clear about the construction and design of the building. But you also need the appropriate people to implement the design. For example, you hope your own organization pays more attention to the market. So, you should pick out and cultivate the people in the organization who are market conscious and have marketing skills. Thus, about one or two years after I founded the culture survey, I founded the Denison Leadership Development Survey. Our leadership development survey and culture survey have some similar dimensions; they both dissect each characteristic of culture into capabilities a manager should need. There are different kinds of leadership development surveys, most of which are related to psychology. Our survey makes a connection between personal leadership and corporate culture.

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### **The Relationship between Achievement and Culture**

Organizational culture has big influence on achievement. Corporations with external-focus company culture often have a good growth index. For example, usually their market share is expanding and their sales revenue is increasing, etc... Corporations with internal-focus

culture usually have good results on operational achievements and a good rate of staff satisfaction. For example, they will have high quality products, high investment rewards, and high staff satisfaction. A stable company will have steady achievements over a long period of time. For example, there will be no major fluctuations in the investments reward rate, assets reward rate, and sales reward rate. A flexible corporation is generally good in innovation, for example a quantitative products or innovative service etc...

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Your survey has a four parts composition of Mission, Consistency, Involvement, and Adaptability. What are the functions of the four parts?

We did a lot of research to determine each dimension of culture and which aspect of culture it is related to (see the sub-column "The Relationship between Performance and Culture"). Generally speaking an organization's sense of Mission and its Adaptability can forecast its growth rate fairly well. A Growth-Type company sets its vision on external markets, its actions are inspired, it has sensitive reactions, and it clearly understands the significance of its existence in the market.

If a corporation has strong Involvement and Consistency, and the company culture is very "internal," mostly the company may not grow up quickly, but its operational index such as quality, efficiency, and profits should be pretty good.

Innovative companies always get high scores in aspects of Adaptability and Involvement. A company with a strong Mission and Consistency will have steady performance over a long time period. For Chinese companies which are in a fast changing environment, they must keep looking outward to keep contiguous growth. Having a clearly defined mission and the capability for quick adaptability are crucial.

It seems like you think that having excessive Consistency will have a negative effect on company performance. But those high performing companies have much higher Consistency than lower performing companies. How do they avoid negative impacts of high Consistency?

In our culture survey model, the higher the score of each dimension, the more colorful it gets, which means that the more colorful, the better (see sub-column "Denison Culture Survey"). Of course there are always some exceptions. If your company's only strong point is Consistency, then there is a problem. The company despite having an outstanding yellow color portion with strong Consistency has a performance level that is lower than average level. Although these companies might have strong product design and production capabilities, but I'm afraid clients won't be interested in these products by working behind closed doors.

Consistency should be kept in balance with the other three indexes, and especially kept in balance with Adaptability; otherwise the company will act sluggishly, won't be adaptable, and finally will be in danger. On the other hand, with a company that has only flexibility and Adaptability, and has no internal Consistency, you will find problems with product quality or

low efficiency. Also, the company there will be barriers prohibiting future growth because it might prove difficult to expand the scale of production.

A high performing company usually has good performance in all four dimensions because they have captured the way of balance.

Within your standard database, is there any specific culture difference of corporations from different kinds of industries or different areas?

There are currently 888 companies in our standard database. We chose these as the best samples from amongst thousands of companies, and we update the database once a year.

When choosing these samples, we fully considered cross-functional, cross-business units, and regional factors. For example, if we only surveyed some company's factory culture in Shanghai, this factory couldn't be counted in our database because its culture couldn't reflect other companies' overall culture.

Most of the company samples in the database are European or American companies; only 5%-10% are Asian companies. We are currently working on increasing the proportion held by Asian companies.

Up to this point, we haven't found that companies in different regions have significant systemic differences in corporate culture. But I don't deny that there are enormous cultural differences in different regions or deny that a manager can neglect these differences.

Sometimes we sample a few companies from a certain country or a certain industry in to establish a special benchmarking database. But in actuality, there is little difference between the comparative benchmark database and the global benchmark database. In the end, we found that it is better if the manager uses a global benchmark database. Because if we have too many options with little distinction, like an automotive industry benchmark, a passenger car industry benchmark, a motor-truck/van industry benchmark, a North American benchmark, an Asian benchmark, this would distract the attention of executives. Their time shouldn't be spent on discussing which benchmark to use, but rather on the big cultural blueprint and on finding solutions. Because of this, my recommendation is if use our survey model directly comparing with the global standard is best.

Two years ago, after we published "How to Evaluate your Organization's Culture," many readers went on to evaluate their corporate culture themselves according to the ideas presented in the article. They actually did not make use of your database. Can they do it like this?

