

THE CONCEPT OF ORGANIZATIONAL CULTURE: WHY BOTHER?

Culture is an abstraction, yet the forces that are created in social and organizational situations deriving from culture are powerful. If we don't understand the operation of these forces, we become victim to them. Cultural forces are powerful because they operate outside of our awareness. We need to understand them not only because of their power but also because they help to explain many of our puzzling and frustrating experiences in social and organizational life. Most importantly, understanding cultural forces enables us to understand ourselves better.

What Needs to Be Explained?

Most of us in our roles as students, employees, managers, researchers, or consultants work in and have to deal with groups and organizations of all kinds. Yet we continue to find it amazingly difficult to understand and justify much of what we observe and experience in our organizational life. Too much seems to be "bureaucratic," "political," or just plain "irrational." People in positions of authority, especially our immediate bosses, often frustrate us or act incomprehensibly, and those we consider the "leaders" of our organizations often disappoint us.

When we get into arguments or negotiations with others, we often cannot understand how our opponents could take such "ridiculous" positions. When we observe other organizations, we often find it incomprehensible that "smart people could do such dumb things." We recognize cultural differences at the ethnic or national level but find them puzzling at the group, organizational, or occupational level. Gladwell (2008) in his popular book *Outliers* provides some vivid examples of how both ethnic and

organizational cultures explain such anomalies as airline crashes and the success of some law firms.

As managers, when we try to change the behavior of subordinates, we often encounter "resistance to change" at a level that seems beyond reason. We observe departments in our organization that seem to be more interested in fighting with each other than getting the job done. We see communication problems and misunderstandings between group members that should not be occurring between "reasonable" people. We explain in detail why something different must be done, yet people continue to act as if they had not heard us.

As leaders who are trying to get our organizations to become more effective in the face of severe environmental pressures, we are sometimes amazed at the degree to which individuals and groups in the organization will continue to behave in obviously ineffective ways, often threatening the very survival of the organization. As we try to get things done that involve other groups, we often discover that they do not communicate with each other and that the level of conflict between groups in organizations and in the community is often astonishingly high.

As teachers, we encounter the sometimes-mysterious phenomenon that different classes behave completely differently from each other even though our material and teaching style remains the same. If we are employees considering a new job, we realize that companies differ greatly in their approach, even in the same industry and geographic locale. We feel these differences even as we walk in the door of different organizations such as restaurants, banks, stores, or airlines.

As members of different occupations, we are aware that being a doctor, lawyer, engineer, accountant, or manager involves not only learning technical skills but also adopting certain values and norms that define our occupation. If we violate some of these norms, we can be thrown out of the occupation. But where do these come from and how do we reconcile the fact that each occupation considers its norms and values to be the correct ones? How is it possible that in a hospital, the doctors, nurses, and administrators are often fighting with each other rather than collaborating to improve patient care? How is it possible that employees in organizations report unsafe conditions, yet the organization continues to operate until a major accident happens?

The concept of culture helps to explain all of these phenomena and to "normalize" them. If we understand the dynamics of culture, we will be less likely to be puzzled, irritated, and anxious when we encounter the unfamiliar and seemingly irrational behavior of people in organizations, and we will have a deeper understanding not only of why various groups of people or organizations can be so different but also why it is so hard to change them.

Even more important, if we understand culture better, we will understand ourselves better and recognize some of the forces acting within us that define who we are. We will then understand that our personality and character reflect the groups that socialized us and the groups with which we identify and to which we want to belong. Culture is not only all around us but within us as well.

Culture: An Empirically Based Abstraction

Culture as a concept has had a long and checkered history. Laymen have used it as a word to indicate sophistication, as when we say that someone is very "cultured." Anthropologists have used it to refer to the customs and rituals that societies develop over the course of their history. In the past several decades, some organizational researchers and managers have used it to describe the norms and practices that organizations develop around their handling of people or as the espoused values and credo of an organization. This sometimes confuses the concept of culture with the concept of climate, and confuses culture as what is with culture as *what ought to be*.

Thus managers speak of developing the "right kind of culture," a "culture of quality," or a "culture of customer service," suggesting that culture has to do with certain values that managers are trying to inculcate in their organizations. Also implied in this usage is the assumption that there are better or worse cultures, stronger or weaker cultures, and that the "right" kind of culture would influence how effective organizations are. In the managerial literature, there is often the implication that having a culture is necessary for effective performance, and that the stronger the culture, the more effective the organization.

Researchers have supported some of these views by reporting findings that certain cultural dimensions do correlate with economic performance, but this research is hard to evaluate because of the many definitions of

culture and the variety of indexes of performance that are used (Wilderom, Glunk, and Maslowski, 2000). Consultants and researchers have touted "culture surveys" and have claimed that they can improve organizational performance by helping organizations create certain kinds of cultures, but these claims are often based on a very different definition of culture than the one I will be arguing for here (Denison, 1990; Sackman and Bertelsman, 2006). As we will see, whether or not a culture is "good" or "bad," "functionally effective," or not, depends not on the culture alone but on the relationship of the culture to the environment in which it exists.

