

## Organizational Culture

Organizational culture is a commonly held –in-the-mind framework of organizational members. This framework contains basic assumptions and values. These basic assumptions and values are taught to new members as the way to perceive, think, feel, behave, and expect others to behave in the organization. Edgar Schein (1999) says that organizational culture is developed over time as people in the organization learn to deal successfully with problems of external adaptation and internal integration. It becomes the common language and the common background. *So culture arises out of what has been successful for the organization.*

### More about Organizational Culture

Culture starts with leadership, is reinforced with the accumulated learning of the organizational members, and is a powerful (albeit often implicit) set of forces that determine human behavior.

An organization's culture goes deeper than the words used in its mission statement. Culture is the web of tacit understandings, boundaries, common language, and shared expectations maintained over time by the members.

**Ways of looking at organizational culture originally come out of anthropology. Here are some aspects of culture:**

**Historical:** Culture is social heritage, or tradition, that is passed on to future generations

**Behavioral:** Culture is shared, learned human behavior, a way of life

**Normative:** Culture is ideals, values, or rules for living

**Functional:** Culture is the way people solve problems of adapting to the environment and living together

**Mental:** Culture is a complex of ideas, or learned habits, for social control

**Structural:** Culture consists of patterned and interrelated ideas, symbols, or behaviors

**Symbolic:** Culture is based on arbitrarily assigned meanings that are shared by an organization

[Adapted from Bodley, (1996)]

### Models of organizational culture

To really be able to characterize and “speak” an organization's culture a person would need to be able to step back objectively and do some critical observations and interviews. Various researchers have developed models to characterize cultures, both qualitatively and quantitatively.

#### Hofstede probably started it all

Geert Hofstede is an engineer turned social scientist. After 10 years working as an engineer and manager in Dutch industry, he returned to the university to study social psychology. His groundbreaking 1980 book, *Culture's Consequences* (reprinted afresh in 2001) grew out of his research within IBM from 1973 to 1978. From what was at that time the world's largest survey data base, Hofstede and his colleagues teased out differences in the mental programs among over 115,000 IBMers across 50 nations, and laid the groundwork for other scholars to adapt his work and use it to study organizations. Hofstede's work identified five major dimensions upon which country cultures differed:

- **Power distance** – how hierarchies and unequal power distribution is viewed.
- **Uncertainty avoidance** – the extent to which people are comfortable or uncomfortable with uncertainty and little structure.
- **Individualism** – this is the anchor at one end of two poles, where the other anchor would be collectivism. This is the extent to which individuals are supposed to be self-reliant and look after themselves, versus being more integrated into a group.
- **Masculinity or Femininity** – the dimension that has probably caused the most uproar. This dimension reflects hardness vs softness; toughness vs tenderness in a culture.
- **Long term or short term orientation** – this has to do with the culture's members having a stance on delayed, or immediate, gratification.

Hofstede noted in his writing that it is important to recognize that national culture and organizational culture are different in nature. His research indicates that national culture mostly stems from consistency in values; while organizational culture stems mostly from consistency in practices.

### **Piggybacking from Hofstede**

Management researchers were quick to adapt Hofstede's work and begin to investigate cultures inside organizations. O'Reilly, Chatman, and Caldwell (1991) in some comparative work published that seven dimensions could be used to compare across organizations.

#### **Some Dimensions of Organizational Culture**

- Innovation and risk taking – willing to experiment, take risks, encourage innovation
- Attention to detail – paying attention to being precise vs saying its "good enough for chopped salad"
- Outcome orientation – oriented to results vs oriented to process
- People orientation – degree of value and respect for people. Are people considered unique talents, or is an engineer an engineer an engineer.
- Individual vs Team orientation – are individuals most highly noted, or are collective efforts
- Aggressiveness -- taking action, dealing with conflict
- Stability – openness to change

### **A Composite Two-by-Two**

Some researchers present a framework of culture characterized by two dimensions

- Internal focus (attending primarily to what is going on inside the organization) vs External focus (attending primarily to what is going on outside the organization)
- Stability and control [interest in keeping things the same) vs Flexibility and discretion (interest in making changes).

