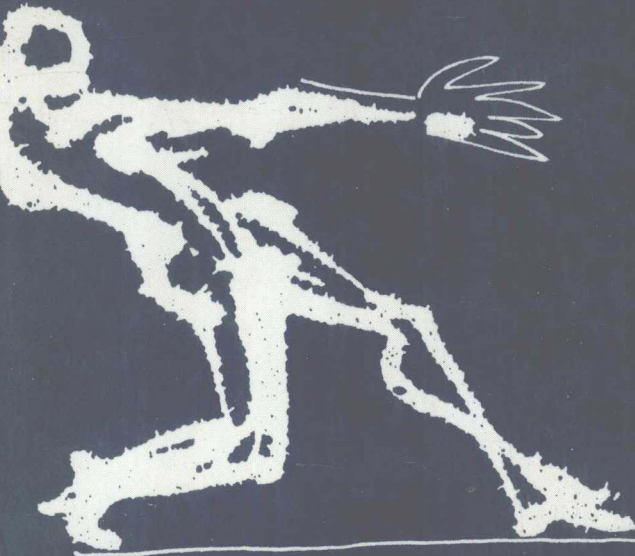


Majken Schultz



On
Studying
Organizational
Cultures



de Gruyter

Diagnosis and Understanding

Majken Schultz

On Studying Organizational Cultures

Diagnosis and Understanding



Walter de Gruyter · Berlin · New York 1995

Majken Schultz, Associate Professor, PhD, Copenhagen Business School,
Institute of Organization and Industrial Sociology Copenhagen, Denmark

With 15 tables, 19 figures, and 3 diagrams

Ⓢ Printed on acid-free paper which falls within the guidelines of the
ANSI to ensure permanence and durability.

Library of Congress Cataloging-in-Publication Data

Schultz, Majken.

On studying organizational cultures : diagnosis and understanding / Majken Schultz.

p. cm. — (De Gruyter studies in organization ; 58)

Includes bibliographical references.

ISBN 3-11-014137-X (alk. paper)

ISBN 3-11-014649-5 (pbk.)

1. Corporate culture. 2. Business anthropology. I. Title.

II. Series.

HD58.7.S347 1994

302.3'5—dc20

94-18283

CIP

Die Deutsche Bibliothek — Cataloging-in-Publication Data

Schultz, Majken:

On studying organizational cultures : diagnosis and understanding / Majken Schultz. — Berlin ; New York : de Gruyter, 1994

(De Gruyter studies in organization ; 58)

ISBN 3-11-014137-X (geb.)

ISBN 3-11-014649-5 (brosch.)

NE: GT

© Copyright 1994 by Walter de Gruyter & Co., D-10785 Berlin

All rights reserved, including those of translation into foreign languages. No part of this book may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, or any information storage and retrieval system, without permission in writing from the publisher.

Typesetting: Converted by Knipp Satz und Bild digital, Dortmund — Printing: Gerike GmbH, Berlin. — Binding: D. Mikolai, Berlin. — Cover Design: Johannes Rother, Berlin. Printed in Germany.

de Gruyter Studies in Organization

Organizational Theory and Research

This de Gruyter Series aims at publishing theoretical and methodological studies of organizations as well as research findings, which yield insight in and knowledge about organizations. The whole spectrum of perspectives will be considered: organizational analyses rooted in the sociological as well as the economic tradition, from a socio-psychological or a political science angle, mainstream as well as critical or ethnomethodological contributions. Equally, all kinds of organizations will be considered: firms, public agencies, non-profit institutions, voluntary associations, inter-organizational networks, supra-national organizations etc.

Emphasis is on publication of *new* contributions, or significant revisions of existing approaches. However, summaries or critical reflections on current thinking and research will also be considered.

This series represents an effort to advance the social scientific study of organizations across national boundaries and academic disciplines. An Advisory Board consisting of representatives of a variety of perspectives and from different cultural areas is responsible for achieving this task.

This series addresses organization researchers within and outside universities, but also practitioners who have an interest in grounding their work on recent social scientific knowledge and insights.

