

Corporate Culture and Strategy— The Problem of Strategic Fit

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This article focuses on Corporate Culture as an important aspect of Corporate Strategy: in particular, Corporate Culture is capable of solving the 'problem of Strategic Fit'. The article proposes to consider both Corporate Strategy, with its necessity of Strategic Fit, and Corporate Culture, as elements of a dualistic model which provides answers to the question of how to create Strategic Fit. It also explains why a strong Corporate Culture is often associated with corporate success. The author also suggests a specific way to operationalize Corporate Culture.

Introduction

By studying recent developments in the field of strategic management as well as by dealing with specific problems of today's companies, any academic researcher and any practitioner sooner or later runs into two phenomena: the call for Strategic Fit and the call for a strong Corporate Culture.

These two postulates have in common that they are extremely vague and very little operationalized. One discriminatory difference between them lies in the people involved: Corporate Culture is a problem often covered by sociologists or psychologists; the problem of Strategic Fit is, if at all, dealt with mainly by analysers from business administration or strategic planning.

In the following, we will take

- ☆ Strategic Fit as the problem to be solved, and
- ☆ Corporate Culture as a potential solution.

In order to establish this connection, the precise meaning and content of 'Strategic Fit', on the one hand, and 'Corporate Culture', on the other, has to be explored; this will be done below, down to a redefinition and operationalization of these two concepts. To obtain these concepts in a compatible and workable way is a basic necessity on the way to the dualistic model 'Strategic Fit—Corporate Cul-

ture', which leads to several consequences to be drawn in the last part of this paper.

Since the approach presented in this article is directly related to corporate strategy, the term 'Corporate Culture' is preferred to 'Organizational Culture', even though it means basically the same.

Two Main Concepts Redefined

Strategic Fit

Strategic management used to be basically the art of defining promising product/market combinations. To find such a combination was regarded as the only real problem on the way to corporate success. But the rules of the game have changed, especially as the economy has declined and the relevant environment has become more interrelated.

Strategies became sensitive: for instance, to the human resources involved or to an unconsciously chosen leadership style or to more demanding environments. Many of these difficulties can be attributed to what is called 'the problem of Strategic Fit'. But what is Strategic Fit?

Strategic Fit is the situation in which all the internal and external elements relevant for a company are in line with each other and with the corporate strategy.

The call for 'Strategic Fit' therefore describes the necessity for a manager to choose the elements for his strategy in such a way that they are in accordance with each other, with the given overall strategy, and with the given or the selected circumstances.

Strategic Fit is not identical with synergy, even though Strategic Fit might use or produce synergy. Strategic Fit is a phenomenon which represents the integrative nature of the overall strategy.

Strategic Fit corresponds to the *Functional Policy Diagram*,¹ in which the direction of each vector

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individually and the way each fits into the group as a whole indicates how each function fits into the overall business strategy.

Strategic Fit also relates to the basic content of the famous *7-S-Framework from McKinsey* which states² that the elements

- ☆ strategy,
- ☆ structure,
- ☆ systems (understood as processes and flows),
- ☆ style,
- ☆ staff,
- ☆ shared values, and
- ☆ skills

must point in the same direction like the needles in several compasses.

In order to get a firm grip on the fuzzy term 'Strategic Fit', especially with respect to the different relations involved, we will systematize the problem by reducing it to 'strategy' and 'system':

'Strategy' is the firm's overall expression of its main objectives as well as of its main means to accomplish them.

'System' includes internal and external elements important for the company, such as human resources or financing.

With these two terms the several aspects of Strategic Fit can be summed up into three basic kinds of Strategic Fit:³

- ☆ the *intra-strategy-fit* between the elements of the strategy,
- ☆ the *intra-system-fit* between the elements of the system, and
- ☆ the *strategy-system-fit* between the strategy and the corresponding elements of the system.

Figure 1 displays these three fits.

Intra-strategy-fit. Using the three levels of strategic planning,⁴ intra-strategy-fits must be ensured at least

- (1) at the *corporate level* within the basic portfolio strategy, which means between the different strategic business strategies,
- (2) at the *division level* between the individual business strategy and the corporate strategy,
- (3) at the *functional level* between the functional strategies and specific strategic programs, and
- (4) *between* all three levels.

