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Title Page

The Relationship Between Business-Level Strategy and Organisational Culture

Norman Harold Chorn

A Thesis submitted to the Graduate School of Business Administration, University of the Witwatersrand, Johannesburg, in fulfillment of the requirements for the degree of Doctor of Philosophy.

Johannesburg, 1987

Abstract

The purpose of this dissertation is to investigate the relationship between organisational culture and strategy. The organisation is studied from two perspectives to produce a holistic understanding of the strategic process.

The functionalist perspective views culture as a variable within a systems viewpoint of the organisation, while the interpretive perspective uses culture as a metaphor to conceptualise and analyse the organisation. By combining the insights from the two perspectives, the organisation is defined as a three-level construct of underlying assumptions, values and beliefs, and physical manifestations. For the purposes of the research, strategy is viewed as a key manifestation of the organisation. Its relationships with the assumptions, values and beliefs are analysed.

The overall research problem concerns the concept of the organisation as an integrated whole. By combining theories from the literature and perceptions from the target population, a typology of four organisational forms is developed. Each is a consistent set of underlying assumptions, values and beliefs, and strategy. The research propositions advocate that specific strategies are associated with specific assumptions, values and beliefs, and that the consistency between these will influence organisational performance.

The propositions are tested in 59 Strategic business Units (SBUs) of organisations listed on the Johannesburg Stock Exchange (JSE). By collecting data from a variety of sources, the organisations' assumptions, values and beliefs, and strategic orientations are measured. These are then tested for consistency, and compared to the overall level of organisational performance.

The findings suggest that organisations may be considered as integrated wholes, and that a degree of consistency exists in organisational assumptions, values and beliefs, and strategy. Furthermore, certain strategies are associated with certain cultures, and the consistency between these is associated with superior economic performance.

The study concludes that an integrated perspective of the organisation produces valuable insights into the strategic process. These include an enhanced view of the organisation-environment interface as well as guidelines for the management of strategic change.

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The study concludes that an integrated perspective of the organisation produces valuable insights into the strategic process. These include an enhanced view of the organisation-environment interface as well as guidelines for the management of strategic change.

Declaration

I declare that this thesis is my own, unaided work. It is being submitted for the degree of Doctor of Philosophy in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other University.

The information used in this thesis has been obtained by me while employed by the University of the Witwatersrand, and registered as a student with the University of the Witwatersrand.

.....

Norman Harold Chorn

17 day of December 1987

Dedication

To: Shirley, who supported me and helped me through the whole process

Marissa, who arrived in the middle of everything

Alex, who did not make it to the end.

Acknowledgements

When contemplating this research some three years ago, I remember being amazed by the numbers of people and institutions that authors saw fit to thank and acknowledge. At the time, I resolved that I would not have to do this, as I was certain that my research would be completed in a relatively independent manner. Having just completed the process, I now realise that this would have been almost impossible.

Doing research is an extremely lonely process, one that would not be possible without continuous discussions, advice and support. To this end I find myself indebted to a number of people.

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All of the effort would have be worthless if not for the cooperation of the companies who participated in the research. I am deeply grateful to the executives and managers of the participating organisations who gave of their valuable time to complete questionnaires, participate in workshops and engage in discussions with me. In particular, I am grateful to Edgars for their help during the pilot and testing stages of the questionnaire.

I would like to thank Marie Yeaman who painstakingly typed my often indistinct manuscript, and Sue Dennehy who was responsible for the layout and production of the final document. Sue worked to difficult deadlines, and finally convinced me that I could produce a document worth showing other people.

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Chapter 1

Introduction

Introduction

Overall Objectives Of The Research

Over the last few years, a wealth of literature has been generated on the concept of culture in organisations. Many academics and practitioners, however, remain uncertain about the nature of this phenomenon and its usefulness in understanding and managing organisations.

This has presented several unique challenges to researchers in the field. In order to make a contribution to the understanding of the role played by culture in organisations, research has to be both academically rigorous and of pragmatic value.

The recent interest in the cultural phenomenon is part of the rising concern that organisations have about effective human resource management in improving their performance. As a result, the interface between human resource management and the strategic management of the organisation has become of prime importance.

The major objective of this dissertation is to explore the relationships between organisational culture and business-level strategy. In response to the challenges provided by the topic, the dissertation goes beyond the analysis of organisations, cultures and strategies as a set of interdependent variables.

Although the functionalist, systems perspective has contributed significantly to the understanding of organisations and their strategies by documenting the interdependencies and relationships between organisational variables, it does not, in the view of the author, offer a complete account of the strategic processes. Consequently, this dissertation combines the functionalist perspective with that of the interpretive perspective to gain a more holistic understanding of these strategic processes.

A second objective of the research, therefore, is to develop an integrated view of organisations, cultures and strategies. Culture is analysed from two perspectives. The functionalist perspective treats culture as a variable; something the organisation has, while the interpretive perspective uses culture as a metaphor to analyse the organisation; something the organisation is.

By combining the insights from these perspectives, the relationships between organisational cultures and strategies are more fully explored. The overall research problem focuses on the nature of these relationships. Different cultures and strategies are compared, and the impact of these combinations is analysed with regard to organisational effectiveness. Are certain cultures naturally associated with certain strategies? Can the organisation be considered an integrated whole? Does the extent of the integration impact on organisational performance? These issues are explored through a review of the existing literature and by developing a hybrid research methodology which combines both functionalist and interpretive perspectives.

