Creating, Transmitting, and Transforming a Corporate Culture in a Public Sector Enterprise: The General Post Office, 1920-1990

John Griffiths[1]

Department of History
University of the West of England

Within the field of the historical study of business, the study of corporate culture and specifically the communication of this phenomenon has been relatively neglected. That it should have been is rather surprising, since such a study can say much about an organization. The study of corporate culture became fashionable in the 1980s as managers looked for a quick fix solution to business recession and adopted a largely unitarist view of organizations, which suggested that a strong corporate culture was necessary for business success. In their search for available literature they were aided by monographs such as Peters and Waterman's *In Search of Excellence*, Deal and Kennedy's *Corporate Cultures,* and Rosabeth Moss Kanter's *Change Masters.*

In the 1990s corporate culture is part of the research agenda of business history of the new variety. For the uninitiated, "new" business history is distinguished from "old" business history by its use of management as well as historical literature and its use of conceptual analysis as well as archival data [Jeremy, 1994, p. 726].

A corporate culture could provide an informal mechanism by which, as the organizational sociologist Reed notes, managers could negotiate and maintain workplace order. He stresses that:

> rather than viewing custom and practice solely as a set of understandings that workers develop and defend, studies have shown how managers manipulate the former to realise their own objectives within the workplace. Thus informal regulative mechanisms – the unwritten rules of work, may be relied on by management either as a supplement or alternative to, more formalised arrangements, aimed at incorporating workers within a bureaucratised control [Reed, 1988, p. 110].

Andrew Pettigrew has defined organizational culture as a system of shared meaning based on a cluster of key concepts which are interrelated:

symbol, myth, ritual, ideology, belief, and language [Pettigrew, 1979]. He argues that more studies need to explore corporate vocabularies and the management of meaning within organizational contexts.

Morgan [1986] also developed two important metaphors for studying organizations, the first being that of organizations as "brains" and the second organizations as "cultures." Of the latter he notes that if they (that is to say cultures), are viewed as a shared reality then important questions are: What are the shared interpretative schemes that make organization possible? Where do they come from? How are they created, communicated, and sustained? He also stresses the importance of the cultural metaphor since it "points towards another means of creating organized activity: by influencing the language, norms, folklore, ceremonies and other social practices that communicate the key ideologies, values, and beliefs guiding action" [Morgan, 1986, p. 131].

Historians such as Dellheim have noted that "culture counts; however vague imprecise and manipulative the concept may be it affects productivity by shaping the use of human resources" [Dellheim 1986, p. 10]. Church more recently has investigated how business thought, using the National Coal Board and Morris Motors as case examples [1994, p. 6].

The extent to which organizations have either explicitly or implicitly tried to construct such corporate cultures in the past has been under-researched, perhaps because the concept can be seen a somewhat nebulous topic which is difficult to identify. One possible resource that may offer a way into its study is the in-house magazine, written from a board-room perspective, and union journals, written from a shop-floor view point. These publications tell the historian much, through the process of inference, about the assumptions that the management of an organization make about its employees and the view taken by the workforce of its employers. At the outset it is accepted that these sources contain distinct bias. However, it is nevertheless the case that they represent a snapshot of a business's perception of itself at a certain time. This paper takes the General Post Office as a case study in order to assess whether a company culture can have been said to exist in this organization. The history of the British Post Office has been documented recently by both Daunton [1985] and Perry [1992] and does not need to be repeated here at any length. However, before looking at the communication process, a brief description of the foundation of the GPO culture is desirable.

Transmitting a Corporate Culture

> Now I told myself when I walked into my new room on October 1st, you belong to the greatest business in the country... It is important that we, who are Post Office servants should understand better than before how the great army of fellow workers of whom we can never hope to see more than a small part in the flesh is working with us to give the public that network of unsleeping services which it so unthinkingly accepts [*Post Office Magazine*, 1, Jan. 1934, p. 9].