Intra-system-fit. Elements to be taken into account include, when dealing with the intra-system-fit, among others, the *internal elements*

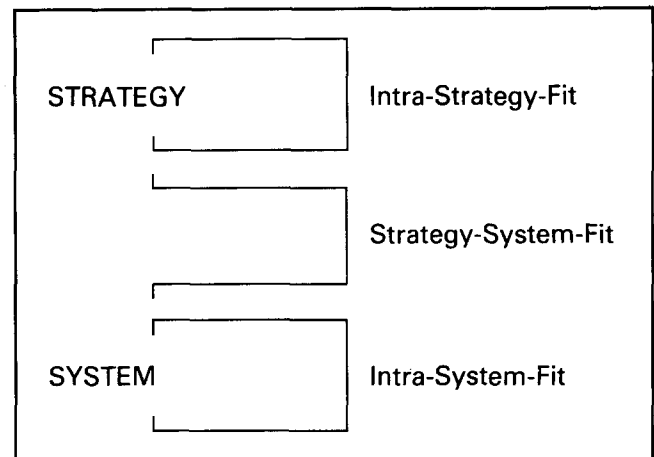


Figure 1. Types of Strategic Fit

- ☆ R & D system,
- ☆ incentive systems,
- ☆ production system,
- ☆ distribution system,
- ☆ human resources,
- ☆ planning system,

and the *external elements*

- ☆ competition,
- ☆ governmental initiatives,
- ☆ legislative restrictions, and
- ☆ public opinion.

Strategy-system-fit. Finally the fit between the various elements of the strategy and the various elements of the system must be observed. This means that the formulation of strategy as well as its implementation must deal with the problems of Strategic Fit on several interconnected levels.

This strategy-system-fit has been investigated in several research studies for particular connections between elements of the strategy and elements of the system, for instance:

Chandler⁵ and follow-up studies determined certain fits between corporate strategy and organizational macro-structure.

Porter⁶ provides analyses of the fits between product strategy and the particular competitive environment of the firm.

Leontiades⁷ suggests models for the selection of the 'right' type of manager with respect to the chosen strategy.

Stobaugh and Telesio⁸ discuss why and how manufacturing policies should be consistent with corporate strategy.

Summing up the discussion of Strategic Fit, Figure 2

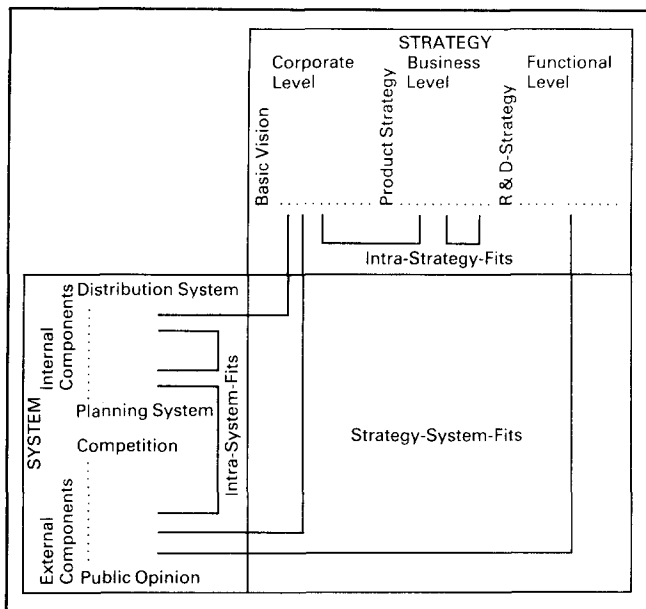


Figure 2. Examples of Strategic Fit

shows how the three kinds of Strategic Fit relate to each other; even though it just displays two examples for each kind, it should be noted that *all* fits within the strategy, the system, and between strategy and system must be observed.

This leaves us with two problems: how to detect Strategic Fit if it exists and how to create it if it is missing. In order to solve these problems a specific approach to Corporate Culture will be used.

Corporate Culture

Content of Corporate Culture. Corporate culture is an extremely multifaceted concept characterized by many different approaches, many different points of view, and many researchers working on that idea.⁹⁻¹³

But the basic notion is clear; Corporate Culture is the

- ☆ *implicit,*
- ☆ *invisible,*
- ☆ *intrinsic, and*
- ☆ *informal*

consciousness of the organization which guides the behaviour of the individuals and which shapes itself out of their behaviour.