The Research Methodology

The combination of a functionalist and interpretive perspective results in a hybrid research design which uses a variety of data sources and collection techniques.

Organisations, cultures and strategies are analysed from the perspective of organisational members as well as from external, objective sources. Data is collected by way of unstructured and semi-structured interviews, self-administered questionnaires, content analysis and observation.

Fifty-nine Strategic Business Units (SBUs) are sampled from the Johannesburg Stock Exchange (JSE). These organisations participate in a variety of research activities in the different phases of the research.

The overall research design is best described as multiple operationism (Simon, 1986), in that it consists of a number of phases during which a progressive understanding of the research phenomenon is built up. At the end of this process, the research variables are operationalised, and the measuring instruments are administered to collect the data. The data is subjected to a variety of analytical techniques, and the results are presented and discussed.

Importance of the Research

Research of this nature is important from an academic as well as a practical point of view.

The academic understanding of the strategic process in organisations is enhanced in two ways. Firstly, the inclusion of culture as an organisational variable augments the already well-established body of knowledge provided by the theories of "fit" (Chandler, 1962; Pascale and Athos, 1981; Lawrence and Lorsch, 1967). Secondly, culture provides a useful construct to discuss the role of the organisational context in shaping the organisation's strategic agenda.

From the practitioner's point of view, the research provides insight into that part of the organisation which "lies below the surface". The importance of organisational assumptions, values and beliefs is highlighted, and their relationships with organisational strategies are outlined. This provides an enhanced understanding of the role of the organisation's human resources in the strategic process, and gives guidance in the management of organisational change.

In the increasingly heterogeneous management structures within South African organisations, both the academic and practical viewpoints may make a contribution to increased organisational effectiveness.

Key Assumptions and Limitations of the Research

The key assumption of the research is that a more holistic understanding of strategic processes may be obtained by combining an interpretive and functionalist perspective in the research design.

The organisations in the sample play an important role in defining the research phenomena of organisation, culture and strategy. The measuring instruments are therefore designed to measure issues considered important by the target population.

The major limitation of this approach, however, lies in the potential to generalise the finding to companies who fall outside the sample frame. Firstly, companies listed on the JSE are not always representative of the general population of South African business organisations. Secondly, the definitions of "organisation", "culture" and "strategy" are

formulated from the hybrid research design developed specifically for this dissertation. As a result, they embrace assumptions and values peculiar to the target population as well as in-keeping with the requirements of this research.

Despite this limitation, it is believed that the research and its findings have a contribution to make to an increased understanding of organisations and their strategies.

Outline of Chapters

CHAPTER 2 introduces the concept of culture in organisational analysis and outlines the approaches of previous researchers. The chapter's major objective is to describe the differences between the functionalist and interpretive perspectives and to point out the advantages of an integrated approach. The definition of culture for this dissertation is outlined, and the chapter concludes by revealing the differences between organisational culture and climate.

The objective of Chapters 3 to 9 is to provide a holistic understanding of organisations, cultures and strategies. Consequently, literature from both a functionalist and an interpretive perspective is reviewed. CHAPTER 3 considers the concept of the organisation as a collective frame of reference and discusses the implications of this view for the organisation-environment interface. The integration of the organisation is considered, and the combined perspective of functionalism and interpretism is seen to provide a more complete analysis of the coordination processes in organisations. In addition to the traditional integrating devices used in organisations, the role of socialisation is identified as being significant.

Organisational socialisation is the major focus of CHAPTER 4. It is identified as the process whereby members internalise the assumptions, values and beliefs of the organisation and develop commitment to its overall purpose. The consequences of socialisation are analysed in detail from the perspective of the organisation. Socialisation is seen to facilitate the overall definition and structure of the organisation, as well as to contribute to its efficient operation.

Chapters 5 and 6 analyse specific manifestations of the organisation and reveal their underlying assumptions and values. Organisational control is the topic of CHAPTER 5. The function and purpose of organisational control is identified and classified according to a number of criteria. The resulting analysis reveals the "ideal types" of Direct and Indirect

Control. Each is described in some depth, and the assumptions and values implicit in their use are revealed.

Organisation structure, in CHAPTER 6, is similarly treated as a manifestation of the organisation. The various dimensions of structure are revealed, and the point is made that organisation structure is the reflection of the patterns of behaviours and interaction between organisation members. Chapters 5 and 6 emphasise the importance of organisational symbols, and of recognising their underlying assumptions and values.

CHAPTER 7 introduces the concept of organisational change. A taxonomy of organisational change is developed which identifies the processes of strategic change. A number of paradigms, from both the functionalist and interpretive perspectives, are used to present a holistic account of strategic organisational change. In discussing the reasons for change, additional insights are gained into the organisation-environment interface. This produces further understanding of the strategic processes in organisations. In analysing the processes of change, insight is gained into the relationships between organisational assumptions, values and behaviour.

CHAPTER 8 explores the notion of alternative organisational forms. By implicitly accepting the concept of inertia highlighted in the previous chapter, a framework is developed to portray a range of organisational types. The Jungian personality types are extrapolated into an organisational context and combined with the findings from the organisational effectiveness research programme. This produces a typology of four organisational forms, each one reflecting a different set of underlying assumptions, values and beliefs.

