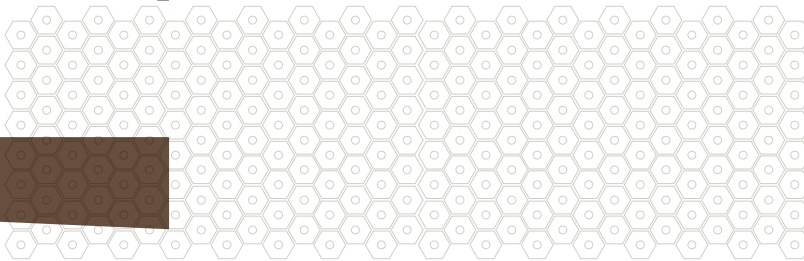


Defining “Culture” and
“Organizational Culture”:
From Anthropology to the Office

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ORGANIZATIONAL CULTURE WHITE PAPER

Defining “Culture” and “Organizational Culture”:

From Anthropology to the Office

The topic of organizational culture is increasingly understood as a company asset that can be used to increase business performance. While important, organizational culture is a slippery concept to concretely define. This paper deals with the historical development and foundational understandings of both the term culture, from anthropology, and its appropriation by industrial organization researchers to organizational culture. A foundational definition by Edgar Schein of MIT’s Sloan School of Management is arrived at as well as the notion that culture can be observed at three levels of the organization: artifacts, espoused values, and basic assumptions.

Contents:

- Anthropological Origins of “Culture”
- Understanding Culture
- Origins of “Organizational Culture”
- Understanding Organizational Culture

For some, culture is considered the “glue” that holds an organization together and for others, the “compass” that provides direction.

The culture of an organization eminently influences its myriad decisions and actions. A company’s prevailing ideas, values, attitudes, and beliefs guide the way in which its employees think, feel, and act—quite often unconsciously. Therefore, understanding culture is fundamental to the description and analysis of organizational phenomena. For some, culture is considered the “glue” that holds an organization together and for others, the “compass” that provides direction. These are but two of many such metaphors (e.g., magnet, lighthouse, exchange-regulator, affect-regulator, need satisfier, sacred cow), illustrating that organizational culture is indeed very important, but whose definition is slippery and often contested.

Usually the domain of top executives and upper-management, for most within an organization its culture remains implicit — often with only its effects and implications discussed. Despite this, as decades of research suggest, an explicit, integrated, accepted, and consistent organizational culture seems important in achieving long-term health and other performance successes. Yet, as in most arenas of social science where the intricate webs of various and varying human influences exist, distinct and conclusive causal links are difficult to establish. Keeping this in mind, it is still very likely that the richness and dynamism of organizational activity—the life of an organization—may be seen, and therefore shaped and improved, through the lens of culture.

ANTHROPOLOGICAL ORIGINS OF “CULTURE”

What exactly is culture? Unfortunately a fixed, universal understanding does not exist; there is little consensus within, let alone, across disciplines. Often “culture” is applied so broadly, merely as “social pattern,” that it means very little. Highly specific, idiosyncratic definitions also abound where the term is used in various contexts in support of any agenda.

When “culture” first appeared in the Oxford English Dictionary around 1430 it meant “cultivation” or “tending the soil,” based on the Latin culture. Into the 19th century “culture” was associated with the phrase “high culture,” meaning the cultivation or “refinement of mind, taste, and manners.” This generally held to the mid-20th century when its meaning shifted toward its present American Heritage English Dictionary definition: “The totality of socially transmitted behavior patterns, arts, beliefs, institutions, and all other products of human work and thought.”

ASPECTS OF CULTURE

INVISIBLE

VALUE . ATTITUDE . ASSUMPTIONS . BELIEFS

VISIBLE

ARTIFACTS:

EMPLOYEE DRESS
 PRODUCT LINE
 SIGNAGE
 PUBLICATIONS
 INTERIOR ARCHITECTURE
 FURNITURE

BEHAVIORS:

FINANCIAL REPORTING
 HIRING / FIRING PRACTICES
 EMPLOYEE TRAINING
 RECYCLING PROGRAMS

While the dictionary definition helps to close in on its meaning in general parlance, the term is also used by many disciplines in unique ways. To move toward a more specific and applied understanding of “culture,” anthropology can be helpful. It is this social scientific discipline that has contributed the most to its practical application within the field of organizational research. Originally the notion of culture described the rituals, myths, languages, values, beliefs, and practices of distant peoples often in exotic places—the objects of traditional anthropological inquiry. Even within the field however, numerous approaches to culture abound as evident in one seminal 1952 study that identified 164 different definitions.

