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ORGANIZATIONAL CULTURE: A DYNAMIC MODEL

EDGAR H. SCHEIN

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MASSACHUSETTS  
INSTITUTE OF TECHNOLOGY  
50 MEMORIAL DRIVE  
CAMBRIDGE, MASSACHUSETTS 02139



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Edgar H. Schein

Sloan School of Management  
Massachusetts Institute of Technology

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## Introduction

The purpose of this paper is to describe and argue for a formal model of organizational culture which is built on a dynamic model of learning and group dynamics. I will present a formal definition of organizational culture and then elaborate each element of the definition as a way of explicating the implications of this way of thinking.

My purpose in approaching the concept in this manner is to lay a conceptual foundation for analyzing organizational cultures which will make it possible for different observers and students of organizations to begin to use a common frame of reference. The approach taken here falls into what Sanday (1979) would call the "holistic" approach, as distinguished from the "semiotic" or "behavioral," though I hope to show that by taking a dynamic evolutionary point of view one can incorporate in a useful way all three of these approaches. I am making the assumption that one needs to know more than the "shared understandings" which the semiotic view advocates, in that even if we understand an organization well enough to live in it, we do not necessarily understand how an organization got to be that way, or where it is headed in the future. I also believe that we cannot really begin to manage or change organizational culture until we have a model of culture which is based on learning theory, and until we understand the dynamic evolutionary forces which govern how culture grows and changes.

## Organizational Culture: A Formal Definition

Organizational culture is the pattern of basic assumptions which a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, which

have 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.

#### 1. Pattern of Basic Assumptions

Organizational culture can be analyzed at several different levels, starting with the visible artifacts -- the constructed environment of the organization, its architecture, technology, office layout, manner of dress, visible or audible behavior patterns, public documents such as charters, employee orientation materials, etc., etc. (See Fig. 1) This level of analysis is "tricky" because the data are easy to obtain but hard to interpret. We can describe how a group constructs its environment, and what behavior patterns are discernible among the members, but we often cannot understand the underlying logic, the "why" of what we observe.

- Insert Figure 1 about here -

To begin to deal with the question of why members behave the way they do, we often look for the "values" which govern behavior, the second level in Figure 1. Values are harder to observe directly. Often they require us to interview key members of the organization or to do fairly complex content analyses of artifacts such as documents and charters (Martin & Siehl, 1981) in order to infer them. Once we have identified such values we often note that they represent accurately one level of the culture, the level that is manifest and espoused, by which I mean what people say is the reason for their behavior, what they ideally would like those reasons to be, and what are often their rationalizations for what they have done, where the "true" reason or "latent functions" of the behavior remain unconscious (Merton, 1957; Argyris, 1982).

The model of culture for which I am arguing in this paper requires us to go still deeper to the underlying patterns of assumptions which are typically unconscious but which actually determine how group members perceive, think about, and feel about things, and which, therefore, determine both values and overt behavior in a more complete fashion (Schein, 1981). As will be spelled out below, such unconscious assumptions are themselves learned responses, and, at an earlier time, will have been espoused values. But, as a value leads to behavior, and as that behavior solves the problem which motivated it in the first place, the value gradually becomes transformed into an assumption about how things really are and, as it is increasingly taken for granted, drops out of awareness.

As a value becomes transformed into an assumption it ceases to be debatable and confrontable. Thus we know we are dealing with an assumption when we encounter in our informants a refusal to discuss something, or when they consider us "insane" or "ignorant" for bringing something up. In this sense, the notion that businesses should be profitable, that schools should educate, that medicine should prolong life, are assumptions even though they are often stated as if they were "merely" values. Or, to put the matter another way, the domain of "values" can be divided into 1) ultimate, non-debatable, taken-for-granted values for which the term "assumptions" is more appropriate, and 2) debatable, overt, espoused values for which the term "values" is more appropriate.

In making the distinction in this manner I am deliberately ignoring the distinction between "physical" reality and "social" reality because I believe that assumptions and values in the above sense operate in both domains. In fact, what is defined as physical is itself in part ultimately a matter of what assumptions we make and, therefore, a part of a given culture.

