

1989

Analysis of Corporate Culture and Community Relations: A Case Study of IBM

Lisa V. Sukovaty-Gordon
University of Northern Iowa

Let us know how access to this document benefits you

Copyright ©1989 Lisa V. Sukovaty-Gordon

Follow this and additional works at: <https://scholarworks.uni.edu/grp>

Recommended Citation

Sukovaty-Gordon, Lisa V., "Analysis of Corporate Culture and Community Relations: A Case Study of IBM" (1989). *Graduate Research Papers*. 4024.

<https://scholarworks.uni.edu/grp/4024>

This Open Access Graduate Research Paper is brought to you for free and open access by the Student Work at UNI ScholarWorks. It has been accepted for inclusion in Graduate Research Papers by an authorized administrator of UNI ScholarWorks. For more information, please contact scholarworks@uni.edu.

Offensive Materials Statement: Materials located in UNI ScholarWorks come from a broad range of sources and time periods. Some of these materials may contain offensive stereotypes, ideas, visuals, or language.

Analysis of Corporate Culture and Community Relations: A Case Study of IBM

Abstract

The basis for study of corporate culture grew from prior sociological and anthropological research. Etzioni (1964) found organizations which incorporate human resource technique in establishing goals were least likely to alienate their employees and were likely to produce desired responses. Etzioni's method for determining an organization's goals was through "inspection of interviews, minutes from board meetings, organization documents, division of labor, and allocation of resources (1964, p.6)." The purpose of cultures as defined by Etzioni should be to "provide a supportive setting for developing modern organizations and theme worldliness (1964, p.108-109)."

ANALYSIS OF CORPORATE CULTURE
AND COMMUNITY RELATIONS:
A CASE STUDY OF IBM

A Research Paper
Submitted
In Partial Fulfillment
of the Requirements for the Degree
Master of Arts

Lisa V. Sukovaty-Gordon
University of Northern Iowa
August 1989

This paper

ANALYSIS OF CORPORATE CULTURE

AND COMMUNITY RELATIONS:

A CASE STUDY OF IBM

by

LISA V. SUKOVATY-GORDON

is submitted in fulfillment of the Research Paper requirement of
The Department of Communication and Theatre Arts,
University of Northern Iowa,
Cedar Falls, Iowa.

JULY 21, 1989
(date)

Dean Kruckeberg

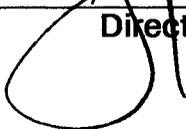
Advisor

Dennis Corrigan

Reader

Jay Edelnant

Director of Graduate Studies



Defining Corporate Culture

The basis for study of corporate culture grew from prior sociological and anthropological research. Etzioni (1964) found organizations which incorporate human resource technique in establishing goals were least likely to alienate their employees and were likely to produce desired responses. Etzioni's method for determining an organization's goals was through "inspection of interviews, minutes from board meetings, organization documents, division of labor, and allocation of resources (1964, p.6)." The purpose of cultures as defined by Etzioni should be to "provide a supportive setting for developing modern organizations and theme worldliness (1964, p.108-109)."

The focus on corporate culture in the field of organizational communication is a relatively new area of study. It was only in the last nine years that researchers indentified corporate cultures and began attributing characteristics of organizations in an effort to define this construct. As a result of this short duration in the research of this area, there continues to be a lack of agreement in defining corporate culture. This necessitates further research in the field in an effort to clarify both the definition of the term and the impact of the corporate culture on the organization (Ott, 1988). One area of corporate functioning influenced by corporate culture may be the company's

emphasis on community relations. Cultures placing high priorities on human issues may in turn approach community relations with the same degree of commitment.

Due to the limited duration and small amount of corporate culture research, the area of study remains broad in scope. It is therefore necessary to review several definitions compiled through inter-disciplinary research to narrow the area of study for this paper. Specifically, the research will aid in identifying the culture most conducive to developing a strong commitment to community relations.

Kilmann, Saxton, and Serpa (1986) define corporate culture as: the shared philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes, and norms that knit a community together. All of these interrelated psychological qualities reveal a group's agreement, implicit or explicit, on how to approach decisions and problems: "the way things are done around here (p.89)."

The focus of their research was to establish the validity of corporate culture as an area for research and to investigate the potential impact corporate culture has on every aspect of the company. Corporate executives are familiar with establishing goals, policies, and strategies, but have limited knowledge of what actually plays the determining role in their success or failure (Kilmann, 1986). The community ascribed to by the culture will either facilitate the development of programs and decisions

or deter from their effectiveness. The key as inferred by the research is in promoting avenues compatible with the existing culture.

To define the nature of corporate culture, Kilmann (1986) found it necessary for those within the corporation to understand the impact of corporate cultures. Three areas to consider include direction, pervasiveness, and strength of the culture. He believed positive impact on employee behavior could be expected if the culture was consistent in pointing the way toward the desired result. Group agreement within the culture will also persuade individuals to follow established guidelines (Kilman, 1986).

