

Organizational culture

Organizational culture encompasses the shared norms, values, and behaviors—observed in schools, not-for-profit groups, government agencies, sports teams, and businesses—reflecting their core values and strategic direction. Alternative terms include business culture, corporate culture and company culture. The term corporate culture emerged in the late 1980s and early 1990s.^[a] It was used by managers, sociologists, and organizational theorists in the 1980s.

Organizational culture influences how people interact, how decisions are made (or avoided), the context within which cultural artifacts are created, employee attachment, the organization's competitive advantage, and the internal alignment of its units. It is distinct from national culture or the broader cultural background of its workforce.

A related topic, organizational identity, refers to statements and images which are important to an organization and helps to differentiate itself from other organizations. An organization may also have its own management philosophy. Organizational identity influences all stakeholders, leaders and employees alike.

Definition

Various definitions exist, without consensus. Lesley Willcoxson and Bruce Millett note that organizational cultures can be described in similar ways to wider forms of culture such as national culture. Some of the definitions offered include:

- Writers Terrence E. Deal and Allan A. Kennedy defined organizational culture as “the way things get done around here”.
- According to Elliott Jaques, the culture of a factory “is its customary and traditional way of thinking and doing of things, which is shared to a greater or lesser degree by all its members, and which new members must learn, and at least partially accept, in order to be accepted into service in the firm”.
- Edgar Schein defined it as including a shared “pattern of basic assumptions” that group members acquired over time as they learn to cope with internal and external organizationally relevant problems.
- Ravasi and Schultz characterized it as a set of shared assumptions that guide behaviors. It is also the pattern of such collective behaviors and assumptions that are taught to new organizational members as a way of perceiving, thinking, and feeling.
- Schein, Deal and Kennedy, and Kotter advanced the idea that cultures are diverse and may encompass subcultures linked to an individual management teams.
- Ravasi and Schultz and Allaire and Firsirotu claim that organizational culture represents the collective values, beliefs and principles of organizational members. It is influenced by factors such as history, type of product, market, technology, strategy, type of employees, management style, and national culture. Culture includes the organization’s vision, values, norms, systems, symbols, language, assumptions, environment, location, beliefs and habits. Gallup reported that just 22% of U.S. employees feel connected to their organization’s culture.
- Geert Hofstede defined organizational culture as “the collective programming of the mind which distinguishes the members of one organization from another”.
- McHale defines culture as “how the organization functions and its deeply embedded patterns”.

History

Elliott Jaques introduced the concept in his 1951 book *The Changing Culture of a Factory*. The book was a published report of “a case study of developments in the social life of one industrial community between April, 1948 and November 1950”. The case involved a publicly-held British company engaged principally in the manufacture, sale, and servicing of metal bearings. The study concerned itself with the description, analysis, and development of corporate group behaviors.

Analysis

Researchers have proposed various dimensions individually and in combination as useful for analyzing organizational culture. Examples include external/internal, strong/weak, flexible/rigid, and many others.

Insularity

Culture can be externally focused, aiming to satisfy customers, investors, and partners. Alternatively, they can be internally focused, aiming to satisfy employees, comply with union-imposed rules, or to meet conduct standards around issues such as diversity, equity, and inclusion. Many organizations lie between such extremes, attempting to balance the needs of multiple stakeholders.

Strength

Any type of culture can be strongly or only tacitly supported. A strong culture is characterized by reinforcing tools such as ceremonies and policies to instill and spread it.[predatory publisher] The intent is to secure group compliance.

Researchers generally report that organizations having strong cultures are more successful.

An employee's perception of the organization's culture can have an impact on the employee's longevity with the organization. When organizations create a positive environment for their employees, they experience professional fulfillment, boosted performance, and a longer stint with the organization.

Risks

Tension arises when cultural (personal) and organizational identities do not match well because corporate policies, work practices, and communication styles conflict with local customs, for example in terms of formal vs. informal work environments, direct vs. indirect communication, and individualistic vs. collectivist approaches.

