What is Organizational Culture?
Organizational culture is a pervasive force. It is a shared set of customs, beliefs, and practices, sometimes stated as “the way we do things.” It is revealed in little things, such as where staff sit at the conference table for meetings or whether they wear suits or jeans to work. It is also evident in more meaningful characteristics, such as the makeup of the organization’s board, staff’s shared political beliefs, or the staff and board’s views of one another’s roles and competencies. In a merger, cultural integration—the fusion or adaptation of two or more cultures into a new culture—is critical to success.

Layers of Organizational Culture
Organizational culture is multi-layered. It is expressed in an organization’s core values, mission, strategic objectives, and policies and procedures.

An organization’s core values and mission lie at the center of its culture. These, in turn, influence the direction of the organization’s strategic objectives and the policies and procedures that it puts in place to support them. In the context of a nonprofit merger, cultural integration requires the creation of a new culture that draws from the best aspects of each constituent organization’s culture. This means starting at the center, with a shared mission and core values, and working outward.
Creating a New Culture

Every merger brings together two or more organizational cultures. The key to successfully integrating these cultures is to recognize them as distinct ways of seeing and being, which need to first be made explicit, and ultimately brought into harmony as something new.

Creating a new culture is an intentional process. Resist the tendency to view organizational culture as a natural phenomenon that will simply develop organically. The strength of the old cultures will make this difficult. The new culture must be tended to in order to take root.

Think about creating a new culture as comprising three steps:

1. **Assess** the cultures of the merging organizations to identify differences and similarities. This can be done via individual interviews, facilitated group discussions, or third-party assessments. (It may be helpful to work with a consultant, as they can bring an unbiased perspective to surfacing the characteristics of the partnering organizations’ “old” cultures).

2. **Define** the desired elements of the new culture. This could be informed by staff/board retreats or visioning sessions, client conversations, and/or focus groups. The organization might choose to incorporate elements of the old cultures, deliberately leave some behind, and/or identify new characteristics to carry forward.

3. **Create** the desired future. Make the new culture explicit and reinforce it through open and ongoing communications. This can be supported through organizational storytelling; adopting new traditions, systems, or incentives that uphold the new culture. Develop indicators to gauge whether the new culture is truly in place and, if not, how to help get it back on track.

Cultural integration is not a “one-and-done” proposition. It has to be constantly watched and nurtured, as it is all too easy to fall back into old habits and ways of working. It is important to be patient and respect the time needed to move through the cultural integration process. The old organizational cultures were not formed in a day (or even weeks or months); similarly, the new culture will take time.

Identifying the Current Organizational Culture

One of the reasons cultural integration is so challenging is that organizational culture includes not only elements that can be easily “seen” or grasped, but also those that are less obvious. It can be difficult for an organization to recognize its own culture, simply because it is so ingrained that it is often taken for granted. Asking these questions can help organizations begin to bring its current culture into focus:

- Who is involved in decision-making?
- How is authority expressed?
- What is the role of the board?
- How formal or informal is the organization?
- What is the prevailing communication style?
- How are staff trained and supported? (Look at what happens when a new person is hired. Those first 30 to 60 days tell a lot about the organizational culture. For example, is it a sink-or-swim situation, or are supports in place?)
- How are achievements celebrated (or not)? Are individuals acknowledged, or are only team successes noted (or vice versa)?

Branding and communications are how the organization expresses its mission, values, identity, and culture to the world. Read more about post-merger communications and branding in the final installment of this series.

Learn more about AIDS United’s Sector Transformation initiative at www.AIDSUnited.org/ST

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