The Behavioral Equivalence of Organizational Culture

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Abstract

Three decades of organizational cultural (OC) studies have seen change in both content and emphasis. This paper presents findings from an extensive review of literature on OC and highlights the relevance of OC with respect to individual, organizational, intra-organizational, industry and external environment related variables. The concept of organizational culture (OC) has traditionally focused on values and beliefs and has been considered to be relatively stable and enduring. But literature is less sanguine about the reciprocal evolution of culture through behaviors. This paper presents a behavioral perspective on OC and contributes to its emerging dynamic aspect. A behavioral model of OC is suggested and propositions are drawn to explain the dynamics involved.
1. Introduction

Few aspects of organizational studies have such diverse and fragmented literature as organizational culture (OC). Dominated by psychologists in mid 50s, the field of organization studies, had a micro-orientation; early 80s saw advancement of the theoretical concept of OC. By mid 90s, scholars realized they were focusing more on “B” than “O” of micro-OB, more collaboration was required of occupational sociologists, organizational theorists and psychologists, developing a multi-disciplinary field that encompasses micro, meso and macro perspectives and paradigms (Porter, 1996; Schien, 1996). This is perhaps the reason for the outburst of attention to organizational culture studies as it provides for a combined macro and micro analysis. It is also believed that after ‘strong’ and ‘excellent’ cultures were found to have significant positive associations with success of American and Japanese firms (Deal & Kennedy, 1982; Peters and Waterman, 1982; Ouchi, 1981), there was proliferation of interest in OC.

The term ‘culture’ has different meanings. For example, Kroeber et al (1952) compiled a list of 164 definitions of “culture” from literature. While its presence in sociology and anthropology is ubiquitous and almost as old as the disciplines themselves, the introduction of ‘organizational culture’ to the field of organizational studies is generally credited to Pettigrew in 1979 (Detert et al, 2000). Since then, researchers have dealt with a range of questions from what is culture, who shares it, how did it come to be, what is it composed of, how are its parts structured, how it works, conditions for culture to exist, conditions for culture to affect organizational efficiency as well as other organizational variables; to why and how do we change culture, in what way can culture contribute to controlling an organization, how can we measure culture, in what terms can we describe culture, the cultural change and the cultural difference in various contexts like national, occupational, positional, industry, firm, and its subunits, cross-cultural management in multinationals, mergers and alliances and cultural conflicts.

As the concept of OC enters its fourth decade of existence, we conduct a review and content analysis of the extant literature. Based on our understanding of the concept we subscribe to the dynamic aspect of OC and define it is a continuous process of negotiation between the sources of behavior and the manifestation of behavior of an organization within internal and external environmental context. A behavioral model of OC is then presented followed by propositions about the different sources of behavior and organizational culture in our attempt to explain the dynamics of OC.

2. The Concept of OC

One of the principle problems in studying organizational culture stems from the ontological status of the concept itself (Jones, 1983). Organizational researchers have utilized a wide variety of culture definitions, but most empirical work has centered on the view of culture as an enduring, autonomous phenomenon that can be isolated for analysis and inter-organization comparison (Alexander, 1990). The intricate and complex nature of OC has led to differences and controversies about the definition, dimensions, measurement (Cameron and Quinn, 1999) and the context of
organizational culture. However, there is some consensus that organizational culture is holistic, historically determined, and socially constructed, and involves beliefs and behavior, exists at a variety of levels, and manifests itself in a wide range of features of organizational life (Hofstede, Neuijen, Ohayv, & Sanders, 1990; Pettigrew, 1990). Culture is expressed and transmitted through artifacts, stories, myths and symbols (Martin, 1982; Siehl and Martin, 1981; Wilkins, 1980; Pettigrew, 1979). Underlying these symbolic vehicles are patterns of basic assumptions (Schien, 1981, 1983; Dyer, 1982); a set of shared understandings, interpretations or perspectives (Van Maanen, 1983; Louis, 1983) and expectations (Schwartz, Davis, 1981).

Broadly, two schools of thought exist about organizational culture whether it represents something an organization ‘is’ or ‘has’. Accordingly, researchers have analyzed the concept of OC, both as a root metaphor, i.e. organizations as expressive forms, and manifestations of human consciousness (Cameron 1999; Smircich, 1983); and as an attribute, i.e. possessed by an organization and observable; and even as property (Linstead, 2001). This is because some researchers are concerned by what appears to them to be more fundamental issues of meaning and the processes by which organizational life is possible which is in line with the view that an organization ‘is’ culture; while others give high priority to the principles of prediction, generalizability, causality, and control drawing from the view that an organization ‘has’ culture (Smircich, 1983). Both approaches share the conception of organizations as organisms; existing within an environment that presents imperatives for behavior. However, literature is less sanguine about the reciprocal evolution of culture through behavior. Further, culture has been generally accepted to be a phenomenon which is enduring and relatively stable, which is why organizations across the world need external change agents to affect the cultural change intervention.