Corporate Culture has to be kept strictly apart from similar-looking concepts such as the concept of *Corporate Identity*,¹⁴ *organizational climate*,¹⁵ or the *national culture*.¹⁶

The underlying thesis of most of the articles dealing with this phenomenon is that Corporate Culture is a hard-to-spell factor but one which, if it exists, guarantees success.^{11, 17-21} Especially in hard times of economic recession Corporate Culture becomes extremely important,²² since enough organizational slack is no longer created to overcome problems of

strategies which do not fit external and internal realities.

Many problems arise,^{23,24} when the researcher tries to capture Corporate Culture; any attempt other than a long in-depth case study or a clear-cut methodology may lead to errors and any attempt using two independent observers for two companies to incompatibilities.

To deal with 'Corporate Culture' we suggest a specific approach which asks two interrelated questions:

- ☆ *How strong is the Corporate Culture of a given firm?*
- ☆ *What type of Corporate Culture exists in that firm?*

The order in which these questions should be answered depends on the specific problem: the order stated above and used in the following is suitable when the Corporate Culture of a given firm is to be evaluated, and the researcher already has a suitable instrument for the evaluation.

There is one important aspect to be mentioned before discussing the proposed procedure: it is hardly possible for insiders of an organization to determine the type and even less possible to determine the strength of a Corporate Culture. There seems to be a tendency to judge one's own organization as strong and as belonging to a particular type; given these prejudices, the questions will be more likely to be answered according to the personal judgment about strength and type.

The same holds true for those researchers and consultants from outside, who have firm opinions about the particular company's Corporate Culture. Only extensive training which requires the answer to a question to be substantiated by reference examples in the mind of the 'judge' allows these assessments.

Measuring the Strength of Corporate Culture

The *strength* of the Corporate Culture depends on several factors, which always work as two-way relations: these factors, on the one hand, *cause* the Corporate Culture in the sense that they influence the behaviour of the people in the organization; on the other hand, they are *produced by* this behaviour. Therefore, Corporate Culture shapes all these factors, and, at the same time, Corporate Culture results from them.

Such factors are the duration of membership and the lack of alternatives for the members,²⁵ symbolic actions such as games, rituals and ceremonies,¹¹ existence of property rights,²⁶ heroes,¹¹ or the existence of particular stories, myths and legends.²⁷

Using these findings as well as their underlying empirical and theoretical foundations, questions can be formulated along semantic differentials to deter-

increases, which results in the specification of certain rights and obligations of various role holders. Therefore the property rights are derived from the position.

- ☆ In the *Professional Culture* the non-routineness, both in terms of task variety and difficulty of coping with tasks, is high. Since the involved employees are specialists in their particular fields, the property rights are vested in the person rather than in the position.

The *external-induced* dimension can be captured with a typology which distinguishes between four types of Corporate Culture:¹¹

- ☆ The *Tough-guy/macho Culture* is created by an environment which creates high risks and provides quick feedback on whether the chosen action was right or wrong. This environment calls for individualists who are willing to cope with these risks; it creates an all-or-nothing climate, and, as far as possible, specific rituals for self-protection.
- ☆ The *Work-hard/play-hard Culture* is created by an environment characterized by relatively low risks combined with quick feedback. This culture is based on team spirit; fun and action are the rules of the game here.
- ☆ The *Bet-your-company Culture* is created by an environment which calls for big-stakes decisions, where employees have to wait for many years before they learn whether the decision has paid off; typical of this culture is an orientation towards technology and conferences, the latter being a means of sharing responsibility.
- ☆ The *Process Culture* is created by an environment which has little or no feedback and hardly any risks; this type of culture is oriented basically toward hierarchy and concentrates on how things are done, not on what is done and why. Predictability and continuity are the basic values.

The main reason for presenting these examples was not to give a final typology of Corporate Culture but rather to show that it is possible to give

meaningful descriptions of types of Corporate Culture and to show what such a typology might look like. Of course, other methodologies exist which may replace these dimensions with others; but the basic concept is always the same, which is to classify and organize along three dimensions.

The second step: an organization can now be positioned along these three dimensions. In most cases the classification on each dimension will not be an either/or but rather different degrees of membership; this may result in more than one type on each dimension. Table 2 shows a questionnaire for the assessment of the type of Corporate Culture.

