

THE ROLE OF CULTURE AND COMMUNITY in Developing Effective Organization

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This paper analyzes the relations between culture and communities. The interesting cultural aspects of organizations are, as we have seen, not what is unique for a single organization, but deeper and broader patterns that to some extent are part of a more general business, industrial, or community culture. Understanding of cultural manifestations in organizations, even those that are dominant and broadly shared on the local level, is that it makes us realize the management's influence is, after all, restricted. National culture, class culture, and the cultures of professional and occupational communities put strong imprints on organization.

An important additional factor, not often addressed in either research or theorizing, that may help explain the variation in the communal nature of organizations over time and across locales are the social values and norms that get embedded in particular theories and perspectives about people and organizations, perspectives that do not simply take place but that are promulgated by interest groups with particular agendas and beliefs.



Keywords: Community, corporate culture, culture, effective organization.

Abstract

Communities can be used as a means to organizational learning and knowledge management. Many organizations have the knowledge and skills (the intellectual capital) that they need to become high performing organizations but institutional structures and human resource practices stand in the way. Because of functional boundaries or rigid job descriptions, the employees who possess the requisite knowledge and skill are prevented from pooling those resources for the purpose of increasing organizational effectiveness. Communities facilitate that social interaction through informal networks and practices that create opportunities for collective learning and individual identity enhancement.

A culture is a set of basic tacit assumptions about how the world is and ought to be that is shared by a set of people and determines their perceptions, thoughts, feelings and, to some degree, their overt behavior. Culture manifests itself at three levels, the level of the deep tacit assumptions that are the essence of the culture, the level of espoused values which often reflect what a group wishes to be ideally and the way it wants to present itself publicly, and the day to day behavior which represents a complex compromise between

the espoused values, the deeper assumptions and the immediate requirements of the situation. Overt behavior alone cannot be used to decipher culture because situational contingencies often make us behave in a manner inconsistent with our deeper values and assumptions. It is for this reason that one often sees "inconsistencies" or "conflicts" in overt behavior or between behavior and espoused values. To get at the basic elements of culture one must either observe behavior over a very long period of time or get directly at the underlying values and assumptions that drive the perceptions and thoughts of the group members.

An organization that is able to maintain a positive culture is likely to enjoy many benefits. When organization members identify with the culture, the work environment tends to be more enjoyable, which boosts morale. This leads to increased levels of teamwork, sharing of information, and openness to new ideas. The resulting increased interaction among employees activates learning and continuous improvement because information flows more freely throughout the organization.

The question reflects the correct belief that there are socially accepted and valued ways

of running a company, that these beliefs influence how leaders behave, and that in current times, such ways of managing do not much include thinking of organizations as communities and as employees as important. But another equally important question is how social expectations and norms about appropriate models of organization get established in the first place.

Communities in Practice

Community is essential to the human condition. Basically, people need to be able to rely on others. Trust is a willingness to act on the basis of such reliance. Community is the set of institutions that give a basis for this confidence, by establishing and enforcing mutual expectation. Communities have three fundamental dimensions:

Values: Community is first a set of value orientations shared by all members of a group. Everyone can assume that the others will orient to those values and can therefore predict their actions and responses. The highest value is interdependent contribution, as distinct from loyalty or individual integrity.

Organization: Community is also social

structure, specifying the boundaries of references groups, the appropriate forms of authority, and the division of labor.

Identity: To be effective as an organizing principle, community must become internalized in personalities and motivational systems (Heckscher and Adler: 16-17).

Community requires the internalization of motives in a stable self, because only if one can grasp others' motivational patterns can one have confidence in how they will act in the future. Thus character is always central in the generation of trust. Social character is the core aspects of mechanism, that enable people to count on the fact that others will react predictably (Fromm and Maccoby, 1970).

Organizational structures and processes set the stage for organizational learning but learning is ultimately a phenomenon that occurs at the individual level and is dependent on the subjectively derived meaning that emerges from social interactions that are part of organizational practices. Wenger (1998) proposes a social theory of learning that integrates both macro and micro levels of organizational functioning in Communities of Practice. The social theory of learning

that he proposes “integrates the components necessary to characterize social participation as a process of learning and knowing” (ibid. 5).