<p><b>Internally focused with Flexibility and Discretion</b></p> <p>This type of organization has a sense of cohesion, with goals that strongly shared. Inside, the organization may feel more “family like” than “business like.” Indeed, Cameron and Quinn call this a <b>Clan Culture</b>. Denison tags this type of organization as having <b>Involvement</b> of all employees.</p>	<p><b>Externally Focused with Flexibility and Discretion</b></p> <p>The emphasis on being open to change and oriented to the outside world characterizes organizations in which innovation can thrive, indeed sometimes the innovativeness can run amuck. Cameron and Quinn call these <b>Adhocracy Cultures</b>. Denison characterizes them as high <b>Adaptability</b> cultures.</p>
<p><b>Internally focused with Stability and Control</b></p> <p>This type of organization often relies on formal structures, policies and procedures to keep things running. An internal focus is on <b>Consistency</b> says Denison. Cameron and Quinn named this type <b>Hierarchy Culture</b>.</p>	<p><b>Externally focused with Stability and Control</b></p> <p>These types of organizations are concerned about productivity, consistency, results, the bottom line. These organizations are very clear about their customers, and hence can be termed <b>Market Cultures</b>. Denison says these organizations have a sense of external <b>Mission</b>, combined with control, that can be very successful.</p>

For more info see Cameron and Quinn (1999) and Denison (1990)

### Looking at Organizational Culture – Use both Qualitative and Quantitative

In academia the scholars interested in organizational culture have kept a small-fire war going for years discussing the pros and cons of qualitative or quantitative ways of looking at culture. The qualitative camp points out that the richness of perceptions and experience inside an organization are vital to deep understanding, and they sniff that culture cannot be constrained to a two by two matrix or a list of dimensions. On the other camp, quantitative researchers argue that managers need to have some hard data, and that the drawbacks of getting slow, expensive, possibly unreliable (unique to the interpretation of the researcher) qualitative information make the usefulness iffy at best.

The truth, of course, lies in the middle. Managers will be best served by both. Case studies, based on observation and insider interviews, have a sense of reality and immediacy that captures the attention and emotion. Observations of the components of culture, with discussion and analyses, offer ways to do qualitative tracking over time. Having a method for obtaining quantitative data has the advantage of allowing managers to put together more “hard data” analyses to look at culture as a component of management, and to track the standardized captured components of culture longitudinally. Looking at an organization using data gathered in a variety of methods, or triangulation, combines quantitative and qualitative data that allows managers to capitalize on the advantages of quantitative methods as well as capturing a rich not-easily-quantified picture of the organization.

Bringing in outside eyes, qualified academics or consultants, can be a helpful way for managers to begin to look at the organizational culture. It is not the only way, however. People can engage in developmental processes to help themselves recognize aspects of their own organizational culture.

### Let's start with Qualitative

A qualitative understanding can be developed by looking at organizational practices with a fresh set of eyes. *To begin to understand culture, put on an anthropologist's hat and ...*

<p><i>Observe</i></p> <ul style="list-style-type: none"> <li>• What do offices look like?</li> <li>• How are people dressed?</li> <li>• Where do they eat lunch?</li> <li>• How would you characterize the people in the hall – formal or informal? Laughing, or serious?</li> <li>• What kinds of pictures, signs, jokes are on walls? Listen for particular language</li> </ul> <p><i>Notice the Features of Culture</i></p> <ul style="list-style-type: none"> <li>• Ceremonies, Rites, and Rituals</li> <li>• Stories and Myths</li> <li>• Heroes</li> <li>• Language</li> <li>• Symbols</li> </ul>	<p><i>Ask questions, like:</i></p> <ul style="list-style-type: none"> <li>• Tell me the organizational creation story</li> <li>• How do new people “learn the ropes” in the organization.</li> <li>• What gets noticed (and rewarded)?</li> <li>• Are some people on the “fast track,” and if so, how did they get there?</li> <li>• What are some taboos -- things people should never do?</li> <li>• If a team accomplishes something great, what happens?</li> <li>• Describe the organization in three words</li> <li>• If the organization were an animal, what would it be?</li> </ul>
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- Ceremonies, Rites and Rituals – These are regular events that teach people about the culture, and maintain a sense of seasonal order. Think about quarterly site meetings; any rites and rituals associated with being promoted, annual sales meetings.
- Stories and Myths – Organizations develop narratives to explain and teach. Common examples are stories told by managers about successes, failures, high visible actions. Stories usually have a basis in reality; myths can be fictitious, but so indicative of the culture that people tell and retell them anyway.
- Heroes – Organizations develop internal heroic figures.
- Language – Organizations develop acronyms, metaphors, proverbs, and jargon that have specific meaning inside.
- Symbols – Signs, company logos, the way offices look, the type of clothing that is allowed are all symbolic reflectors of a culture.