Quiet quitting is a principle that could potentially affect organizations with negative culture. It is the idea of doing the bare minimum on a job and setting boundaries in response to poor culture, burnout, lack of recognition, and inadequate work-life balance. This occurs in unhealthy work environments where personal circumstances force employees to stay.

Cultural

Organizational culture is used to control, coordinate, and integrate distinct groups across the organization. Differences in national cultures must be addressed. Such differences include organizational structure and manager/employee relationships.

Groupthink

Irving Janis defined groupthink as "a mode of thinking that people engage in when they are deeply involved in a cohesive in-group, when the members' strivings for unanimity override their motivation to realistically appraise alternative courses of action." This is a state in which even if group members have different ideas, they do not challenge the group. Groupthink can lead to lack of creativity and decisions made without critical evaluation. Hogg and separately Deanne et al. stated that groupthink can occur, for example, when group members rely heavily on a charismatic figure or where members evince an "evangelical" belief in the organization's values. Groupthink can also occur in groups characterized by a friendly climate conducive to conflict avoidance.

Since the late 1960s, the so-called "Five Monkeys Experiment", which serves to exemplify the adverse effects of unquestioned traditions, has become part of management lore, often titled "How Company Policy Is Made". It imagines a situation where five monkeys are in a cage with a banana tied to the ceiling. Whenever a monkey climbs to reach the banana, all five are sprayed with cold water. The group quickly learn to ignore the banana and punish any monkey who attempts to reach for it. If one monkey is removed from the cage

and replaced with a newcomer, they too are punished for reaching for the banana. If every monkey is subsequently replaced in this manner, so that none present remember being sprayed with cold water, the group will supposedly continue to punish any attempts to reach the banana. The monkeys are perpetuating a caution that may be redundant “because that’s the way it’s always been around here”.

Rigidity and adaptability

Willcoxson and Millett note that organizational cultures change over time.: 93 Kotter and Heskett define an adaptive culture as characterized by managers who pay close attention to their constituencies, especially customers, initiating change when needed, and taking risks. They claim that organizations with adaptive cultures perform better.

Bullying

Bullying manifests in workplaces that allow employees of higher status to harass those of lower status. This generally requires support or at least forbearance from company leaders. Bullying can cascade down the organizational hierarchy as supervisors experiencing bullying display the same behavior to their subordinates.

Workplace bullying impacts employees leading to increased stress on the job, decreased productivity and high turnover rates. Employees who are bullied often remain silent because management fails to hold perpetrators accountable.

COVID-19 impact

The pandemic led many organizations to incorporate limiting spread into their cultures as a collective responsibility. Responses focused on requiring vaccines, hygiene, and masking.

In Asia, mask-wearing was part of several national cultures predating the pandemic. This was driven by experience with prior flus in Asia, such as Spanish flu, Hong Kong flu, Avian flu, and Swine flu, in addition to SARS, as well as various affronts to air quality such as volcanic eruptions.

Somers categorized cultures based on whether the need of the individual or the group was foremost. He used behaviors such as mask-wearing to measure collectivism vs individualism. Cultures otherwise rated “strong” were relatively resistant to change during the pandemic. However, strong cultures that emphasized innovation were more willing to change.

Mandated interventions could be seen by members either as attempts to protect them or to as attempts to exert control despite limited effectiveness, depending on how they were presented.

Digital tools such as videoconferencing, screen-sharing, file sharing, shared document authoring, digital whiteboards, and chat groups became widely accepted, replacing in-person meetings. The reduced amount of face-to-face communications may have impacted organizational cultures. New members, lacking face time with others, experienced difficulty in adapting to their organization’s culture. The loss of face-time affected existing employees as well, directly weakening cultures, in addition to the indirect effects that strengthened or weakened cultures as organizations reacted in various ways to the pandemic. Some members felt disengaged and expandable rather than essential, alienated, and exhausted.

Sull and Sull reported that employees rated their leadership higher given honest/open communication, integrity, and transparency more than in preceding years. Also, employers and leaders giving more attention to employees’welfare had a positive impact on cultural adherence. Chambers claimed that this was a short-term response rather than a culture change.