If there is not a good benchmark database, you might misunderstand the score you tested. From misunderstanding the information, you might make the wrong strategic decisions. Let's say on one of the dimensions, you got 3.5 points out of 5 points. This does not indicate that

you performed better than 70% of all companies. It may be that an average score on this dimension is 3.6 points, that is to say, in this aspect most companies are stronger than yours.

Also, interpreting organizational culture also need to utilize professional knowledge. Interpreting organizational culture without utilizing professional expertise is just like a person going to a hospital and getting an X-ray, but doing the diagnosis his or herself.

I believe if IBM and Toyota do your cultural evaluation, they will have similar scores. But IBM's culture and Toyota's culture are very different in the eyes of the people. Does your survey reveal these differences?

Using vision as an example, our survey can not exactly tell you the difference between content of these two companies' visions. What it can do is show you whether or not the vision of company is clear, whether or not it motivates the staff, and whether or not the staff has a good understanding of the vision. At the same time, we are taking another look at the core values. In our survey could not see whether a company's core values are a solution supplier or committed to continuous improvement, but it can tell you if a company has the core values people believe in. So in our survey we focus on the problem of "having it or not having it" not "is or is not". Although IBM and Toyota would have similar scores, the different elements in their internal culture make them appear to have big differences.

In switching to the topic of mergers and acquisitions, sometimes people think two companies that get similar scores on their four big dimensions probably will be easy to integrate after M&A. This is not true. In certain cases of M&A, if a company in some certain aspects encounters challenges, and another company has some strong advantages in the same aspects, then these two companies are easily merged because cause they complement each others dimensions or parts of the dimensions.

With the background of globalization, a lot of companies have set up branches in other countries. What type of impact does a country's or region's culture have on corporate culture?

There is a very deep impact. Corporate culture is always established on base of country or regional culture. Every person joining the company has his or her own cultural background, and at the same time everyone is affected by his family and personal values. For example, some people are concerned about discipline and order. Some people only like design and engineering. But the founder of corporation has the biggest effect on corporate culture. Corporate culture reflects the founder's social identity.

When a corporation sets up a branch overseas, their culture has already been formed, but the branch company runs under a different cultural background. So, the corporation will be faced the difficult problem of transplanting a culture. A lot of companies try to simply copy headquarters' culture to the new branch, disregarding the local specifics and cultural existence. Doing this is somewhat unreasonable. I think a correct approach is: first, nail down the corporation's guidelines. Second, clarify how to be flexible in the guidelines within in the

new operational environment. For example, in America “Customer First” for aiming at the majority of customers, but in China in order to get profit, that guideline applies only to a small number of customers. Simply cloning a culture will lead to failure of transplanting a culture.

Your survey has already been in existence and in use for ten years - in this period did corporate culture generally show any specific change in trends? For example, perhaps corporations become more market oriented or perhaps employees involved more?

Ten years is a long time. Although the important significance of this survey is not in the analysis of actual trends from database, but I still feel corporations have come into “hyper-globalization.” Ten years ago we still had so-called domestic companies but now big companies are basically no longer domestic companies.

Additionally, the operating pace and speed are also accelerating. Eight or nine years ago Cisco already had concept of “quarterly strategy.” This is not to say they changed their strategy every quarter, but they did discuss and solve some strategic problems each quarter. This is a revolution; corporations no longer discuss strategy every 5 years. They now probably adjust their strategies every five minutes.

Globalization, real-time strategy, all-weather, full global cooperation are all challenges corporations face. These challenges are also problems that managers will always talk about when discussing the results of corporate culture evaluations.

There are many contradictions and a lot of balance in your survey. This is similar to the concept of “Yin and Yang,” commonly used by us Chinese people.

Indeed. There are many opposing elements in my cultural survey. At the same time, these opposing elements are complementary. As an organization you can not be just one element with no complementary elements. That is to say, it's not an “either/or” question but a “coordinating/contrasting” problem.

You see in my survey you can find such aspects of opposite uniformity: internal and external, flexibility and stability, top to bottom (mission) and bottom to top (staff involvement, measurable cultural core and immeasurable cultural peripheral).

If you want to be a highly effective manager, you must find the point of balance for these. For example, if you are very concerned about the external customers' needs and feelings, but if you have not a coordinated internal system for continuously transported products and service, you will not have a good return. However, if you are only careful with internal integration and coordination, then you can produce the best quality products, but you can't get good return in this situation either because your products aren't what the customer wants at all.

In an organization each person's perception of corporate culture might not be the same. For example, the high-level perception is probably very different from front-line workers. How

## does a CEO deal with these perception differences?

When we began to evaluate culture, we often saw this situation occur. For example, we once did culture survey evaluations for a client's headquarters located in Beijing. The entire company's overall score and the headquarters in Beijing all had high scores. But if you looked at the scores of the Chengdu Branch, you found its score differs from overall score on certain dimensions such as strategy and vision.