CHAPTER 9 extends this analysis to include organisational strategy. The concept of strategy is outlined, and an integrated definition of business-level strategy is developed. The relationship between strategy and organisational assumptions, values and beliefs is identified. Finally, the organisational forms developed in the previous chapter are augmented by developing specific strategic manifestations for each of the four forms. These four integrated organisational forms are presented as archetypes, and this forms the basis for the definition of the research problem. The chapter concludes with a formal statement of the research propositions.

CHAPTER 10 describes the research design for the investigation of the research problems. Eight phases are included in the multiple operationism of the research methodology, and seven of these are outlined in CHAPTER 10. The chapter focuses on the specific challenges posed by the research, and how these are met by the research design. The generation and fleshing out of the research themes, as well as the operationalising of the research variables, are also discussed. The chapter concludes by outlining the procedures whereby the specific research propositions are tested.

CHAPTER 11 is the analysis and presentation of the data generated from the field work. The major areas of focus include the factor analysis whereby the research variables are operationalised, the analysis of organisational and strategic types, and the formal testing of the research propositions. The results are discussed in CHAPTER 12. Chapter 12 also deals with the possible areas of bias and error within the research, and assesses the generalisability of the findings.

Finally, CHAPTER 13 presents the conclusions and recommendations of the research. This chapter covers four main areas. The first is a discussion of the research findings within the context of other research in the field. The second is the relevance of the findings within the overall theoretical framework. Thirdly, specific recommendations are made for the understanding and management of organisations in South Africa. The dissertation concludes by suggesting avenues for future research which may enhance and expand work on organisations, cultures and strategies.

Chapter 2

The Concept of Organisational Culture

The Concept of Organisational Culture

Introduction to Culture

The recent popularity of the concept of culture in organisational analysis has prompted some authors to speak of its "rediscovery" (Trice and Beyer, 1984). Indeed, the success of books such as:

- Gods of Management (Handy, 1978)
- The Art of Japanese Management (Pascale and Athos, 1981)
- Theory Z (Ouchi, 1981)
- Corporate Cultures (Deal and Kennedy, 1981)
- In Search of Excellence (Peters and Waterman, 1981)
- Managing Corporate Cultures (Davis, 1984)
- American Spirit (Miller, 1984)
- Culture and Related Corporate Realities (Sathe, 1985)
- Gaining Control of the Corporate Culture (Kilman, Saxton, Serpa et al, 1985), and
- Organisational Culture and Leadership (Schein, 1985)

would have one believe that organisational researchers have perfected a new analytical tool to interpret organisations. To the extent that these efforts have produced some additional holistic understanding of the process side of strategic management and organisations, they are certainly welcome. A review of the various approaches to business policy reveals that this type of approach has, in the past, been "... woefully underdeveloped ..." (Mitroff and Mason, 1982, p. 370).

Culture per se, however, is hardly a new idea. Cultural anthropology has been a specialised field for many years and, in organisation research, the related concept of "organisation climate" dates back well over two decades (Jelinek, Smircich and Hirsch,

1983). Nevertheless, a degree of vagueness and ambiguity surrounds the recent use of culture in organisation analysis. Writing about culture nearly three decades ago, C. Wright Mills comments that:

> "... the concept 'culture' is one of the spongiest words in social science, although, perhaps for that reason, in the hands of an expert, enormously useful. In practice, the conception of 'culture' is more often a loose reference to social milieux plus 'tradition' than an adequate idea of social structure." (Mills, 1959, p. 177)

Little wonder, then, that the current usage of the term suffers from much of the same vagueness. The use of culture as a tool for studying organisations is still not sufficiently developed (Jelinek, Smircich and Hirsch, 1983) or integrated (Trice and Beyer, 1984). Much of this stems from the number of different approaches which categorise the current study of culture in organisations. In order to gain a better understanding of these, it is necessary to briefly analyse the roots of the concept.

As mentioned above, "culture" has its origins in the disciplines of anthropology and sociology where it was, and still is, used in the study of institutions and societies. The anthropologist, E. B. Taylor (1871) is believed to have offered the first formal definition of culture when he commented that:

> "Culture ... is that complex whole which includes knowledge, belief, art, law, morals, custom, and any other capabilities and habits acquired by man as a member of society." (Taylor, 1871, p. 1)

More recently, anthropologists have defined culture as a historically derived system of implicit and explicit designs for living shared by the members of the group being studied. In this way, they have included both the ideal as well as the actual patterns of behaviour of the group, institution or society (Homans, 1962). Sociologists, on the other hand, have tended to confine their definitions of culture to statements of what ought to be. They have seen culture as a symbolic system of meanings which is imposed on the real-life situation (Parsons, 1967). Nevertheless, the concept has been used largely as a foundational term through which the order and patterns of social phenomena have been interpreted and explained (Smircich, 1983). An excellent example of this is to be found in Berger and Luckman's (1966) work where institutions and societies are analysed and interpreted as shared systems of meanings.

The more recent application of the term to explain strategic and organisational phenomena has, however, additional roots which go beyond anthropology and sociology. These include the fields of psychology, social psychology and organisation development.