We differ from this view and support the recent emerging views on culture describing it as a process and as a dynamic phenomenon of an organization. Therefore, in this paper, 1) we examine how organizational behavior is manifested in organizational culture and how does behavior shape organizational culture, 2) we suggest that organizational culture is a process of continuous negotiation between sources of behavior and manifestation of behavior and 3) organizational culture is dynamic as it is nested within a dynamic environmental context, internal and external to the organization. The paper is divided into two sections. First, we present findings from research published during the period 1979-2009 asserting the continued interest and applicability of the OC concept in organizations. Second, we propose a new behavioral model for understanding organizational culture and contribute to the growing interest in studying the dynamic aspect of OC.

3. Review of Literature

Three decades of organizational cultural studies and we have seen change in both content and emphasis. Summarized below are insights gained from OC literature developed during the last three decades. Both conceptual and empirical studies have been reviewed and are spread across various contexts, countries and businesses.
3.1 Conceptualization of OC

Culture in the early 1980s was about explaining the concept, and often prescribed methods for studying and diagnosing culture; while later research was concerned with a more utilitarian approach and asked questions such as “what use may be made of the gained information?” (Hofstede, 1986). A new line of enquiry began around 1987 about the effects of culture on an organization’s performance (Arogaswamy and Byles, Brown, 1992; 1987; Croft, 1990; Lewis, 1994; Nicholson et al., 1990; Petrock, 1990; Saffold, 1988; Sherwood, 1988; Van Donk and Sanders, 1993; Whipp et al., 1989); and whether and how culture can be changed to increase organizational effectiveness (Bettinger, 1989; Critchley, 1993; Fitzgerald, 1988; Hayes and Lemon, 1990; Poupart and Hobbs, 1989; Saraph and Sebastian, 1993; Smith et al., 1994).

Since the first study of OC is accredited to Pettigrew in 1979, we begin by reviewing his paper.

Pettigrew, in 1979 defined ‘culture’ as the system of publicly and collectively accepted meanings operating for a given group at a given time, an important practical consideration in an extended stream of time, events, people, and processes with an example of sequence of social dramas where in each drama provided a clear point of data collection. Williams' (1980) theoretical model is based on an assumption of society being in a state of constant cultural change and negotiation. In any particular period there is a central, effective, and dominant system of meanings and values which are not merely abstract but which are “organized and lived”. The residual culture is the still practiced residue of previous social formations (e.g. certain religious values, notions from a rural past, and notions from a colonial past) that are often retained in order to make sense of the dominant culture. The emergent culture, he explains are the new meanings, values, practices, and experiences which are continually being created, some of which are incorporated into the dominant culture and some of which are not. This theory supports our proposition of a dynamic culture, and environment, influencing the interaction of both behaviors and values and thereby affecting a cultural change.

Hofstede (1980) published a cross-cultural report exploring the differences in thinking and social action that exist between members of 40 countries between 1968 and 1972 and called it ‘national culture’. He argued that people carry mental programs developed early in the family during early childhood and reinforced in schools and organizations, and they contain a component of national culture. Though providing a starting point for understanding national cultures, the study has come under criticism for using a comparative logic in a heterogeneous setting at a time when quantitative comparisons of organizational cultures within a single cultural context were seen as unfounded (Denison, 1996).

When Schien(1983) emphasized the role of the founder and stated that organizational culture will always reflect the complex interaction between the assumptions and theories that founders bring to the group initially and what the group learns subsequently from its own experiences, it also explained the importance of time and dynamics of change, of how the values came initially from the founder and, as the group learned while experimenting with behaviors over a period of time, culture was developed. It is thus implied that culture will change as environment goes through unpredictable times. The model that emerges is one of shared solutions to problems
which work well enough to begin to be taken for granted-to the point they drop out of awareness.

Martin, Siehl (1983) suggested that while organizational culture is used to transmit top management’s interpretations of the meaning of events throughout the organization, generate commitment to their practices and control behavior, three subcultures may exist, ‘enhancing’, ‘orthogonal’ and ‘counterculture’. Cultural mechanisms can also be used to undermine top-management objectives, which she called ‘counter-culture’. In addition to serving integrative functions, cultures can express conflicts addressing need for differentiation among organizational elements, the conflicting subcultures. Thus, Martin extended the OC concept by explaining how parallel cultures could exist within an organization and their understanding could help in conflict-management. Further implications are that as new generations and new entrants become a part of the organization, they will not only influence the dominant, but also the parallel forms of existing cultures.

Barley (1983) offered semiotics as one avenue for conceptualizing and analyzing occupational and organizational cultures to address issues of what the culture is composed of, how are its parts structured and how it works. Trice and Beyer (1984) described specific rites and ceremonials as manifestations of culture; rites of passage, of degradation, of enhancement, of renewal, of conflict reduction and of integration and that it may help to focus researchers’ attention on behaviors and occurrences that they otherwise might have overlooked. If semiotics represents culture, or at least is the visible part of culture, numerous examples from the corporate world about change of symbols e.g., company logos, statements of vision and mission, etc. in such case would only reflect a change in values and beliefs, which need not be the result of a conscious change intervention but a natural growth phenomenon.