Communities of practice are a means to organizational learning and knowledge management. Many organizations have the knowledge and skills (the intellectual capital) that they need to become high performing organizations but institutional structures and human resource practices stand in the way. Because of functional boundaries or rigid job descriptions, the employees who possess the requisite knowledge and skill are prevented from pooling those resources for the purpose of increasing organizational effectiveness. Communities of practice facilitate that social interaction through informal networks and practices that create opportunities for collective learning and individual identity enhancement.

In the process of participation in joint enterprises, new meanings are negotiated from work experiences, principally through dialogue (Senge, 1990). The importance of dialogue can not be over-estimated in generative social practices. As the definitions of the four components of a social theory

of learning indicated, the ways of talking about our experiences and social interactions inform the meanings we derive from them and contribute to the development of our identities. The patterns of discourse that emerge through social participation, shape not only what we do, but also who we are and how we interpret what we do. Over time, the shared histories of learning become embedded in the organizational culture (Schein, 1992) and partially determine what we come to accept as common sense. For that reason, it is critical to come to a better understanding of the ways that sense making processes function in organizations.

The Concept of Culture in Organization

A culture is a set of basic tacit assumptions about how the world is and ought to be that is shared by a set of people and determines their perceptions, thoughts, feelings and, to some degree, their overt behavior (Schein, 1992). Culture manifests itself at three levels, the level of the deep tacit assumptions that are the essence of the culture, the level of espoused values which often reflect what a group wishes to be ideally and the way it wants to present itself publicly, and the day to day behavior which represents a complex

compromise between the espoused values, the deeper assumptions and the immediate requirements of the situation. Overt behavior alone cannot be used to decipher culture because situational contingencies often make us behave in a manner inconsistent with our deeper values and assumptions. It is for this reason that one often sees “inconsistencies” or “conflicts” in overt behavior or between behavior and espoused values. To get at the basic elements of culture one must either observe behavior over a very long period of time or get directly at the underlying values and assumptions that drive the perceptions and thoughts of the group members.

Organizations consist of subgroups that have specific characteristics and a sense of identification. Within organizations, people can easily classify themselves and others into various social categories or groups based on identification with their primary work group, occupational or professional skills, union membership, or age cohort (Ashforth and Mael 1989). Subgroups in organizations can and do create subcultures that comprise specific networks of meaning; yet, at the same time, they remain associated with the ideologies and values of the organization’s leadership. A closer examination of each

service culture reveals still greater cultural differentiation among communities, occupational specialties, specific units within the service, and between line and staff personnel.

Research conducted by John Van Maanen and Steven Barley (1984) provides some insight to this question. They discovered that the content of the interaction is behavioral and cognitive in nature. During initial interactions with newcomers, the established occupational community transmits to new members those shared occupational practices (including norms and roles), values, vocabularies and identities—all examples of the explicit social products that are indicative of culture in organizations.

These findings were reinforced by Sonja Sackmann’s research on subcultures in a medium sized conglomerate in the United States. She found that subcultures were found to form on the basis of functional domains; principally in their biased knowledge of events in the organization, in their biased explanations of cause and effect relationships, and in their patterns of behavior.

Cultures in this sense arise within organizations based on their own histories and experiences. Starting with the founders, those members of the organization who have shared in the successful growth of an organization will have developed a set of assumptions about the world and how to succeed in it, and will have taught those assumptions to new members of the organization (Schein, 1983).

Shared assumptions also typically form around the functional units of the organization. We all know that getting cross-functional project teams to work well together is difficult because the members bring their functional cultures into the project and, as a consequence, have difficulty communicating with each other, reaching consensus, and implementing decisions in an effective manner. The difficulty of communication across these boundaries arise not only from the fact that the functional groups have different goals, but from the more fundamental issue that the very meaning of the words they use will differ.

Macro Understandings of Organizational Culture: Reflections of Communities

Culture is a fascinating concept with myriad

applications. Whether between people, nations, organizations, appreciating its meaning is at the very center of effective communications and relationships. To survive and thrive in this 21st century, individuals and institutions need to acquire and practice cross-cultural sensitivity and skills in dealing with diversity issues. But before this can happen, they need to understand the meaning of culture in its broadest sense.