Basically, the further the branch was from headquarters, the lesser the understanding of strategy and vision, and the lower acceptance of corporate core values. In transnational corporations, particularly in mission and adaption these two dimensions, the gap between each division and headquarters is particularly evident. Mission is probably more familiar to a greater percentage of the workers closer to headquarters. But for any employees in a division, the vision is probably not very clear.

If you are a CEO, when you get the cultural evaluation reports, you shouldn't just look at the overall score – you also need to analyze the regional and functional differences, and then take the necessary corresponding actions. Within internal regions and functions, team cooperation is usually not a problem. The task of managers is to provide a more clear direction for team, and to strengthen their sense of core values.

Managers can take different actions including: organizing groups to review and discuss the mission strategy and core values, not only for members of headquarters but also for members of other place to participate in. If there is no sense of direction and values, team members will find it hard to answer questions like: Why do I want to work hard? What's the purpose of working so hard?" and when met with complex questions, they are unable to follow well-known codes of conduct and make quick decision.

Because of this, members of the company have different views on organizational culture, but for an excellent company, the gap is diminishing everyday.

In some Chinese companies we sometimes find that people within some function department or branches show strong team spirit, but if we look at the whole organization, the departments keep closely guarded from each other. How can we extend team spirit from small-scale to the whole organization?

Not only within Chinese companies exist the problem of a closed "silo," but this situation is also commonly found in multinational companies. From the perspective of organizational culture, the reason for this phenomenon is that managers stay in the silo do not have awareness of being customer-oriented. You must realize that the customer purchases the entire company's products; he or she will not say "sell me some research," "sell me some marketing," or "sell me some production." From another aspect, within the value chain of the internal organization, and also within the existence the relationship between customer and supplier, if you can not realize the existence of service relationship, this will provide obstacles

between department cooperation.

If the high-level manager can not let managers understand and accept the mission of company and long-term goals, the manager of function departments will put benefits of the small group over entire company. For example, the implementation of leadership training planning does not go smoothly. Part of reason is because the department manager is not willing to recommend their good underlings to other department for training because they think their own department's stability and well-function are most important.

To solve this question, you first need to educate the manager and expand their consciousness of inner company cooperation. It's not enough, however, to rely on education and communication alone. The corporation must also implement some mechanisms for change. For example, the rewards and punishment mechanisms of the corporation must remove the barriers between the departments, so it does not encourage the departments to do things on their own.

Besides this, the corporation also needs young managers to recognize as soon as possible the great benefits from cross-function cooperation. Up to now most companies only have profits centers at high levels. This means many young managers might have to spend several decades before they have an opportunity to manage a profit center. They might possibly reach retirement age before they have a full understanding of department cooperation and fully experience the benefits of internal collaboration. Now as many companies have realized this defect in their organization's construction, they have started setting up more profit centers in order to let young managers be able to be trained as soon as possible. So when they go back to their original department, they will become a catalyst for internal integration.

**We have a lot of state-owned enterprises whose operations have many difficulties. What advice can you give them?**

Many Chinese companies on the market are state-owned enterprises. The process of restructuring the economics of these enterprises has encountered difficulties. One reason for this is because of function defects. In general, these enterprises are very good at producing. But after economic reforms, their deficiencies within the functions of strategy, marketing, financing, and M&A are exposed. Under the old economic system, their strategy was made by directing department; they didn't need worry if no one purchased their products because there was no limit or difficulty on financing. This means they only needed to do producing and the other things were up to country and economic planning.

After the economic reform, no one did these for them, and suddenly they had to establish real strategy, marketing, and financial departments. But it wasn't possible to send their team leaders to a school like CEIBS (China Europe International Business School) to take MBA courses. So they had to recruit people from the talent market to enrich their "short-board" department. So there was an interesting phenomenon that happened - the managers of the manufacturing departments from these companies average age was 50, but managers and

staff of the marketing, financial, and strategy departments were young people at the age of 30-40. In certain companies establishing these new departments was as difficult as acquiring or merging a company. So the next problem they faced was how to quickly and effectually do internal integration. If you can't integrate successfully this year, then it's too late for next year.

From the perspective of organizational culture, the challenge these managers are facing were how to coordinate the red, blue, green, and yellow sections? (see sub-column "Denison Organizational Culture") These enterprises are typically relying on hierarchy to manage the organization, focusing on internal stability and control; their consistency is very high, but on other color sections their score is lower than average. We have an insurance client that is a typical hierarchical organization. This company's top leadership team consists of two or three persons whom the following employees rarely see. Suddenly the insurance industry was deregulated. Several of the company's big competitors had early awareness and began immediately increasing manager training and quickly launched a reform. But this company moved slowly and didn't notice that external world was changing quickly. Now it finally realized the danger, but cultural innovation takes time. If there was not enough time to change quickly, I'm afraid it might be too late.

