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THE CONCEPT OF ORGANIZATIONAL CULTURE: WHY BOTHER?

Culture is an abstraction, yet the forces that are created in social and organizational situations that derive from culture are powerful. If we don't understand the operation of these forces, we become victim to them. To illustrate how the concept of culture helps to illuminate organizational situations, I will begin by describing several situations I have encountered in my experience as a consultant.

Four Brief Examples

In the first case, that of Digital Equipment Corporation (DEC), I was called in to help a management group improve its communication, interpersonal relationships, and decision making. After sitting in on a number of meetings, I observed, among other things, (1) high levels of interrupting, confrontation, and debate; (2) excessive emotionality about proposed courses of action; (3) great frustration over the difficulty of getting a point of view across; and (4) a sense that every member of the group wanted to win all the time.

Over a period of several months, I made many suggestions about better listening, less interrupting, more orderly processing of the agenda, the potential negative effects of high emotionality and conflict, and the need to reduce the frustration level. The group members said that the suggestions were helpful, and they modified certain aspects of their procedure; for example, they scheduled more time for some of their meetings. However, the basic pattern did not change. No matter what kind of intervention I attempted, the basic style of the group remained the same.

In the second case, that of the Ciba-Geigy Company—a large multinational chemical and pharmaceutical company located in Basel, Switzerland—I was asked, as part of a broader consultation project, to help create a climate for innovation in an organization that felt a need to become more flexible in order to respond to its increasingly dynamic business environment. The organization consisted of many different business units, geographical units, and functional groups. As I got to know more about these units and their problems, I observed that some very innovative things were going on in many places in the company. I wrote several memos that described these innovations and presented other ideas from my own experience. I gave the memos to my contact person in the company with the request that he distribute them to the various geographic and business unit managers who needed to be made aware of these ideas.

After some months, I discovered that those managers to whom I had personally given the memo thought it was helpful and on target, but rarely, if ever, did they pass it on, and none were ever distributed by my contact person. I also suggested meetings of managers from different units to stimulate lateral communication, but found no support at all for such meetings. No matter what I did, I could not seem to get information flowing, especially laterally across divisional, functional, or geographical boundaries. Yet everyone agreed in principle that innovation would be stimulated by more lateral communication and encouraged me to keep on "helping."

In the third example, Amoco, a large oil company that was eventually merged with British Petroleum (BP), decided to centralize all of its engineering functions in a single service unit. Whereas engineers had previously been regular parts of projects, they were now supposed to sell their services to clients who would be charged for these services. The engineers resisted violently and many of them threatened to leave the organization. We were unable to reorganize this engineering organization to fit the new company requirements.

In the fourth example, Alpha Power, an electric and gas utility that services a large urban area, was faced with having to become more environmentally responsible after the company was brought up on criminal charges for allegedly failing to report the presence of asbestos in a local unit that had suffered an accident. Electrical workers, who took pride in their "heroic" self-image of keeping the lights on no matter what, also held the strong norm that one did not report spills and other environmental and safety problems if such reports would embarrass the group. I was involved in a multi-year project to change this self-image to one in which the "heroic" model would be to report all safety and environmental hazards, even if that meant reporting on peers—or bosses. All employees were supposed to adopt a new concept of personal responsibility, teamwork, and openness of communication. Yet no matter how clear the new mandate was made, safety problems continued wherever peer group relations were involved.

I did not really understand the forces operating in any of these cases until I began to examine my own assumptions about how things should work in these organizations and began to test whether my assumptions fitted those operating in my clients' systems. This step—examining the shared assumptions in the organization or group one is dealing with and comparing them to one's own—takes one into cultural analysis and will be the focus from here on.

It turned out that at DEC, an assumption was shared by senior managers and most of the other members of the organization: that one cannot determine whether or not something is "true" or "valid" unless one subjects the idea or proposal to intensive debate; and further, that only ideas that survive such debate are worth acting on, and only ideas that survive such scrutiny will be implemented. The group assumed that what they were doing was discovering truth, and in this context being polite to each other was relatively unimportant. I became more helpful to the group when I realized this and went to the flip chart and just started to write down the various ideas they were processing. If someone was interrupted, I could ask

them to restate their point instead of punishing the interrupter. The group began to focus on the items on the chart and found that this really did help their communication and decision process. I had finally understood and entered into an essential element of *their* culture instead of imposing my own.