British anthropologist Edward Tyler is widely credited with the first (1871) “modern” definition of culture: “that complex whole which includes knowledge, belief, arts, morals, law, custom, and any other capabilities and habits acquired by man as a member of society.” Undoubtedly this definition influenced the shift toward current dictionary definitions.

We are not born with the understanding that stealing is wrong or that “diamonds show you care.”

Subsequent to this new interpretation and vision of a “complex whole,” academics attempted to build upon this by creating universal lists of all of the elements of culture, the most exhaustive of which (first published in 1938) lists 79 major divisions and 637 subdivisions. While comprehensive and still useful for social science researchers today, it is ineffectual for most general applications as well as corporations and other organizations.

UNDERSTANDING CULTURE

While the complexities of the culture concept were being debated in the mid-20th century, surveys of its different definitions yielded a few common threads that are helpful in organizational research. Most simply, culture involves three basic human activities: what people think, what people do, and what people make. Further, several common properties arise: culture is shared, learned, transmitted crossgenerationally, symbolic, adaptive, and integrated.

To speak of culture as being shared narrows the field of relevant activity to that which is common and social. A particular action is not cultural if it is unique to one or relatively insignificant number of individuals. Also, culture is learned (actively or passively) and is transmitted cross-generationally through formal or informal social interaction—we are not born with the understanding that stealing is wrong or that “diamonds show you care.”

One of the primary characteristics of human life, over animal life, is that we assign symbolic meaning to ideas, behavior, and objects, as well as have language and speech. We say that humans have culture while animals do not. This is largely due to their inability to ascribe arbitrary symbolic meaning to their world—a chimpanzee could not designate his banana to signify honesty, for example. Culture is also adaptive in that it can and does change in response to various influences and conditions. No culture is truly static—many aspects of American culture are radically different in the wake of the Internet, the dot-com bubble, and global terrorism. And finally, culture is integrated in the sense that it permeates society and becomes part of the social machinery. Culture is the ever-present, ethereal medium in which members live and through which they act.

In 1973 anthropologist Clifford Geertz published, *The Interpretation of Cultures*, in which he writes: “Culture is the fabric of meaning in terms of which human beings interpret their experience and guide their action” and that culture is “an ordered system of meaning and of symbols in terms of which social interaction takes place.” This semiotic (symbolic or language based) notion of culture gained great popularity in the postmodern movement of the 1980’s, when the relatively mature discipline of organizational behavior first began to talk broadly about “organizational culture.” Geertz’s anthropological definition was the most cited in the literature at that time and still has great purchase in contemporary research.

ORIGINS OF “ORGANIZATIONAL CULTURE”

The field of organizational behavior and the related discipline of management science began investigating organizations in terms of culture as early as the 1930s. The final phase of the famous Hawthorne studies at the Western Electric Company marked the first

systematic attempt to use a concept of culture to understand the work environment. While an important step forward in qualitative research, the investigation was rather blunt and the understanding of organizational culture remained fairly primitive during the following decades. Most mid-century attempts at understanding were conducted by scholars steeped in quantitative psychology and sociology, though by the 1970s researchers more explicitly and emphatically appropriated the theories and methods of anthropology. The late-century upsurge of interest in organizational culture is credited largely to the economic conditions of the 1970s when international competition had heightened and more foreign companies were operating factories in the United

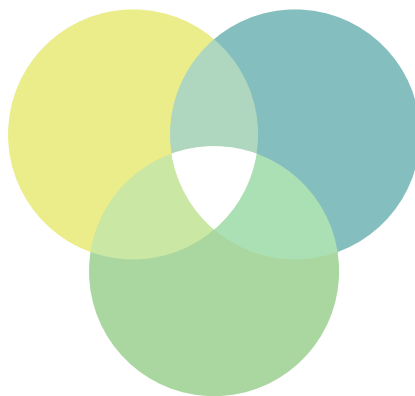
- Pascale and Athos, 1982, *The Art of Japanese Management: Applications for American Executives*
- Deal and Kennedy, 1982, *Corporate Cultures: The Rites and Rituals of Corporate Life*