Deloitte argued that employees displayed greater sense of purpose, inspiration, and contribution. Also, leaders became more tolerant of employees’failure because of a significant increase in experimentation and risk-taking.

Daum and Maraist claimed that sense of purpose relates to customers and the society of which employees are part. They compared hospitals and retail shops. The former had a greater sense of purpose during the pandemic, while the latter had less.

Indicators

Healthy cultures address members' concerns about the well-being of the organization. Whistleblowing, particularly when it damages a company's reputation, is considered to be a sign of a dysfunctional corporate culture, indicating that internal methods of addressing problems are inadequate.

Role of communication

Promulgating a corporate culture requires effort, typically from leaders, but potentially throughout the organization. Among the many types of communication that affect organizational culture are:

- Metaphors such as comparing an organization to a machine or a family.
- Stories
- Rites and ceremonies: Rites of passage: employees move into new roles Rites of humiliation: employees have power taken away from them Rites of enhancement: recognition for accomplishments Rites of renewal: strengthen existing social structures Rites of conflict reduction: resolve arguments Rites of integration: strengthen ties across individuals and groups
- Reflexive comments, explanations, justifications, and criticisms of actions: Plans: comments about anticipated actions Commentaries: comments about action in the present Accounts: comments about an action or event that has already occurred

Intended effects

Numerous outcomes have been associated either directly or indirectly with organizational culture. The relationships between organizational culture and various outcomes include organizational performance, employee commitment, and innovation. A healthy and robust organizational culture is thought to offer various benefits, including:

- Competitive edge derived from innovation and customer service
- Consistent efficient employee performance
- Team cohesiveness
- High employee morale and job satisfaction
- Alignment towards goal achievement
- Increased member conscientiousness, leading to better compliance with procedures such as information security, and workplace safety

A Harvard Business School study reported that culture has a significant effect on an organization's long-term economic performance. The study examined the management practices at 160 organizations over ten years and found that culture can impact performance. Performance-oriented cultures experienced better financial results. Additionally, a 2002 Corporate Leadership Council study found that cultural traits such as risk taking, internal communications, and flexibility are important drivers of performance. Furthermore, innovativeness, productivity through people, and other cultural factors cited by Peters and Waterman in *In Search of Excellence* also have positive economic consequences.

Denison, Haaland, and Goelzer reported that culture contributes to the success of the organization, but not all dimensions contribute equally. Effects differed across nations, implying that organizational culture is rooted in national culture.

Culture change

Cultures are not static and can evolve over time, either organically or through intentional change efforts by management. Culture change may be attempted to reduce member turnover, influence behavior, make improvements to the organization, reset objectives, rescale the organization, or achieve specific results.

Stages

Organizational cultures have been reported to change in stages. Organizational communication professor Dave Logan proposed five stages:

- “Life sucks”(a subsystem severed from other functional systems; such as a tribe, gang or prison—2 percent of population);
- “My life sucks”(—25 percent of population);
- “I’m great, and you’re not”(—48 percent of population);
- “We are great, but other groups suck”[verification needed] (unification around more than individual competence—22 percent of population) and
- “Life is great”(3 percent of population).

Obstacles

Existing culture can hinder change efforts, especially where members understand the roles that they are supposed to play. Marquis et al. claimed that 70% of all change efforts fail because of the members. Organizational culture, and the structures in which they are embedded, often exhibit substantial inertia.

Cultural change in public sector organizations presents distinct challenges due to the structural, political, and behavioral characteristics of government institutions. Unlike private enterprises, public agencies operate within rigid bureaucratic frameworks, are subject to political oversight, and often face resource constraints that limit their capacity for sustained transformation.

One of the most significant obstacles is bureaucratic rigidity. Public sector organizations are typically governed by formal rules, hierarchical structures, and standardized procedures designed to ensure accountability and fairness. While these features serve important democratic functions, they can also inhibit flexibility and responsiveness. Christensen and Lægreid argue that the institutional logic of bureaucracy often clashes with the adaptive demands of cultural change, making it difficult to introduce new values or behaviors that deviate from established norms.