These were the words of Sir Stephen Tallents, Public Relations Officer of the Post Office in the January 1934 issue of the *Post Office Magazine* and reflect the image that the organization wished to portray in the public mind. By 1930 the GPO had become an organization of considerable size. In the years 1907 and 1935 it stood as Britain's largest business employer with 212,310 employees in the former year and 231,877 in the latter. In 1955 it was the third largest with 337,465 [Jeremy, 1991]. The reason for its size was the GPO's expansion in the last quarter of the nineteenth century, due in no small part to the work of a civil servant, Frank Ives Scudamore. According to Perry, Scudamore believed that a state-run department could be more efficient than a private company and duly pushed the Post Office into starting the savings bank and devised a plan for it to sell life insurance. He notes that:

> Scudamore's passion (for GPO expansion) was firmly grounded in a deep conviction of the benefits – both social and financial – that were possible through government expansion into the private economy [Perry, 1980, p. 367].

It was therefore this obscure civil servant who more than anyone can lay claim to being the founder of a Post Office culture, more so than the more well known figure of Rowland Hill. Although hailed as the pioneer of standard charges for mail conveyance, it has been noted in the most recent history of the organization that his achievements were rather less significant than has hitherto been appreciated. The in-house magazine perpetuated his role in articles such as that which appeared in the issue of February 1937, which suggested that he had "exposed the fallacy that costs of conveyance were closely related to the distance covered." Daunton however, sees this as an organizational myth. "He had fundamentally miscalculated the economics of his scheme...and created 20 years of acrimony and tension within the Post Office which hindered rather than helped the successful development of the penny post" [Daunton, 1985, pp. 5-35].

In addition to its traditional responsibility of transporting the Royal Mail, it had taken over administration of the Telegraph system in 1870. It incorporated companies such as British and Irish Telegraph, the Electric Telegraph Company, and the Anglo American Telegraph. In the early twentieth century it also took over the National Telephone Company. Thus by 1930 the General Post Office had become a good example of Weberian bureaucracy, identified by the existence of fixed and official jurisdictional areas which were ordered by rules, a hierarchy of graded authority and management based on written documents [Morrison, 1995, p. 300].

As the bureaucracy grew, the question of managerial control became a more serious issue. In addition to the rule book, the in-house magazine became an informal method of transmitting core values necessary to succeed in the business. Launched in 1885 as the *Blackfriars Magazine* it changed in 1890 to *St. Martin's Le Grand* (the GPO's headquarters). It transformed once again in 1933 to the *Post Office Magazine*, running in this format until 1966. Either consciously or unconsciously, this medium became an important vehicle for

transmitting a top-down corporate value system. By 1946 distribution of the magazine was 182,000 (an approximate readership of 53 per cent).

Taking random samples of the magazine over the period 1934-1980, it is possible to see it as a barometer of the culture in the GPO. In the first issue of the *Post Office Magazine* for example, the culture was perhaps unconsciously revealed in a piece called "You are Wanted," which concerned the issue of staff salesmanship and the telephone. Here the writer ironically spoke of selling as an act of retributive justice and made the comical point that if verbal persuasion did not work then "of course there is always the possibility that whatever tortures you inflict they will be considered a lesser evil than possessing a telephone." This comic piece was underpinned by the rather more serious implication that the magazine was transmitting a view which was not encouraging an active promotion of it products. The GPO preferred to transmit an ethic of service which is demonstrated in the issue selected from 1937 which contained stories such as that in "Last Collection" – a section of anecdotal material [*Post Office Magazine*, 4, February 1937, p. 81].

In one paragraph titled simply "service" it described a sub-postmaster writing a letter on behalf of a young woman who could not read or write. The woman departed "expressing her grateful thanks and smiling happily." In addition to this core value within the GPO was a paternalistic culture. Most issues of the *Post Office Magazine* would report the retirements of long serving members of staff. It also gave considerable space to the leisure activities of the GPO in each of the regions of the UK. A passage from the issue of August 1951 contained all the key words one would expect to associate with the GPO [*Post Office Magazine*, 12, August 1951]. Called "Holding the Fort," (an army metaphor), it then moved on to note that he or she held it 24 hours a day 365 days a year. The next sentence in the paragraph noted that the GPO employee accomplished his task "unobtrusively," invoking imagery of a humble servant of the community. Lastly, the paragraph noted the sacrifices that the Postal Officer made in the name of duty:

> The morning delivery is made to appear as inevitable as the rising of the sun and the final collection as its setting. At all seasons and all circumstances no matter what others may be doing the postal servant is at his post. Frequently indeed it is at times of public festivity that calls made on his services are the greatest. He must work while others play [*Post Office Magazine*, 12, August 1951].