At Ciba-Geigy I eventually discovered that there was a strong shared assumption that each manager's job was his or her private "turf," not to be infringed on. The strong impression was communicated that one's job is like one's home, and if someone gives one unsolicited information, it is like walking into one's home uninvited. Sending memos to people implies that they do not already know what is in the memo, and that is potentially insulting. In this organization managers prided themselves on knowing whatever they needed to know to do their job. Had I understood this, I would have asked for a list of the names of the managers and sent the memo directly to them. They would have accepted it from me because I was the paid consultant and expert.

At Amoco I began to understand the resistance of the engineers when I learned that in their occupational culture there are strong assumptions that "good work should speak for itself" and "engineers should not have to go out and sell themselves." They were used to having people come to them for services and did not have a good role model for how to sell themselves.

At Alpha Power I learned that all work units had strong norms and values of self-protection that often overrode the new requirements imposed on the company by the courts. The groups had their own experience base for what was safe and what was not, which they were willing to trust, whereas the tasks of reporting environmental spills and cleaning them up involved *new* skills that workers were eventually willing to learn and collaborate on.

In each of these cases I initially did not understand what was going on because my own basic assumptions about truth and turf and group relations differed from the shared assumptions of the members of the organization. And my assumptions reflected my occupation as a social psychologist and organization consultant,

while the group's assumptions reflected in part their occupations as electrical engineers, chemists, and electrical workers.

To make sense of such situations requires taking a cultural perspective; learning to see the world through *cultural lenses*; becoming competent in cultural analysis—by which I mean being able to perceive and decipher the cultural forces that operate in groups, organizations, and occupations. Once we learn to see the world through cultural lenses, all kinds of things begin to make sense that initially were mysterious, frustrating, or seemingly stupid.

Culture: An Empirically Based Abstraction

Culture as a concept has had a long and checkered history. It has been used by the layman as a word to indicate sophistication, as when we say that someone is very "cultured." It has been used by anthropologists to refer to the customs and rituals that societies develop over the course of their history. In the last several decades it has been used by some organizational researchers and managers to refer to the climate and practices that organizations develop around their handling of people, or to the espoused values and credo of an organization.

In this context, 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 and stronger or weaker cultures, and that the "right" kind of culture will influence how effective the organization is. 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 cultural "strength" or certain kinds of cultures correlate with economic performance (Denison, 1990; Kotter and Heskett, 1992; Sorensen, 2002). Consultants 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 based on very different definitions of culture than what I will be arguing for here. As we will see, many of these usages of the word *culture* display not only a superficial and incorrect view of culture, but also a dangerous tendency to evaluate particular cultures in an absolute way and to suggest that there actually are "right" cultures for organizations. As we will also 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. In that sense, culture is to a group what personality or character is to an individual. We can see the behavior that results, but often we 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.

To complicate matters further, one can view personality and character as the accumulation of cultural learning that an individual has experienced in the family, the peer group, the school, the community, and the occupation. In this sense, culture is within us as individuals and yet constantly evolving as we join and create new groups that eventually create new cultures. Culture as a concept is thus an abstraction but its behavioral and attitudinal consequences are very concrete indeed.

If an abstract concept is to be useful to our thinking, it should be observable and also 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. Culture as a concept will be most useful if it helps us to bet-

ter understand the hidden and complex aspects of life in groups, organizations, and occupations, and we cannot obtain this understanding if we use superficial definitions.

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 or political or just plain irrational—as in the four cases that I described at the beginning of this chapter.

People in positions of authority, especially our immediate bosses, often frustrate us or act incomprehensibly; 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.

As managers, when we try to change the behavior of subordinates, we often encounter resistance to change to an extent 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. As 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 through the doors 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 other professional involves not only the learning of technical skills but also the adoption of 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?

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 better understand ourselves—better understand the forces acting within us that define who we are, that reflect the groups with which we identify and to which we want to belong.

Culture and Leadership

When we examine culture and leadership closely, we see that they are two sides of the same coin; neither can really be understood by

itself. On the one hand, cultural norms define how a given nation or organizations will define leadership—who will get promoted, who will get the attention of followers. On the other hand, it can be argued that the only thing of real importance that leaders do is to create and manage culture; that the unique talent of leaders is their ability to understand and work with culture; and that it is an ultimate act of leadership to destroy culture when it is viewed as dysfunctional.