Political pressures further complicate cultural change initiatives. Public agencies are embedded in political systems where leadership turnover, shifting policy priorities, and electoral cycles can disrupt long-term reform efforts. Pollitt and Bouckaert note that cultural change requires continuity and strategic alignment, yet public managers often operate under short-term mandates that prioritize immediate results over deep transformation.

Resource limitations are another persistent barrier. Many public sector organizations face budget constraints, staffing shortages, and competing priorities that restrict their ability to invest in cultural change programs. Initiatives such as training, mentoring, and organizational redesign require time and funding, yet these are often deprioritized in favor of operational demands.

Employee resistance also plays a critical role in shaping the trajectory of cultural change. Public sector employees may be deeply attached to existing routines, role identities, and organizational traditions. Change initiatives that challenge these foundations can provoke anxiety, skepticism, or disengagement.

Ogbonna and Harris argue that entrenched cultural norms and structural inertia contribute to high failure rates in organizational change efforts, particularly when new values are not reinforced through leadership modeling and performance systems.

In addition, leadership gaps can undermine cultural change. Effective transformation requires leaders who not only endorse new values but also embody them in daily practice. In the public sector, however, leadership may be constrained by political appointments, administrative turnover, or limited autonomy.

Without consistent and visible support from senior leaders, cultural change efforts risk being perceived as superficial or temporary. Schein highlights the importance of leadership in shaping and sustaining organizational culture, noting that symbolic actions and behavioural modelling are essential for embedding new norms.

Finally, evaluation and feedback mechanisms are often underdeveloped in public sector HRM. Cultural change requires ongoing assessment to identify progress, surface any resistance, and adjust strategies accordingly. Yet many public agencies lack the tools or capacity to conduct meaningful evaluations of cultural initiatives.

Without data-driven insights, it becomes difficult to refine interventions or demonstrate impact, which can erode support and momentum.

Methods

Change methodologies include Peter Senge's concept of a "learning organization" expressed in *The Fifth Discipline* or Directive Communication's "corporate culture evolution".

Changing culture takes time. Members need time to get used to the new ways. Organizations with a strong and specific culture are harder to change.

Prior to introducing a cultural change, a needs assessment can characterize the existing culture. This involves some mixture of employ surveys, interviews, focus groups, observation, customer surveys, and other internal research. The company must then describe the new, desired culture, and then design a change process.

Cummings and Worley offer six guidelines for cultural change, in line with the eight distinct stages mentioned by Kotter.

- Formulate a strategic vision (Kotter stage 1, 2, and 3). A clear vision of the firm's new strategy, shared values and behaviors provides direction for the culture change.
- Display top-management commitment (stage 4). Culture change must be managed from the top of the organization, as senior management's willingness to change is an important indicator. Leadership must be strongly in favor of the change to implement the change. De Caluwé and Vermaak provide a framework with five different ways of thinking about change.
- Model change at the highest level (stage 5). In order to show that management wants the change, the change has to be visible and notable. Leadership needs to express the values and behaviors to be realized. It is important that leadership acknowledge the strengths of the current culture; it must be made clear that the culture needs adjustments rather than radical changes. This process may include creating committees, task forces, or value managers. Change agents communicate the new culture. They must embody courage, flexibility, interpersonal skills, organization knowledge, and patience. These individuals must be catalysts, rather than dictators.
- The fourth step is to modify the organization to support change. This includes identifying systems, policies, procedures and rules accordingly. This may include changes to accountability systems, compensation, benefits/reward structures, and recruitment and retention programs.
- Select and socialize newcomers and expel deviants (stage 7 and 8). A way to implement a change is to connect it to organizational membership. People may have to be selected and terminated in terms of their fit with the new culture. Encouraging employee motivation and loyalty is key and creates a healthy culture. Change managers must be able to connect the desired behavior and organizational success. Training must be provided to employees.
- Develop ethical and legal sensitivity. Changes in culture can lead to tensions between organizational and individual interests, which can create legal problems for practitioners. This is particularly relevant for changes in integrity, control, equitable treatment and job security. An evaluation process monitors progress and identifies areas that need further development. This step surfaces obstacles and resistant members, and acknowledges and rewards improvement, which encourages change. It may be necessary to incorporate new change managers, such as outside consultants. People often resist change, leaving it to leadership to convince people that gains outweigh losses. Besides institutionalization, reification is another process that tends to occur in strong cultures. The organization may come to be regarded as a source of pride, and even unique. The organization's members develop a strong bond that transcends material returns, and begin to identify with it, turning the organization into a sort of clan.