The key to determining an individual corporate culture is in examining existing norms, both implicit and explicit. Particular attention should be given to the unwritten rules within the organization. It is the implied goal which often holds the deepest meaning, hence dictating the behavior of corporate employees (Kilman, 1986).

A far more restrictive look at corporate culture was completed, specifically identifying values and beliefs of the corporation as the most conclusive indicator of the culture (Reimann and Wiener, 1988). The focus on values being functional, implying an outward direction of the environment, or elitist, in which a sense of superiority is projected by the corporation, was the perspective taken by Reimann (1988). The overall objectives of the corporation determine the direction in which values are based.

Through the study of myths, rituals, stories, and specialized language, Reimann (1988) found the basis for corporate culture rests in the founders and leaders of the corporation.

Wiener (1988) elaborated on the concept of corporate culture and the difficulty of narrowing the definition. His study identified the set of shared values as a common link with previous research in the field. The significant point Wiener's study makes is that the degree of strength or overall existence of shared values correlates with the strengths of the corporate culture, but should not be confused as being one and the same.

Goals based on shared values are the core of corporate culture. Graves (1986) stated that "continuous attention to goals that are constantly changing could be disruptive." He takes issue in Corporate Culture with solely focusing on this one aspect. Although it is true that culture is "the glue that holds organizations together (p.11)," additional elements must be taken into consideration.

A problem exists in corporate cultures which strictly adhere to a common set of shared goals and values. In an effort to keep abreast of rapidly changing situations, corporations are in danger of either falling behind as a result of adhering to those goals or sending a mixed message to employees by constantly revising them. Pascale, in a 1985 study of IBM and similar companies, exemplifies an approach for dealing with this problem in the seven steps of socialization (or developing a corporate culture). In the

existing American corporate system, based on individuality, it is necessary to overcome the stigma derived from socialization. Companies successful in developing strong corporate cultures have done so by avoiding extreme or mind-manipulating tactics.

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... (p.29)

In the case of IBM, overall value of the individual has been entrenched in hiring, training, and operational elements of the corporation. In establishing and evaluating corporate culture, one should investigate multiple divisions to determine where the emphasis lies (Pascale, 1985).

Davis (1984) proposed that the degree to which a corporation implements its culture may be best viewed in daily corporate functioning. Individuals tend to grasp concepts through repetitious behavior. The study of culture therefore would need to address ethical practices seen in daily operations of the corporate structure. Davis (1984) defined corporate culture in the following manner:

The culture of an organization is the point of contact at which philosophy comes to bear on the problems of the

organization. Because it is in the culture of the organization where one finds beliefs and values, the culture is the meeting place of ethics with the organization The cultural ethics therefore, are the most basic principles by which a person, group, or organization operates (does things) and evaluates (judges things). Cultural ethics determine what the problems are (p. 121).

In the examination of corporate culture and its manifestation, Ernest (1985) believes culture is reflected through "company policies, dress, language, ceremonies, gossip, jokes, and tales of founder or 'heroes' (p.50)."

Davis (1984) gave an operational definition of corporate culture in a model outlining a process for effective planning. The model diagramed external and internal environments which lead to effective corporate planning. Consideration of the corporations' desired relationship to its employees and the community in which it operates is necessary to accomplish effective corporate planning. Corporate culture is individual in nature dependent on the function and operating practice of the company. To effectively use the concept of corporate culture, the needs of the company and its individual employees must be determined (Davis, 1984).

Another definition of corporate culture is derived from Schein (1986). He describes the organization's culture as an outcome of the previously framed indicators. The distinct element included

in his definition of the term is that corporate culture should not be used as an all inclusive definition of a company's environment. Corporate culture is a segment of that environment and should only be applied in relation to describing that segment.

The term "culture" should be reserved for the deeper level of basic assumptions and beliefs that are shared by members of an organization, that operate subconsciously, and that define in a basic "taken-for-granted" fashion an organization's view of itself and its environment (1986, p.84).

As a concluding definition, Schein's analysis of corporate culture brings the indicators of that culture to a focal point. The corporate culture, as he has described it, is at the core of an organization's environment. Keeping the focus of meaning derived from this research in mind, investigators have a more concise indication of not only which elements within the corporation provide information about the corporate culture, but what it actually is that they are looking for in defining the construct.

Types of Corporate Cultures

This classification of the culture is an identification of the corporation's emphasis influencing operating procedures within the organization and its relationship with employees and consumers. Information of this variety is beneficial in effective planning of corporate strategies. A more accurate assessment of the type of corporate culture containing attributes closely related to those desired for development of community relations programs should be clarified through this approach to analyzing corporate culture.