Wilkins and Ouchi, 1983 called culture as ‘clan’ and that goal congruence and presence of a general paradigm in the interest of the collective helps clan control to govern organizations efficiently under conditions of ambiguity, complexity, and interdependence of transactions; market and bureaucracy form of governance would be more efficient where the level of complexity or uncertainty is relatively low or moderate. Organizational culture can be a source of sustained competitive advantage if it is valuable, rare and imperfectly imitable (Barney 1986). These themes can more explicitly be explained with the environmental context.

Paul Reynolds (1986) adopted a more utilitarian perspective and argued that statements about organizational culture should reflect differences related to industries, technical or task requirements and that to expect the same cultural systems to foster success in all industries seems inaccurate. Given the multidirectional nature of the concept, Meyerson (1987) identified three perspectives of OC research: ‘integration’, ‘differentiation’ and ‘fragmentation’. The integrationist perspective positions culture as an integrating mechanism, the normative glue; differentiation emphasizes that different groups in organization embrace different and even incompatible beliefs, values and assumptions; fragmentation perspective acknowledges that ambiguity is an inevitable aspect of organizational life and organizational situations exist in which it is not appropriate to identify consistency of values and basic assumptions.
Marcoulides (1993) proposed a new model wherein organizational culture is hypothesized to consist of three interrelated dimensions: a socio-cultural system of the perceived functioning of the organization's strategies and practices, an organizational value system, and the collective beliefs of the individuals working within the organization, possibly explaining why some organizations are not performing at desired levels of productivity.

Detert et al (2000) presented another synthesis on OC in terms of eight dimensions of organizational culture, on the basis of truth and rationality in the organization, the nature of time and time horizon, motivation, stability change/innovation, personal growth, orientation to work, task, and co-workers, isolation vs. collaboration, and responsibility and orientation and focus-internal and/or external and how these dimensions corresponded to the values and beliefs of TQM. Daymon (2000) applied a multi-perspective analytical framework to explore organization members' experiences as they adjusted to, and strove to shape, working life in a new television station. The paper suggests that culture formation is a fluid, ongoing process whereby cohesion, division and ambiguity continuously intertwine.

Zheng et al (2009) in a recent framework propose that as the organization goes through its life stages of start-up, growth, maturity, and revival, organizational culture evolves through corresponding mechanisms of inspiration, implantation, negotiation, and transformation. This framework also contributes to the literature on the dynamic view of culture and suggests that human resource development professionals need to be perceptive of the life stages of their organizations and intentionally leverage different cultural mechanisms to respond to critical organizational needs.

### 3.2 Interrelating OC with other variables

Empirical work using conceptual frameworks and validated instruments dominate the cultural studies since 90s. Researchers have tried to relate OC, empirically and conceptually, with other organizational variables.

#### 3.2.1 OC and Individual-Level Variables

Organizational culture has been found to be useful in understanding organizational variables like job satisfaction, work related attitudes like organizational commitment; individual’s sense-making, self-efficacy and collective efficacy (Harris, 1994; Bloor et al, 1994; Maignan et al, 2001; Lund, 2003; Walumbwa et al, 2005).

Harris (1994) proposed a schema based perspective that in the social setting of organizations, individuals make sense out of their experiences, based in large part on the outcomes of contrived mental dialogues between themselves and other contextually-relevant individuals or groups, again supporting the cultural negotiation process.

Bloor et al (1994) attempt to identify the complex interplay between individual sense-making, group beliefs and culture in an Australian home-care service. The stability of an organization's operating environment is identified as a major factor which facilitates and constrains the propensity for professional subcultures to radically transform or incrementally refine dominant organizational cultures.
Lund (2003) empirically investigated the relationship between OC types on job satisfaction in a survey of marketing professionals in USA. Job satisfaction was positively related to clan and adhocracy types of culture type and negatively to market and adhocracy.

3.2.2 OC and Organizational –level Variables

Hansen & Wernerfelt (1989) empirically evaluated the relative importance of economic and organizational factors as determinants of firm performance and found that organizational factors were twice as effective in explaining the variance in profit rates.

Scholars have also related leadership (Weese, 1995; Wallace, 1994; Jung and Avolio, 1999), quality practices like TQM (Bright, 1993; Zeitz, 1997; Detert et al, 2000; Lewis, 2002) and Ethics (Sinclair, 1993) extensively with OC.

A descriptive research study was conducted to investigate the concepts of transformational leadership and organizational culture within the administrative levels of campus recreation programs of Big Ten and Mid-American Conference universities. (Weese, 1995). The researcher concluded that high transformational leaders direct programs that (a) possess stronger organizational cultures and (b) carry out culture-building activities, specifically the "customer orientation" function, to a greater extent than other leaders do.

Another empirical study conducted in 69 Canadian YMCA organizations revealed that significant differences in organizational culture existed between the organizations led by transformational leaders who were rated high and between those who were rated low on transformational leadership (Wallace 1994). Collectivists (as in Hofstede’s (1980) dimensions) with a transformational leader generated more ideas, but individualists generated more ideas with a transactional leader while performing a brainstorming task. Group performance was generally higher than that of individuals working alone. However, collectivists generated more ideas that required fundamental organizational changes when working alone (Jung and Avolio, 1999).