In stating that basic assumptions are unconscious I am not arguing that this is a result of repression. I am arguing that as certain motivational and cognitive processes are repeated and continue to work, they drop out of awareness. They can be brought back to awareness by a certain kind of focused inquiry process of the sort which anthropologists use with their informants, but such surfacing always requires the efforts of both an insider who is making the unconscious assumptions and an outsider who helps to surface them by asking the right kinds of questions.

Because of the human need for an optimal stimulus load and consistency, assumptions come to be patterned into what we might think of as cultural "paradigms" which tie together the basic assumptions about man, nature, and activities. To understand a given culture means to understand the paradigm, and the pattern of basic assumptions. To do that one needs some categories for analyzing assumptions. The categories presented in Table 1 are based on Kluckhohn and Strodtbeck's (1961) original research, and are elaborated to be more useful in thinking specifically about organizational phenomena:<sup>2</sup>

- Insert Table 1 -

A given organization's basic assumptions will ultimately derive from two sources: 1) the prior assumptions of organization founders, leaders, and members based on their own experience in the parent or host culture, and 2) the actual experiences which that organization has as it copes with its external and internal problems (as described below). The learning of organizational culture is never from ground zero, but always a combination of prior assumptions and new learning experiences.

Cultural Paradigms. A cultural paradigm is a set of interrelated assumptions which form a coherent pattern. Not all

assumptions are mutually compatible or consistent. Hence, if there is a cognitive drive for order and consistency, one can assume that groups will learn sets of assumptions which are compatible and consistent. For example, if a group holds the assumption that the ultimate good comes through individual effort, it cannot easily hold the assumption that truth is a function of or derived from group consensus, an assumption more consistent with the assumption that the ultimate good comes from group harmony. If a group assumes that the way to survive is to conquer nature, i.e. aggressively manage its environment, it cannot simultaneously assume that the correct way for members to relate to each other is to passively seek harmonious relationships. Kluckhohn & Stodtbeck exemplify this way of thinking by noting that Western culture tends to be oriented toward the mastery of nature, based on an active orientation, individualistic competitive relationships, a "future" oriented, linear, monochronic concept of time (Hall, 1959), a view of space and resources as infinite, and a view of human nature as neutral and ultimately perfectible. In contrast, some Eastern cultures are oriented toward nature in a passive way, seek to harmonize with it and each other, view the group as more important than the individual, are "present" or "past" oriented, see time as polychronic and cyclical, view space and resources as very limited, and see reality as based more on revealed truth than empirical experimentation.

Organizational culture paradigms will be adapted versions of such broader cultural paradigms. For example, Dyer (1982) identifies one such paradigm in a company by noting that it operates on the interlocking assumptions that truth comes ultimately from individuals, that truth can be pragmatically determined only by "fighting" things out and testing, that people are responsible, motivated, and capable of governing themselves,

and that the members of the organization are a "family" and will take care of each other, which makes it safe to fight and be competitive around ideas.

By way of contrast, I have observed another organization which operates on the paradigm that truth comes ultimately from older, wiser, better educated, higher-status members, that people are capable of loyalty and discipline in carrying out directives, that relationships are basically lineal and vertical, that each person has a niche which is his or her territory, and that the organization is a "solidary unit" which will take care of all its members.

Needless to say, the manifest behaviors one observes in these two organizations are totally different, but those behavioral differences do not make any sense until one has discovered and deciphered the underlying cultural paradigm. To stay at the level of artifacts or values is to deal with the manifestations of culture, but not the actual cultural essence.

## 2. Given Group

There cannot be any culture unless there is a group which "owns" it. Culture is created by groups, hence the creating group must always be clearly identified. If we want to define a cultural unit, therefore, we must be able to locate a group which is independently defined as the creator, host, or owner of that culture. We must be careful not to define the group in terms of the existence of a culture, however tempting that may be, because we then would create a completely circular definition.