Research and models, cultural dimensions

Several methods have been used to classify organizational culture. While there is no single “type” of organizational culture and organizational cultures vary widely across organizations, researchers have developed models to describe different indicators of organizational cultures.

Hofstede's National Culture Dimensions

Hofstede looked for differences between over 160 000 IBM employees in 50 countries and three regions of the world, searching for aspects of culture that influence business behavior. He emphasized awareness of international differences and multiculturalism. Cultural differences reflect differences in thinking and social action, and in “mental programs”, a term Hofstede used for predictable behavior. Hofstede related culture to ethnic and regional differences, but also to the influence of organizations, professional, family, social and subcultural groups, national political systems, and legislation.

He suggested that changing “mental programs” involves changing behavior first, which then leads to value change. Though groups such as Jews and Gypsies have maintained their identity through centuries, their values reflect adaptation to the dominant cultural environment.

Hofstede described national and regional cultural groupings that affect the behavior of organizations and identified four dimensions of culture (later five) in his study of national cultures:

- Power distance –Societies adopt various approaches to social inequality. Although invisible, inside organizations' power inequality of the “boss-subordinate relationships” is functional. “According to Mulder’s Power Distance Reduction theory subordinates will try to reduce the power distance between themselves and their bosses and bosses will try to maintain or enlarge it”, but societies expect differences in power levels to exist.
- Uncertainty avoidance is a way of coping with uncertainty. Society copes using technology, law and religion/ritual, along either a rational (technology, law) or non-rational (religion/ritual). Hofstede cited rituals including memos and reports, some parts of accounting systems, parts of planning and control systems, and the invocation of experts.
- Individualism vs. collectivism –disharmony of personal and collective interests. Hofstede raised the idea that society’s expectations of Individualism/Collectivism are reflected by members. Collectivist societies have more emotional dependence; when in equilibrium an organization is expected to show responsibility to members. Individualist societies more often expect self-reliance. Some cultures have features of both.
- Masculinity vs. femininity –reflects whether a certain society emphasizes stereotypical male or female cultural values, gender roles and power relations.
- Long- versus short-term orientation –“The long-term orientation dimension can be interpreted as dealing with society’s search for virtue. Societies with a short-term orientation generally have a strong concern with establishing the absolute Truth. They are normative in their thinking. They exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results. In societies with a long-term orientation, people believe that truth depends very much on situation, context and time. They show an ability to adapt traditions to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results.”

These dimensions help define the effect of national cultures on management, and can be used to adapt to local needs.

Daniel Denison

Denison’s model assessed culture along four dimensions. Each divides into three sub-dimensions:

- Mission –Strategic Direction and Intent, Goals and Objectives and Vision
- Adaptability –Creating Change, Customer Focus and Organizational Learning
- Involvement –Empowerment, Team Orientation and Capability Development
- Consistency –Core Values, Agreement, Coordination/Integration

It separately assesses cultures along the dimensions of external/internal focus and flexible/stable evolution.

Deal and Kennedy

Deal and Kennedy characterized four types of organizations. Each focused on how quickly the organization processes along three dimensions: feedback, member rewards, and risk.