The *Post Office Magazine* realized the need for corporate loyalty and consequently ran articles which stressed the Postman's role in the community he served. In March 1952 the organizational story published concerned the delivery of a telegram to a woman who lived outside Aberystwyth in the village of Clarach. The story explained than an attempt had been made to deliver the telegram but owing to an appalling storm it had been impossible to force a way out to the exposed dwelling. Police posts had been contacted but nothing came of that. It was therefore up to the GPO. After getting the telegram through the

story concluded that it was simply "Just another case of devotion to duty" [*Post Office Magazine*, 13, March 1952, p. 72].

On the telecommunications side of the GPO a magazine was launched in 1948 called the *Telecommunications Journal* to cater for employees of this part of the organization. While predominantly covering technical issues, it too promoted the notion of service. For example, in the Winter 1956 issue, an article appeared called "Telephone Service at Hotels." This described a letter written by the British Travel and Hotels Association to the management of London's hotels on the request of the PMG. The letter noted that the switchboard was very important because, although not seen, it was effectively the hotel's shop window.

As the external environment gradually pushed the GPO to a more commercial ethos it is possible to see slight changes in the diffusion of a corporate vocabulary by the 1950s. One of the earliest references to profit and loss was found in the issue of January 1956. The article followed hard on the heels of the Post Office Act of 1955, which made the GPO responsible for balancing its own expenditure. At this stage therefore it is possible to see the beginning of external pressure that would lead to industrial strife in the 1960s and 1970s. By 1960 however, the transmission of values still portrayed the GPO as insulated from competitive pressure. In March 1960 the magazine reported the experience of a postal worker who spent time within Unilever. The contrast was sharp, as the employee explained:

> It was a remarkable change to find myself so suddenly in the world of marketing, its strange climate of sales statistics and estimates, advertising schemes, product development and competitive activity [*Post Office Magazine*, 21, March 1960, p. 73].

After the Post Office Act of 1961, the magazine reported the speech of the Postmaster General who spoke of his wish to balance "commercial" and "human" interests. Of the three issues selected for study in the 1960s, the dominant value system continued to be a non- commercial mentality.

The Perception of a Corporate Culture

How did Post Office workers[2] perceive the culture of the GPO? Clearly a company culture depended largely on a shared value system between managers and managed. Seen through the "lens" of the Union of Post Office Workers (UPW) magazine, *The Post*, to what extent does the GPO reveal shared values? From its foundation in the late nineteenth century the *Post* transmitted an agenda that was a radical challenge to the Government-run department. The first point of the UPW program of 1920 was the declaration that it desired "Joint Management of the Post Office in conjunction with the state." The value system held among the editors of *The Post* was derived from Guild

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[2] Membership of the Union stood at 101,338 in 1930, 137,614 in 1940 209,479 in 1970, and 202,993 in 1980. Figures taken from Clinton [1984].

Socialism which was based upon the belief of worker control in industry. As the opening editorial of January 1920 noted:

> Since the wage system thus creates two classes. Control need not be confined to the manufacturing processes. It has passed beyond that. It has become a conscious factor in the affairs of the Civil Service. Some measure of control is now within your grasp [*The Post*, 3 January 1920, p. 7].

Despite its radical agenda there was little evidence of union militancy before 1939. Grint has noted that before 1939 the GPO had many of the features that are now seen as particular to the Japanese experience. The features included a unitary culture where strikes were rare. He explains that:

> Despite the radical rhetoric of some postal guildists if Japanese unions are paragons of strike free production then they are easily matched by the pre-1939 history of the Post Office workers. With the exception of the strike of 1890 no official strike occurred [Grint, 1995, p. 22].