OC affects how the topic of quality and its management is understood and implemented in organizations. It is found that total quality management (TQM) makes a number of assumptions about organizational culture, more so that it will support the change intervention. Without the knowledge of culture, companies’ attempts for quality interventions are a failure (Bright, 1993). Zeitz (1997) presented a relatively compact instrument that allows researchers and practitioners to measure perceived culture and TQM implementation among all types of employees, work contexts, and TQM program levels.

Detert et al (2000) concluded that each of the normative TQM values addressed some aspect of the general OC dimension, and implies that that different OC dimensions could be used to explain several other change interventions. Lewis(2002) described how organizational culture was first linked with TQM and has since been associated with business process reengineering(BPR), organizational learning, and knowledge...
management, all are said to involve either changing a culture or working with an existing culture.

Sinclair (1993) assessed the potential of organizational culture as a means for improving ethics in organizations. The feasibility and desirability of the prevailing approach that creating a unitary cohesive culture around core moral values is the solution to enhancing ethical behavior in terms of ethical outcomes is questioned. The model queries the existence of organizational culture at all, arguing that organizations are nothing more than shifting coalitions of subcultures. The arguments made suggest that a strong culture could be fostering dissent and under pressure forcing people to enact unethical behaviors. Thus it supports the need for our perspective on OC such that the organization is able to scan its environment, to anticipate and respond to the rapidly changing needs of all stakeholders.

3.2.3 OC and Industry-level Variables

Industry macro-cultures have also been found to influence organizational culture, and cultural studies have been conducted across service and manufacturing businesses revealing linkages of culture with performance and productivity (Gordon, 1991; Kotter & Heskett, 1992; Gotwan et al, 1992; Brown, 1992; Zammuto et al, 1992). Levels of culture, industry effects, competitive environment and customer requirements have also been analyzed.

Gordon (1991) developed the argument that organizational or corporate culture is strongly influenced by the characteristics of the industry in which the company operates. Within an industry, firms share the industry driven cultural elements which are influenced by industry characteristics and are based on assumptions about the competitive environment, customer requirements and societal expectations.

Kotter & Heskett (1992) conducted a number of related studies using 207 firms, over a five year period to examine the relationship of strong culture and performance and found only a modest correlation. However, firms with cultures suited to their market environment performed better. Gotwan et al(1992) demonstrated using data, from management surveys of 11 US insurance companies in 1981 that both a strong culture regardless of content and a substantive value placed on adaptability are associated with better performance for two to three subsequent years on two criterion measures of asset and premium growth rates from 1982 to 1987. The results support the findings of Denison (1990) that strength of culture is predictive of short-term performance.

Brown (1992) suggested that all three levels of organization’s culture (basic assumptions, values and beliefs and visible artifacts; as by Schien, 1984) are extremely powerful determinants of organizational life, and are intuitively incorporated into the actions of skilled executives who use them to manage people, formulate strategy and induce organizational change. Zammuto et al (1992) examined roles that organization design and culture play in the varying levels of success experienced by advanced manufacturing technology adopting organizations. Kale et al (1992) provide a conceptual framework within which cross-national personal selling interactions can be studied, evaluated and integrated suggesting that the degree of
congruence in organizational cultures will affect the level of buyer-seller compatibility and outcome of sale interaction.

Gordon (1999) builds on the proposition that industry demands induce certain cultural characteristics, observed as consistent and widespread practices which are necessary for survival, but that these are not sufficient for superior performance. Empirical evidence was provided that industry membership, even at a crude level, is associated with certain aspects of a suitable culture as seen in practices, and that these practices are related to a firm’s revenue growth within this broadly defined industry.

Thus, OC has been found to explain a wide range of organizational phenomenon, addressing the limitations of other organizational variables, more tangible in nature

### 3.2.4 OC and Intra-organization-related variables

With time, interest in culture of an organization as a whole shifted to sub-cultures ‘in’ and cultural gap ‘between’ different parts of an organization. Further, terminologies and forms like official and unofficial culture, political culture, conformance and resistance culture, espoused and true culture, security culture, practice culture, dysfunctional culture drew attention of the researchers (Bourantas et al, 1990; Buch, 2001; Fleet et al, 2006; Jermier et al, 1991).

Evidence of presence of sub-cultures and culture gap in private and public Greek enterprises was reported; and that reduction of cultural gap was possible by the age and tenure of the manager (Bourantas et al, 1990). ‘Conformance’ and ‘resistance’ subcultures in opposition to ‘official culture’ were discussed while comparing and contrasting an organization's official culture and its subcultures in a police organization (Jermier et al, 1991).

Buch (2001) made a statement that organizations say one thing and do another. One is the ‘espoused culture’ and the other is ‘true culture’. When there is a gap between the two, it needs to be realigned. Murphy (2002) explored the use of official company values as a device for the achievement of cultural control. The study reveals a perceived discrepancy between the official espousal of the values by the company and their actual enactment, especially in the attitudes and behavior of senior management. It is also argued that political considerations, including powerful, unofficial cultural and subcultural norms, will override the impact of officially espoused, but unembedded values.

