Behavioral Norms, Not Personality, is How Cultures Change

It is an honor and a joy to revisit Ben Schneider's Attraction–Selection–Attrition model, which has had so much impact on my career and more importantly, on what we know about person-culture fit. Ben and I have engaged in wonderfully illuminating debates about organizational culture over the years and, in the interest of continuing that fruitful debate, I offer some contrasting views on three of the themes that he and Lukas Neville surface in their interesting paper.

1. **Organizational culture changes more rapidly than Neville and Schneider suggest.** Culture is not as inert as Neville and Schneider claim. Organizations in which members agree about a wide range of cultural norms but whom also prioritize adaptability as a key cultural norm perform better over time (Chatman et al, 2014). In fact, the combination of a high consensus culture characterized by adaptability was worth about 15% in annual revenue growth, or about $5B for the high-technology firms in our study. In another pair of studies, we found that when leaders across levels were consistent in emphasizing the strategic relevance of the culture change they were pursuing, meaningful change occurred quickly (Caldwell et al 2008; O'Reilly et al, 2010). Other research has shown that culture can be malleable, much like a growth mindset (Dweck et al, 2014), and that employees and prospective employees view malleable cultures more positively (Canning et al, 2020).

   In a more anecdotal, but striking case at Genentech, I tracked the pace of culture change and its link to strategy execution (Chatman, 2014; Lyons, 2017). Genentech tripled in size, an accomplishment they had expected to take five years, in 11 short months. Genentech leaders attributed their staggering success to deliberate culture change. Finally, colleagues and I have a set of in-progress studies examining the pace of culture change in response to the COVID-19 pandemic. We are finding that organizations may have significant capacity for both rapid and fundamental cultural change (Brown, et al, 2020; Stein, Chatman, & Schroeder, 2020).
2. **Culture is derived from behavioral norms within organizations, not aggregations of members' personality.** Why might Ben and I disagree about the pace of culture change? Probably because we disagree about what culture is. I conceptualize organizational culture as behavioral norms, which have greater plasticity than personality. My longtime collaborator, Charles O'Reilly, and I suggest that when the norms characterizing an organization are both widely shared and strongly held, they act as a social control system to shape members' attitudes and behaviors (Chatman & O'Reilly, 2016; O'Reilly & Chatman, 1996). These behavioral norms are socially created standards that help members set expectations and interpret and evaluate behavior. Organizational culture, then, is a pattern of beliefs and expectations that members share and that produce these norms, which in turn, powerfully shape what people do in that organizational context.

   To illustrate the potency of behavioral norms, consider a small but vivid example of culture change at Genentech: As the organization sought to triple their sales by becoming more focused on the patients who could benefit from the medicines Genentech produced, members changed the way they talked about sales. Instead of discussing the number of "vials sold," they intentionally discussed sales in terms of the number of patients they had helped in the period. They also began opening meetings with a patient story. As a result, one of the leaders at Genentech said, "People shifted focus from 'how are your numbers?' to 'what have you done for patients?'" These small behavioral changes "led to a big dynamic shift." (Chatman, 2013, p. 11).

   This distinction, between culture as an aggregate of members' personality versus behavioral norms, is important and has significant implications for how we think about culture change. We have long known that personality is remarkably stable (e.g., Costa & McCrae, 1986) and so, if we define culture as aggregated personalities homogenized through the ASA process, we can only imagine culture changing slowly if at all. And yet, we observe that cultures can and do change. The reason is that even if personality is not very flexible, behavior is. Most people, regardless of their personality, could make the kind of behavioral shift described at Genentech—changing the way they talk about sales from vials to patients—and this reprioritization of strategically effective behaviors is where the potential for meaningful culture change lies (Chatman & Gino, 2020). In other words, people are not destined to behave in accordance with their personality. Indeed, in even the best studies attempting to link personality traits and exhibited behavior, correlations top out in the .40 range (e.g., Funder, 2006). Further, people can behave in ways that are quite different from their personality when the culture favors doing so (e.g., Chatman & Barsade, 1995).

   There is also new evidence that people perform well in organizations even if they don't fit the culture in conventional, personality-fit terms. In contrast to previous theories of person-culture fit based on personality or values fit (e.g., Chatman, 1991; Sheridan, 1992), colleagues and I recently found that a newly identified form of culture fit, which we call "perceptual congruence" or the degree to which a person can decipher the organization's cultural code, equips people with the capacity to exhibit behavioral conformity,

regardless of their actual personality or value fit (Lu, et al, 2020). Further, perceptual congruence enables behavioral fit and ultimately, upward mobility within a firm.

3. **Leaders and their personalities do influence organizational culture, but identifying exactly how this happens is essential.** Ed Schein has long argued that CEOs and founders have a unique impact on organizational culture (Schein, 2010), and Neville and Schneider appropriately recognize this. But it is too simple to attribute leaders' impact exclusively to their personality; we need to continue to uncover the mechanisms by which a leader's personality becomes reflected in culture.

We did this in a series of studies linking leader narcissism to organizational culture. We found that narcissistic CEOs were more likely to develop cultures that were low in cooperation and integrity (O'Reilly & Chatman, forthcoming). The way that narcissistic personalities influenced the culture, however, was not through role modeling, or even attracting, selecting, or retaining people who were also narcissistic—in fact, the last thing a narcissistic leader wants is to be surrounded by other narcissists. Instead, narcissistic leaders influenced their culture by embedding policies, practices, and sanctions that favored behaviors associated with lower cooperation and lower integrity. And, of great concern, our work also suggested that narcissistic leaders may leave a residue on their organizations that causes these dysfunctional norms to persist even after they depart. The reason for this is that members of the organization follow the culture—those policies, practices, and sanctions that became embedded during the narcissistic leader's era, regardless of who currently sits in the CEO's office.

Focusing on culture as behavioral norms, emphasizing cultural adaptation, and recognizing that people with many personality orientations can enact a wide range of behaviors enables researchers and managers to be more optimistic about the possibility of achieving fast, functional culture change within organizations. This is good news!

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