Editors:

Prof. Dr. Alfred Kieser, Universität Mannheim, Mannheim, Germany

Advisory Board:

Prof. Anna Grandori, CRORA, Università Commerciale Luigi Bocconi, Milano, Italy

Prof. Dr. Cornelis Lammers, FSW Rijksuniversiteit Leiden, Leiden, The Netherlands

Prof. Dr. Marshall W. Meyer, The Wharton School, University of Pennsylvania, Philadelphia, U.S.A.

Prof Jean-Claude Thoenig, Université de Paris I, Paris, France

Prof. Dr. Barry A. Turner, Middlesex Business School, London, GB

Prof. Mayer F. Zald, The University of Michigan, Ann Arbor, U.S.A.



Walter de Gruyter
Berlin · New York

Burkard Sievers

Work, Death, and Life Itself

Essays on Management and Organization

1994. 15.5 × 23.0 cm. XVII. 346 pages.

Cloth. ISBN 3-11-013869-7

(de Gruyter Studies in Organization 51)

This unusual and thought-provoking work questions current mainstream approaches to organizational psychology. Grounded in organizational symbolism the author depicts the potential meaning of work in the broader context of life and death. Thus Sievers' book is a fundamental critique of motivation, participation and leadership research. With human mortality in mind organization and management appear in a different light: motivation as a surrogate for meaning, participation and management as a quarrel about immortality, and leadership as a perpetuation of immaturity. Sievers advocates a "management of wisdom".

Contents

- I. Motivation as a Surrogate for Meaning**
- II. Participation as a Collusive Quarrel about Immortality**
- III. Leadership as a Perpetuation of Immaturity**
- IV. The Management of Wisdom**

Walter de Gruyter & Co., Berlin · New York, P.O. Box 30 34 21
D-10728 Berlin, Tel.: (30) 2 60 05-0; Telex 18 40 27,
Telefax (30) 2 60 05 222

prices subject to change

Contents

Introduction	1
Chapter 1	
Culture in Organization Theory	5
Position within Organizational Theory	7
<i>Culture as a New Metaphor</i>	8
<i>Culture as a New Approach</i>	9
<i>Contribution to Organizational Theory</i>	9
Cultural Diversity	10
<i>Variable or Metaphor</i>	10
<i>Integration, Differentiation and Ambiguity</i>	11
<i>Rationalism, Functionalism and Symbolism</i>	13
Rationalism	14
Functionalism	15
Symbolism	15
Choice of Competing Perspectives	16
<i>Functionalism and Symbolism</i>	16
<i>Empirical Field of Study</i>	18
Choice of Focus	18
Empirical Material	19
Chapter 2	
A Functionalist Perspective	21
The Functions of Organizational Culture	21
<i>The Functional Existence of Culture</i>	21
<i>The Functional Explanation of Culture</i>	23
<i>The Functions of Organizational Culture</i>	23
The Levels of Culture	25
<i>Three Levels of Culture</i>	25
Artifacts	26
Values	28
Basic Assumptions	29

<i>Internal Relations between the Levels of Culture</i>	31
<i>The Cultural Paradigm</i>	32
Relations between Cultural Levels and their Functions	33
<i>Sorting out Cultural Data</i>	34
<i>The Specific Functions of Organizational Culture</i>	36
External Adaptation	36
Internal Integration	38
A Functionalist Analytical Model: The Funnel	40
<i>Subcultures in Organizations</i>	40
<i>A Clinical versus Ethnographic Method</i>	42
 Chapter 3	
Functionalist Diagnosis of Organizational Culture.....	43
Artifacts and Values in a Department	44
<i>The Artifact Level: A Stratified Paper Pyramid</i>	45
Artifacts: Means	46
Artifacts: Power and Status	48
<i>The Value Level: Means</i>	49
Cross-organizational Collaboration between Sections	50
Shared Attitudes	50
Best Possible Service to the Minister	51
<i>The Value Level: Power and Status</i>	52
Equality between Sections	52
Everyone is Equally Good at Carrying out Assignments	52
<i>Summary of the Value Level</i>	53
Basic Assumptions in the Department	53
<i>The Method of the Analysis of Basic Assumptions</i>	54
<i>Nobody Does it Better than We Do!</i>	54
<i>The Members of the Organization are at the Center!</i>	55
<i>This Belongs to Us!</i>	56
<i>The Organization's Members are Able and Ready to Passively Adapt Themselves!</i>	57
<i>There is only One Truth, which Can Be Discovered from Within</i>	58
<i>The Organization Members Constitute a Family which Works</i>	59
The Cultural Paradigm	59
<i>The Core of the Cultural Paradigm</i>	59
<i>Consistency and Inconsistency of the Cultural Paradigm</i>	61
Tracing Backwards from Basic Assumptions	62
<i>Relations between Basic Assumptions and Values</i>	63
<i>Inconsistency between Values and Basic Assumptions</i>	64
<i>Consistency between Values and Basic Assumptions</i>	65