A given group is a set of people who 1) have been together long enough to have shared significant problems, 2) to have had opportunities to solve those problems and to observe the effects of their solution attempts and 3) have taken in new members. In other words, we cannot

determine whether or not a group has a culture unless we have a definable set of people with enough of a shared history to have solved problems and have had the opportunity to pass on those solutions to new members.

The passing on of the solutions to new members is required in the definition because the decision to pass something on to a new member is itself a very important test of whether a given solution is shared and perceived as valid. If a group has not faced the issue of what to pass on in the process of socialization, it has not had a chance to test its own consensus and commitment to a given belief, value, or assumption. On the other hand, if we observe a group passing on, with conviction, elements of its way of perceiving, thinking, and feeling, we can assume that that group has had enough stability and has shared enough common experiences to have developed a culture. The "strength" or "amount" of culture can then be defined in terms of 1) the strength of the assumptions of the founders of the group; 2) the degree to which the founders imposed their assumptions on the group; and 3) the amount and intensity of shared group experience.

Though these are variables which may be difficult to measure, it is crucial that they be conceptualized as independent of the direct measures of cultural "strength" in order to make it possible to treat the growth and evolution of a culture as a dependent variable predictable from other empirically observable variables. Such variables may be 1) degree of homogeneity of the founding members of the group in terms of their own personality and cultural origins; 2) degree of stability of membership as the group evolves; 3) degree of homogeneity of new members acquired by the group; 4) intensity and number of significant experiences shared by group members in their coping with external and internal problems; and 5)

degree of homogeneity of those experiences in the sense of the degree to which all members shared the identical experiences.

The point to be emphasized is that to measure "cultural strength" directly is not only conceptually weak but probably also more difficult than to identify the factors which would create a strong culture and then to determine to what extent those factors are present in a given group's history. One would then hypothesize that given sets of shared experiences would lead to "strong" cultural elements and check whether or not one finds such elements.

### 3. Invented, Discovered, or Developed in Learning to Cope

Cultural elements are defined as learned solutions to problems. I will detail the nature of those problems in the next several sections and concentrate in this section on the nature of the learning mechanisms which are involved. Structurally there are two types of learning situations that require solutions: 1) positive problem solving efforts which produce positive or negative reinforcement, in terms of whether the effort worked or not; and, 2) anxiety avoidance efforts which produce positive or negative reinforcement in terms of whether the response does or does not avoid anxiety.

In practice these two types of situations are intertwined, but they are structurally different and need to be carefully distinguished. In the positive, problem solving situation the group tries out various responses until something works and then will be more likely to continue to use that response until it ceases to work. Once it no longer works, forcing the group to try different responses, the data will clearly show that the old solution is no longer working. By contrast, in the anxiety avoidance situation, once a response is learned because it successfully avoids

anxiety, it is likely to be repeated indefinitely. The reason is that the learner will not willingly test the situation to determine whether or not the cause of the anxiety is still operating. Thus all rituals and patterns of thinking or feeling which may originally have been motivated by a need to avoid a painful, anxiety provoking situation are going to be very stable, even if the causes of the original pain are no longer acting.

To fully grasp the importance of anxiety reduction in culture formation, we have to consider, first of all, the human need for cognitive order and consistency (Hebb, 1954) which serves as the ultimate motivator for common language and shared categories of perception and thought. In other words, in the absence of such shared cognitive maps the human organism experiences a basic existential anxiety which is intolerable, an anxiety which one observes only in extreme situations of isolation or captivity (Schein, 1961).

Beyond this cognitive level, humans experience the anxiety of being exposed to hostile environmental conditions and to the dangers inherent in unstable social relationships, forcing groups to learn ways of coping with both external and internal problems which will be detailed below. The only point to be made here is that the ultimate motivator for this level of coping is also anxiety.

At a more immediate level, we can identify the anxiety associated with certain occupational roles such as coal mining and nursing, where the Tavistock socio-technical studies have shown clearly that the social structure and operation of the group can be conceptualized best as a "defense" against the anxiety which would be unleashed if work were done in another manner (Trist & Bamforth, 1951; Menzies, 1960).