- Work-hard, play-hard –Feedback: rapid; risk: low. Stress comes from work quantity rather than uncertainty. High-speed action leading to high-speed recreation. Examples: Restaurants, software companies.
- Macho –Feedback: rapid; reward: rapid; risk: high. Stress comes from risk and potential reward loss/gain. Short-term focus. Examples—police, surgeons, sports.
- Process culture –Feedback: slow; reward: slow; risk: low. Low stress, plodding work, comfort and security. Stress comes from internal politics and bureaucracy. Examples: banks, insurance companies.
- Bet-the-company culture –Feedback: slow; reward: slow; risk: high. Stress comes from high risk and long payoff intervals. Detailed long-term planning. Examples: aircraft manufacturers, oil companies.

Artifacts, values, and tacit assumptions

Schein claimed that culture is the most difficult organizational attribute to change, outlasting products, services, founders and leadership and all physical attributes. His model considers culture as an observer, characterized in terms of artifacts, values and underlying assumptions.

Schein's model considers attributes that can be experienced by the uninitiated observer –collectively known as artifacts. Included are facilities, offices, furnishings, visible awards and recognition, informal dress codes, member interactions with each other and with outsiders, and company slogans, mission statements and other creeds.

- Artifacts are physical elements that convey cultural meaning. Denison described artifacts as the tangible aspects of culture shared by members of an organization. Verbal, behavioral and physical artifacts are the surface manifestations of organizational culture. Technology and art exhibited by members of an organization are examples of physical artifacts. Rituals (myths, stories, and sagas) are artifacts that convey organizational history and influence member understanding of values and beliefs.
- Values direct individual behavior such as loyalty and customer orientation. Acceptance of stated values underlies impressions about trustworthiness and supportiveness, while also informing member behavior. This can be assessed by member interviews and surveys.
- Tacit assumptions are elements of culture that are not explicitly identified by members. Some elements may be taboo to discuss. Members may not have conscious knowledge of them. Nevertheless, they can influence member behavior. Interviews and surveys do not reveal them—much more in-depth assessment is required.

This model can enable understanding seemingly paradoxical behavior. For instance, an organization can profess high aesthetic and moral standards in terms of values, while violating those values should they conflict with tacit assumptions.

External adaptation and internal integration

Schein claimed that the two main reasons why cultures develop in organizations are external adaptation and internal integration. External adaptation helps an organization to flourish by affecting its culture. An appropriate culture holds the potential for generating sustained competitive advantage over external competitors.

Internal integration is an important function for establishing essential social structures and aiding socialization at the workplace. Culture-shaping factors include:[clarification needed]

- External environment
- Industry
- Size and nature of the organization's workforce

- Technologies the organization uses
- The organization's history and ownership

Organizational structure, organizational culture

Organizational structure is linked to organizational culture. Harrison described four types of culture:

- Power culture –concentrates power among a small group or a central figure and its control radiates from its center like a web. Power cultures need few rules and little bureaucracy, but swift decisions can ensue.
- Role culture –authorities are delegated within a defined structure. These organizations form hierarchical bureaucracies, where power derives from personal position and rarely from expertise. Control is by procedures (which are highly valued), strict role descriptions and authority definitions. These organizations have consistent systems and are predictable. This culture is often represented by a “Roman Building”with “pillars”. These pillars represent the functional departments.
- Task culture –teams are formed to solve particular problems. Power is derived from the team with the expertise to complete a task. This culture uses a small team approach, where people are highly skilled and specialized in their own area of expertise. Additionally, these cultures often feature multiple reporting lines found in a matrix structure.
- Person culture: formed where all individuals believe themselves superior to the organization. It can become difficult for such organizations to operate, since the concept of an organization suggests that members are like-minded individuals who pursue common organizational goals. Some professional partnerships operate well as such cultures, because each partner brings a particular expertise and clientele to the group.