In 1982, Deal and Kennedy developed one of the first category classifications, after studying hundreds of companies and their corporate cultures. Their research identified four general categories and has been cited repeatedly by organizational communication researchers. The following is a description of those categories.

The tough-guy, macho culture. A world of individualists who regularly take high risks and get quick feedback on whether their actions were right or wrong.

The work hard/play hard culture. Fun and action are the rule here, and employees take few risks, all with quick feedback; to succeed, the culture encourages them to maintain a high level of relatively low-risk activity.

The bet-your-company culture. Cultures with big-stakes decisions, where years pass before employees know whether decisions have paid off. A high-risk, slow-feed back environment.

The process culture. A world of little or no feedback where employees find it hard to measure what they do; instead they concentrate on how it's done. We have another name for this culture when the processes get out of control-bureaucracy (p.107-108)!

Peters and Waterman (1982) reported in their book, In Search of Excellence, the results of a four-year-long research project designed to identify "successful corporate cultures" and management styles. The data was collected by studying seventy-five highly regarded American corporations. Their methodology consisted of interviews, analysis of press coverage, and annual reports. The significant finding of the study was the identification of eight attributes determining what they define as successful corporate cultures.

The list of eight attributes provide illustration of the category identified in their study. First, a bias for action describes the companies' desire to make decisions as quickly as possible. Remaining close to the customer means providing good service and listening to what customers want in terms of product innovation. Autonomy and entrepreneurship indicates the companies' encouragement of employees taking risks in developing projects.

Productivity through people describes a corporations' respect for the individual; employees are treated as the source for quality and productivity gain. Hands-on, value driven, and stick to the knitting are attributes describing management philosophy; where managers who are in close physical contact with the employees, by visiting employees on the floor or in their offices. The additional concern regarding these attributes is that the companies remain focused on the area of business they know best and carefully monitor expansion. Simple form, lean staff is used in reference to keeping upper level management to a minimum; in Peters and Waterman's analysis, this is an efficient approach to staffing even multi-billion dollar corporations. The final attribute associated with successful corporate cultures is flexibility and discerning when centralization and decentralization of operations is appropriate; this is termed simultaneous loose-tight properties (p.13-15).

Ernest (1985) conducted a survey of executives from 100 major corporations to identify behaviors that frame corporate cultures. Based on this research, he developed a list of four categories of corporate cultures. These categories provide insight into a the relationship between amount of stress placed on two dimensions outlined as determining factors in identifying the type of culture a corporation has developed. Those factors are action and people. The four types of cultures Ernest refers to are:

Interactive cultures: These cultures are highly "people-focused" and oriented to employees and customers' needs/concerns/ideas. In these cultures, good service often is paramount. Primarily "reactive" in nature....

Integrated cultures: A strong people orientation, combined with effective identification of problems and opportunities, characterizes these cultures. Communications and innovations in new products/services are high.

Systematized cultures: In systematized cultures, work is highly routinized. Focus is on maintaining procedures, policies and systems of ongoing activities. . .

Entrepreneurial cultures: These cultures are highly oriented to rapid development of new products and services.

Entrepreneurial cultures are very proactive, developing new products, ideas, technologies. . . (p. 54).

It is possible, perhaps probable, that a corporation's culture would include elements of more than one of these categories in Ernest's analysis. In such cases, he maintains that there will be a dominant element placing the culture within a given category.

One of the most current studies of corporate culture which identified classification categories was conducted by Reimann and Wiener (1988); both are professors in the department of management and labor relations at Cleveland State University. This study yielded a four-category analysis of corporate culture which included entrepreneurial, strategic, chauvinistic, and exclusive

as "generic" types of culture classifications. Their research is distinguished from previous studies in that the categories analyze culture from an evolutionary perspective. The analysis of corporate culture in this study is based on the source and focus of shared values within the company.

Entrepreneurial culture, as defined by Reimann and Wiener, is the initial stage of cultural development in which the shared values are in most cases derived from a charismatic founder of the organization. The focus tends to be on functional values, externally focused and short-term in duration.

Strategic culture, "if the culture successfully negotiates the transition way from a single charismatic leader," the culture enters the next phase. Here, the focus of values remains external, but organizational traditions and plural leadership have developed. The functional values are then based on long-term status.

Chauvinistic culture, if the cultural focus becomes elitist in its development and emits a sense of superiority to the extreme, this will be the next stage of development. The shared values are exclusively internal and short-term. "This type of culture tends to encourage efforts aimed at maintaining perceived institutional superiority at all cost."

Exclusive culture, is the elitist cultural alternative to the chauvinistic culture. Internally focused and long-term shared values are indicative of this stage in cultural development. "As

in an exclusive club, the elitist value focus is independent of charismatic leadership. Instead, it is anchored in well-entrenched organizational traditions."