### 3.2.5 OC and Environment-Related variables

The role of culture has been discussed by researchers in corporate citizenship, business process reengineering, organizational learning, organizational change, knowledge management, international alliances as well as in the emerging perspectives of strategic alliances, sustainability and future organizations (Harris, 2002; Lewis, 2002; Maignan et al, 2001; Rashid, 2003). Authors have also pointed out how culture can have negative consequences if not managed with care and have cautioned against corporate culturism (Harris, 2002; Murphy, 2002; Tourish, 2002) and that almost everyone has been in an organization that says one thing but does another (Buch, 2001).
The article by Tourish (2002) examines transformational leadership (TL), a theory that has been closely linked to corporate culturism—a means of gaining competitive advantage through coherent cultures with a particularly focus on the downside of TL and its ability to lead an organization in a destructive manner. ‘Unintended consequences of Culture interventions’ by Harris (2002) elucidate eight forms of management action during culture change programs which had serious consequences for the organizations concerned. ‘Dysfunctional Culture’ styles were found to link with deficits in operating efficiency and effectiveness in a large study with data compiled from 60,900 respondents of four state government departments (Pierre, et al, 2006).

Walumbwa et al (2005) conducted a cross-cultural study examining how collective and self efficacy moderated the influence of transformational leadership on followers’ work related attitudes of organizational commitment and job satisfaction across different bank branches in India, U.S. and China; results revealed that US ranked higher on self and collective efficacy while India scored higher mean for organizational commitment and there was no significant difference in the job satisfaction suggesting the influence of individualistic and collectivistic national cultures on organizational variables.

3.3 OC Studies in Different Contexts and Countries

New directions emerged in the field of organizational culture studies during the last two decades. Cross cultural studies were reported in the last decade which also witnessed research in cultural studies being reported from different countries like Bangladesh, Canada, China, Hong Kong, India, Malaysia, New Zealand, U.K., U.S.A., Singapore, South Africa (Bebbington et al, 2007; Bryson, 2008; Daymon, 2000; Jackson, 2005; Lee, Yu 2004; Ogbonna et al, 2002; Rashid, 2003; Taormina, 2008; Lucas, Kline, 2008) subscribing to the widespread interest in the field of organizational culture. OC studies have also taken place in areas of work-life programs (Chalofsky, 2008), organizational socialization (Taormina, 2008) and culture of family firms.

Mintu et al (1996) conducted a study to examine sellers’ co-operative behaviors, exploring the behavioral characteristics and environmental cues prior to and during the actual negotiation encounter. The study investigates individual, organizational, and demographic-related antecedent variables and the co-operative negotiation process of industrial exporters representing two different cultures. Williams (1998) developed a conceptual model of cross-cultural business relationships. An exploratory study was conducted to examine the impact of social and structural bonding as determinants of business relationship performance. The study found that knowledge of cultural orientation and its relationship to the social and structural bond that exists between partners is a key predictor of long-term commitment in cross-national business relationships.

Ogbonna et al (2002) performed a ten year, two phase study of UK Food retailing sector and suggested that industry macro-cultures may have impact on both the performance of individual firms and the management of organizational culture. Rashid (2003) studied the influence of organizational culture on affective, cognitive...
and behavioral attitudes towards organizational change in Malaysian manufacturing industries. Findings show that different types of organizational culture have different levels of acceptance of attitudes toward organizational change. A survey using Competing Values framework in Hong Kong confirmed the validity of the model as a tool in differentiating organizations (Kwan et al, 2004).

Denison (2004) examined organizational culture in family and non-family firms and how it related to performance. It became increasingly clear that family business sustainability and accomplishment were rooted in something deeper, something beyond superficial explanation and it was their ‘positive’ culture. Sirmon (2004) proposed a model of cultural differences and international alliance performance to explain the ambiguous findings regarding the influence of national cultural differences on alliance performance.

Lee, Yu (2004) investigated relationship between corporate culture and performance in Singaporean firms and also demonstrated empirically that a set of replicable cultural dimensions exist across organizations, implies that culture can be measured with repeatable, easily administered instruments that permit systematic comparisons. Cultural Strength and innovation were found to be significantly correlated with sum insured in insurance industry, supportiveness was found to be related to growth in net profits in manufacturing industry and team orientation and task orientation were significantly correlated with staff turnover rates in hospitals. Some cultural dimensions were affected by industry membership while others were not.

Another study was conducted in South African military context as the wider society underwent transition from apartheid to democracy necessitating the integration of a multicultural force. Empirical study found significant differences in attitudes among cultural groups (Jackson, 2005). Barger (2007) suggested that in an international joint venture two cultures collide, a new culture is created and the culture of parent firm plays an important role in influencing the successful blending of cultures. This highlights the need for cross cultural management.

Bebbington et al (2007) presented a World Bank funded case study in Bangladesh to illustrate the ways in which cultural interactions between a variety of organizations mediate the ways in which textual commitments are translated into a range of diverse practices. ‘Security Culture’ with eight dimensions was investigated by Ruighaver (2007) focusing on end-users and on the technical aspects of security in IT industry calling for a management focus on security culture.

Bryson (2008) addressed the issues of time and perspectives which underlie the contested nature of culture by explaining the dynamics of organizational change through dominant, residual and emergent culture with a case study in New Zealand setting. Taormina (2008) looks into the theories regarding leadership, organizational culture, and organizational socialization and how they can influence organizational culture in Chinese organizations. Chalofsky (2008) links work-life programs with OC and suggests that organizational culture is the essence of workplace community.