Contents	VII
----------	-----

<i>Unclarity between Values and Basic Assumptions</i>	66
<i>A Mixed Culture</i>	67
<i>The Effects of Artifacts in Relation to Values and Basic Assumptions</i>	68
Integrating Effects of Artifacts	69
The Conflict-creating Effect of Artifacts	70
The Effects of Artifacts	70
Consequences for the Functionalist Funnel Model	71
<i>The Diagnosis of Organizational Culture</i>	72

Chapter 4

A Symbolic Perspective.....	75
Symbolism	75
<i>The Creation of Meaning</i>	76
<i>Symbols: The Expression of Meaning</i>	76
<i>Symbols in a Semiotic Context</i>	77
The Multidimensional Reality.....	78
<i>Culture as System</i>	78
<i>A Multiplicity of Interpretations</i>	79
Webs of Meaning	80
Symbols.....	82
<i>Physical Symbols: Objects</i>	83
<i>Behavioral Symbols: Rituals</i>	85
<i>Verbal Symbols: Myths, Sagas and Stories</i>	86
Myths	87
Sagas and Stories	88
Patterns between Symbols.....	89
<i>World View and Ethos</i>	89
<i>Metaphors and Metonyms</i>	90
<i>The Actant Model</i>	91
Relations among Key Symbolic Expressions	93
<i>Key Symbolic Expressions</i>	93
<i>Associative Relations between Symbolic Expressions</i>	94
A Methodological Model for Interpretation	95
<i>The Spiral</i>	95
<i>Thick Description</i>	97
Summary.....	99

Chapter 5

A Symbolic Interpretation of Culture.....	101
Organizational Culture in a Department	101

<i>Meeting Rituals</i>	102
The Meeting's Permanent Rules	102
Interpretations of Ministerial Meetings	104
Distance to Everyday Life	106
<i>A Further Cultural Interpretation</i>	108
<i>Myths and Tradition</i>	109
Old Traditions of Interacting with the Minister	109
Myth: What Ministers Take an Interest in	109
Myth: What once Solved Problems	110
A World of Order	110
<i>Metaphors: House, System or Machine</i>	111
The 'House'	112
The 'System'	112
The 'Machine'	112
<i>A Spiral of the Department</i>	113
<i>Criss-crossing the Webs of Culture</i>	115
The Minister's Household	115
The System's Task-force	116
The Symbolic Multiplicity of the Department	116
Organizational Culture in a Directorate	117
<i>'Process' as Dominant Metaphor</i>	118
The Internal Processes	119
The External Processes	120
The Metaphor as Bridge-building	121
<i>'Experimenters' and 'Seedlings'</i>	121
'The Local': Expressions and Connotations	121
Clusters of Connotations	122
The Directorate's Local Role: Expressions and Connotations	123
<i>'Natural Cycle' in the Directorate</i>	124
<i>The A-team and the B-team</i>	126
<i>Myths about Labelling</i>	129
<i>A Cultural Pattern: A Conceptual Map</i>	130
<i>A Spiral of the Directorate</i>	131
<i>Criss-crossing the Webs of Culture</i>	133
Differences in World Views	133
The Symbolic Multiplicity in the Directorate	134
Cultural Interfaces between the Department and the Directorate	135
<i>Culture and Organizational Environments</i>	136
<i>Pamphlet Rituals: A Case Story</i>	136
The Making of a Pamphlet	137
Irritation as Indirect Conflicts	137
Phases of the Ritual	139