While the definition and identification of corporate culture types continue to be a point of controversy for researchers, it is agreed that additional research in the area would serve to further increase understanding of the constructs. In doing so, perhaps a more efficient means of analysis of corporate culture could be developed, limiting the amount of study required to identify an organization's culture and providing a more concise application for the information produced.

Hypothesis

This paper will attempt to design a study that identifies the type of existing corporate culture and the dominant value allowing for that classification of cultural type. The research will be centered around a case study, using IBM as the subject for analysis. Cultural analyses of IBM have been conducted by Peters & Waterman (1982), Pascale (1985), Ernest (1985), and Reimann & Wiener (1988). It is the intent of this research to test the section of results from Ernest's (1985) study which identified IBM as an integrated corporate culture. It is the belief of this researcher that, because integrated corporate cultures have a strong people orientation, as defined by Ernest, that it stands to

reason that community relations programs will have a priority status in companies with this type of culture. For this reason, an additional goal of this study is to tie the importance of community relations to integrated corporate cultures.

H1 An integrated corporate culture will place an emphasis on community relations.

H2 A positive trend exists in reporting community relations programs, in an integrated corporate culture.

In order to test the previously outlined hypotheses, it is first necessary to identify the area of community relations and its function within the corporation.

Community Relations

The lack of community in today's society, resulting from career specialization, mass communication and transportation systems, is the subject of Kruckeberg and Starck (1988). Today's social problems stem from the loss of a sense of community in U.S. culture, which can have a direct relationship to the disintegration of social groups. Individuals have become homogeneous and alienated from others (Kruckeberg, 1988). The uncertainty of values and commitment which results from this social condition is confirmed by Deal and Kennedy (1982). This is

the opposite definition of what most corporations attempt to develop with a community relations program.

The same core elements described by Kruckeberg and Starck (1988) as the goal of community relations are present in Cooley's (1909) definition of primary group membership. Cooley defines the group using examples of "family, neighborhood, and playground" (p. 23). It is an intimate, yet competitive group, based on unity, while retaining respect for the individual. Cooley (1909) states "perhaps the simplest way of describing this wholeness is by saying that it is a 'we'; it involves the sort of sympathy and mutual identification for which 'we' is the natural expression (p. 23)." The primary group member has individual goals, but only strives to meet them with the intent of establishing a place significant to others in the group. Cooley (1909) elaborates by stating that primary groups in essence give individuals a sense of stability allowing them to branch out and form relationships in groups of secondary importance. The elements described by Cooley (1909) are also applicable in the case of a corporation's desired intent resulting from community relations.

The framework of community relations is not confined to American corporations; it is also present in the U.S. political system. Analysis of the American perspective is defined in that context by Dahl (1961):

An individual's own time; access to money, credit, and wealth;
control over jobs; control over information; esteem or social

standing; the possession of charisma, popularity, legitimacy, legality; and the rights pertaining to public office. The list might also include solidarity: the capacity of a member of one segment of society to evoke support from others who identify him as like themselves because of similarities in occupation, social standing, religion, ethnic origin, or racial stock. The list would include the right to vote, intelligence, education and perhaps even one's energy level (p. 220).

Methods for developing community relations, while different in the corporate setting than in a political arena, are implemented in an effort to promote a similar response among the targeted audience.

There is an increased sense of social responsibility on the part of industry as reported by Kruckeberg and Starck (1988). The purpose of those developing community relations programs is to display the corporation's desire to be a good corporate citizen.

Community relations, to best serve its function, must offer more than a superficial combination of assuring a good environment for the organization, more than a simplistic concern for altruistic good citizenship, and more than mere emphasis on the techniques of community involvement (p. 84).

It is their contention that, if a corporation's community relations program is to benefit both the target community and the company to its maximum potential, a concerted effort must be made to both restore and maintain that sense of community.

Methodology

To test the hypothesis, the methodology of this study will be completed in three sections: an investigation of stories and tales about the founder of the corporation, analysis of artifacts, and interviews with corporate employees.

Stories and Tales of the Corporate Founder

Reimann and Wiener (1988), Ernest (1985), Deal and Kennedy (1982), and Peters and Waterman (1982) agree that many aspects influencing corporate culture are often embedded in the original philosophy of the founder. One entire section of Reimann and Wiener's theory of cultural development is devoted entirely to the this topic. It is their belief that values and traditions established by the corporate founder are the most easily identified and often have the strongest impact on corporate culture. Ernest's conclusion is that "The culture may be rooted in the values and philosophies of early founders. . . . Understanding the beliefs and values of company founders or top executives is critical to assessing a company's culture (p. 50)." His suggestion for sources in procurement of this information are the founder (original source), top level management, and tales and jokes about the founder.