If an organizational culture is composed of both types of elements, those designed to solve positive problems and those designed to avoid anxiety, it becomes necessary to analyze which is which if one is interested in changing any of those elements. In the positive learning situation one need only find a better solution to the problem; in the anxiety avoidance situation one must first find the source of the anxiety and then show the learner that it no longer exists, or provide an alternative source of avoidance, either of which is more difficult to do. In other words, cultural elements which are based on anxiety reduction will be more stable than those based on positive problem solving. And this stability will rest on both the nature of the anxiety reduction mechanism and on the fact that human systems need a certain amount of stability to avoid cognitive and social anxiety. Stability itself is anxiety reducing, giving cultural elements of all sorts an anxiety reduction function.

Where do solutions initially come from? Most cultural solutions in new groups and organizations come from the founders and early leaders of those organizations (Pettigrew, 1979). Typically, the process would be one of advocacy of certain ways of doing things which are then tried out and adopted or rejected in terms of how well they work out. Initially the founders have the most influence, but, as the group ages and acquires its own experience, group members will find their own solutions and these will compete with the ones advocated so that ultimately the process of discovery will be a more interactive shared one. But leadership will always play a key role at those moments where the group faces a new problem and, therefore, must develop new responses to the situation. In fact, one of the crucial functions of leadership is to provide guidance at

precisely those times when habitual ways of doing things no longer work, or when there has been a dramatic change in the environment which requires new responses.

Leadership must then not only insure the invention of new and better solutions, but must provide some security to enable the group to tolerate the anxiety of giving up old, stable responses while new ones are learned and tested. In the Lewinian change framework, this means that the "unfreezing stage" must involve both enough disconfirmation to motivate change and enough psychological safety to permit the individual or group to pay attention to the disconfirming data (Schein, 1961; Schein & Bennis, 1965)

#### 4. Problems of external adaptation and internal integration.

If culture is a solution to the problems a group faces, what can we say about the nature of those problems? Most group theories agree that a useful distinction is to separate those problems which deal with the group's basic survival, what has been variously labeled the primary task, basic function, or ultimate mission of the group from those problems which deal with the group's ability to function as a group, what have often been labeled socio-emotional, group building and maintenance, or integration problems (Rice, 1963; Bales, 1950; Parsons, 1951). Homans (1950) distinguishes between the external system and the internal system and notes that the two are reciprocally interdependent, highlighting the fact that one can conceptually distinguish the external and internal problems, but that in practice both sets are always highly interrelated.

External Adaptation Problems. Problems of external adaptation are those problems which ultimately determine the group's survival in its environment. While it must be granted that a part of the group's

environment is "enacted," in the sense that prior cultural experience predisposes members to perceive the environment in a certain fashion and even to control that environment to some degree, there will always be some external environment which is clearly beyond the control of the group and which will, to a certain degree, determine the fate of the group -- weather, natural circumstances such as economic and other resources, political upheavals, etc. (Weick, 1979; Van Maanen, 1979).

How one categorizes the problems of survival is to some degree a matter of arbitrary choice. I prefer a set of categories which mirrors the problem solving cycle in that survival, maintenance and growth of any open system is like a perpetual problem solving process. The culture of the group or organization will develop in part as the solution to the problems shown in Table 2.

- Insert Table 2 -

The basic underlying assumptions of the culture from which the founders of the organization come will determine to a large extent the initial formulations of core mission, goals, means, criteria, and remedial strategies, in that those ways of doing things are the only ones with which the group members will be familiar. But as an organization develops its own life experience it may begin to modify to some extent the assumptions of its "parent" culture. For example, a young company may begin by defining its core mission to be to "win in the marketplace over all competition," but may at a later stage find that "owning its own niche in the marketplace, "co-existing with other companies," or even "being a silent partner in an oligopolistic industry" is a more workable solution to survival.

Internal Integration Problems. A group or organization cannot survive if it cannot manage itself as a group. External survival and internal integration problems are, therefore, two sides of the same coin, totally intertwined with each other. The categories presented in Table 3 draw heavily on group theory. Again, they are not presented as necessarily the correct set, but as a first approximation to a useful set to help classify cultural data.