As to the determination of the type of Corporate Culture, the same restrictions as discussed in connection with the strength of Corporate Culture hold true: it is extremely difficult for an insider of the organization to do this evaluation, not only because of the information overload and the unavoidable distortion of perception by the insider, but also because of his or her lack of familiarity with the various characteristics of these types.

Methodology of measurement: as to the scale-level, we propose Corporate Culture as being measured on two different scales: on a rank-ordinal scale for the strength of the Corporate Culture and on a nominal scale for the type of the Corporate Culture.

As to the basic approach, the assessment of the strength is a purely analytical one in which the answers can be averaged up for an index of strength, while the assessment of type is a summative one, in which the judgment whether a particular type exists is not based on specific items.

Checking for Strategic Fit in Connection With Corporate Culture

There are three different aspects of Strategic Fit which can be analysed in connection with Corporate Culture (Figure 3): fits within Corporate Culture, fits to Corporate Culture and the three fits to

Table 2. Type of Corporate Culture

Dimension	Alternatives	No				Yes
Evolution-induced	1 Stable Culture	0	0	0	0	0
	2 Reactive Culture	0	0	0	0	0
	3 Anticipating Culture	0	0	0	0	0
	4 Exploring Culture	0	0	0	0	0
	5 Creative Culture	0	0	0	0	0
Internal-induced	1 Production Culture	0	0	0	0	0
	2 Bureaucratic Culture	0	0	0	0	0
	3 Professional Culture	0	0	0	0	0
External-induced	1 Tough-guy/macho Culture	0	0	0	0	0
	2 Work-hard/play-hard Culture	0	0	0	0	0
	3 Bet-your-company Culture	0	0	0	0	0
	4 Process Culture	0	0	0	0	0

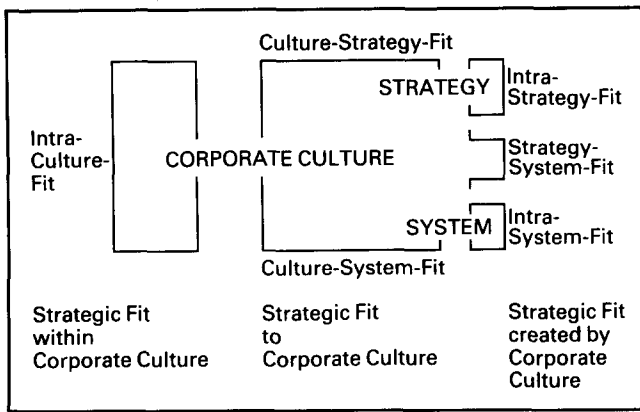


Figure 3. Checking for Strategic Fit

be created by Corporate Culture: the intra-strategy-fit, the intra-system-fit, and the strategy-system-fit.

Fits within Corporate Culture

Since Corporate Culture is plotted against several dimensions in order to take into account its multidimensionality, it is possible to have non-fitting elements within the culture. This can be due either to distinctly different parts of an organization each with a specific culture, or to an overlay structure of several cultures.

To perform the *intra-culture-check* there are three alternatives:

- (1) Empirical observation by using methods such as pattern recognition.
- (2) Individual research for the particular company.
- (3) Using predetermined fits between predefined types of Corporate Culture.

While for alternative (1) the reader is referred to other sources^{31,32} and while alternative (2) will also remain undiscussed here, alternative (3) deserves particular attention, since it is especially suited for the concept to be discussed here.

Most descriptions of types of Corporate Culture include statements about other factors which go along with the particular type. From these sources, general recommendations about the fit between these types can be deduced.

Referring to the types defined above, Figure 4 makes some suggestions about the fit between the dimensions of Corporate Culture. '+' indicates a good fit, '-' a fit which creates problems, and '0' a combination in between.

If such a 'catalogue of fits' exists, the particular company under investigation can position itself along these dimensions, and, in doing so, it gets information about its individual intra-culture-fit. If a company associates with more than one type for each dimension, more than one judgment from Figure 4 becomes relevant.

Figure 4 not only tells whether a particular company has reached an intra-culture-fit; in the case of a misfit this kind of information also allows recommendations of meaningful changes in the type of Corporate Culture.