If one wishes to distinguish leadership from management or administration, one can argue that leadership creates and changes cultures, while management and administration act within a culture. By defining leadership in this manner, I am not implying that culture is easy to create or change, or that formal leaders are the only determiners of culture. On the contrary, as we will see, culture refers to those elements of a group or organization that are most stable and least malleable.

Culture is the result of a complex group learning process that is only partially influenced by leader behavior. But if the group's survival is threatened because elements of its culture have become maladapted, it is ultimately the function of leadership at all levels of the organization to recognize and do something about this situation. It is in this sense that leadership and culture are conceptually intertwined.

Toward a Formal Definition of Culture

When we apply the concept of culture to groups, organizations, and occupations, we are almost certain to have conceptual and semantic confusion, because such social units are themselves difficult to define unambiguously. I will use as the critical defining characteristic of a *group* the fact that its members have a shared history. Any social unit that has some kind of shared history will have evolved a culture, with the strength of that culture dependent on the length of its existence, the stability of the group's membership, and the emotional intensity of the actual historical experiences they have shared. We all have a commonsense notion of this phenomenon,

yet it is difficult to define it abstractly. In talking about organizational culture with colleagues and members of organizations, I often find that we agree that "it" exists and that it is important in its effects, but when we try to define it, we have completely different ideas of what "it" is.

To make matters worse, the concept of culture has been the subject of considerable academic debate in the last twenty-five years and there are various approaches to defining and studying culture (for example, those of Hofstede, 1991; Trice and Beyer, 1993; Schultz, 1995; Deal and Kennedy, 1999; Cameron and Quinn, 1999; Ashkanasy, Wilderom, and Peterson, 2000; and Martin, 2002). This debate is a healthy sign in that it testifies to the importance of culture as a concept, but at the same time it creates difficulties for both the scholar and the practitioner if definitions are fuzzy and usages are inconsistent. For the purpose of this introductory chapter, I will give only a quick overview of this range of usage and then offer a precise and formal definition that makes the most sense from my point of view. Other usages and points of view will be further reviewed in later chapters.

Commonly used words relating to culture emphasize one of its critical aspects—the idea that certain things in groups are shared or held in common. The major categories of observables that are associated with culture in this sense are shown in Exhibit 1.1.

All of these concepts relate to culture 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 an organization or group. If one asks why we need the word *culture* at

Exhibit 1.1. Various Categories Used to Describe Culture.

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 (Goffman, 1959, 1967; Jones, Moore, and Snyder, 1988; Trice and Beyer, 1993, 1985; 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

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Exhibit 1.1. Various Categories Used to Describe Culture, Cont'd.

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evolved among workers in the Bank Wiring Room in the Hawthorne studies
(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" (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 stake-
holders, such as the highly publicized "HP Way" of Hewlett-Packard (Ouchi,
1981; Pascale and Athos,1981; Packard, 1995).

Rules of the game: the implicit, unwritten rules for getting along in the orga-
nization; "the ropes" that a newcomer must learn in order to become an
accepted member; "the way we do things around here" (Schein, 1968, 1978;
Van Maanen, 1979a, 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 other outsiders (Ashkanasy, Wilderom, and Peterson, 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 gets passed
on from generation to generation without necessarily being articulated in writ-
ing (Argyris and Schön, 1978; Cook and Yanow, 1993; Henderson and Clark,
1990; Peters and Waterman, 1982).

Habits of thinking, mental models, and linguistic paradigms: the shared cogni-
tive frames that guide the perceptions, thought, and language used by the mem-
bers of a group and taught to new members in the early socialization process
(Douglas, 1986; Hofstede, 2001; Van Maanen, 1979b; Senge and others, 1994).

Shared meanings: the emergent understandings created by group members as
they interact with each other (as in Geertz, 1973; Smircich, 1983; Van Maanen
and Barley, 1984; Weick, 1995).

"Root metaphors" or integrating symbols: the ways in which groups evolve to
characterize themselves, which may or may not be appreciated consciously but
become embodied in buildings, office layout, 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 (as in
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 (as in Deal and
Kennedy, 1982, 1999; Trice and Beyer, 1993).

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all when we have so many other concepts—such as norms, values, behavior patterns, rituals, traditions, and so on—one recognizes that the word *culture* adds several other critical elements to the concept of sharing: 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. Once we achieve a sense of group identity, it is our major stabilizing force and will not be given up easily. Culture 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 than other parts. From this point of view, most of the concepts reviewed above 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 it also gains stability.