- Insert Table 3 -

These categories provide the major areas around which cultural solutions must be found. While the nature of the solutions will vary from one organization to another, by definition every organization will have to face each of these issues and develop some kind of solution. Because the nature of that solution will reflect the biases of the founders and current leaders, the prior experiences of group members, and the actual events experienced, it is, therefore, likely that each organizational culture will be unique, even though the underlying issues around which it is formed will be common.<sup>3</sup>

At the theoretical level one can ask whether, as organizations grow and evolve, there is an inherent cultural trend such as one sees in developing societies from more of a community, personal type of system to more of a bureaucratic, impersonal type of system. Once we study a larger number of organizations we can determine whether or not there are overarching causal determinants of organizational cultures such as the nature of the technology underlying the organization, the age of the organization, the size of the organization, the nature of the parent culture within which the organization evolves, and so on.

5. Worked well enough to be considered valid

The crucial difference between what is being defined here as organizational culture and what has previously been thought of as the norms or values of a group is that culture is a more ultimate outcome, based on repeated success and a gradual process of coming to take things for granted. To me what makes something "cultural" is this "taken-for-granted" quality which makes it virtually undiscussable.

Culture is perpetually being formed in the sense that there is constantly some kind of learning going on about how to relate to the environment and to manage internal affairs. But this ongoing process should not be confused with the already existing outcomes, those things which are so thoroughly learned that they come to be a stable element of the group's life. The basic assumptions which make up an organization's culture serve the secondary function of stabilizing much of the internal and external environment for the group, a stability which is sought as a defense against the anxiety which comes with uncertainty and confusion.

6. Taught to new members

Because culture serves the function of stabilizing the external and internal environment for an organization, it must be taught to new members. It would not serve its function if every generation of new members could bring in new perceptions, language, thinking patterns and rules of interaction. For culture to serve its function it must be perceived as correct and valid, and if it is perceived that way, it automatically follows that those perceptions, etc. must be taught to newcomers.

But we know that new members bring in new ideas and produce culture change. It remains to be settled empirically whether and how this happens. For example, does the new member have to be socialized first and accepted into a central and powerful position before that person can begin to change things, or do new members bring in new ways of perceiving, thinking, feeling, and acting which produce immediate changes (Schein, 1971)? Is the manner in which new members are socialized influential in determining what kind of innovation they will produce (Van Maanen & Schein, 1979)? Much of the work on innovation in organizations is confusing because it is not clear whether the elements that are considered as "new" are new elements of the culture, or simply new versions of old cultural assumptions. And what makes it difficult to be clear about this is the fact that we have not had clear ways of specifying what the present culture of an organization is.

To summarize, if culture provides the group members with a paradigm of how the world "is," it goes without saying that such a paradigm would be passed on without question to new members. It is also the case that the very process of passing on the culture provides an opportunity for testing, ratifying, and reaffirming it. For both of these reasons, the process of socialization, i.e. the passing on of the group's culture, is strategically an important process to study if one wants to decipher what the culture is and how it might change (Van Maanen & Schein, 1979).

## 7. Perceive, think and feel

The final element in the definition reminds us that culture is pervasive and ubiquitous. The basic assumptions which we make about nature, humanity, relationships, truth, activity, time and space cover

virtually all of human functioning. This is not to say that any given organization's culture will have developed to the point of "controlling" all of its members' perceptions, thoughts, and feelings; what I am trying to say is that the process of learning to manage the external and internal environment does involve all of the cognitive and emotional elements so that as cultural learning progresses, more and more of the person's responses will become involved. The longer we have lived in a given culture, and the older that culture is, the more it will influence our perceptions, thoughts, and feelings.

By focusing on perceptions, thoughts, and feelings I am also making a statement about the importance of those categories relative to the category of overt behavior. Can one speak of a culture in terms of just the overt behavior patterns one observes? My view is that the culture is manifested in overt behavior, but that the idea of culture goes deeper than behavior. Indeed, the very reason for elaborating an abstract notion like "culture," is that we find it too difficult or lacking in credibility to try to explain what goes on in organizations if we stay at the descriptive behavioral level.

