

1

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.

Five Personal Examples

To illustrate how culture helps to illuminate organizational situations, I will begin by describing several situations I encountered in my experiences as a consultant.

DEC

In the first case, Digital Equipment Corporation (DEC), I was called in to help a management group improve its communication, interpersonal relationships, and decision making (Schein, 2003). DEC was founded in the middle 1950s and was one of the first companies to successfully introduce interactive computing, something that today we take completely for granted. The company was highly successful for twenty-five years but then developed a variety of difficulties, which led to its sale to the Compaq Corporation in 1996. I will be referring to the DEC story many times in this book.

After sitting in on a number of meetings of the top management, 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, (4) a sense that every member of the group wanted to win all the time, and (5) shared frustration that it took forever to make a decision that would stick.

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, such as lengthening 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. How to explain this?

(Continued)

Ciba-Geigy

In the second case, 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 to respond to its increasingly dynamic business environment. This Swiss Chemical Company consisted of many different business units, geographical units, and functional groups. It was eventually merged with the Sandoz Company and is today part of Novartis.

As I got to know more about Ciba-Geigy's many units and problems, I observed that some very innovative things were going on in many places in the company. I wrote several memos describing these innovations, added other ideas from my own experience, and gave the memos to my contact person in the company with the request that he distribute them to the various business unit and geographical 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 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." Why did my helpful memos not circulate?

Cambridge-at-Home

This third example is quite different. Two years ago I was involved in the creation of an organization devoted to allowing people to stay in their homes as they aged. The founding group of ten older residents of Cambridge asked me to chair the meetings to design this new organization. To build strong consensus and commitment, I wanted to be sure that everyone's voice would be heard even if that slowed down the meetings. I resisted Robert's Rules of Order in favor of a consensus building style, which was much slower but honored everyone's point of view. I discovered that this consensus approach polarized the group into those who were comfortable with the more open style and those who thought I was running the "worst meetings ever." What was going on here?

Amoco

In the fourth example, Amoco, a large oil company that was eventually acquired by British Petroleum, decided to centralize all of its engineering functions into a single service unit. Whereas engineers had previously been regular full-time members of projects, they were now supposed to "sell their services" to clients who would be charged for these services. The engineers would now be "internal consultants" who would be "hired" by the various projects. The engineers resisted this new arrangement violently, and many of them threatened to leave the organization. Why were they so resistant to the new organizational arrangements?

Alpha Power

In the fifth example, Alpha Power, an electric and gas utility that services a major urban area, was faced with becoming more environmentally responsible after being brought up on criminal

charges for allegedly failing to report the presence of asbestos in one of its local units that suffered an accident. Electrical workers, whose “heroic” self-image of keeping the power 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 where the “heroic” model was to report all safety and environmental hazards even if that meant reporting on peers and even bosses. A new concept of personal responsibility, teamwork, and openness of communication was to be adopted. Reporting on and dealing with environmental events became routine, but no matter how clear the new mandate was, some safety problems continued if peer group relations were involved. Why? What could be more important than employee and public safety?

How Does the Concept of Culture Help?

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 client systems. This step of examining the *shared* assumptions in an organization or group and comparing them to your own takes us into “cultural” analysis and will be the focus from here on.

It turned out that in DEC, senior managers and most of the other members of the organization shared the assumption that you cannot determine whether or not something is “true” or “valid” unless you subject the idea or proposal to intensive debate. Only ideas that survive such debate are worth acting on, and only ideas that survive such scrutiny will be implemented. The group members 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 him or her to restate his or her 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 accepted an essential element of their culture instead of imposing my own. By this intervention of going to the flip chart, I had changed the *microculture* of their group to enable them to accomplish what their organizational culture dictated.

In 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 image was communicated that "a person's job is like his or her home, and if someone gives unsolicited information, it is like walking into someone's home uninvited." Sending memos to people implies that they do not already know what is in the memo, which is seen to be potentially insulting. In this organization, managers prided themselves on knowing whatever they needed to know to do their job. Had I understood this aspect of their culture, 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.

In my Cambridge meetings, different members had different prior experiences in meetings. Those who had grown up with a formal Robert's Rules of Order system on various other nonprofit boards were adamant that this was the only way to run a meeting. Others who had no history on other boards were more tolerant of my informal style. The members had come from different subcultures that did not mesh. In my human relations training culture, I had learned the value of involving people to get better implementation of decisions and was trying to build that kind of microculture in this group. Only when I adapted my style to theirs was I able to begin to shape the group more toward my preferred style.

In Amoco, I began to understand the resistance of the engineers when I learned that their assumptions were "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.

In Alpha, I learned that in the safety area, all work units had strong norms and values of self-protection that often over-rode 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 safe and were willing to trust that. On the other hand, identifying environmental hazards and cleaning them up involved new skills that workers were willing to learn and collaborate on. The union had its own cultural assumption that under no conditions would one "rat out" a fellow union member, and this applied especially in the safety area.

In each of these cases, I initially did not understand what was going on because my own basic assumptions about truth, turf, and group relations

differed from the shared assumptions of the members of the organization or group. And my assumptions reflected my “occupation” as a social psychologist and organization consultant, while the group’s assumptions reflected in part their occupations and experiences as electrical engineers, chemists, nonprofit organization board members, 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. When 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. 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).

- **Esposued 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.