The area of motivation theory has contributed greatly to the understanding of individual behaviour in organisations. The works of Maslow (1943), Herzberg (1964), Vroom (1964) and Porter and Lawler (1968) show the nature and extent of the impact that both intrinsic and extrinsic factors have on individual performance. Bandura (1977) has extended these findings by analysing psychological functioning in terms of the continuing reciprocal interaction of personal and environmental determinants. In addition to the above, the whole human relations school of thought has contributed to the understanding of organisation members as not simply rational economic agents, but as responsive social beings who are governed by the cultural norms and social relationships of the workplace (Kaplan and Ziegler, 1985).

In the field of social psychology, Erich Fromm (1960) analyses the social nature of human beings with respect to their reaction to "freedom". In his description of the various escape mechanisms that people seek in the face of freedom, he identifies the power of cultural forces in shaping man's behaviour. Fromm believes that man has a dynamic relationship with society. Society has a suppressive as well as a creative function. By offering certain prescribed norms and guidelines for behaviour, society constrains man. However, society also gives meaning and substance to man's behaviour, and therefore enhances his effort.

Finally, from the field of organisation development, a number of practitioners and researchers have added to the understanding and use of the cultural concept. Schein (1969) identifies norms and values as being powerful controls of individual behaviour, and suggests that organisations be analysed from a cultural perspective to gain better understanding of organisation behaviour. In his latest work, Schein (1985) identifies the roles played by organisational leaders in shaping these value systems in order to control their organisations. Bennis (1969) suggests that there are principles for effective organisation development, and points out that the state of cultural readiness must be assessed before any planned social change is undertaken. In their recent work on leadership, Bennis and Nanus (1985) point out the role of leaders in shaping value systems in order to achieve organisational change. McGregor's (1960) descriptions of Theory X and Theory Y behaviours highlight the different sets of assumptions and values that underlie different organisation patterns. Finally, Sathe (1985) analyses the impact of organisational culture on individual performance from the entry stage, until socialisation has taken place.

This broad range of contributions to the study of the cultural concept in organisations has resulted in a variety of approaches to the subject, each of which encompasses a different set of assumptions about the phenomenon (Jelinek, Smircich and Hirsch, 1983). Broadly speaking, these approaches may be categorised as (Sathe, 1984):

- those which view the cultural phenomenon as directly observable behaviour (the Adaptational school of thought)

and

- those which view culture as that which is shared in the minds of the individual group members (the Ideational school of thought). In this case, it is possible to identify yet another division; viz, that between the functionalist approach which recognises culture as ideas, values and beliefs, and the interpretive approach which understands culture as a system of shared meaning amongst group members. In the former case, culture is treated as a variable (either internal or external to the organisation), while, in the latter, culture is viewed as a metaphor to describe the organisation.

Clearly, each of these approaches has its uses. It is important to take cognizance of which approach is being used before evaluating the findings of any study or research. To this end, a more comprehensive analysis of the various approaches to the study of culture, as well as the terms used to describe them, must be undertaken.

Approaches to the Study of Culture

The most basic distinction appears to be between those who study and view culture as directly observable patterns of behaviour, and those who look at what is shared in the minds of members of a community (Keesing, 1974). The "adaptational" school bases its research on what is directly observable about the members of a community - the behaviour patterns, speech and use of material objects (Sathe, 1983; Ashforth, 1985). The "ideational" school of thought focuses on non-observable phenomena such as ideas, beliefs, knowledge and meanings which are shared by the individual members (Sathe 1983; Smircich, 1983; Ashforth, 1985). It is this latter approach which has generally been preferred by organisational researchers (Ashforth, 1985), but it is important to note that the two schools of thought are not mutually exclusive. In many cases, phenomena registered by the ideational school are manifested through observable behaviour (Schein, 1985). In these cases, it is worth considering both simultaneously, while treating them separately (Sathe, 1985).

The various approaches are represented in Figure 2.1 below.