Culture is a distinctly human capacity for adapting to circumstances, and then being able to transmit this knowledge and experience to subsequent generations. Culture gives a particular people a sense of who they are, of belonging, of how they should behave, and of what they should be doing. Culture impacts behavior, morale, and performance. It influences perceptions and attitudes, values and actions. Yet, many persons are totally unconscious of their cultural conditioning, and do not fully utilize this valuable insight into human activity. For culture provides a context for comprehending so much that occurs in our daily lives, be it education or economics, politics or productivity, science or religion, or even commerce and industry! Culture can

be the source of cooperation, cohesion, and progress, instead of conflict, disintegration, and failure.

In influential local approach to culture, Van Maanen and Barley (1984) call attention to the existence within organizations of groups that have different backgrounds and professional affiliations and high degrees of internal interaction and consequently share rather little. Van Maanen and Barley (1985) argue that 'unitary organizational cultures evolve when all members of an organization face roughly the same problems, when everyone communicates with almost everyone else, and when each member adopts a common set of understandings for enacting proper and consensually approved behavior' (p. 37). These conditions are, of course, rare. These researchers emphasize subcultures created through organizational segmentation (division of labor hierarchically and vertically), important (through mergers, acquisitions, and the hiring of specific occupational groups), technological innovation (which creates new group formations), ideological differentiation (e.g. when some people adopt a new ideology of work), counter-cultural (oppositional) movements, and career filters (the tendency for people moving to the top

to have or develop certain common cultural attributes)(pp. 39-47).

Generally, the idea of a single, organizational level corporate culture, frequently accompanied by the assumption of management being able to shape it, was very popular earlier (e.g. Davis, 1985; Martin et al., 1985). A strong case can be made that societies – nations or groups of nations with similar characteristics – put strong imprints on organizational cultures. The idea of an industrial subculture draws attention to the fact that culture most fully corresponds to a society and that the sphere of industry includes a distinctive set of meanings shared by a group of people whose forms of behavior differ to some extent from those of the wider community (Turner, 1971: 1). Turner's point of departure is his experience that when moving from one industrial organization to another, it is possible to observe certain similarities which differ from behavior elsewhere in society. Here the entire industry is conceptualized as subculture. Individual organizations then may appear as sub-sub-culture. By drawing attention to the cultural context of the focal object, it encourages a broader view of it.

The so-called institutional theory school emphasizes isomorphism, a trend implying that organizations become more and more alike. Meanings patterns are imported from various instances outside individual organizations. For reasons of legitimacy as well as for reasons of adapting a cognitive view of the social world as ordered and comprehensible, people in organizations are sensitive to the meanings, ideas and definitions of what is natural, rational and good developed by various institutions, such as professions, state agencies, science, management consultants and so on (DiMaggio and Powell, 1983; Meyer and Rowan, 1977; Scott, 1995). Local meaning creation is thus seen as less relevant, as it is assumed to exhibit fairly little variation. Instead the overall level driving organizations to conformity is viewed as more crucial in order to understand organizational reality. From a cultural point of view institutional theory tends to embrace a rather crude idea of meaning. Institutional theory illuminates structural arrangements (organizational forms, techniques, policies) associated with fairly standardized meanings and constructions rather than more nuanced and specific meaning-creating processes and symbolism. Institutional theory is not

emphasizing interpretive and cultural depth and, as a consequence, may over-emphasize homogeneity and conflate meaning. Nevertheless, it draws attention to valuable macro aspects of meaning creation and the large amount of studies clearly shows the need to go outside the individual organizational level and consider the macro aspects in operation.

A macro view on organizations does not necessarily mean a neglect of variation within organization. Quite the contrary, appreciating the role of ethnic groups, classes, gender, age, occupations and another sources of social differentiation that in no way are restricted to be characterizing the individual organization, mean that variation at the organizational level can be taken seriously.

In-depth cultural studies of organization typically offer a careful investigation of a limited empirical terrain and frequently lead to a strong focus on cultural orientations shared by a group within an organization. Exceptions are typically critically oriented studies which relate organizational manifestations to the capitalist economy or class relations (e.g. Rosen, 1985) or studies involving groups of professionals which clearly are informed by

frameworks and ideas originating from broad occupational communities.