Or, to put it another way, behavior is, to a large extent, a joint function of what the individual brings to the situation and the situational forces which are, to some degree, unpredictable. If we want to know what portion of what the individual brings to the situation is "cultural" as opposed to idiosyncratic or situational, we must look into that individual's pattern of perceiving, thinking about, and emotionally reacting to various situations. It is how individuals define situations that leads us to the cultural components, not what they, in the end, do in the situation.

### Implications for the Study of Organizational Culture

Organizational culture as defined here is difficult to study. It is not as difficult as studying a different society where language and customs are so different that one needs to live in the society to get any feel for it at all. Organizations exist in a parent culture, and much of what we find in them is derivative from the assumptions of the parent culture. The problem of deciphering a particular organization's culture, then, is more a matter of surfacing assumptions which we will be able to recognize once they are surfaced. We will not find alien forms of perceiving, thinking, and feeling if the investigator is from the same parent culture as the organization being investigated. On the other hand, the particular pattern of assumptions which has here been called an organization's cultural paradigm will not reveal itself easily because it is so taken for granted.

How then do we gather data and decipher the paradigm? There are basically four approaches which should be used in combination with each other:

1) The process and content of socialization of new members. By interviewing socialization agents and new members both in an open-ended, and a focused manner around external adaptation-internal integration issues, one can identify some of the important areas of the culture. But some elements of the culture will not be revealed to newcomers, hence cannot be discovered by this method.

2) Analysis of the responses to critical incidents in the organization's history. By constructing a careful "organizational biography" from documents, interviews, and perhaps even surveys of present and past key members, it is possible to identify the major times of

culture formation. For each crisis or incident identified it is then necessary to determine what was done, why it was done, and what the outcome was. In such a biography of the organization one would then look for the major themes in the reasons given for actions taken.

3) Analysis of the beliefs, values, and assumptions of founders, current leaders, and others identified as "culture creators or carriers."

Such interviews should initially be open-ended chronologies of each person's own history in the organization, his or her goals, modes of action, and assessment of outcomes. The list of external and internal issues can be used as a checklist later in the interview to cover areas more systematically.

4) Joint exploration and analysis between outsider and insider of anomalies or puzzling features observed or uncovered in interviews. It is this joint inquiry process that will surface basic assumptions and permit the exploration of how they might interrelate, and thus form, the cultural paradigm. The insider must be a culture carrier, and be interested in surfacing his or her own basic assumptions to test whether or not they are cultural prototypes. This process works best if one works from observations which puzzle the outsider or which seem like anomalies, because assumptions are most easily surfaced through being contrasted to the assumptions which the outsider would initially hold about what is observed.

The first three methods mentioned above should enhance and complement each other, though none is necessary, so long as one of the others has covered all of the external adaptation and internal integration issues. If one is interested in surfacing the assumptions and eventually

deciphering the paradigm, the fourth method is necessary in that the insider can only get at his or her own cultural assumptions with the help of the outsider's probing and searching (Evered & Louis, 1981).

If a given organization's culture is not well developed, or if the organization consists of important stable subgroups which have developed subcultures, one must modify the above methods to allow for those phenomena to show up (Louis, 1981). For example, the organizational biography might reveal that the organization is at a certain point in its life cycle, and one may hypothesize about the functions that the culture plays at that point in the life cycle (Schwartz & Davis, 1981; Kimberly & Miles, 1981).

#### Summary and Conclusions

In this paper I have attempted to lay out a formal definition of organizational culture which derives from a dynamic model of learning and group dynamics. The definition highlights that culture is always in the process of formation and change, tends to cover all aspects of human functioning, is learned around the major issues of external adaptation and internal integration, and comes to be embodied ultimately as an interrelated, patterned set of basic assumptions which deal with ultimate issues such as the nature of humanity, human relationships, time, space, and the nature of reality and truth itself.