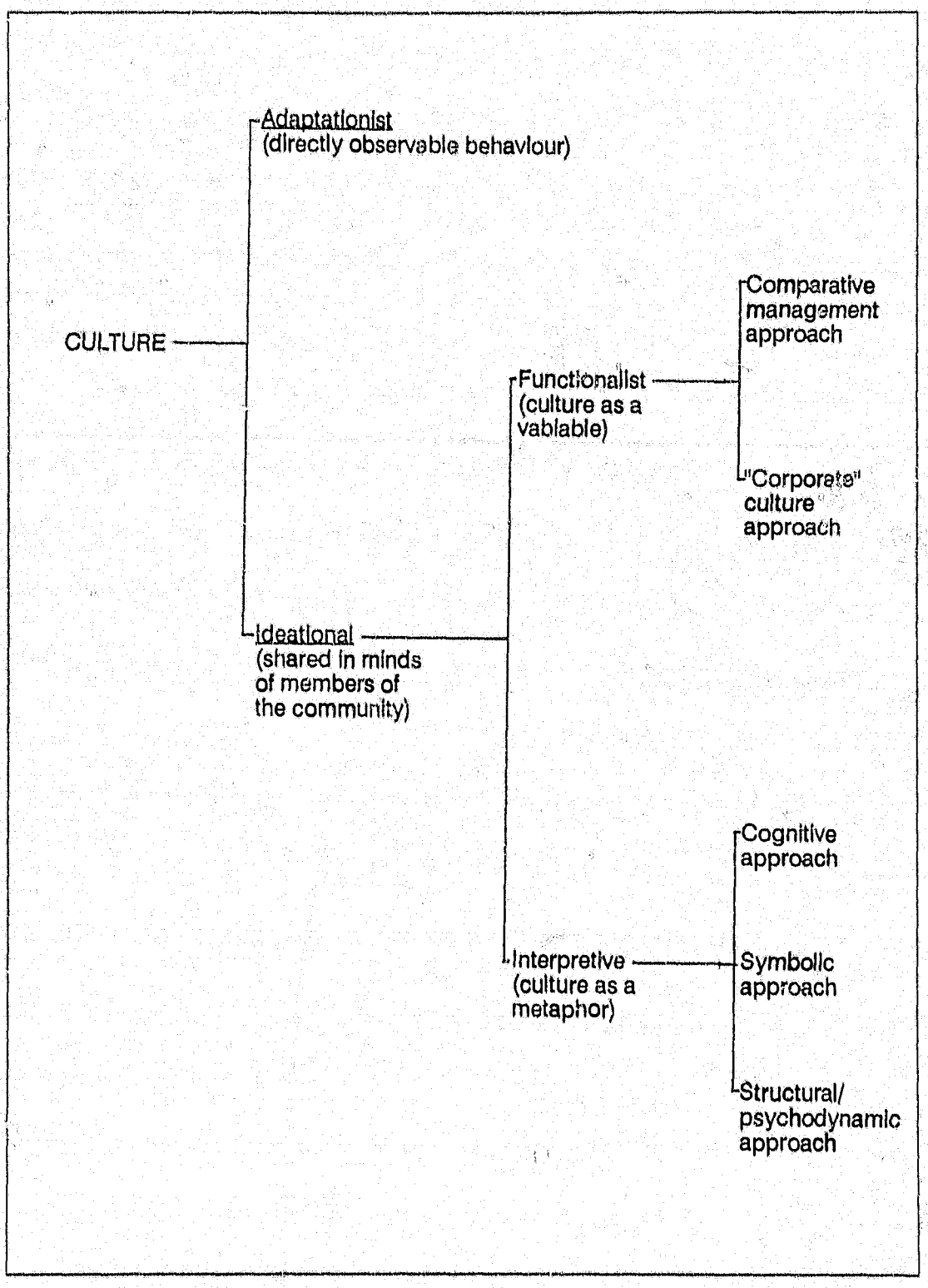


Figure 2.1: Major Schools of Thought in the Study of Culture

The Ideational School of Thought

Two contrasting perspectives dominate the ideational school and produce very different concepts of culture (Burrell and Morgan, 1979). Based on the paradigmatic schema of Burrell and Morgan (1979), Smircich (1981) delineates these two perspectives, and ascribes their differences largely to different views and assumptions about organisations (Smircich, 1983). In the functionalist perspective, the organisation is seen as a purposeful and adaptive mechanism, which produces culture as one of its outputs. Culture is therefore viewed as something the organisation has (Sathe, 1985). In the interpretive perspective, the organisation is viewed as a form of human expression, and culture becomes a device for framing and guiding the study of organisations (Sathe 1985). The organisation, therefore, is the culture. These differences might be further emphasised by understanding that the functionalist perspective views culture as an organisational variable, while the interpretive perspective views it as a root metaphor (Smircich, 1981, 1983). These two perspectives, as well as the research approaches they have generated, will be discussed more fully below.

The Functionalist Perspective

Burrell and Morgan (1979) note that the functionalist paradigm is based on a set of notions concerning the social world, organisations and human nature. The social world is seen as a set of contingent relationships amongst a number of variables (Morgan and Smircich, 1980), of which culture is one. Organisations are viewed as purposeful and adaptive mechanisms, existing within environments which present certain imperatives for behaviour (Weick, 1979). Culture is studied in terms of its relationships with the organisation, and this view has produced two major research programmes (Smircich, 1983). The first, comparative management studies, is concerned with the impact that national cultures have on managerial and employee practices (Haire, Ghiselli and Porter, 1966; Adorno, et al. 1950; Hofstede, 1980), while the second studies corporate cultures (Deal and Kennedy, 1982).

Culture and Comparative Management

In comparative management studies, culture is seen as a background factor (almost synonymous with country) which helps to explain particular management and employee

practices (Smircich, 1983). In this way, culture is viewed as an important influence on the development and reinforcement of particular patterns of beliefs (Ajiferuke and Boddewyn, 1970; Cummings and Schmidt, 1972).

In these studies, culture is treated as an independent, external variable, whose influence is imported into the organisation through it members (Franko 1977). In this way, its presence is manifested in specific patterns of attitudes and behaviours (Franko, 1977; Hofstede, 1980; De Frank, Matteson, Schweiger and Ivancevich, 1985).

In general, the research has been focused on attempting to explain differences in managerial and employee practices through the external variable, culture. As Smircich (1983) points out, most of the comparative management research has left the concept of culture relatively underdeveloped.