Lucas, Kline (2008), in a Canadian case study, tried to understand the influence of organizational culture on group dynamics of organizational change and learning. Certain group and cultural phenomenon when manifested had significant influence on
group members’ response to organizational change and their capacity to learn. Kralewski (2008) discussed ‘practice culture’ of medical groups to demonstrate that it is difficult to manage patient care when there is wide disagreement among clinicians about norms of behavior.

Based on the review of literature we find that OC as a concept has achieved widespread importance in organizational studies across various contexts. OC has been conceptualized in different forms and has been found to relate to several other phenomenon of organizations, both as an antecedent and as a consequence. It has also been found to be related to the individual level, organization and intra-organizational level, industry level and environment level variables. We find that inspite of several frameworks available to enhance our understanding of OC, there is a need to develop a comprehensive model which takes into account various levels of influences on it. We also suggest a behavioral point of view of conceptualizing organizational culture and therefore propose a new model.

4. A New Perspective

We suggest that organizational culture is a constant negotiation of ‘sources of behavior’ and the ‘manifestations of behavior’ in the organizational and environmental context. We describe first our understanding of how culture develops.

4.1 Evolution of OC

The shared patterns of values, beliefs, assumptions (sources of behavior) are evolved as a result of experimentation with behaviors at the time of inception of an organization. Behaviors are actions or reactions to stimuli, internal or external; hence, while coping with internal and external issues, the organization attempts different forms of behavior and receives positive or negative feedback. As a result, it perceives different behaviors as successful or unsuccessful to a varying degree and classifies them as desirable, suitable or otherwise. The behavior perceived as desirable for the effectiveness, success or survival of the organization is reinforced; behavior which is non-conforming is discouraged and blocked. The workable and generally accepted solutions reduce the initial uncertainty faced by all members of the organization, which is a traumatic experience (Schien, 1985). These experiments are repeated to test the validity of behaviors, which once established, is accepted by most participants of the organization; to the limits that it gets transformed into assumptions, values and beliefs. Psychological contracts are created and are relatively stable, acting as stabilizer of individual behavior (Witte, Muijen, 1999).

The individual beliefs and values of participants, more so, of the people with influence, is likely to affect the perceived desirable behaviors and perceived success of organization during the initial struggle and stabilizing period. Founders often start with a theory of how to succeed; they have a cultural paradigm in their heads based on their experiences in the culture in which they grew up (Schien, 1983). With the passage of time, these assumptions, values and beliefs become the ‘sources of behavior’ and guide and direct subsequent ‘manifestation of behavior’ and there is a convergence of norms. This is in line with O’Reilly & Chatman’s (1996) view that culture is “a system of shared values defining what is important, and norms, defining appropriate attitudes and behaviors, that guide members’ attitudes and behaviors”;
and Schien’s (1985, 1992) definition of culture as “a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and integral 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” further arguing that values and behavior were more superficial representations of this underlying structure. Using this view, we can argue, then, that OC is a vehicle through which an organization encompasses the behavior variables and the sources of behavior; and influences through their interaction, behavior outcomes in the organizational context.

Once culture is formed, though intangible and invisible, this reflection of an organization becomes obvious, and is experienced as its culture to an insider, stakeholder and an outsider who comes in contact with the organization. Literature does not discuss if there is a difference in how an insider or stakeholder or an outsider perceive and experience the culture of an organization. Culture researchers have been more concerned with the evolution of social systems over time (Pettigrew, 1979; Schien, 1985, 90); importance of a deep understanding of underlying assumptions (Kunda, 1992); individual meaning (Geertz, 1973; Pondy et al, 1983) and the insider’s point of view of the organization (Denison, 1996). Since no organization can exist in isolation and is accountable to its internal as well as external associations, organizational culture is also likely to encompass the external environment which in turn will influence the behaviors and their outcomes in the environmental context.

4.2 Dynamics of OC

Traditional definitions assume that culture is enduring, and relatively stable; and once formed it could be learned by whoever is or becomes a part of the organization. But we know that organizations display what can be thought of as "learning disabilities," or what Argyris might call "defensive routines" that get in the way of the kind of second-order learning (Argyris and Schon, 1996). Parker (2002) demonstrates that because organizational members do not see the past of the organization in the same way, they orient themselves to different futures. In addition, the struggle between organizations bent on normative control and individuals subjected to it is over the definition of reality (Kunda, 1992). According to the social information-processing view (Salancik and Pfeffer, 1978) and cognitive view (Weick, 1969), the definitions of the situation offered by others and people’s past experiences in social context provide the selection mechanisms or norms and values through which people enact events.