### Let’s touch on Quantitative

The most common method for quantitatively capturing culture information is through the use of survey assessments. A number of consulting firms offer services related to such surveys. Before choosing to develop a relationship with a consulting firm, it is important to examine their credentials in terms of academic grounding, validity and reliability of the instrument, and their experience and knowledge of this type of assessment.

On the other hand, if an organization has a knowledgeable internal research group, using the Organizational Culture Assessment Instrument (OCAI) developed by Cameron and Quinn (1999) would provide useful and valid information. Another often used assessment is the Organizational Culture Index (OCI ) developed by Robert Cooke and Clayton Lafferty. This assessment uses questions about behavioral norms, falling into 12 factors. Cooke and his associates have developed a circumplex plotting process, which then categorizes the organization as being one of three types: Constructive, Passive/Defensive, and Aggressive/Defensive.

Because of their deep knowledge of the area, and their expertise with research, Daniel Denison’s consulting firm would certainly be a good group to at least talk with ([http://www.denisonculture.com/culture/culture\\_main.html](http://www.denisonculture.com/culture/culture_main.html)). Another often called upon consulting group is Human Synergistics (<http://www.humansyn.com/>) which uses the OCI and other assessments developed by Cooke and Lafferty.

Both of these consulting firms have a large database against which they will compare any client’s scores. That may or may not fit the particular questions of an organization. A more useful, but tougher task, would be developing some connections between the outputs of a survey and the need for innovation within the organization.

Innovation is the development and introduction of a new idea and transforming that idea into a product, process, object, or service. We would likely all agree that innovation is the life-force of an organization. So a culture of

innovation means an organization would hold internal assumptions, values, and management practices that foster developing new ideas into products, processes, objects, and services.

## References

Bodley, J. (1996) *Cultural Anthropology: Tribes, States, and the Global System*. Mountain View, CA: Mayfield  
A fascinating introductory to anthropology.

Cameron, K. & Quinn, R. (1999). *Diagnosing and changing organizational culture*. Reading: Addison-Wesley.  
These authors developed their organizational culture framework using a theoretical model of "Competing Values." This framework refers to a matrix looking at whether an organization has a predominant internal or external focus and whether it strives for flexibility and individuality or stability and control. The framework also uses six dimensions of culture that Cameron and Quinn discuss. By using their assessment the "Organizational Culture Assessment Instruments" organizations generate an organizational culture profile, and are categorized into one of four dominant culture types (clan, adhocracy, market, and hierarchy).

Denison, D. (1990). *Corporate culture and organizational effectiveness*. New York: Wiley  
This book gives a brief overview of the literature and research studies up to about 1988, and includes discussions of Denison's model and some questions and frameworks he uses in his ongoing research and consulting. He includes a number of well-written case studies comparing and contrasting organizations and their cultures.

Hofstede, G. (1991). *Culture and organizations: Software of the mind*. London: McGraw-Hill  
The "condensed version" of the 1980 *Culture's consequences*, with special orientation toward practical use of the information.

Hofstede, G. (2001). *Culture's consequences*. 2<sup>nd</sup> edition. Thousand Oaks, CA: Sage  
The updated classic.

O'Reilly, C., Chatman, J., & Caldwell, D. (1991). People and organizational culture: A profile comparison approach to assessing person-organization fit. *Academy of Management Journal*, 34:487-516.

Schein, E. (1999). *The corporate culture survival guide*. San Francisco: Jossey Bass.  
Edgar Schein, the MIT professor who could be viewed as the grandfather of organizational culture research, presents a lucidly written and compelling book on corporate culture. He discusses corporate culture on three levels--behaviors, values, and shared assumptions--and shows how each factors into developing and sustaining an organizational culture.