<i>Ritualized Interface between Department and Directorate</i>	140
<i>The Ritual in the Two Organizational Cultures</i>	142
The Ritual in the Directorate	142
The Ritual in the Department.	143
The Ritual as Organizational Dead Lock.	144
<i>The Study of Cultural Interfaces</i>	145
Using the Spiral in the Interpretation of Culture.	145
<i>How to Reach an Overall Cultural Interpretation</i>	146
<i>The Methodological Principles of Symbolism</i>	147
<i>An Ongoing Process of Interpretation</i>	148

Chapter 6

Comparison between Cultural Perspectives	149
Differences between the Two Perspectives	150
<i>Theoretical and Methodological Differences</i>	150
Analytical Framework	151
Analytical Mode.	152
Analytical Method	153
Analytical Result	154
Analytical Insight	155
<i>Differences in Empirical Application</i>	157
<i>Summary</i>	160
Similarities between the Two Perspectives.	160
<i>Culture as Pattern</i>	161
<i>Culture as Relations between Depth and Manifestations</i>	163
<i>Summary</i>	164

Appendix 1

Organizational Diagrammes	167
-------------------------------------	-----

Appendix 2

Interviews and Observation Data.	169
Interviews	169
The first series of interviews:	169
The second series of interviews:	170
Interview with External Informants	170
Observations.	170

References.	171
---------------------	-----

Index	181
-----------------	-----

Introduction

There is a wealth of literature on organizational culture with many competing theoretical views of the culture concept and its importance. However, there are far fewer examples of how actual organizational cultures can be studied and described in real life. It is a separate, quite different task to specify more precisely the theoretical concepts of culture and how these concepts might be applied to the analysis of organizations. Only then is it possible to evaluate different views of culture and to discover how organizational culture may improve our understanding of organizations.

This book focuses on the empirical analysis of organizational culture by applying two distinct views of culture to the analysis of the same organization. The book fills a gap in the organizational culture literature by combining theoretical modelling with empirical application. Two significant theoretical perspectives are systematically applied in order to enable the reader to carry out comparable cultural analyses. The book is very useful as a textbook at the graduate level. It offers a clear structuring of cultural issues, which can serve as the outline of an organizational culture course. In addition, the book addresses consultants and managers in need of a tool-kit for analyzing organizational culture. The book is more comprehensive than the 'quick fix' literature and it provides guidelines and examples to follow in the concrete analysis and change of organizational culture.

Chapter 1 provides a quick overview of the field and the most important theoretical paradigms within culture theory. First, the chapter discusses how the concept of culture has been located within organization theory and, secondly, different theoretical approaches to the study of organizational culture are introduced. Based on this overview, the chapter argues why the functionalist and the symbolic perspectives have been chosen for the following theoretical examination and empirical analysis.

Chapter 2 deals specifically with the functionalist perspective of culture and its theoretical assumptions. The analysis of functionalism draws upon the work of E. Schein (1984; 1985a; 1992), but adds a number of new theoretical arguments and provides an analytical model (the funnel) for the empirical analysis. This model combines the levels and functions of culture, which have so far not been integrated in the empirical studies of culture.

The empirical application of the funnel model is carried out in Chapter 3. The chapter offers a very systematic analysis of the organizational culture and, opposed to most Scheinian work, a full scale cultural analysis is conducted. Thus, apart from the cultural paradigm, the relations between the various levels of culture are specified. Due to the general and systematic character of a functionalist analysis, only one empirical example is provided. The organization analyzed is a department within a Danish government ministry, the department being the highest level administrative unit placed directly under the politically appointed minister.

Chapter 4 discusses the symbolic cultural perspective. The chapter contains an overview of the key concepts and interpretative frameworks, which have been dominating within symbolic theory. Opposed to the functionalist perspective which builds on one primary source, the symbolic perspective draws on numerous contributions within anthropology, semiotics and organizational theory. However, the main focus is still the empirical application of the theoretical contributions. The chapter suggests a new empirical framework for conducting cultural interpretations (the spiral), which highlights the associative qualities of a symbolic way of reading culture.