In Deal and Kennedy's defense of the impact the founder has on corporate culture, the following point is made:

These builders saw their role as creating an environment - in

effect, a culture - in their companies in which employees could be secure and thereby do the work necessary to make the business a success. They had no magic formulas. In fact, they discovered how to shape their company's culture by trial and error. But all along the way, they paid almost fanatical attention to the culture of their companies (p.5).

The conclusion drawn from this research is that role models established by the corporations' founder are instrumental in development of the corporate culture. The type of information needed to make that assessment will include previous business experience which was influential in developing the philosophy used to establish the corporation. Additional material will include, but not be restricted to, subjects related to the founder's concern for work ethics, employee relationships, decision-making, and business strategies. For the purposes of this study, data will be collected from biographies, historical research of the corporation, and corporate publications with articles featuring stories about the founder.

Analysis of the Artifacts

Insight into the corporate culture can be obtained by examining artifacts of the corporation; this point is derived from Ernest (1985). Support for this methodological decision in the identification of corporate culture is evidenced by Peters and

Waterman's data sources; press coverage and annual reports were used as the sole data for half of the corporate culture analyses completed in their study. Reimann and Wiener contest the accuracy of Peters and Waterman's identification of successful corporate culture, because several of the corporations identified are now experiencing difficulty. The explanation for those difficulties, which were not specified, may lie in areas which could not be foreseen by the researchers. In an effort to increase the reliability of results from this study, a combination of three methodological sources will be incorporated.

Data in this segment of the study will be collected by conducting a content analysis. This methodology provides access to information that will accurately test H2: A positive trend exists in reporting community relations programs, more completely than any other methodology designed to study print media. The term positive trend, as used in this study, will be defined as a consistent increase in the percentage or number of community relations articles present in the magazine, IBM Information Processing, over the five year span of this study.

Content analysis as defined by Walizer and Wienir (1978) is any systematic procedure devised to examine the content of recorded information. The validity of content analysis is addressed in Krippendorff's (1980) definition of the methodology. He explains content analysis as a research technique for making replicable and valid references from data to their context. The intent of this

study is to provide research which will make a significant contribution to the field of communication. Kerlinger (1973) relates the use of content analysis specifically to the field of communication in his definition. It is a method of studying and analyzing communication in a systematic, objective, and quantitative manner for the purpose of measuring variables.

The universe in this study is defined as IBM's customer publication, IBM Information Processing. The study is limited to only feature articles listed in bold type in the table of contents of each issue of the publication. The quarterly magazine was published from 1982 through 1986. The study will analyze each issue of the publication. For the purposes of the study, research will limit the analysis to identification of two categories.

Category #1: Feature articles focusing on community relations articles. Previously defined articles will be scanned, community relations articles will be identified as those which include a minimum of two paragraphs from one of the following areas.

Corporation's interacting on a nonprofit basis with:

- * educational institutions
- * civic organizations
- * organized recreation
- * other interaction with external organizations without direct financial gain to the corporation.

Category #2: Feature articles focusing on any subject other than community relations. Previously defined articles will be scanned; each article failing to meet the specifications in the category of community relations articles will be included in category #2.

Content analysis used as a single data source would limit the analysis of findings to a report of the existing conditions in the publication (Krippendorff, p.100). Because it is the purpose of this study to tie results of the content analysis to identifying the corporate culture of IBM, a reality check must be completed. Interviews of corporate employees will be used in an effort to support the findings of the content analysis.

Interviews with Corporate Employees

Peters and Waterman (1982) and Pascale (1985) utilized interviewing in the methodology of corporate culture analysis. Specific questioning techniques were not available for comparison in a review of the research. The design of interviews conducted as a reality check in this experiment will follow an information gathering format. This type of interview is aimed at obtaining facts, opinions, feelings, attitudes, reasons for actions, or trends of belief (Stewart & Cash, 1988).

Cover letters and sample interview agendas were mailed to eight IBM employees. The sample of participants was selected from the 1988-89 PRSA Directory on the basis of geographic location and job title. These criteria were chosen to provide a representative sample of the defined population. Participants were requested to return the cover letter indicating the most convenient time slot to schedule a telephone interview. Refer to Appendix A. Two weeks after the mailing, calls were made to track the participants who had not responded by returning the cover letter. Calling the employees' office was continued until a response was obtained. The desired response rate was 50%; however, due to the 1988 reorganization of IBM, sampling by this method produced an undesirable 25% response rate. A nonprobability quota sample was incorporated to obtain the desired 50% response rate for the study.

The interview agenda followed a tunnel sequence, using a combination of open and closed questions. Refer to Appendix B. This type of sequence is designed to obtain reactions toward a variety of issues and involves only a limited amount of probing (Stewart & Cash, p.76). The sequence was chosen because of the time constraints present in a five-to ten-minute telephone interview. Probing questions provide more detailed information, but the process is time-consuming. Keeping time demands on the employees being interviewed at a minimum was a factor to consider in increasing the response rate.