4.3 A Behavioral Model of OC

4.3.1 Sources of Behavior: Individual level

Individuals possess certain values and beliefs as a result of their own backgrounds and demographics, it is less likely that they will accept the behavioral norms as established by the culture of the organizations in totality. Also, as new entrants or new generations take over, they will try to negotiate their own values based on past experiences, self-efficacy and schemas with those of the dominant culture of the organization. This in turn is likely to have an influence on the manifestation of behaviors like sense-making and collaboration and also on the behavioral outcomes
like relationships and psychological contracts. Conversely, we could argue that, strength of relationships and satisfying psychological contracts could possibly alter individual behavior and in turn enhance an individual’s self-efficacy and alter schemas. Karahanna et al (2005) integrated different levels of culture, national, professional, organizational and group, by explicitly recognizing that individual’s workplace behavior is a function of different cultures simultaneously. We therefore, propose that

**Proposition 1:** The individual level sources of behavior, and hence the individual values and beliefs based on their past experiences, schemas and self-efficacy will negotiate with the dominant and current values and beliefs of an organization and thus influence the organizational culture.

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**A Behavioral Model of OC**

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4.3.2 Sources of Behavior: Organizational level

The organizations internal environment is affected by its structure, purpose and practices which are in turn to some extent guided by the founder or the existing leader. Thus, a general paradigm exists in the organization as a whole which guides the common values of the organization. However, different work groups within an organization may have different nature of tasks and hence need to perform different behaviors. As a result they may hold unique values in addition to or different from the generally accepted values and beliefs of the organization. These group values are called subcultures and have been discussed in detail in literature. Accordingly we suggest that,

Proposition 2: The organizational and intra-organizational level sources of behavior, and hence the values and beliefs based on the structure, leadership and group specific tasks will negotiate with the dominant and current values and beliefs of an organization and thus influence the organizational culture.

4.3.3 Sources of Behavior: Industry level

Although culture is unique to an organization or its subunits, industries exert influences that cause cultures to develop within defined parameters (Gordon, 1991). These macro-factors of the industry are likely to influence organizations to manifest behaviors in response to the competition, needs of customers, the nature of product or services and societal expectations, as per industry norms. These behaviors will be common and shared by the industry members and may also be different from organizations in other industries. Thus, an organization’s values and beliefs are likely to be influenced by the behaviors forced upon them by virtue of the industry that they belong to. We therefore, hypothesize that,

Proposition 3: The industry level sources of behavior, and hence the values and beliefs determined by the nature of product or service, the competition and societal expectations will negotiate with the dominant and current values and beliefs of an organization and thus influence the organizational culture.

4.3.4 External Environment

The process of evolution of culture, as has been pointed earlier, involves the external and internal environment. As a result, behavior found useful for success of an organization under a set of conditions of the external and internal environment and a set of people as its constituents at a certain period of time is likely to differ with time and as environment changes. As in the present context, the global economy witnessed a major turbulence with the meltdown of the U.S. economy and the related impact on several emerging economies and business depending on exports. The uncertainties associated with recession and recovery call for different set of organizational behaviors in order to survive and perform. In general, the environment poses certain requirement of behaviors to suit its needs. Organizations also need to be prepared for adapting their behaviors in order to remain competitive under changing environment conditions. Besides, many organizations have their offices in different countries. With the advent of globalization and mergers and acquisitions across borders, understanding of national culture and imperatives for behavior has become vital. As a
result, external environment creates a need for new behaviors which negotiate with the current manifestation of behaviors and thus change the dominant values and beliefs of the organization. The assumption here is that all participants of an organization would like to see their organization succeed, and the meaning of success may change with environmental contexts. Our fourth proposition thus follows,

Proposition 4: The external sources of behavior, and hence the values and beliefs derived from the national culture and general economic conditions will negotiate with the dominant and current values and beliefs of an organization and thus influence the organizational culture.

As described above, and following from the four hypothesis stated, there seems to be a continuous interplay between the organizational culture, its subculture, the internal and external environment of the organization and the leadership and people with influence who guide behavior. As manifestation of behavior changes, so do behavior outcomes. As described in the beginning, if organizational success demands a change of behavior and experimentation with behaviors gives rise to new forms of behaviors, they are likely to get accepted and become the norms, eventually bringing about a change in the values and beliefs at different levels according to the respective needs of these levels in an organization.

Proposition 5: The manifestation of behaviors, based on the outcomes of behaviors in various behavioral contexts are likely to shape the values and beliefs of the organization which in turn will negotiate with the individual and organizational level sources of behavior in an organization and thus influence the organizational culture.

Following from the five hypotheses described above, the organizational culture is likely to be in a state of flux at all times. We therefore suggest that culture is dynamic and is a continuous process of interaction between what is manifested as a behavior and the sources of that behavior. As organizations and its members strive to achieve optimum performance, they always try to negotiate between the manifested behavior and their sources in behavioral contexts which are inherently dynamic. It therefore follows that,

Proposition 6: Organizational Culture is dynamic and a result of the continuous negotiation of sources of behavior and the manifestation of behavior in an organization’s behavioral context.