If we are to decipher a given organization's culture we must use a complex interview, observation, and joint inquiry approach in which selected members of the group work with the outsider to surface the initially unconscious assumptions which are hypothesized to be the essence of the culture. I believe we need to study a large number of organizations

by these methods, using similar kinds of variables, in order to determine the utility of the concept of organizational culture and in order to be able to relate cultural variables to other variables such as strategy, organizational structure, and, ultimately, organizational effectiveness.

If such studies show this model of culture to be a useful one, one of the major implications will be that our theories of organizational change will have to give much more attention to the opportunities and constraints which organizational culture provides. Clearly if culture is as powerful as I am arguing here it will be easy to make interventions which are congruent with present assumptions, and very difficult to make changes which are not. As Schwartz and Davis (1981) point out, organizational change proposals need to be assessed in terms of the degree to which they are counter-cultural and managers need to learn how to make those assessments. The understanding of organizational culture would then become integral to the process of management itself.

FOOTNOTES

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Many people's writings have influenced this line of thinking, but, in order to keep the flow of the paper, I have put references to their work only in a few key places. A more complete account of these ideas and their implication with more thorough documentation is currently in preparation in book form.

2. An application of these ideas to the study of organizations across cultures, as contrasted with the culture of organizations can be found in Evan (1976, Ch. 15). Other studies of cross-cultural comparisons are not reviewed in detail here, e.g., Hofstede, 1980; England, 1975.

3. An important area of investigation as we study many different organizations will be to determine whether the deeper paradigms which eventually arise in each organizational culture are also unique or whether they will fit into certain categories such as those which the typological schemes suggest. For example, Handy (1978) describes a typology based on Harrison's work (1972) which suggests that organizational paradigms will revolve around one of four basic issues — 1) personal connections, power and politics; 2) role structuring; 3) tasks and efficiency; or 4) existential here and now issues.

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Table 1

Basic Underlying Assumptions Around Which Cultural Paradigms Form

1. The Organization's Relationship to its Environment: Reflecting even more basic assumptions about the relationship of humanity to nature, one can assess whether the key members of the organization view the relationship to be one of dominance, submission, harmonizing, finding an appropriate niche, and so on.

2. The Nature of Reality and Truth: The linguistic and behavioral rules which define what is real and what is not, what is a "fact," how truth is ultimately to be determined, and whether truth is "revealed" or "discovered;" basic concepts of time as linear or cyclical, monochronic or polychronic; basic concepts of space as limited or infinite, communal or individual property, etc.

3. The Nature of Human Nature: What does it mean to be "human," and what attributes are considered intrinsic or ultimate? Is human nature good, evil or neutral? Are humans perfectible? Theory X or Theory Y?

4. The Nature of Human Activity: What is the "right" thing for humans to do, based on the above assumptions about reality, the environment, and human nature; is it right to be active, passive, self-developmental, fatalistic, etc.? What is work and what is play?

5. The Nature of Human Relationships: What is considered to be the "right" way for people to relate to each other, to distribute power and love? Is life cooperative or competitive, individualistic, group collaborative or communal, based on traditional lineal authority, law, or charisma, etc.?

Table 2

The Problems of External Adaptation and Survival

- 1) Developing consensus on the primary task, core mission, or manifest and latent functions of the group, e.g., strategy.
- 2) Developing consensus on goals, such goals being the concrete reflection of the core mission.
- 3) Developing consensus on the means to be used in the accomplishment of the goals, e.g., division of labor, organization structure, reward system, etc.
- 4) Developing consensus on the criteria to be used in measuring how well the group is doing against its goals and targets, e.g., information and control systems.
- 5) Developing consensus on remedial or repair strategies as the group finds the need because it is not accomplishing its goals.