Results

Stories and tales of the corporate founder: IBM was founded by Thomas J. Watson Sr. in 1924; the company was an outgrowth of Computer Tabulating-Recording Corporation (CTR). Watson joined CTR after being fired by John Patterson, president of National Cash Register (NCR). Patterson was Watson's mentor; many of his strategies for training salesmen at IBM had a direct relationship with those used at NCR. The Hundred Percent Club used as an incentive for IBM sales personnel is almost identical to the Hundred Point Club Patterson developed for use at NCR. Other examples of similar strategies that illustrate the comparison are the use of sales quota setting, i.e., their motto "never be satisfied," which depicts the practice of escalating the following year's quota if the sales group meet the present quota. "Chalk-talks" were a favorite of both men; these were motivational briefings of salespersons. In Watson's meetings, a favorite focal point was five important themes he outlined for the staff: read, listen, discuss, observe, and think. The "hitch," as Watson phrased it, was that no amount of thinking was beneficial until it leads to action (Deal & Kennedy, p.46-47, Sobel, 1981, p.57-59). The influence of these strategies instituted by Watson continue to be present at IBM today; a 1986 report on IBM and information obtained in the interviews of this study report that similar training strategies are utilized by John Akers, the present CEO of

IBM. The walls of IBM offices continue to display signs with "THINK" printed in bold letters as a reminder of a concept stressed by Thomas Watson Sr..

Watson began his career as a salesman, which may explain his concern for IBM's emphasis of customer service. This was identified by IBM employees as one of the top three values present in the corporate culture. Sorbel (1981) reports that one of Watson's favorite slogans was "We sell and deliver service." In IBM's 1988 annual report, the company's commitment to service is identified as one of the leading forces to IBM's "competitive edge, satisfied customers, and competitive products (p.5-8)."

During the depression of the 30's when most companies were laying off employees, Watson was hiring new salesmen. When asked why he was doing this, he replied, "I do it because it's my hobby." IBM employees were not laid off during this period in history, but hours were scaled back in order to keep the work force intact (Sorbel, p.36). There does appear to be a continued commitment to stable employment. There has never been a major layoff at IBM (Wallstreet Journal, 1986). The 1988 reorganization is another example of the company's commitment to keeping the work force intact. Due to increased competition in the computer industry, IBM felt it necessary to scale down some portions of their operation.

In orchestrating the reorganization, IBM refrained from a layoff, choosing instead to invoke a plan entitled "the golden hand

program." This program offered incentives to employees for early retirement and retraining in areas expanded as a result of the reorganization, as explained in interviews conducted with IBM'ers in this study.

Watson's number one value, "respect for the individual" is still a driving force in IBM's corporate culture. This value, while mentioned universally by researchers who have studied IBM, was stated most strongly in the interviews with employees. Examples of this respect were provided in reference to freedom to make important decisions without fear of reprisal and programs to assist employees who are experiencing personal problems (drug dependency, death in the family, procuring care for elderly parents). This value, which was established by Thomas Watson Sr., is perhaps the most pervasive value present in IBM's corporate culture.

In 1955, Watson Sr. transferred his control of IBM to his son, Thomas Watson Jr.. Tom Jr. held many of the same values as his father, but was more progressive and orchestrated IBM's move into the leading position in the computer industry (Sorbel, 1981). In 1956, Thomas J. Watson Sr. died, but many of the goals as well as the philosophy on which he founded the company are present in the corporate culture today.

Analysis of artifacts: Feature articles focusing on Community Relations in IBM's customer publication IBM Information Processing

were reported more frequently on a percentage basis from 1982 to 1986, however no trend was established.

Table 1

Community relations articles reported by year

Catagory #1	Count	Percent	Catagory #2	Count	Percent
1982	9	16%	1982	47	84%
1983	9	23%	1983	31	77%
1984	3	12%	1984	23	88%
1985	3	16%	1985	16	84%
1986	4	36%	1986	7	64%

A higher percentage of community relations articles as defined by this study are reported in 1983 and 1986. A comparison of catagories 1 and 2 is not possible by year through an analysis of count, because the issues were published on an unequal basis in terms of number of articles per issue as well as issues per year. The results of this study do not support H2 which projected a trend would be established in the results of the content analysis of this study.

Interviews with Corporate Employees: This section of the methodology is included in the study with two functions in mind.

Interviews with IBM'ers will act as a reality check for the content analysis. Data resulting from the interviews for this purpose was obtained from questions 8 and 9 of the interview agenda, Appendix B. Responses from question 8 are that each of the four respondents were able to list community relations programs presently implemented by IBM. Results from this question produced a list of 12 nationwide community relation programs sponsored by IBM. Question 9 responses indicate multiple motivating factors for IBM's interaction in community relations programs. Three of the four participants' answers include: desire for good corporate citizenship, enhancing the community for IBM employees, and establishing IBM as a member of the community. Two of the four respondents indicated an increase on IBM's part of reporting community relations program sponsorship. Those respondents stated IBM assumed in the past that members of the community would realize its participation and is now taking a more active role in heightening the community's awareness.