Fits to Corporate Culture

Fits to Corporate Culture can be the culture-system-fit and the culture-strategy-fit.

The *culture-system-fit* is guaranteed in most of those cases where the intra-culture-fit is given. The reason for this is the interdependence between culture and system, for the system makes the culture and the system behaves according to the culture. There are only two cases in which the culture-system-fit might not be given: either a large number of new employees are in conflict with the Corporate Culture, or the Corporate Culture has been changed recently and not everyone acts according to the new Corporate Culture. This means that the culture-system-check can concentrate on these two cases and will, in most other cases, find that the culture-system-fit exists already.

The *culture-strategy-fit*, on the other hand, is a real problematic one, since these two components are independent of each other, even though the Corporate Culture may have some influence on strategy formulation.

But with increasing use of outside consultants and with managements' increasing awareness of the large variety of alternative strategies, the possibility of a misfit between Corporate Culture and strategy increases too; this can cause problems in implementing strategies, if not even severe damage to the success of the strategy.

The culture-strategy-check therefore has to evaluate the basic norms of a strategy (such as 'efficiency of the sales personnel') and then to compare it with the Corporate Culture of the company (such as 'customer service') in order to determine the compatibility of both. 'Compatibility' does not necessarily mean perfect identity; the culture-strategy-fit only asks for a strategy which is not in conflict with the existing Corporate Culture.

At this point the strength of the Corporate Culture becomes important for the culture-strategy-fit, since there are two possible sources of directional information, which may be able to chart the company's way into the future:

- ☆ An organization with a strong Corporate Culture by definition has ideologies, metaphors, analogies, stories or myths which point in the same direction; the questionnaire in Table 1 captures this kind of information. All these components of Corporate Culture have in common that they produce an *implicit* feeling of where the company should go. In case of a strong

		Internal Induced														
		Production Culture	Bureaucratic Culture	Professional Culture	Production Culture	Bureaucratic Culture	Professional Culture	Production Culture	Bureaucratic Culture	Professional Culture	Production Culture	Bureaucratic Culture	Professional Culture	Production Culture	Bureaucratic Culture	Professional Culture
External Induced	Tough-Guy/Macho-Culture	-	-	-	-	-	0	-	-	0	-	-	+	-	-	+
	Work-Hard/Play-Hard Culture	0	0	-	0	0	0	0	+	+	-	0	+	-	-	+
	Bet-Your-Company-Culture	0	0	-	0	0	0	0	+	0	-	0	+	-	-	+
	Process Culture	+	+	-	+	+	-	0	0	-	-	-	-	-	-	-
		Stable Culture			Reactive Culture			Anticipating Culture			Exploring Culture			Creative Culture		
Evolution Induced																

Figure 4. Intra-culture-fit

Corporate Culture, this ‘vision’ is shared by most members of the organization and therefore serves as directional information.

- ☆ The other—and even more powerful—source of directional information, of course, is the *explicit corporate strategy*, if it is precise in the sense of pointing out ‘where to go’.

Bringing these two dimensions together and using three alternatives on each axis, we get a 3 × 3 matrix (Table 3): this matrix has to be evaluated with respect to two questions:

- ☆ How good is the culture-strategy-fit?
- ☆ How good is the directional information?

Regarding the *culture-strategy-fit*: if the Corporate Culture is extremely vague, the culture-strategy-fit will be no problem at all, since the given culture fits any strategy. The nature of the culture-strategy-fit also depends on the ‘strength’ of the strategy, reaching from extremely vague to extremely precise. If the strategy is extremely vague, it harmonizes with any Corporate Culture; only with a precise strategy is there a possibility of a misfit.

Table 3 shows the nine possible situations with respect to the culture-strategy-fit: in cells (1), (2), (3), (4) and (7), all characterized by a weak Corporate Culture and/or a vague strategy, a perfect fit is always given. In the remaining four cells the Strategic Fit has to be evaluated, with a high probability of problems in cell (9).

Regarding the *directional information*: especially in cells (1) and (2) hardly any information is given with respect to the desired direction of the company. On the other hand, in cells (5), (6), (8) and (9) conflicting directional information may exist. In cells (3), (4) and (7) some information exists, but it comes only from one source and may therefore cause problems, for instance, in cell (7) in the implementation of the strategy.