Perhaps the most intriguing aspect of culture as a concept is that it points us to phenomena that are below the surface, that are powerful in their impact but invisible and to a considerable degree unconscious. Culture creates within us mindsets and frames of reference that Marshak (2006) identified as one of a number of important *covert* processes. In another sense, culture is to a group what personality or character is to an individual. We can see the behavior that results, but we often cannot see the forces underneath that cause certain kinds of behavior. Yet, just as our personality and character guide and constrain our behavior, so does culture guide and constrain the behavior of members of a group through the shared norms that are held in that group.

Culture as a concept is thus an abstraction. If an abstract concept is to be useful to our thinking, it should be observable yet increase our understanding of a set of events that are otherwise mysterious or not well understood. From this point of view, I will argue that we must avoid the superficial models of culture and build on the deeper, more complex anthropological models. Those models refer to a wide range of observable events and underlying forces, as shown in the following list.

- **Observed behavioral regularities when people interact:** The language they use, the customs and traditions that evolve, and the rituals they employ in a wide variety of situations (for example, Goffman, 1959, 1967; Jones and others, 1988; Trice and Beyer, 1993; Van Maanen, 1979b).
- **Group norms:** The implicit standards and values that evolve in working groups, such as the particular norm of "a fair day's work for a fair day's pay" that evolved among workers in the Bank Wiring Room in the Hawthorne studies (for example, Homans, 1950; Kilmann and Saxton, 1983).

- **Espoused values:** The articulated publicly announced principles and values that the group claims to be trying to achieve, such as “product quality” or “price leadership” (for example, Deal and Kennedy, 1982, 1999).
- **Formal philosophy:** The broad policies and ideological principles that guide a group’s actions toward stockholders, employees, customers, and other stakeholders such as the highly publicized “HP Way” of the Hewlett-Packard Co. (for example, Ouchi, 1981; Pascale and Athos, 1981; Packard, 1995).
- **Rules of the game:** The implicit, unwritten rules for getting along in the organization, “the ropes” that a newcomer must learn to become an accepted member, “the way we do things around here” (for example, Schein, 1968, 1978; Van Maanen, 1976, 1979b; Ritti and Funkhouser, 1987).
- **Climate:** The feeling that is conveyed in a group by the physical layout and the way in which members of the organization interact with each other, with customers, or with other outsiders (for example, Ashkanasy, and others 2000; Schneider, 1990; Tagiuri and Litwin, 1968).
- **Embedded skills:** The special competencies displayed by group members in accomplishing certain tasks, the ability to make certain things that get passed on from generation to generation without necessarily being articulated in writing (for example, Argyris and Schon, 1978; Cook and Yanow, 1993; Henderson and Clark, 1990; Peters and Waterman, 1982; Ang and Van Dyne, 2008).
- **Habits of thinking, mental models, and/or linguistic paradigms:** The shared cognitive frames that guide the perceptions, thought, and language used by the members of a group and are taught to new members in the early socialization process (for example, Douglas, 1986; Hofstede, 1991, 2001; Van Maanen, 1979b; Senge, Roberts, Ross, Smith, and Kleiner, 1994).
- **Shared meanings:** The emergent understandings that are created by group members as they interact with each other (for example, Geertz, 1973; Smircich, 1983; Van Maanen and Barley, 1984; Weick, 1995, Weick and Sutcliffe, 2001; Hatch and Schultz, 2004).
- **“Root metaphors” or integrating symbols:** The ways that groups evolve to characterize themselves, which may or may not be appreciated

consciously, but that get embodied in buildings, office layouts, and other material artifacts of the group. This level of the culture reflects the emotional and aesthetic response of members as contrasted with the cognitive or evaluative response (for example, Gagliardi, 1990; Hatch, 1990; Pondy, Frost, Morgan, and Dandridge, 1983; Schultz, 1995).

- **Formal rituals and celebrations:** The ways in which a group celebrates key events that reflect important values or important “passages” by members such as promotion, completion of important projects, and milestones (Trice and Beyer, 1993, Deal and Kennedy, 1982, 1999).

All of these concepts and phenomena relate to culture and/or reflect culture in that they deal with things that group members share or hold in common, but none of them can usefully be thought of as *the* culture of a country, organization, occupation, or group. You might wonder why we need the word *culture* at all when we have so many other concepts such as norms, values, behavior patterns, rituals, traditions, and so on. However, the word *culture* adds several other critical elements to the concept of sharing. The concept of culture implies structural stability, depth, breadth, and patterning or integration.