Breadth

A third characteristic of culture is that once it has developed, it covers *all* of a group's functioning. Culture is pervasive; it 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 when 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 that lies at a deeper level. Culture somehow implies that rituals, climate, values, and behaviors tie together into a coherent whole; this patterning 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 sense-lessness 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 the "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 and 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.

How Does Culture Form?

Culture forms in two ways. In Chapter Four I will show how spontaneous interaction in an unstructured group gradually lead to patterns and norms of behavior that become the culture of that group—often within just hours of the group's formation. In more formal groups an individual creates the group or becomes its leader. This could be an entrepreneur starting a new company, a religious person creating a following, a political leader creating a new party, a teacher starting a new class, or a manager taking over a new department of an organization. The individual founder—whether

an entrepreneur or just the convener of a new group—will have certain personal visions, goals, beliefs, values, and assumptions about how things should be. He or she will initially impose these on the group and/or select members on the basis of their similarity of thoughts and values.

We can think of this imposition as a primary act of leadership, but it does not automatically produce culture. All it produces is compliance in the followers to do what the leader asks of them. Only if the resulting behavior leads to "success"—in the sense that the group accomplishes its task and the members feel good about their relationships to each other—will the founder's beliefs and values be confirmed and reinforced, and, most important, come to be recognized as *shared*. What was originally the founder's *individual* view of the world leads to shared action, which, if successful, leads to a *shared* recognition that the founder "had it right." The group will then act again on these beliefs and values and, if it continues to be successful, will eventually conclude that it now has the "correct" way to think, feel, and act.

If, on the other hand, the founder's beliefs and values do not lead to success, the group will fail and disappear or will seek other leadership until someone is found whose beliefs and values will lead to success. The culture formation process will then revolve around that new leader. With continued reinforcement, the group will become less and less conscious of these beliefs and values, and it will begin to treat them more and more as nonnegotiable assumptions. As this process continues, these assumptions will gradually drop out of awareness and come to be taken for granted. As assumptions come to be taken for granted they become part of the identity of the group; are taught to newcomers as the way to think, feel, and act; and, if violated, produce discomfort, anxiety, ostracism, and eventually excommunication. This concept of assumptions, as opposed to beliefs and values, implies nonnegotiability. If we are willing to argue about something, then it has not become taken for granted. Therefore, definitions of culture that deal with *values* must specify that culture consists of *nonnegotiable values*—which I am calling *assumptions*.

In summary, we can think of culture as the accumulated shared learning of a given group, covering behavioral, emotional, and cognitive elements of the group members' total psychological functioning. For such shared learning to occur, there must be a history of shared experience that, in turn, implies some stability of membership in the group. Given such stability and a shared history, the human need for stability, consistency, and meaning will cause the various shared elements to form into patterns that eventually can be called a culture.

Culture Formally Defined

The culture of a group can now be defined as *a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that 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.*

I am not arguing that all groups evolve integrated cultures in this sense. We all know of groups, organizations, and societies in which certain beliefs and values work at cross purposes with other beliefs and values, leading to situations full of conflict and ambiguity (Martin, 2002). This may result from insufficient stability of membership, insufficient shared history of experience, or the presence of many subgroups with different kinds of shared experiences. Ambiguity and conflict also result from the fact that each of us belongs to many groups, so that what we bring to any given group is influenced by the assumptions that are appropriate to our other groups.

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 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.

If a group's culture is the result of that group's accumulated learning, how do we describe and catalogue the content of that learning? All 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 larger cultural 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.

At this point, it is important to discuss several other elements that are important to our formal definition of culture.

The Process of Socialization

Once 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; however, by this means one only learns about surface aspects of the culture—especially 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 in which group secrets are shared.

On the other hand, how one learns and the socialization processes to which one is subjected may indeed reveal deeper assumptions. To get at those deeper levels one must try to understand the perceptions and feelings that arise in critical situations, and one 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 enters a new group is to decipher the operating norms and assumptions. But this deciphering can be successful only through the feedback that is 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 member's 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 for explicitly manipulating members into perceiving, thinking, and feeling in certain ways (Van Maanen and Kunda, 1989; Kunda, 1992; Schein, 1968). Whether or not we approve of this as a mechanism of social control is a separate question that will be addressed later.