Even though one has to expect the largest problems to arise there, the ultimate goal should be a development towards cell (9), since the biggest opportunities for success are given there: not only do we have a precise strategy; it also has the advantage of creating a culture-strategy-fit which leads to an easy acceptance of that strategy within the organization, as well as to reinforcement of the strategy through the culture.

Fits Created by Corporate Culture

There are many ways how a strong Corporate Culture can guide the decisions and behaviour of individuals in an organization, and by doing so, Corporate Culture is able to produce the Strategic Fits shown in Figure 1:

- ☆ by providing direct information about the necessary behaviour in a particular situation,
- ☆ by providing implicit norms, and
- ☆ by providing a supply of cases for analogies.

For instance, the ‘stories’ mentioned above as

Table 3. Culture-strategy-fit

Corporate Strategy	Weak	Corporate Culture Medium	Strong
Vague	Perfect fit (1)	Perfect fit (2)	Perfect fit (3)
	No direction	No direction	Some direction
Medium	Perfect fit (4)	Fit? (5)	Fit? (6)
	Some direction	Direction?	Direction?
Strong	Perfect fit (7)	Fit? (8)	Fit???
	Direction	Direction?	Direction???

components of Corporate Culture give direct information about how a specific person acted in a specific situation. But they also illustrate the basic norms which guided that person and are appropriate for all members of that organization; and finally it is possible to draw analogies from these stories which also are capable of guiding the decisions and behaviour of the individuals in the organization.

At this point we can refer back to the findings stated at the beginning of the section entitled 'Corporate Culture' which claimed that a strong Corporate Culture is a guarantee for the success of the company.

First, we have to limit the generalizability of that statement. According to our discussion, it can only be true if the strong Corporate Culture fits the chosen strategy; but if this Strategic Fit is given, we can expect the company to be rather successful, provided that other requirements are met, such as choosing not only a 'precise', but also a truly competitive strategy.

Secondly, we can provide an explanation for the link between strong Corporate Culture and success, which can be seen from the influence diagram (Figure 5):

- (1) The creation of a strong Corporate Culture is a way to increase Strategic Fits, due to the implicit directional information provided by the Corporate Culture.
- (2) Strategic Fit increases the strength of the Corporate Culture, since consistent organizational behaviour is more likely to produce a strong Corporate Culture.
- (3) Strategic Fit is definitely one of the reasons for the success of a company, since it implies only a small amount of frictional losses.
- (4) Since success reinforces an organization's 'theory of action',³³ the strength of Corporate Culture increases when the firm is successful. This means a successful company will more likely produce a strong Corporate Culture, because it is easier for members of the company to adopt similar patterns of behaviour if these patterns are associated with corporate success.

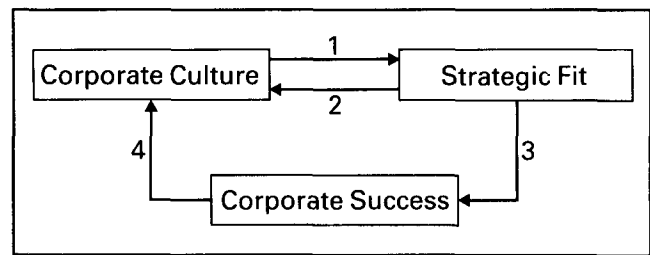


Figure 5. Corporate Culture and Strategic Fit

These connections therefore result in what can be called a 'dualistic model' of Corporate Culture and Strategic Fit.

This dualistic model of Corporate Culture is strongly related to the concept of organizational learning,³⁴ even though more research is necessary with respect to the implications of organizational sagas, myths, and habits for the organization's learning capabilities. The model presented here can be expanded in various ways to include other connections between Corporate Culture and success. For instance, the connection of Corporate Culture to Strategic Fit may be expanded to include the motivation of the members of the organization: in case we have a strong Corporate Culture, this leads to behavioural consistency and motivates good performance, especially of routine tasks.¹⁰ This collective mechanism for motivation then can increase the corporate success.

Consequences

Change of Corporate Culture or of Strategy?

We have shown that it is possible to determine a 'correct' Corporate Culture for a given strategy and/or a given system; we also assumed that the fit between Corporate Culture and system is given in most cases. In case of a misfit, one basic question still remains; should one change the strategy or the Corporate Culture?