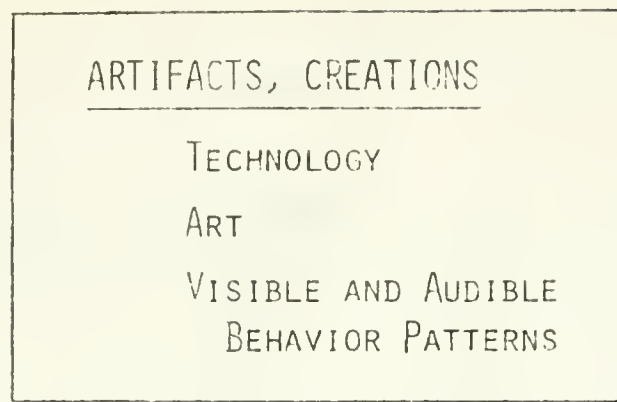
Table 3

The Problems of Internal Integration

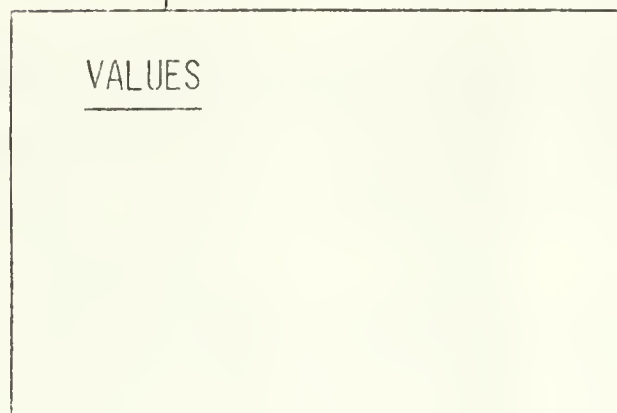
1. Common language and conceptual categories -- if members cannot communicate with and understand each other, a group is impossible by definition.
2. Developing consensus on group boundaries and criteria for inclusion and exclusion -- one of the most important areas of culture is the shared consensus on who is in and who is out and by what criteria one determines membership.
3. Consensus on criteria for the allocation of power and status -- every organization must work out its pecking order and its rules for how one gets, maintains, and loses power; consensus on how one manages one's feelings of aggression.
4. Consensus on criteria for intimacy, friendship, and love -- every organization must work out its rules of the game for peer relationships, for relationships between the sexes, and for the manner in which openness and intimacy are to be handled in the context of managing the organization's tasks.
5. Consensus on criteria for allocation of rewards and punishments -- every group must know what its heroic and sinful behaviors are, what gets rewarded with property, status, power, and what gets punished in the form of withdrawal of the above and, ultimately, excommunication.
6. Consensus on ideology and "religion" -- every organization, like every society, faces unexplainable and inexplicable events which must be given meaning so that members can respond to them and avoid the anxiety of dealing with the unexplainable and uncontrollable.

FIGURE 1. The Levels of Culture  
and their Interaction.

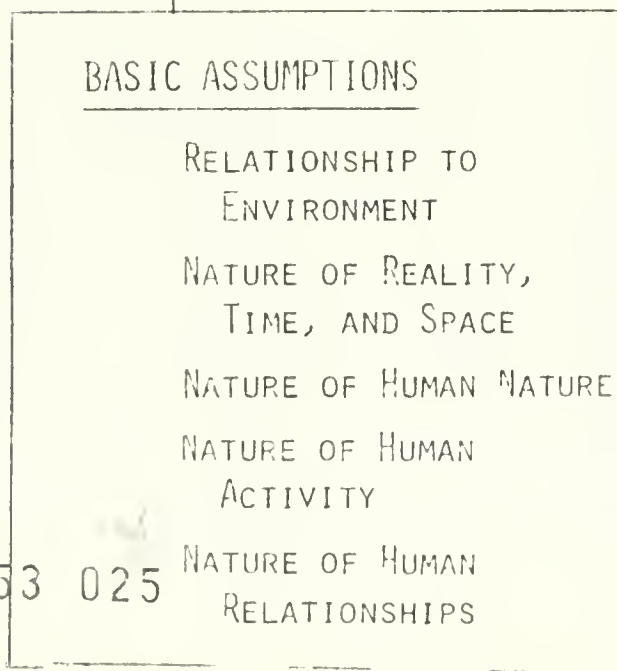
# LEVELS OF CULTURE



- VISIBLE BUT OFTEN  
NOT DECIPHERABLE



- GREATER LEVEL OF  
AWARENESS



- TAKEN FOR GRANTED
- INVISIBLE
- PRE-CONSCIOUS

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