"*Corporate Culture*"

In contrast, the "corporate culture" research programme has attempted to develop the concept of culture into a more carefully defined tool for the analysis and improvement of organisational performance. Culture is viewed as a by-product of organisations, which exist primarily for the production of goods and services (Deal and Kennedy, 1982; Martin and Powers, 1983; Jones, 1983). As part of a systems framework, culture is therefore an internal variable that interacts with other organisational variables such as technology, organisation structure and systems (Waterman, Peters and Phillips, 1980; Peters, 1984). Smircich (1983) points out that the more recent contingency research into relationships amongst organisational variables has included subjectively determined variables, with a view to considering the socio-cultural qualities that occur within organisations. The so-called "7-S paradigm" of the McKinsey Company (Schein, 1981; Peters, 1984) is an example of a systems approach which has incorporated both the traditional "hard" (objective) variables as well as the "soft" (subjective) variables.

In this respect, culture is defined as those values and beliefs that are shared by the organisation's members (Siehl and Martin, 1981; Tichy, 1982; Albert and Silverman, 1984). These values and beliefs produce mutually accepted norms that ultimately shape behaviour (Berger and Luckman, 1966; Schwartz and Davis, 1981). In addition, these values and beliefs form a collective frame of reference (Berger and Luckman, 1966) for the members, which helps them to gain meaning from their organisational context (Jones, 1983) and interpret their own positions in it (Pettigrew, 1979).

Corporate culture - as a pattern of values and beliefs - is manifested through a variety of symbolic devices and phenomena such as myths, legends, specialised language, rites, rituals and ceremonies (Pettigrew, 1979; Smircich, 1983; Trice and Beyer, 1984). Indeed, much of management behaviour may also be construed as symbolic in this context (Peters, 1978; Pfeffer, 1981).

As these values and beliefs change, so does the nature of the organisation. Harrison (1972) notes that organisations develop distinctive characters as a result of the nature and structure of these corporate cultures. Jones (1983) links the nature of the corporate culture to the institutional arrangements that the organisation uses to regulate the exchanges and transactions between its members.

Within the systems framework, corporate culture is seen to play an important role in improving overall systemic performance. In this respect, the cultural variable needs to be aligned correctly within the overall systems framework of the organisation. A "correctly" aligned corporate culture is seen to be associated with superior organisational performance (Deal and Kennedy, 1982; Peters and Waterman, 1982; Hussey, 1984; Wilkins and Ouchi, 1983; Denison, 1984). Tichy (1982) identifies corporate culture as the normative "glue" that holds the organisation together, and argues that the cultural variable must be correctly aligned with the technical and political elements within the organisation. The 7-S paradigm (Peters, 1984) shows the need for alignment between seven "hard" and "soft" variables, of which the latter are predominantly cultural. Researchers in the area of strategic management have reasoned that strategic success is more likely when the culture of the organisation is supportive of the strategies (Quinn, 1984; Schwartz and Davis, 1981; Burgelman, 1983; Harrison, 1983; Ackerman, 1984; Bourgeois, 1984; Dunn, Morburn and Birley, 1985). They argue that the cultural risk is lower when the values and beliefs of those who formulate strategies are consistent with those who implement them (Schwartz and Davis, 1981; Davis, 1984).

Smircich (1983) points out that some of the earliest references to the concept of culture as an internal organisational variable may be found in Organisational Development (OD) literature. Its major concern is for the improvement of the instrumental and adaptive mechanisms of the organisation (Lippit, 1982). By directing much of their effort to intervention surrounding values, beliefs, and norms within the organisation (French and Bell, 1978), OD interventionists strive for the realignment of the whole organisational system into a more viable configuration (Smircich, 1983).

For the management and leaders of organisations, the concept and manifestation of corporate culture appear to offer a number of benefits. Culture is capable of communicating and conveying management philosophies which are considered strategically important for the organisation (Pettigrew, 1979; Peters, 1984; Bennis and Nanus, 1985), so that these become part of the shared values and beliefs of organisation members. This is seen as an important means of obtaining commitment, particularly in the implementation of strategies (Walton, 1985). Desired patterns of behaviour can also be rationalised and legitimised by testing these against the cultural norms (Berger and Luckman, 1966). In addition, new members entering the organisation can be guided in acquiring these desired behaviours through the socialisation process, whereby the values and beliefs of the organisational system are internalised by the individual members (Pascale, 1984, 1985). Most of these points also contribute to another "benefit" from management's viewpoint; that of control. Corporate culture may also be seen as a means of exercising management control over organisation members, through the members' adherence to values and beliefs which produce norms of behaviour (Ouchi and Jaeger, 1978; Jaeger 1983; Jaeger and Baliga, 1985).

In addition, the shared values and beliefs produce a common frame of reference which influences the perception and meaning of organisationally-relevant phenomena for the members (Berger and Luckman, 1966; Mitroff and Kilmann, 1984). Since many of these values and beliefs are conveyed through various symbolic management behaviours (Pfeffer, 1981; Peters, 1984), management is therefore able to exercise some form of indirect control over members' behaviour. This form of control is seen to be particularly viable where more formal means of control are inappropriate, such as in cases of rapidly changing task environments or decentralised operations.