Behavior Is Derivative, Not Central

This formal definition of culture does not include overt behavior patterns (although some such behavior—particularly formal rituals—does reflect cultural assumptions). Instead, it emphasizes that the critical assumptions deal with how we perceive, think about, and feel about things. Overt behavior 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 shared culture. For example, if we observe that all members of a group cower in the presence of a large, loud leader, this could be based on biological, reflex reactions to sound and size, or on individual 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. To put it another way, when we observe behavior 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 define as the essence of culture can we specify what is and what is not an artifact that reflects the culture.

Can a Large Organization or Occupation Have One Culture?

My formal definition does not specify the size of social unit to which it can legitimately be applied. Our experience with large organizations tells us that at a certain size the variations among the subgroups is substantial, suggesting that it might not be appropriate to talk of the culture of an IBM or a General Motors or Shell. In the evolution of DEC over its thirty-five-year history one can see both a strong overall corporate culture and the growth of powerful subcultures that reflected the larger culture but also differed in important ways (Schein, 2003). In fact, the growing tensions among the subcultures were partly the reason why DEC as an economic entity ultimately failed to survive.

Do Occupations Have Cultures?

If an occupation involves an intense period of education and apprenticeship, there will certainly be a shared learning of attitudes, norms, and values that eventually will become taken-for-granted assumptions for the members of those occupations. It is assumed that the beliefs and values learned during this time will remain stable as assumptions even though the person may not always be in a group of occupational peers. But reinforcement of those assumptions occurs at professional meetings and continuing education sessions, and by virtue of the fact that the practice of the occupation often calls for teamwork among several members of the occupation,

who reinforce each other. One reason why so many occupations rely heavily on peer-group evaluation is that this process preserves and protects the culture of the occupation.

Determining which sets of assumptions apply to a whole society, or a whole organization, or a whole subgroup within an organization or occupation, should be done empirically. I have found all kinds of combinations; their existence is one reason why some theorists emphasize that organizational cultures can be integrated, differentiated, or fragmented (Martin, 2002). But for the purpose of defining culture, it is important to recognize that a fragmented or differentiated organizational culture usually reflects a multiplicity of subcultures, and within those subcultures there are shared assumptions.

Are Some Assumptions More Important than Others?

As we will see when we examine some of our cases more closely, organizations do seem to function primarily in terms of some core of assumptions, some smaller set that can be thought of as the cultural paradigm or the governing assumptions, or as critical "genes" in the "cultural DNA." For the researcher, the problem is that different organizations will have different paradigms with different core assumptions. As a result, cultural typologies can be very misleading. One could measure many organizations on the same core dimensions, but in some of those organizations a particular dimension could be central to the paradigm, whereas in others its influence on the organization's behavior could be quite peripheral.

If the total set of shared basic assumptions of a given organizational culture can be thought of as its DNA, then we can examine some of the individual genes in terms of their centrality or potency in forcing certain kinds of growth and behavior, and other genes in terms of their power to inhibit or prevent certain kinds of behavior. We can then see that certain kinds of cultural evolution are determined by the "genetic structure," the kind of "autoimmune system" that the organization generates, and the impact of "mutations and hybridization."

Summary and Conclusions

In this chapter I 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 and organizations. The variety of elements that people perceive to be "culture" was reviewed, leading to a formal definition that puts the emphasis on shared learning experiences that lead, in turn, to shared, taken-for-granted basic assumptions held by the members of the group or organization.

It follows that any group with a stable membership and a history of shared learning will have developed some level of culture, but a group that has had either considerable 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; in fact, we tend to use the term *group* rather than, say, *crowd* or *collection* of people only when there has been enough of a shared history for some degree of culture formation to have taken place.

Once 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 are taught to newcomers in a socialization process that is itself a reflection of culture. To define culture one must go below the behavioral level, because behavioral regularities can be caused by forces other than culture. Even large organizations and entire occupations can have a common culture if there has been enough of a history of shared experience. Finally, I noted that the shared assumptions will form a paradigm, with more or less central or governing assumptions driving the system, much as certain genes drive the genetic structure of human DNA.

Culture and leadership are two sides of the same coin, in that leaders first create cultures when they create groups and organizations. Once 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 lead-

ership to be able 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.

A final note: from this point on I will use the term *group* to refer to social units of all sizes—including organizations and subunits of organizations—except when it is necessary to distinguish the type of social unit because of subgroups that exist within larger groups.