The standard answer to this question is to change the strategy and not the Corporate Culture.³⁵ But, to be more precise: in the light of the dualistic model, the answer seems to depend on three factors, namely, the strength of the Corporate Culture, the future of

the firm or of the industry, and existing constraints. This view also takes into account that it is a hard, expensive, and tedious task to change a Corporate Culture, especially if it is a *strong* one.

Therefore, one usually should change the strategy or reformulate it according to the already existent Corporate Culture. This means that the process of strategy formulation does not only have to consider the capabilities of the company and the market situation, but also the restrictions which derive from the existent Corporate Culture. The stronger the Corporate Culture is, the more it limits the feasible space for strategy decisions.

Nevertheless, in two cases one should also consider changing the Corporate Culture if it conflicts with the corporate strategy:

- ☆ if the Corporate Culture is extremely weak anyhow and if the future definitely requires another type of Corporate Culture, or,
- ☆ if unavoidable constraints force the company into another direction, a change in Corporate Culture could be appropriate to cope with that problem.

How to Change a Wrong Corporate Culture?

One of the well-known examples of a company being forced into a cultural change by legislative action is AT&T:³⁶ coming from a stage with perfect cultural and Strategic Fit (slogan: 'Ma Bell') AT&T found itself faced with the necessity of a strategic move, due to changes in the environment (slogan: 'Ma Bell does not live here anymore') which conflicted with the existing culture. After being forced to split up into several smaller units, the remaining company (slogan: 'Baby Bell') is now trying to find, simultaneously, a new strategy, a new structure, and a new Corporate Culture.

If the Corporate Culture is wrong and has to be changed, the particular company must be ready to cope with some serious problems. Not that it is impossible to change the Corporate Culture—examples such as Pepsi Cola prove that it can be done successfully—but it is a rather complicated process to change a strong Corporate Culture.

It takes 6–15 years to change a Corporate Culture.³⁷ This process, therefore, has to be organized as a well-planned procedure with main steps such as:³⁸

- ☆ analysing the existing Corporate Culture,
- ☆ Experiencing the desired culture,
- ☆ modifying the existing culture, and
- ☆ sustaining the desired culture.

All this will cause *substantial costs* to the company involved: estimates are between 5 and 10 per cent of the company's annual budget for the personnel whose culture is to be changed.¹¹

The basic method of change itself can follow the concept of Corporate Culture. Therefore even 'just symbolic' actions such as:³⁹

- ☆ *symbols*: calendars, reports, agenda, physical settings, public statements, staff organization or
- ☆ *settings*: location, presentation formal, questioning approaches, and deadline management

turn out to have the potential for being important tools to change the Corporate Culture. Of course, stories are difficult to invent. But it is possible to 'make heroes'.¹¹

An extremely *promising alternative* to the time-consuming change from within in some cases is to import another culture: if a company wants to move towards a specific culture, the change can be supported by hiring several leading managers from a company which is famous for the desired culture, or if no such company exists, they hire several persons from two or three companies who together represent the desired culture. Such a move has two consequences:

Firstly, it is a symbolic action, attracting much attention and signaling the intention of the change as well as its direction; and

secondly, these persons are familiar with the desired Corporate Culture and are able to promote it.

What to do if the Corporate Culture is Right?

If a company is in the lucky state of having a Corporate Culture producing intra-culture-fit as well as culture-strategy-fit and culture-system-fit, there are still three tasks to be performed:

- (1) The Corporate Culture has to be monitored with respect to changes in strategy, system and Corporate Culture;
- (2) the Corporate Culture has to be maintained, for instance, by observing the fit to the Corporate Culture in the process of personnel selection, and
- (3) the Corporate Culture has to be strengthened, in the sense of being made more visible; making the Corporate Culture more powerful then, in turn, ensures the Strategic Fits mentioned in Figure 1.

Conclusion

The propositions in this article give some explanations of the phenomenon of Corporate Culture, as well as some guidelines of how to deal with Corporate Culture.

Even though several questions remain unanswered, Corporate Culture seems to be worth accepting as an important part of strategic management, both in theory and practice, for at least two reasons:

- ☆ it has a strong impact on the success of the company, and
- ☆ it can make a significant contribution to creation and maintenance of Strategic Fit.

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