Structural Stability

Culture implies some level of structural stability in the group. When we say that something is “cultural” we imply that it is not only shared but also stable because it defines the group. After we achieve a sense of group identity, which is a key component of culture, it is our major stabilizing force and will not be given up easily. Culture is something that survives even when some members of the organization depart. Culture is hard to change because group members value stability in that it provides meaning and predictability.

Depth

Culture is the deepest, often unconscious part of a group and is therefore less tangible and less visible. From this point of view, most of the categories used to describe culture listed earlier can be thought of as *manifestations* of culture, but they are not the “essence” of what we mean by culture. Note that when something is more deeply embedded that also lends stability.

Breadth

A third characteristic of culture is that after it has developed, it covers *all* of a group's functioning. Culture is pervasive and influences all aspects of how an organization deals with its primary task, its various environments, and its internal operations. Not all groups have cultures in this sense, but the concept connotes that if we refer to "the culture" of a group, we are referring to all of its operations.

Patterning or Integration

The fourth characteristic that is implied by the concept of culture and that further lends stability is patterning or integration of the elements into a larger paradigm or "Gestalt" that ties together the various elements and resides at a deeper level. Culture implies that rituals, climate, values, and behaviors tie together into a coherent whole, and this pattern or integration is the essence of what we mean by "culture." Such patterning or integration ultimately derives from the human need to make our environment as sensible and orderly as we can (Weick, 1995). Disorder or senselessness makes us anxious, so we will work hard to reduce that anxiety by developing a more consistent and predictable view of how things are and how they should be. Thus: "Organizational cultures, like other cultures, develop as groups of people struggle to make sense of and cope with their worlds" (Trice and Beyer, 1993, p. 4).

How then should we think about this "essence" of culture, and how should we formally define it? The most useful way to arrive at a definition of something as abstract as culture is to think in dynamic evolutionary terms. If we can understand where culture comes from, how it evolves, then we can grasp something that is abstract, that exists in a group's unconscious, yet that has powerful influences on a group's behavior.

Any social unit that has some kind of shared history will have evolved a culture. The strength of that culture depends on the length of time, the stability of membership of the group, and the emotional intensity of the actual historical experiences they have shared. We all have a common-sense notion of this phenomenon, yet it is difficult to define it abstractly. The formal definition that I propose and will work with builds on this evolutionary perspective and argues that the most fundamental characteristic of culture is that it is a product of social *learning*.

Culture Formally Defined

The culture of a group can now be defined as a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

Culture by this definition tends toward patterning and integration. But a given group may not have the kind of learning experiences that allow it to evolve a culture in this sense. There may be major turnover in leaders or members, the mission or primary task may change, the underlying technology on which the group is built may evolve, or the group may split into subgroups that develop their own subcultures leading to what Joanne Martin and her colleagues define as *differentiated* cultures and/or *fragmented* cultures (Martin, 2002).

We all know of groups, organizations, and societies where there are beliefs and values that work at cross purposes with other beliefs and values leading to situations full of conflict and ambiguity. But if the concept of culture is to have any utility, it should draw our attention to those things that are the product of our human need for stability, consistency, and meaning. Culture formation, therefore, is always, by definition, a striving toward patterning and integration, even though in many groups, their actual history of experiences prevents them from ever achieving a clear-cut unambiguous paradigm.

Culture Content

If a group's culture is that group's accumulated learning, how do we describe and catalogue the content of that learning? Group and organizational theories distinguish two major sets of problems that all groups, no matter what their size, must deal with: (1) Survival, growth, and adaptation in their environment; and (2) Internal integration that permits daily functioning and the ability to adapt and learn. Both of these areas of group functioning will reflect the macrocultural context in which the group exists and from which are derived broader and deeper basic assumptions about the nature

of reality, time, space, human nature, and human relationships. Each of these areas will be explained in detail in later chapters.

The Process of Socialization or Acculturation

After a group has a culture, it will pass elements of this culture on to new generations of group members (Louis, 1980; Schein, 1968; Van Maanen, 1976; Van Maanen and Schein, 1979). Studying what new members of groups are taught is, in fact, a good way to discover some of the elements of a culture, but we only learn about surface aspects of the culture by this means. This is especially so because much of what is at the heart of a culture will not be revealed in the rules of behavior taught to newcomers. It will only be revealed to members as they gain permanent status and are allowed into the inner circles of the group where group secrets then are shared.

On the other hand, *how* people learn and the socialization processes to which they are subjected may indeed reveal deeper assumptions. To get at those deeper levels, we must try to understand the perceptions and feelings that arise in critical situations, and we must observe and interview regular members or "old timers" to get an accurate sense of the deeper-level assumptions that are shared.