5. Discussion

Review of various studies has supported our view of understanding culture as dynamic and dependent on various internal and external environment conditions which invariably change with time, an assumption more valid in today’s global village. These studies suggest that culture has time perspective, is related to performance and non-performance as well as to other variables related to performance and that in the highly ambiguous, uncertain and complex times, firms with cultures suited to their market environment will perform better (e.g. Pettigrew, 1979; Williamson, 1980; Schien, 1983; Martin, Siehl, 1983; Barley, 1983; Wilkins, Ouchi, 1983; Kotter & Heskett, 1992; Harris, 1994; Barger, 2007; Bryson, 2008; Taormina, 2008; Zheng et al, 2009). Pettigrew (1979) advocated longitudinal-
processual study of organizations. Williamson (1980) demonstrated the existence of dominant, emergent and residual cultures. All of these suggest that as organizations evolve they will filter behavior norms suited to contemporary requirements. Therefore, in order to survive and succeed, as new groups take charge, and as old behaviors become dysfunctional, new behaviors will be required which will challenge the values and beliefs and assumptions of the organization and new culture will be negotiated on a continuous basis. Using the above arguments, we have presented the behavioral model of OC.

Researchers of systemic change initiatives have paid little direct attention to the values, beliefs and underlying assumptions that support or impede these new behaviors (Detert et al, 2000). In absence of giving way to new behaviors, the sources of behavior would be criticized of exercising normative control. It has been pointed that culture serves as organizational control mechanisms, informally approving or prohibiting some patterns of behavior helping the top management to control behavior in accordance with their objectives (Martin et al., 1983). Most traditional OC definitions thus imply that OC is something developed and retained by organizations such that it is relatively stable and enduring. Hence, cultural change intervention is sought through the help of external agents. How do existing definitions of culture, then, explain the context of changing environments? If OC is affected by different levels of sources of behavior as described in our model and as evidenced by several studies carried out in the past decades, how can culture be stable and enduring?

Literature addresses this perplexity through the concept of organizational climate. Tagiuri and Litwin (1968) defined climate as the values of a particular set of characteristics (or attributes) of the environment which are experienced by the occupants and influence their behavior i.e. there is emphasis on how the social environment is experienced by the actors while culture theorists like Schien argue how the social environment is created by the actors (Denison, 1996). This implies that while the organization experiences changing environments (climate), the culture (basic assumptions) created remains unaltered, a premise on which organizations across the world need external change agents. We argue that since beliefs are formed through experiments of behavior, a consistent requirement of change in behavior would automatically lead to formation of new beliefs. Eventually, this will alter the underlying assumptions of the founders who had an important role in developing the culture of the organization. Even if they are resilient to this change, they may withdraw to enable the new generation to devise new behaviors to compete in the changing environment. This is likely to induce change in the culture of the organization. Hence, culture can neither be stable nor remain unaffected by environment which is always changing. We have tried to contribute to the dynamic aspects of culture using a behavioral model and have indicated that new behaviors will affect a change in culture.

Authors of literature on climate and culture have attempted to understand this process of reciprocal evolution, but they have often been more successful at explaining one process or the other, rather than both at the same time (Denison, 1996). Concepts for understanding culture in organizations have value only when they derive from observation of real behavior in organizations, when they make sense of organizational data, and when they are definable enough to generate further study (Schien, 1996).
Since organizational culture studies cannot be complete without differentiating it from climate, we present below our understanding of the two concepts.

The climate research has its roots in Lewin’s (1951) expression of relationship between individuals and their social environments in terms of a simple equation:

\[ B = f(P, E) \]

Where in B = behavior, E = the environment, and P = the person;

According to Lewinian field theory, the social world can neatly be divided into Bs, Ps and Es. This assumes that managers are the agents providing for a climate and employees work in that climate and there is little scope for contribution of the individuals to the social context or the environment.

We suggest organizational culture (OC) can be represented in a rather complex equation as below:

\[ OC = f(B, V, E) \]

Where in B = behavior, E = the environment, and V = the values and beliefs;

Our assumption is that Bs, Vs and Es are not independent but interdependent and have interaction effects; Vs have more influence on the internal environment and Es relate more to external environment which is dynamic and in times as now, both are turbulent, both influence the Bs and assist in reciprocal evolution of the organizational culture and indulge in cultural negotiation, a term coined by Williamson (1980). After all, the organizations are not only made up of individual interactions but are also a determining context for those interactions (Ashforth, 1985; Barley, 1986; Golden, 1992; Poole, 1985; Poole & McPhee, 1983; Riley, 1983; Schneider & Reichers, 1983). Although culture as a process and more critical views have increased in popularity emphasizing the need for greater reflexivity in organizational research (Alvesson, 2002; Weick, 1999; Hawkins, 1997), where empirical studies are reported they still tend to reflect one point in time and thus fail to capture the process of cultural negotiation. Sound theory must take into account the history and the future of a system and relate them to the present (Pettigrew, 1979).

6. Conclusion and Implications for Future Research

Research that can contribute practical assistance to achieving a dynamic and broad contextual perspective is sparse throughout the literature on organizational culture (Bryson, 2008). This paper adds to the body of literature in two ways: 1) It presents organizational culture research carried out during the past three decades in order to provide future researchers with useful insights. 2) It provides a comprehensive framework and a behavioral perspective to understanding organizational culture and why and how it will change as an organization evolves through changing environment conditions, internal and external. Future research can examine each source of behavior of OC in detail and also the dynamics involved in the interchange between the manifestation of organization behavior and the source of behavior. Consequently, the proposed model has implications for practice as managers can have an overall assessment of the organizational culture by analyzing manifestations of organizational behavior and also by identifying sources of behavior.
References