The remainder of results from the interviews will function as indicators for identification of corporate culture type. Questions 2, 4, and 9 hold results of IBM's level of "people orientation" with respect to the employee. Each of the four respondents reported that respect of the individual employee was prevalent in the areas of decision-making, encouraging employees input of ideas, and support of personal needs, for example

assistance in procuring care for elderly parents and grants to community projects participated in by IBM employees'.

"People orientation" in terms of customers is represented in data collected from questions 6 and 7. Results from question 6 include a reference to IBM's commitment to customer service, listening to the customer as a direction for new products, and dedication to excellence in product quality. These responses were collected from three of the four participants; one participant did not feel qualified to answer the question. One participant made the comment that IBM had been relaxed in this area in the recent past, as a result of the 1988 reorganization John Akers, CEO, has stated a recommitment to customer service, "NOW THE CUSTOMER IS #1."

Question 7 produced a universal response from each of the four participants. The values reported were respect for the individual, commitment to customer service, and excellence in product.

Identification of problems and opportunities is the second attribute of an integrated corporate culture. Results in this area of the study are inconclusive. There was no agreement of the participants indicated by the responses. Questions 2 and 5 do net individual responses referring to high standards set for employees, variety of job responsibilities, and developing a vantage point allowing an overall look at the "big picture". The

presence of these variables could be conducive in identification of problems and opportunities.

Data regarding communication and innovations is present in responses to questions 4, 5, and 6. Two of the four respondents made reference to open communication channels within the corporation. One of the respondents explained the "open door policy"; this program is designed to handle suggestions and grievances of employees. One respondent did not feel it was possible to make a generalized statement. A unanimous response was given toward a feeling that creative freedom was encouraged by IBM in the company's movement toward the 1990's. These attributes are facilitative in production of a culture that promotes communication and innovation.

Data produced in the study supports H1; IBM does have a corporate culture which includes each of the three variables Ernest identifies as being components of an integrated corporate culture. Data supporting this claim is most prevalent in sections of the results reporting the stories and tales of the founder and interviews with corporate employees.

Discussion

The content analysis of IBM Information Processing was originally designed with the intent of studying twenty issues of the

corporate magazine. Because the five unpublished issues were spread inconsistently over four years of the publication, insufficient data was present to establish a positive or negative trend in reporting community relations programs. The editor of the publication has since retired from IBM and was not available for comment. Information obtained from two 1988 financial reports states that IBM contributed \$167.7 million in 1987 and \$135 million in 1988 to "education, social programs, cultural activities and charitable causes," which does show a commitment to community relations programs. In conjunction with data resulting from the study's interviews, although a trend is not present in this research of the area, it is a possibility for future investigation.

The results of this study do support the identification of IBM's corporate culture in the category of integrated cultures as previously defined by Ernest. It is important to note that results making the identification possible were obtained from sections of the methodology pertaining to stories and tales of the founder and interviews with IBM employees, suggesting that future research in the area of corporate culture analysis should focus on these areas. The researcher concurs with Ernest and Davis that behaviors exhibited by employees, in the case of this study reported in interviews, are accurate indicators of the existing corporate culture.

Finally, IBM has recently undergone a major reorganization of the corporation with increased commitment to community relations, customer service, and research and development as stated in the 1988 annual report. A suggested area for research in corporate culture would be to examine the effect of that reorganization on the culture on a longitudinal basis. This type of research would add to the knowledge of how corporate culture contributes to situations involving change within the corporation.

REFERENCES CITED

- Bacevicius, J. A. (June, 1989). [Interview with Senior Communications Specialist]. Chicago division of IBM.
- Cooley, C. H. (1909). Social organization: A study of the larger mind. New York: Schocken Books.
- Dahl, R. (1961). Who governs? New Haven: Yale University Press.
- Davis, S. M. (1984). Managing Corporate Culture. Cambridge: Ballinger.
- Deal, T. L., & Kennedy, A. A. (1982). Corporate Cultures: The rites and rituals of corporate life. Reading, MA: Addison-Wesley.
- Ernest, R. C. (1985, March). Corporate cultures and effective planning: An introduction to the organizational culture grid. Personnel Administrator, pp. 49-60.
- Etzioni, A. (1964). Modern Organizations. Englewood, N.J.: Prentice-Hall.
- Goodman, R. (June, 1989). [Interview with MGR Communication Bureau]. Boston/Hartford division of IBM.
- Graves, D. (1986). Corporate culture-diagnosis and change: Auditing and changing the culture of organizations. New York: St. Martin's Press.
- Hinton, S. (June, 1989). [Interview with Community Relations