Cultural web

Johnson described a cultural web, identifying elements that can be used to describe/influence organizational culture:

- The paradigm –What the organization is about, what it does, its mission, its values.
- Control systems –Processes that monitor activity. Role cultures have vast rule-books. Power cultures rely on individualism.
- Organizational structure –Reporting lines, hierarchies, and the way that work flows through the organization.
- Power structures –Who makes the decisions, how widely spread is power, and on what is power based?
- Symbols –Organizational logos and designs, including symbols such as parking spaces and executive washroom keys.
- Rituals and routines –Management meetings, board reports,...
- Stories and myths –narratives about people and events that convey values

These elements may overlap. Power structures may depend on control systems, which may exploit rituals that generate stories that may or may not be true.

Schemata

Schemata are knowledge structures derived from experience that simplify behavioral choices by providing a way to think about events. Schemata are created through interaction with others. Harris described five categories of in-organization schemata necessary for organizational culture:

- Self-in-organization schema –individual self-concept relating to the organization, including personality, roles, and behavior
- Individual-in-organization schema –memories, impressions, and expectations of others
- Organization schema –a subset of individual schema: generalized perspective on others
- Object/concept-in-organization schema –organizational aspects
- Event-in-organization schema –knowledge of social events

These schemata represent an individual's knowledge of the organization. Culture results when individual schemata become shared across an organization, primarily through organizational communication, reflecting shared knowledge and meaning.

Reciprocity

Adam Grant, author of Give and Take, highlights norms of reciprocity in analyzing culture. He distinguishes giver, taker and matcher cultures.

- Givers –employees operate by “helping others, sharing knowledge, offering mentoring, and making connections without expecting anything in return”
- Takers –“get as much as possible from others while contributing less in return” and winners are those who take the most and are able to build their power even at the expense of others.
- Matchers –match giving with taking, and trade favors mostly in closed loops.

In a study of the US intelligence system, giver cultures had the greatest group effectiveness.

Frank claimed that “many organizations are essentially winner-take-all markets, dominated by zero-sum competitions for rewards and promotions”. In particular, when leaders implement forced ranking systems to reward individual performance, giver cultures give way to taker or matcher cultures. Awarding the highest-performing individual within each team encourages a taker culture.

Entrepreneurial

McGuire's model predicted revenue from new sources. An entrepreneurial organizational culture is a system of shared values, beliefs and norms, valuing creativity and tolerance, believing that innovating and seizing market opportunities are solutions to problems of survival and prosperity, environmental uncertainty, competition, and expects members to behave accordingly.

- People and empowerment focused
- Value creation through innovation and change
- Attention to basics
- Hands-on management
- Doing the right thing
- Freedom to grow and to fail
- Commitment and personal responsibility
- Emphasis on the future

Variable, process

Smircich described two approaches to studying organizational culture: as a variable and as a process. The former could be external or internal, encompassing values, norms, rituals, structures, principles, assumptions, and beliefs. National culture influences that variable.

Driskill and Brenton claimed that culture could be understood as shared cognition, systems of shared symbols, and as the expression of unconscious processes.

Organizational communication

The organizational communication perspective views culture as falling into three types:[citation needed]

- Traditional –views culture through stories, rituals, and symbols
- Interpretive –views culture through a network of shared meanings (members sharing subjective meanings)
- Critical-interpretive –views culture through a network of shared meanings as well as through power struggles created by competing meanings.

Rosauer observed organizational culture to be emergent –an incalculable state that results from the combination of various ingredients. In “Three Bell Curves: Business Culture Decoded”, he outlined three ingredients that he claimed guide business culture:

- employee (focus on engagement)
- work (focus on eliminating waste increasing value)
- customer (focus on likelihood of referral)

Improving these areas brings leadership, employees, work and customers together, improving culture and brand.