The harmonious industrial relations were facilitated for a time by the Whitley Councils which were formed in 1918. These communication channels almost certainly pacified to some extent the syndicalist desires of the UPW. Industrial strife was made even less possible in the wake of the General Strike of 1926, when Churchill instigated Clause Five of the Trades Dispute Act which forbade civil service unions linking with any other political movement. In the period between 1927-1945 therefore, the potential for industrial disputes was effectively stifled by the Government. *The Post's* missionary aim during these years was to attack what it saw as the injustice of Clause Five and promote its desire for some control of the organization. After 1939 the system of industrial relations was put under new strain. As A.T.J. Day, Chairman of the National Whitley Council (Staff Side) noted:

> After the golden age of 1919-21 it would be found that of all the items dealt with the Official Side provided scarcely one. They left it to the staff side to make the running. The other factor which impaired the effectiveness of the system was the personal relationship between the two sides. The Official Side did not take kindly to all the implications of the Whitley principle [*The Post*, 11 February 1950, p. 45].

The outlook of *The Post* was by no means that of the boardroom. The language adopted was more radical and the magazine also effectively used cartoons to depict key grievances of the Union. The cartoons also served to break pages of dense text and communicate in a way other than through the written word. In the post World War II environment, these cartoons took on an increasingly political tone, expressing frustration at the lack of measures taken by the post-war Labour administration in relation to industrial democracy. Indeed by the mid-1950s the Union was forced to become a more radical

organization as the Government set the framework for pay and productivity. As Clinton notes, "From the mid-1950s also can be dated a change in the means of conducting industrial relations when after a break of thirty years the weapons of confrontation were again wielded by both sides" [Clinton, 1984 p. 507]. The 1971 strike which lasted six weeks from January 20 to March 2 was explained by the Union as a protest against discontent "The old comfortable feeling of giving service or having an employer who cares is gone" *The Post* noted in May 1971 [*The Post*, 1 May 1971, p. 12].

The underlying cause was the loss of civil service status: "There was to be new commercialisation despite the loss making social service provided by the Post Office. Wages too were to be determined by profitability" [*The Post*, 1 May 1971, p. 12]. Seen from the perspective of the Union magazine therefore, the sense of shared values that would be the defining mark of a company culture appear to have been dismantled by the strike of 1971.

Transformation of a Corporate Culture

A change in communication can be traced back to the decision to replace the *Post Office Magazine* in October 1966 with a new format. The *Courier* was a newspaper-style publication that carried tabloid style headlines. Its content was also markedly different from that of its predecessor. A number of new journalists were recruited, and the newspaper was regionalized because much of the material was "of little interest to people at the other end of Britain." This can be seen as an important turning point in the cultural development of the organization, since the GPO appeared to be abandoning the centralized culture that had manifested itself since the nineteenth century. This was taken a stage further by the Carter committee of 1977, which also suggested that the GPO was overly centralised. As it stated:

> The style of management derives from the fact that until relatively recently the Post Office was a Government department and it retains bad habits as well as good from the civil service tradition [Carter Committee, 1977, p. 64].

An important development in the change to a commercial culture was a plan to tackle the negative aspects of bureaucracy. This included the suggestion that it was necessary to disentangle the postal service from that of the telephones and to define more clearly the operational responsibilities of each.

Issues of *The Courier* selected from the years 1966, 1968, 1970, 1972, and 1974 significantly contained an increasing amount of space over the issue of performance. The first Chairman of the Post Office to noticeably use the *Courier* to put forward his business philosophy was Sir William Barlow, who in the *Courier* of 1977 in the wake of the Carter Committee findings spoke of the GPO as a profit making business. "The Post Office is required by Government to make a profit. The concept of making a profit is sound and in any case if you do not make a profit you make a loss and who wants to work for a loss making firm?" [*The Courier*, December 1977, p. 5].