An important issue to note in the discussion of corporate culture is whether culture is correctly viewed as a unitary or multiple concept. Much of the literature and research on the subject makes mention of the corporate culture, implying that an organisation generally has only one culture. As a result, it often fails to acknowledge the likelihood of competing cultures or subcultures within the organisation, each striving to define its own situation and point of view. Indeed, as Martin, Feldman, Hatch and Sitkin (1983) argue, rival cultures within organisations usually claim their uniqueness by way of their cultural manifestations. As the authors point out, the paradox is that these manifestations are all very similar, and conform to organisational stories. Nevertheless, there is a view which suggests that organisations are actually made up of multiple, cross-cutting cultures (Martin

and Slehl, 1983; Riley, 1983), and these all compete for relevance within the organisation. The very existence of different functional groupings within the organisation will give rise to different orientations and, therefore, different values and beliefs (Lawrence and Lorsch, 1967). A strong argument in favour of recognising these alternative cultures and countercultures is made by Gregory (1983), who points out that researchers, as well as management, often adopt an ethnocentric viewpoint when considering corporate cultures. This ethnocentricity results in the researcher or organisation member taking his/her culture for granted, and evaluating others' behaviour in terms of it. As a result, much research emphasises the dimensions of weak-strong and homogeneous-heterogeneous, with the implication that a strong-homogeneous culture is optimal. However, as Gregory (1983) points out, organisations are best viewed as multi-cultural systems, with each cultural group defining its own values, beliefs and sense of meaning. Kanter (1977) argues that the human relations school of management adopted an essentially ethnocentric viewpoint, and that its efforts were primarily directed towards enabling the followers of the scientific management fraternity to better control their subordinates. As a result of this pro-management research stance, much of the behaviour of lower-level personnel was termed "irrational" against the perspective of the "rational" manager (Kanter, 1977).

The Interpretive Perspective

The other major perspective within the ideational school of thought is the interpretive perspective. Unlike the functionalists, who view culture as an internal or external organisational variable, culture is viewed as a root metaphor to conceptualise and study organisations.

The use of metaphors to study organisation develops a richer understanding of the phenomenon by providing alternative viewpoints and frames of reference (Morgan, 1980; Koch and Deetz, 1981; Smircich, 1983). A variety of metaphors have been used throughout organisation and management research. It is argued by some, that all scientific knowledge of the world is created through the drawing of implications from metaphoric insights (Kaplan, 1964; Brown, 1977; Morgan, 1980). It is the way we have come to know our world (Lakoff and Johnson, 1980).

The most frequently used metaphors in organisation research have been "machine" and "organism" (Pondy and Mitroff, 1979; Koch and Deetz, 1981). The use of the machine metaphor has contributed to the understanding of an organisation as made up of multiple parts, designed for task accomplishment. The concept of organism has implied the

systems' interdependency within organisations, as they seek to adapt and survive within changing environments (Burns and Stalker, 1961; Lawrence and Lorsch, 1967; Lorsch and Allen, 1973). Smircich (1983) points to other metaphors which have been similarly used; namely, organisations as "theatres" for the performance of roles and dramas, and organisations as "political arenas" oriented around the display and use of power. The use of these, and other, metaphoric images enables the researcher to focus attention in selective ways and thereby to provide slightly different ways of knowing the phenomenon of organisation (Morgan, 1980).

The use of culture as a metaphor for studying organisation promotes the view of organisation as a form of expression and manifestation of human consciousness. This view allows the organisation to be explored as a subjective phenomenon, and so provides an alternative (to the functionalist perspective) for studying patterns of organised action (Morgan, 1980; Smircich, 1983). The organisation is thus viewed as the culture.

Knowledge of the concept of culture provides additional understanding of organisation. In a sense, the words "culture" and "organisation" may even be used interchangeably.

Within the interpretive perspective, three diverse approaches, all drawn from the field of anthropology, may be identified (Smircich, 1983). The cognitive approach views culture as shared knowledge (Goodenough, 1971; Agar, 1982). The symbolic approach treats culture as a system of shared meaning (Geertz, 1973), while in the structural, or psychodynamic approach, culture is a manifestation and expression of the mind's unconscious (Rossi and O'Higgins, 1980). Although only generating subtly different meanings of culture, the three approaches within the interpretive perspective have generated very different interpretations of organisation. These are discussed in more detail below.

The Cognitive Approach

In the cognitive approach, culture is defined as a system of shared cognitions amongst the members of a group (Goodenough, 1971). It may also be seen as a system of knowledge or beliefs which is generated by the human mind in terms of a number of rules or an unconscious logic (Rossi and O'Higgins, 1980). The researcher, using this approach, usually attempts to identify the underlying rules and logic being used by the group members, and then to define how these members perceive and understand their world (Smircich, 1983).

A number of trends are evident in the use of the cognitive approach to studying organisations. The first is where the organisation may be seen as a "master contract" (Harris and Cronen, 1979) which defines the ongoing interpersonal interaction and organisation's self-image. Secondly, the study of organisations as subjective phenomena with common frames of reference (Weick, 1979) represents a growing body of research. Thirdly, culture has been applied to the study of organisations in a paradigmatic fashion, where the organisation is understood as an organised pattern of thought and knowledge (Kuhn, 1962). Although it could be argued that these do not constitute real trends in the sense that they are not mutually exclusive, they do present a convenient classification for more detailed discussion.