Other

Other frameworks include:

- Kets de Vries and Miller (1984): Paranoid, Avoidant, Charismatic, Bureaucratic, and Schizoid
- Mitroff and Kilmann (1975): Sensation thinking, Sensation feeling, Intuitive thinking, and Intuitive feeling
- Sethia and Von Gilnow in 1985: Caring, Apathetic, Integrative, and Exacting
- Deal and Kennedy (1982): organizational environment, core beliefs, heroes of the culture, folklore, myths, rites, rituals of culture, and the cultural network
- Ouchi and Jaeger (1978): type A (allows some decision making), J (tribal control), and Z (tribal decision making)
- McHale's 4-stage Culture Disruptor: 1. Diagnose the deeply embedded patterns 2. Reframe role of the parts 3. Break the patterns 4. Consolidate one's gains

Instruments

O'Reilly, Chatman and Caldwell developed a model based on the belief that cultures can be distinguished by values. Their Organizational Cultural Profile (OCP) is a self-reporting tool that distinguishes eight categories:

- Innovation
- Supportiveness
- Stability
- Respect for People
- Outcome Orientation
- Attention to Detail
- Team Orientation
- Aggressiveness.

The instrument can measure how culture affects performance, as it discerns persons most suited to an organization and such organizations have an effective culture. Takeda claimed that such instruments can measure both person-situation fit and person-culture fit. Such measurements assess the level of compatibility between employees and companies. Employee values are measured against organizational values to predict employee turnover.

Cameron and Quinn developed the Organizational Culture Assessment Instrument (OCAI) that distinguishes four culture types, based on the Competing Values Framework.

Competing values can be assessed along dimensions of flexibility/stability and internal/external focus –they reported these to be the most important in influencing organizational success. These dimensions enable a quadrant of four culture types:

- Clan culture is flexible/internal focused.
- Adhocracy culture is flexible/externally focused.
- Market culture is stable/externally focused.
- Hierarchy culture is stable/internal focused.

Cooke defined culture as behaviors that members believe are required to fit in and meet expectations. The Organizational Culture Inventory measures twelve behavioral norms grouped into three culture types:

- Constructive cultures –Members are encouraged to interact with people and approach tasks in ways that help them meet their higher-order satisfaction needs.
- Passive/defensive cultures –Members believe they must interact with people in ways that will not threaten their own security.
- Aggressive/defensive cultures –Members are expected to approach tasks forcefully to protect their status and security.

Critical views

Criticism of “organizational culture” began in the early 1980s. Most criticism comes from writers in critical management studies who for example express skepticism about functionalist and unitarist views. They stress the ways in which these assumptions can stifle dissent and reproduce propaganda and ideology. They suggest that organizations do not embody a single culture (diversity), and cultural engineering may not reflect the interests of all stakeholders.

Parker suggested that many of the assumptions surrounding organizational culture are not new. They reflect a long-standing tension between cultural and structural (or informal and formal) versions of organizations. Further, it is reasonable to suggest that complex organizations might have many cultures, and that such sub-cultures might overlap and contradict each other. The neat typologies of cultural forms found in textbooks rarely acknowledge such complexities, or the various economic contradictions that exist in capitalist organizations.

Smircich criticized theories that attempt to categorize or ‘pigeonhole’ organizational culture. She applied the metaphor of a plant root to represent culture, saying that it drives organizations rather than vice versa. Organizations are the product of their organizational culture, which shapes behavior and interaction. While Schein’s underlying assumptions are that beliefs, perceptions, thoughts, and feelings are taken for granted and can be observed and considered the ultimate source of values and action. However, such assumptions undermine attempts to categorize and define organizational culture.

Legal liability

In the US, corporate culture can legally be found to be a cause of injuries and a reason for fining companies, such as when the US Department of Labor Mine Safety and Health Administration levied a fine of more than US\$10.8 million on Performance Coal Co. following the Upper Big Branch Mine disaster in April 2010. This was the largest fine in the history of this agency.

Subcultures

Groups within the organization may act according to their own subcultures that are not fully aligned with that of the organization as a whole. For example, computer technicians will have expertise, language and behaviors gained independently of the organization, but their presence can influence the culture of the larger organization.

Shadow side

Egan and Tate speak of organizations having a “shadow side”, which Egan defined as:

All those things that substantially and consistently affect the productivity and quality of the working life of a business, for better or worse, but which are not found on organisation charts, in company manuals, or in the discussions that take place in formal meetings.

Tate describes the shadow side as the “often disagreeable, messy, crazy and opaque aspects of [an] organisation’s personality”.