**For those rapidly growing companies, what organizational culture challenges will they generally face?**

These kinds of companies face many kinds of challenges, and it's sometimes hard to forecast because they grow so quickly. Sometimes they focus on enhancing Consistency and control, but sometimes because they overly focus on Consistency and control, they neglect changes in the market. So they have to go back and strengthen Adaptability.

But the biggest challenge faced by rapidly growing organizations is probably how to develop capability and employees. These kinds of organizations have strong Adaptability and flexible reactions to market changes and clients, as well as a strong sense of mission and a clear strategic direction. Cooperation between departments is smooth. The employees share common values, but they often feel there is a lack of human talent.

The organizations which impress me most are growth-type organizations that always cultivate ability and talent for the future 10 years. The first step of cultivating ability and talent is acquiring talent. How does a company guarantee that a steady flow of newcomers will not dilute the original culture? How can we ensure these people successfully integrate into the company? The newest employees usually have the closest relationship with those who came one round before them. With our growth-oriented clients, their companies have what we call "first generation talent," "second generation talent," etc... The manager should focus on "does the "Nth generation talent" get the same information as the "first generation people?" Or does every time new people coming into the organization, the culture gets diluted?"

In order to succeed, the managers not only need to continually recruit people and give them a title, but also show them corporate vision. From beginning they should have their rights and

responsibilities explained. Let newcomers merge with the “old guys.” Have them succeed and truly participate in corporate operations. In this regard, Alibaba and Huawei are worth learning from.

Some growth-oriented enterprises, like Lenovo, experienced M&A and globalization in process of development. For these companies after absorbing external culture, keeping the culture alive also proves to be a big challenge. Besides this, companies in bioscience fields in China have emerged as companies with great potential; these companies will become leaders in the biomedicine industry in next five years. At that time they will attract world's scientists and experts. For them, learning how to forge a staff team with a multicultural background with a quick development process and a rapidly changing environment can be a huge challenge.

To face challenges, these companies must insist on pursuing their own visions and insist on their own missions. They shouldn't suppose that because they had success in the past that in the future everything they do will be successful. Sometimes in facing opportunity, they must reject the opportunity.

If you have no long-term plan, I would suggest that you not consider organizational culture. But if you are planning on establishing an overseas company and on achieving long term success, then organizational culture should be the most important thing.

### Which evidences help us to judge whether culture and performance are getting worse?

People will vote by their feet. But if it reaches a point where everyone is leaving, organizational culture has already thoroughly failed. We can, however, find some earlier evidences, for example change of the rate of growth in revenue, the rate of market penetration, the rate of employee loss, and the rate of customer loss.

In judging whether a corporation is getting worse, you can also use my survey. It can forecast the corporate performance in future years. In related corporate operation majority indexes, some of them can forecast short-term corporate performance like a thermometer can tell the temperature of a situation now. Some others can forecast long term performance like barometer can tell whether rain is coming or not. To forecast long term the chosen index should reflect the characteristics of the entire system. For example, in my survey, organization direction, adaptability, the involvement of staff, and core values are all in the system index. They can tell if an organization will be successful or not in future. Also, some indexes like those measuring the degree of satisfaction of individual employees reflect the passive reaction of individuals to an organization.

But if I use the survey to invest in the stock market, I am afraid there will be difficulties. If people knew it was an investment tool, people will not honest when answering the questionnaires. This way we can't insure that we will get effective data. Also, we have a difficult time getting the results by a timely date. We have no way of making 30,000 people fill

out the questionnaires at same time on each first day each quarter.

But if we use this survey to check some exceptionally low scoring companies and research to see if they have an opportunity for improvement, and implement the corresponding actions, then I am afraid it's a much better way of investing.

**Generally speaking, how long does it take a new corporate culture to start affecting corporate production performance?**

The improvement of corporate culture in general takes two or more years time to complete, and usually is accompanied with the changes in top level leadership, especially of the CEO. If the original leadership maintains control, the culture will probably maintain in its original state too. After beginning the change in corporate culture and strategy innovation, efficacy should be seen in several weeks. Regarding process of innovation, John Kotter's survey described this much earlier.

But some companies have implemented successful culture change in a short time. I participated in a reform of the American branch of a Swiss insurance company. In the company's reform of strategy and culture, they used a short span of one year to realize their goal of profitability. After the new CEO joined the company he replaced over half of the executive team members, and changed the strategy from focus on increasing revenue to increasing profit. He changed the process of company decision making being led by client representatives. After starting the new strategy, the company began to put an emphasis on cooperation between client representatives and other departments allowing decision-making to become a "team matter." Under control and balance of other members, the client representatives no longer blindly pursued revenue, and finally began to attach importance to business profitability. In all, the time spent on a culture reforms is determined by the determination, courage, vision, and leadership of the CEO.