The concept of a master contract was proposed by Harris and Cronen (1979) who explain that this concept describes the organisation's self-image, as well as the various rules and regulations governing interpersonal interaction in the light of the image. Burgelman (1983) has developed this notion further by advocating a view of the organisation which suggests that strategic behaviour is largely determined by the so-called "corporate context". The corporate context has a dialectic relationship with strategic behaviour, in that previously realised strategies form the corporate context, which in turn provides the context for ongoing strategic behaviour.

The study of organisations as shared frames of reference views the organisation as a network of subjective meanings. Most of the research effort has been directed at understanding the nature of organisational action, as well as the various rules and systems of internal logic which govern it (Shrivastava and Mitroff, 1982). Argyris and Schon (1978) refer to organisations as "cognitive enterprises", in which the shared frames of reference contain multiple theories governing patterns of interaction. Weick (1979), on the other hand, views the concept of an organisation as something of a "myth", in that it has no clearly delineated boundaries or parameters. Organisations, according to Weick, are simply groups of people bound together in interlocking behaviour cycles and common frames of reference.

Smircich (1983) points out that the use of culture as a metaphor to study organisation represents a similar approach to the use of paradigms in scientific communities. Kuhn (1962) advocates that the use of paradigms in science serves to order and regularise thinking about specific phenomena. These paradigms refer to the world view held by the researchers, and reflect their organised patterns of thought and knowledge. Some

researchers have found this notion of organisations useful, particularly when studying the processes of strategic management and organisational change (Kuhn, 1982; Wilkins and Ouchi, 1983; Ramaprasad and Mitroff, 1984; Mason and Mitroff, 1981; McKenney and Keen, 1974; Schwenk, 1985; Agor, 1986).

The Symbolic Approach

The symbolic approach treats culture, or organisation, as a system of shared symbols and meanings (Geertz, 1973). The task of the researcher is to identify and interpret the various cultural themes (Smircich, 1983). These themes, which are expressed as patterns of symbols and represent a network of understanding amongst group members, coordinate and prompt social activity within the organisation. In this way, the organisation is viewed as a pattern of symbolic discourse (Barley, 1983; Broms and Gahmberg, 1983; Trice and Beyer, 1984). Barley (1983) analyses organisations in terms of their systems of signification. Signs within specific organisational contexts represent networks of meaning to socialised group members. Broms and Gahmberg (1983) argue that the various symbols used in this way represent many of the key values of the organisation. The authors depict the strategic planning process as an example of this value-laden symbol. Trice and Beyer (1984) point out that culture, and therefore the organisation, is made up of a number of different components, and that it is important to study a variety of symbols in order to gain an overall understanding of the phenomenon. The authors contend that, by studying rites and ceremonials as symbolic manifestations of the organisation's culture, they are able to identify much of the interdependence amongst the various cultural forms.

The approach of researchers who adopt the symbolic perspective on organisational analysis, has much in common with the concerns of organisational leaders. Both are interested in the creation and maintenance of organisation and organised activity through symbolic action. This approach to organisational leadership has been adopted by a number of researchers (Peters, 1978; Pettigrew, 1979; Deal and Kennedy, 1982; Albert and Silverman, 1984; Feldman, 1986).

The Structural/Psychodynamic Approach

The third approach to the Interpretive Perspective is that which examines culture as a manifestation and expression of the mind's unconscious (Smircich, 1983). The structural/psychodynamic approach views organisations as the interplay between out-of-awareness human processes and their conscious manifestation in behaviour.

The human mind is analysed in terms of various in-built constraints which structure psychic and physical content (Rossi, 1974). Rossi (1974) identifies this as the unconscious infrastructure which orders and gives meaning to the variety of stimuli we are exposed to.

In the structural/psychodynamic approach, culture reveals this unconscious structure. Organisations are described as manifestations of this unconscious infrastructure, and are revealed as expressions of human personality (Mitroff, 1983), underlying philosophy (Mitroff and Mason, 1982) and the competing values held by various stakeholders (Quinn and Hall, 1983).

Throughout these works, there is the assumption that the organisation (or culture) is a manifestation of unconscious structures, dimensions and views of the world.

Summary of the Definitions of Culture

In this section, culture has been discussed from a number of points of view. The adaptational school of thought views culture as observable patterns of behaviour, while the ideationalists believe that culture is that which is shared in the minds of the organisations' members. Despite the traditional delineation of these two schools of thought (Keesing, 1974), it is believed that additional insights into organisations may be gained by using them simultaneously. In other words, culture may be treated as that which is shared in members' minds as well as that which may be observed.

The major inconsistency, however, lies between the view of culture as a variable within organisations, and that of culture as a root metaphor to conceptualise organisations. Little is to be gained from a discussion of which approach is "best" (Sathe, 1983, 1985). A review of the concept of culture by Kroeber and Kluckhohn (1952) reveals some 164 definitions. Each definition, each approach, has its use, in that it reveals a subtly different aspect of culture and/or organisation. By using the various approaches and perspectives in a simultaneous manner, much of this richness can be captured.

Support for the notion of combining apparently conflicting approaches and perspectives may be found by considering the work of Boulding (1956). Boulding's (1956) classification of general systems reveals a close similarity with the approaches and perspectives of culture discussed above.

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