Here, in Chapter 5, the symbolic perspective is illustrated in two different empirical settings. The first setting is the department, which is also analyzed in Chapter 2, whereas the second organization is a subordinate directorate. The reason for providing two examples of cultural interpretation is that the symbolic perspective, different from the functionalist one, is conducted according to the uniqueness of the organization studied. Each empirical setting has its own key symbols, which are reflected in the way the symbolic perspective is applied empirically. As the symbolic perspective offers a new and innovative methodology, the spiral is discussed separately at the end of the chapter.

The final chapter provides an overview of important theoretical and methodological differences between the two perspectives. Often, the differences between the perspectives have been taken for granted at a general level and have rarely been specified. The specification suggested in this chapter makes it possible to highlight the strengths and weaknesses of each perspective and thus invites the students to further considerations. Finally, some important similarities between the two perspectives are stated on the basis of the recent debate on postmodernism and cultural ambiguity. Thus, although the book focuses on some of the classical perspectives within cultural studies, the final chapter discusses contemporary scholars' critique and self-reflection.

I am especially grateful for the help and support provided by Finn Borum and Jan Molin, Tore Jacob Hegland, Lauge Stetting and P.O. Berg during the process of writing the Danish version of the book. Editing the

English version of the book I have strongly drawn on teaching experiences with Kristian Kreiner and Mary Jo Hatch. A number of the ideas for the revision originate from our joint culture-classes. I am especially grateful to Mary Jo Hatch for her tremendous help and support in rewriting the manuscript. For comments on early drafts I wish to thank Joanne Martin, Debra Meyerson, Edgar Schein and Dvora Yanow. I also want to thank Stephen Sampson, who on top of the translation, has contributed with important remarks. Finally, I want to thank Marianne Risberg who has helped in finishing the manuscript with energy and substantial insight.

Chapter 1

Culture in Organization Theory

Organizational culture focuses on the beliefs, values and meanings used by members of an organization to grasp how the organization's uniqueness originates, evolves, and operates. The concept of organizational culture has received considerable attention within organizational theory in the last decade (Pondy et al., 1983; Frost et al., 1985; Smircich, 1983a; Schein, 1985a; 1992; Alvesson and Berg, 1992; Turner, 1990; Gagliardi, 1992; Martin, 1993; Trice and Beyer, 1993). Researchers, consultants and managers have gravitated to the concept of culture in order to encompass the special way of life and creation of meanings which evolve within an organization.

The concept of culture has emerged as a result of a break with a rationalist, mechanistic conception of organization (Burrell and Morgan, 1979; Morgan, 1986; Scott, 1992). Here, members of organizations have been conceived of as tools for an efficient goal-achievement, calculating organizational behavior from a careful examination of various alternatives within a formal organizational structure. Instead of studying these structural and goal oriented working activities in organizations, the culture concept emphasizes the fundamental frameworks which people take for granted in their social and occupational activities.

The longstanding critique of rationalism within organizational theory culminates with the concept of culture, but obviously this critique builds on previous organizational theory like early institutionalism (Scott, 1990) and conceptions of organizations as natural systems (Scott, 1992; Morgan, 1986). Within a naturalist framework, the informal and social aspects of organizational life are studied, emphasizing the norms and social roles of the informal structure. However, the concept of organizational culture also differs significantly from notions of the informal organizational structure, which seek to discover actual organizational behavior, whether or not proscribed by formal organizational guidelines. Opposed to the study of both formal and informal organizational behavior, a cultural way of studying organizations is to study the meaning of organizational behavior – or more specifically, the meanings and beliefs which members of organizations assign to organizational behavior and how these assigned meanings influence the ways in which they behave themselves.