Since the early 1980s, academic and applied exploration of organizational culture has steadily increased and even now there is little indication of abatement as changes in data management, work organization, values, lifestyles, demographics, knowledge-intensive work, outsourcing, and a host of other social, economic, and technological factors continue to impact the relationship between organizations, workers, and the workplace.

CULTURE IS FOUND IN:

ESPOUSED VALUES:

Those values championed by a company's leadership.



OBSERVABLE ARTIFACTS:

- Architecture & Physical Surroundings
- Products
- Technologies
- Style (clothing - art - publications)
- Published Values / Mission Statements
- Myths / Stories / Rituals

BASIC ASSUMPTIONS:

Underlying (often unconscious) determinants of an organization's attitudes, thought processes and actions.

UNDERSTANDING ORGANIZATIONAL CULTURE

Definitions of "organizational culture" are almost as numerous as those of "culture" — a 1998 study identified 54 different definitions within the academic literature between 1960 and 1993. One helpful, though general, definition offered by Edgar Schein of MIT's Sloan School of Management is that organizational culture is:

a pattern of shared basic assumptions that the group learned 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.

States. Specifically, the success of the Japanese in many industries sparked curiosity about whether their differing corporate values, attitudes, and behaviors were responsible for their often superior performance.

The 1982 publication of Peters & Wasserman's *In Search of Excellence* stirred both popular and professional interest through its suggestion that organizations with strong cultures were more effective. Corporate culture was offered as an asset that could be managed to improve business performance. While definitely the most popular book on the subject (outselling all other non-fiction books for the year), three others were seminal to the development of the field:

- Ouchi, 1981, *Theory Z: How American Business Can Meet the Japanese Challenge*

Delving deeper, three common attributes seem to arise across the varying perspectives within sociology, psychology, anthropology, and management science. One is that the concept of shared meaning is critical; secondly, is the notion that organizational culture is constructed socially and is affected by environment and history. The third common feature among the many definitions is that organizational culture has many symbolic and cognitive layers—culture is thick and resides at all levels.

To help understand these symbolic and cognitive layers, Schein has categorized the places where culture is found into three fundamental categories: observable artifacts, espoused values, and basic underlying assumptions.

Observable artifacts represent an organization's attitudes, behaviors, and beliefs— how it sees things, what is important and meaningful. These include the architecture and physical surroundings; its products; its technologies; its style (shown through clothing, art, publications, etc.); its published values and mission statement; its language, gossip, jargon, and humor; its myths and stories; and its practices, rituals, ceremonies, and taboos.

Espoused values are those championed by a company's leadership and management. They are distinguished from enacted values, which are those that employees' actual behavior reflects (just because the CEO claims that her company values its customers does not mean that the employees necessarily act accordingly). While the role that values play in organizational culture is undeniable, many scholars claim that it is erroneous to ascribe values, which are inherently human and located only in individuals, to a corporate entity or to a group of individuals. Such a position maintains that the values of a few particularly influential leaders are what rally other employees and subsequently influences company behavior. Basic assumptions are

underlying, often unconscious, determinants of an organization's attitudes, thought processes, and actions. These assumptions are central to its culture. Values that gain long-term acceptance often become so ingrained and taken-for-granted that individuals are usually unaware of their influence. They usually provide a tacit sense of security and an unquestioned impetus for perceptions and behavior.

Scholarly understanding the social and symbolic processes of the workplace continues to expand in breadth and refine in depth as organizational behavior and organizational management scholars build upon social scientific theories and methodologies. A function of industry type, national culture, environmental factors, as well as the vision, goals, and strategy, an organization's culture affects its structure, practices, policies, and routines. Evaluating and understanding organizational culture holds perhaps the best promise for corporate leadership being able to influence individual and group performance, facilities performance, organizational performance, and ultimately the ever-important financial components of business performance.