By the early 1980s the structure of the GPO was dramatically changed. Telecommunication was separated from Post. *The Courier* transmitted the fact that the decade was set to be a testing one. In order to face the challenges the culture was changed by Ron Dearing and his successor to a far more proactive stance. The service ethic did not completely disappear, however. In the Christmas 1980 issue of *The Courier* William Barlow spoke of the efforts the engineers had made to ensure people had their phone installed by this date. He also spoke of the "spirit of service" which he believed was clearly demonstrated by the staff. Initiatives to create a more efficient organization such as Improved Working Methods were fully reported. Managerial language was visibly transformed by the later 1980s with the vocabulary becoming more like that used in private business. This was accelerated by a monopoly and mergers investigation which released its findings in 1984. Many of the observations noted that more could be done to enhance the business orientation of the enterprise. It suggested for example that:

> We recommend the use of budgetary control as a primary tool of management at all levels of the Post Office. It should be vigorously promoted by Post Office HQ, so that managers at all levels throughout the organisation accept the principle of their accountability in monetary terms for their performance against pre-determined targets [MMC Report 1984, p. 63].

Many of the problems faced by the post office in the 1970s and 1980s could be traced back to the Post Office Act of 1969, which had placed a dual responsibility on the organization: to offer a comprehensive service to the public while also making a reasonable level of profit. The inherent problems of the Act that had been noted by academic Tom Lester in the mid-1970s, when he commented that a more unsuitable instrument for laying down objectives of business than an Act of Parliament would be hard to find [Lester, 1976].

It would be unfair perhaps not to credit internal leadership with some initiative for change after 1980. From the accession of Ron Dearing onwards the leadership of the Post Office has taken as more proactive attitude to its environment. As Dearing reflected after his departure from the Post Office:

> One external investigation after another pointed to the need for radical change, for the Post Office was sandbagged by an encyclopaedic rulebook negotiated with the workforce over decades which totally circumscribed management initiatives [*Times*, 30 September 1987, p. 16].

Ironically, the Post Office looked to Japanese working practice such as "teamworking" and "empowerment" to change the existing culture. The irony lies in the fact that the GPO had originally introduced teamworking in some offices during the Second World War in times of staff shortage but had not persisted with them in peacetime [*The Post*, October 1946, pp. 586-9) After two further investigations by external bodies, the management of the Post Office distinctly shifted to a more proactive stance. Evidence of an attempt to change

the culture of the Post Office (specifically the Royal Mail, one of the three arms of the newly structured organization) was the document produced in 1998 called *Customer First*. This importantly laid down the current state of the culture and the desired end goal which it aimed to produce.

Conclusion

This article has attempted to show the potential for the business historian of a study of company magazines. Using tools borrowed from the social anthropologist, the historian may usefully prise open the inner sanctums of boardroom assumptions about the workplaces which they regulate. It has also problematized the assumption that bureaucracy in the context of the GPO automatically signalled the decline of paternalism. It has been demonstrated that culture is something an organization "has" rather than "is," which is to say that a corporate culture can be managed over time. A distinction needs to be made between a consciously created culture and an unconscious one. This is perhaps best demonstrated by comparison with other UK businesses. In another study, conducted as part of a wider investigation of corporate communication, Lever Brothers of Port Sunlight was examined [Griffiths, 1995]. In contrast to the GPO it is possible to say that the culture was stronger and more conscious, based as it was around the personality of William Hesketh Lever (1851-1925). Here a series of in-house magazines, particularly the *Port Sunlight News* used Heskeths's character to develop organizational legends and myths, often running articles and pictures on his achievements in the context of the business. This was something less possible in the context of the GPO, since its culture was not attributable to a single individual. The nearest the GPO came to giving any one individual legendary status was Rowland Hill, a status that has now been questioned. In this sense it is therefore possible to suggest that corporate cultures tend to be at their strongest in owner-controlled businesses. Leadership was an important organizational concept in the context of Lever Brothers, while the GPO had only developed the idea of change agents in the mid- to late 1970s as it found its feet as a semi-autonomous corporation. It was only after the social drama of the postal strike of 1971 that the managerial agenda came to the fore, helped by the post-1979 revolution in industrial relations strategy, and the Post Office gradually shifted to a more proactive attitude to its workforce and business environment. When compared with private sector employers such as Lever Brothers who had realized the strength and weakness of a strong corporate culture however, the GPO's insulation can be seen to have left it in a situation in which change was required over months and years rather than decades.

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