Wilkins and Dyer (1987) talk about 'frames' or definitions of situations and view a change in 'frame' as a cultural change. This approach diverts attention from the broader meanings and understandings best understood on a macro level that inform change in 'frames'. One and the same 'macro culture' can help us make sense of quite different situations. The high degree of commitment and productivity were based, then, on the broader cultural understanding that this situation is exceptional. When this relations were perceived to have changed, a new understanding (frame) was indeed created, but this cannot be understood on the group level alone. If the employees had not proceeded from certain general cultural assumptions about normality, they might have defined the situation in many ways – for example, judging their employers frauds or crazy, showing erratic and unpredictable behavior.

Comprehending the concept of culture is essential for business practitioners, especially among those who seek to keep it cultural relevant, while increasing sales of products

and services. A basic consideration is how much of business practice is culturally influenced by a particular time or place. In the 21st century, it would seem that executive managers might benefit from cultural insights, regardless of national origin. The global marketplace, especially in Europe, is marked by diversity (Wedersphan, 2000) Furthermore, international business is in transition because of mergers, making acquisitions, or negotiating strategic alliances – each partner in such processes have unique organizational cultures to merge with the other. For such unions to succeed, executives should be seeking to create a synergy between the two or more institutional cultures involved. Business and its systems worldwide reflect different cultural practices (Elashmawi and Harris, 1998).

Conclusion

The idea of unique and unitary organizational culture is contested, then, from two different viewpoints: first, that organizations are basically products of macro level phenomena (society, class, industrial sector) and, secondly, are normally similar and that variations within organizations are much more profound than unitary patterns because of the diversity of

the groups involved. These viewpoints are not contradictory: for example, some of the social and cultural variations within organizations can often be related to similar variations on the societal level. There are several reasons why it is important to consider the relations between organizations and 'macro culture' (national, regional, etc.). There is an obvious interplay between these 'entities' in the production of cultural manifestations (Hofstede, 1985). The interesting cultural aspects of organizations are, as we have seen, not what is unique for a single organization, but deeper and broader patterns that to some extent are part of a more general business, industrial, or social culture. Understanding of cultural manifestations in organizations, even those that are dominant and broadly shared on the local level, is that it makes us realize the management's influence is, after all, restricted. National culture, class culture, and the cultures of professional and occupational communities put strong imprints on organization.

At the societal level, the waxing and waning of ideology that informs management practice is not exogenous but is, instead, driven by the political agendas of groups with money and a point of view to advance

(e.g., DeParle, 2005). Therefore, management practices reflect general trends in beliefs about people, their responsibilities, and how they relate to each other, as well as what makes organizations effective. The rise of neoclassical economics with its assumptions of methodological individualism, the pursuit of self-interest (e.g., Miller, 1999), individual choice and responsibility, and the importance of market-mediated exchanges (Kuttner, 1996) is at once inconsistent with a view of organizations as communities of mutual responsibility and shared obligation and also helps to explain why a communal organizing model may be particularly scarce at times such as the present and in places.

The view of organizations having unique and unitary cultures is widespread, and it encourages the treatment of their cultural dimensions as closed systems. That people sometimes emphasize the impact of the 'environment' on culture does not mean that they advocate an open view of culture in organizations; the 'environment' is viewed here as non-cultural and as affecting organizational culture only through reactions to circumstances and conditions that have consequences for operations.

Therefore, culture matters, but not just or perhaps even primarily the national culture but more particular social values embedded in people's implicit assumptions about human behavior and organizations and what makes each effective. As extensively documented elsewhere (e.g., Kuttner, 1996), such beliefs and ideologies about human behavior are neither simply subject to empirical proof of their validity nor emergent from society, but instead, are promulgated by foundations and organizations that are active in the political discourse precisely to shape not only specific policies but more importantly, to influence the language and assumptions that shape how people see the world,

including the organizational world (Ferraro, Pfeffer, and Sutton, 2005). In that sense, the waxing and waning of an organization as community model is a consequence of more general changes in views of human and organizational behavior that are the result of political action by advocates favoring a particular conception and point of view.

The production of culture in the public sphere, particularly through mass communication (including ideas on management and organization), is of obvious significance. But in organization theory the relationship between 'environment' and culture is normally treated as weak and indirect. Direct and open cultural flows are seldom seriously considered. ■

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