- MGR]. Boston/Hartford division of IBM.
- Johnson, R. (June, 1989). [Interview with Staff Communication Specialist]. Boulder division of IBM.
- Kerlinger, F. N. (1973). Foundations of Behavioral Research (2nd ed.). New York: Holt, Rinehart and Winston.
- Kilmann, R. H., Saxton, M. J., & Serpa, R. (1986). Issues in understanding and changing culture. California Management Review, 28, 87-93.
- Krippendorff, K. (1980). Content analysis: An introduction to its Methodology. Beverly Hills: Sage.
- Kruckeberg, D., & Starck, K. (1988). Public relations and community: A reconstructed theory. New York: Praeger.
- Peters, T. J., & Austin, N. K. (1985). A passion for excellence: The leadership difference. New York: Random House.
- Peters, T. J., & Waterman, R. H., Jr. (1982). In search of excellence: Lessons from America's best-run companies. New York: Harper & Row.
- Ott, K. K. (1988, October). Speech communications, organizational communication and culture: An historical, interpretive exploration of understanding. Paper presented at the national convention of Speech Communication Association, New Orleans, LA.
- Pascale, R. T. (1985). the paradox of "corporate culture": Reconciling ourselves to socialization. California Management Review, 27, 26-41.

- Reimann, B. C., & Wiener, Y. (1988, March-April). Corporate Culture: Avoiding the elitist trap. Business Horizons, pp. 36-44.
- Robinson, E. J. (1966). Communication and public relations. Columbus, OH: Charles E. Merrill.
- Sobel, R. (1986). IBM vs. Japan: The struggle for the future. New York: Stein and Day.
- Sobel, R. (1986). IBM: Colossus in transition. New York: Truman Talley.
- Stewart, C. J., & Cash, W. B., Jr. (1988). Interviewing: Principles and practices. Dubuque, IA: Wm. C. Brown.
- Staff, (1982,1983,1984,1985,1986). IBM Information Processing.
- Staff, (1988). IBM community relations report.
- Staff, (1988). IBM annual report.
- Staff, (April 7, 1986). Behind the Monolith: A look at IBM. The Wallstreet Journal.
- Walitzer, M. H., & Weinir, P. L. (1978). Research methods and analysis. New York: Harper & Row.
- Wiener, Y. (1988). Forms of value systems: A focus on organizational effectiveness and cultural change and maintenance. Academy of Management Review, 13, 534-545.

Appendix A

Cover Letter

I am conducting an analysis of the IBM corporate culture and the degree of emphasis IBM places on community relations programs. This graduate research project will complete my program of study at the University of Northern Iowa.

Your name was selected from the 1988-89 PRSA Directory. I am requesting your input as an employee of the _____ Division of IBM. I would like to schedule a short 5 to 10 minute telephone interview at your earliest convenience. Please indicate your willingness to participate by checking one of the following dates:

___Tuesday, 06/06/89, 1:30 p.m.

___Wednesday, 06/07/89, 1:30 p.m.

___Wednesday, 06/14/89, 10:00 a.m.

___Thursday, 06/15/89, 10:00 a.m.

___Other (please specify if previous slots are inconvenient)

Identify the most direct phone number to contact you, if it differs from the number listed in the PRSA Directory

_____.

Please return this letter in the enclosed envelope. You can expect my call on the date and time you have indicated is most compatible with your schedule.

Sincerely,

Lisa V. Sukovaty-Gordon

Enc.

Appendix B

Interview Agenda

NAME: _____

TITLE: _____

DIVISION: _____

PHONE: _____

GREETING:

Thank-you for volunteering your time to respond.

*I would like to proceed by asking the questions I indicated on the sheet enclosed with your letter.

*First, to get an idea of your background with IBM,

*Second, questions pertaining to the corporate philosophy specifically and how it is put into practice.

1. Give a brief description of your title and job responsibilities.
2. Explain the most pleasing or satisfying aspect of your job.
3. How long have you been employed by IBM?

4. How would you describe IBM's relationship with the individual employee?
5. What are the attributes of IBM that have the most impact on daily functioning in the office (ex. employee relationships, decision - making.)
6. Describe the corporations overall philosophy toward customer satisfaction, as you understand it.
7. Identify and explain the two most important corporate values at IBM.

In the literature concerning IBM I noted references to the company's past involvement with education and recreation as a means of promoting community.

8. Are you aware of any community service programs sponsored by IBM?
9. If so, what do you believe is the company's reasoning behind this type of interaction between IBM and the community?
 - a. Give a few examples of IBM's community relations programs.

Those are all of the questions I have.

Is there anything in addition to what we have discussed that you feel has an impact on IBM's corporate culture?

Thank-you, _____