Can culture be learned through anticipatory socialization or self-socialization? Can new members discover for themselves what the basic assumptions are? Yes and no. We certainly know that one of the major activities of any new member when she or he enters a new group is to decipher the operating norms and assumptions. But this deciphering can only be successful through the rewards and punishments that are meted out by old members to new members as they experiment with different kinds of behavior. In this sense, there is always a teaching process going on, even though it may be quite implicit and unsystematic.

If the group does not have shared assumptions, as will sometimes be the case, the new members' interaction with old members will be a more creative process of building a culture. But once shared assumptions exist, the culture survives through teaching them to newcomers. In this regard, culture is a mechanism of social control and can be the basis of explicitly manipulating members into perceiving, thinking, and feeling in certain

ways (Van Maanen and Kunda, 1989; Kunda, 1992). Whether or not we approve of this as a mechanism of social control is a separate question that will be addressed later.

Can Culture Be Inferred from Only Behavior?

Note that the definition of culture that I have given does not include overt behavior patterns, though some such behavior, especially formal rituals, would reflect cultural assumptions. Instead, this definition emphasizes that the shared assumptions deal with how we perceive, think about, and feel about things. We cannot rely on overt behavior alone because it is always determined both by the cultural predisposition (the perceptions, thoughts, and feelings that are patterned) and by the situational contingencies that arise from the immediate external environment.

Behavioral regularities can occur for reasons other than culture. For example, if we observe that all members of a group cower in the presence of a large and loud leader, this could be based on biological reflex reactions to sound and size, individual learning, or shared learning. Such a behavioral regularity should not, therefore, be the basis for defining culture, though we might later discover that, in a given group's experience, cowering is indeed a result of shared learning and therefore a manifestation of deeper shared assumptions. Or, to put it another way, when we observe behavioral regularities, we do not know whether or not we are dealing with a cultural manifestation. Only after we have discovered the deeper layers that I am defining as the essence of culture can we specify what is and what is not an "artifact" that reflects the culture.

Do Occupations Have Cultures?

The definition provided previously does not specify the size or location of the social unit to which it can legitimately be applied. We know that nations, ethnic groups, religions, and other kinds of social units have cultures in this sense. I called these *macrocultures*. Our experience with large organizations also tells us that even globally dispersed corporations such as IBM or Unilever have corporate cultures in spite of the obvious presence of many diverse subcultures within the larger organization.

But it is not clear whether it makes sense to say that medicine or law or accounting or engineering have cultures. If culture is a product of joint learning leading to shared assumptions about how to perform and relate internally, then we can see clearly that many occupations do evolve cultures. If there is strong socialization during the education and training period and if the beliefs and values learned during this time remain stable as taken-for-granted assumptions even though the person may not be in a group of occupational peers, then clearly those occupations have cultures. For most of the occupations that will concern us, these cultures are global to the extent that members are trained in the same way to the same skill set and values. However, we will find that macrocultures also influence how occupations are defined, that is, how engineering or medicine is practiced in a particular country. These variations make it that much more difficult to decipher in a hospital, for example, what is national, ethnic, occupational, or organizational.

Summary and Conclusions

In this chapter, I have introduced the concept of culture and have argued that it helps to explain some of the more seemingly incomprehensible and irrational aspects of what goes on in groups, occupations, organizations, and other kinds of social units that have common histories. I reviewed the variety of elements that people perceive to be "culture," leading to a formal definition that puts the emphasis on shared learning experiences that lead to shared, taken-for-granted basic assumptions held by the members of the group or organization.

In this sense, any group with a stable membership and a history of shared learning will have developed some level of culture, but a group that either has had a great deal of turnover of members and leaders or a history lacking in any kind of challenging events may well lack any shared assumptions. Not every collection of people develops a culture, and, in fact, we tend to use the terms "group," "team," or "community" rather than "crowd" or "collection of people" only when there has been enough of a shared history so that some degree of culture formation has taken place.

After a set of shared assumptions has come to be taken for granted it determines much of the group's behavior, and the rules and norms that are

taught to newcomers in a socialization process that is a reflection of culture. We noted that to define culture, we must go below the behavioral level because behavioral regularities can be caused by forces other than culture. We noted that even large organizations can have a common culture if there has been enough of a history of shared experience.

We also noted that culture and leadership are two sides of the same coin in that leaders first start the process of culture creation when they create groups and organizations. After cultures exist, they determine the criteria for leadership and thus determine who will or will not be a leader. But if elements of a culture become dysfunctional, it is the unique function of leadership to perceive the functional and dysfunctional elements of the existing culture and to manage cultural evolution and change in such a way that the group can survive in a changing environment. The bottom line for leaders is that if they do not become conscious of the cultures in which they are embedded, those cultures will manage them. Cultural understanding is desirable for all of us, but it is essential to leaders if they are to lead.