Here is no single answer as to why the interest in organizational culture internationally arose precisely in the 1980s. Morgan (1986) cites Japan's economic miracle as an important reason why American organization theorists and managers, especially, had focused their attention on the relationship between culture and organization. Japan's explosive economic growth had through the 1970s generated questions concerning Western management techniques and organizational forms and increased interest for acquiring Japanese organizational forms such as quality circles, corporate philosophy, and closer relations between the employees and the organization (Pascale and Athos, 1982; Ouchi, 1981; Vogel, 1979).

Another essential point of departure for the debate on organizational culture was a search for new paths to excellence and efficiency, grasping the complexity of modern organizations and responding to the needs for a challenging and meaningful worklife. The most popular stimulant to these efforts was Peters and Waterman's *In Search of Excellence* (1982), but also Clark (1977), Deal and Kennedy (1982), Hofstede (1980; 1991), Pondy et al. (1983) addressed issues of organizational efficiency and survival. In recent years the efficiency argument has been especially elaborated by Kotter and Heskett (1992) and Denyson (1990). The relationship between the organization and its environments has been improved significantly and simple notions of cultural strengths and weaknesses are related to needs for ongoing change processes in organizations. In the debate on excellent companies, culture is not simply assumed to be a characteristic of the organization but a phenomenon created by the leadership which opens new organizational possibilities: 'Perhaps the most important failing of the narrow view of rationality is not that it is wrong per se, but that it has led to a dramatic imbalance in the way we think about management' (Peters and Waterman, 1982:12).

Thus, after ten years of cultural debate, there is a wealth of literature on organizational culture with many competing theoretical views of the culture concept and its importance (Smircich, 1983a; Putnam, 1983; Frost et al., 1985; 1991; Alvesson and Berg, 1992; Martin, 1993). Numerous attempts have been made to clarify the concept of culture theoretically and to apply it to the analysis of leadership, structure and change of organizations (Kilmann et al., 1985; Schein, 1985a; Hampden-Turner, 1990; French and Bell, 1990).

However, there are far fewer examples of how actual organizational cultures can be studied and described in real life. It is a separate, quite different task to specify more precisely the theoretical concepts of culture and how these concepts might be applied to the analysis of organizations. Only then is it possible to evaluate different views of culture and to discover the implications of theoretical distinctions for the concrete insights obtained by cultural analysis. This book elaborates and demonstrates two

ways of doing cultural analysis in organizations in order to show the range of opportunities when using the concept of culture in organizational analysis and to allow a comparison of the strengths and weaknesses of each cultural framework.

Due to the culture concept's broad character several unclear questions and old controversies within organizational theory are found also in the debate on organizational culture. This chapter attempts briefly to clarify the concept of culture so as to provide the conceptual background for the theoretical and empirical elaboration of cultural analysis. First, the overall position of the culture concept within organizational theory is considered; second, various conceptual typologies of the culture concept itself are summarized highlighting the choices being made in the selection and elaboration of the two cultural perspectives discussed in this book.

Position within Organizational Theory

The Danish author Willy Sørensen in his book *Uden mål – og med* [Without Goal and With (one)], reminds us that culture originally stems from to cultivate: 'The culture concept means cultivating, whether we are cultivating the land or the gods, it is a cultural activity which is being carried out' (Sørensen 1983:7). Morgan refers to the notion: 'the word [culture] has been derived metaphorically from the idea of cultivation, the process of tilling and developing land' (Morgan, 1986:112). The anthropologist Geertz (1973; 1983), who has significantly influenced an interpretative understanding of culture, demonstrates that the culture concept developed in order to distinguish humans from the animal kingdom. In contrast to the regularity of nature, the culture concept has evolved in order to conceptualize man's diversity. The culture concept asserts that we socially construct different understandings of nature and hence, of that reality which surrounds us and which we also help to create.

Thus, in its most general meaning, culture connotes 'that different groups of people have different ways of life' (Morgan, 1986:112), where 'ways of life' are deeply rooted, tradition-bound and stable modes of living transmitted from generation to generation. Different cultural groups have primarily been synonymous with different countries, ethnic groups, tribes, religions, etc. But 'culture' has also attained a wider significance as counter-cultures, subcultures, and the cultures of social classes or groups. In this perspective, interest in cultures within organizations is the latest application of the culture concept and signifies its increasingly broader application.