

# UNDERSTANDING ORGANISATIONAL CULTURES

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## **Abstract**

The paper aims to offer a better understanding of the various types of organisational culture. A brief introduction discusses the two main approaches for analyzing the culture of an organisation and includes the web model of Johnson & Scholes and the definitions of Charles Handy. The paper also presents the various classifications, levels and structures of organisational culture, namely those of Hofstede, Schein, Trompenaars, and Deal & Kennedy. All of these classifications, levels and structures offer an explanation of how an organisational culture works and the various definitions are included to enhance the meaning and how cultures work.

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**Keywords:** Organisational Culture, Power in Organisations, Cultural Dimensions

## **Introduction**

The interpretive view and the structural view are two main approaches for analysing the culture of an organisation. The interpretive view, which follows the work of Goffman in Trevi-O (2003), implies that culture is shaped and continued through the organisational environment. An example of the interpretive perspective is the work of Johnson and Scholes (1993).

On the other hand, the structural view, which follows the work of Weber and Marx in Levine (2006), focuses more on how positions are structured within organisations. The focus, which comes from a functionalist/materialist school of thought, in this case is on how relationships are structured rather than how they are perceived. An example of the structural perspective is the work of Charles Handy (1993).

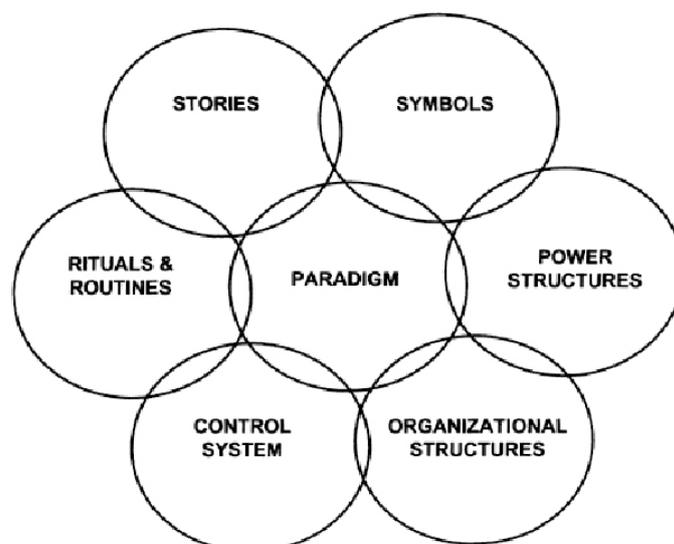
The work of Peters and Waterman (1982) also falls within the structural school of thought, and they argue that there is an informal link between culture and performance. Peters and Waterman suggest that decentralised organisations which place individuals at the centre of attention, and thus training and developing appropriately their employees, are the most successful.

## **The Interpretive Approach to Culture**

### **Johnson and Scholes' Cultural Web Model**

Johnson & Scholes (1993) offer a '*cultural web*' that identifies various basics (see Figure 1 below), which may be used to describe the culture of organisations (Johnson, 2000: 407):

**Figure 1.** The cultural web of an organization



*'The Paradigm'* represents the purpose of the organisational business, its mission and its values and the *'Control Systems'* are the procedures set to control what happens in the organisation (Johnson 2000:405). Undoubtedly, organisations with a *'role culture'* would have a large amount of regulations and there would be more dependence on individualism in organisations with a *'power culture'*.

*'Organisational Structures'* deal with hierarchies and the way work flows through the organisation and they are likely to reflect power structures (Johnson 2000:406). *'Power Structures'* deal with the kind of power adopted in an organisation, the persons in charge of decision-making and how broadly power is spread in the organisation (Johnson 2000:406).

*'Symbols'* relate to logos and designs used in an organisation. However, these may extend to status symbols such as signposting-reserved parking spaces for top executives. Moreover, Gagliardi (1992), as cited in Johnson's (2000) article, argues that these visible elements influence the way in which employees make sense of events (2000:406).

*'Rituals and Routines'* refer to automatic repetitive routines such as management meetings and board of directors' reports (often these may become just a matter of routine only), and next come the simple decision rules which might be employed *'consciously'* (Johnson 2000:416).

Finally, *'Stories'* are anecdotes made up about employees and actions. These may reveal what is appreciated in an organisation. Moreover, people in an organisation may perceive charismatic leaders of the past and individualists as the standard model of behaviour (Johnson 2000:406).

All the above culture basics may overlie and power structures may depend on control methods, which may take advantage of the habits that create an account. Johnson (2000) postulates that as a model, the cultural web has been widely used for research as an analytical framework, since it includes practical elements (2000:406).

## **The Structural Approach to Culture**

### **Charles Handy and the Four Power Structures**

Charles Handy's method of looking at culture prompted researchers to use it to link organisational structure to culture. Handy identified four types of cultures, namely *'Power Culture'*, *'Role Culture'*, *'Task Culture'* and *'Person Culture'*.

According to Handy, *Power Culture* can be symbolised as a ‘web’ and it refers to control that is spread out like a network from the centre to the rest of the organisation (Handy 1993:184). Power cultures are often found in small entrepreneurial organisations such as property, trading and finance companies. When organisations adopt a power culture, rules and bureaucracies are kept to the minimum. These types of organisations are also political, where decisions are taken mainly upon persuasion rather than on bureaucratic or rational basis (Handy 1993:184).

*Role Culture* refers to a highly defined structured organisation in which employees have specified delegated authorities and which are offered security and predictability (Handy 1993:185). Handy (1993) describes the structure of this type of organisation as a ‘Greek temple’ since this culture works by logic and rationality (1993:185). Organisations with a role culture put their strengths in their pillars, their roles and areas of expertise. The pillars often include the finance department and the purchasing department, and the interaction between them is regularly controlled by rules and procedures, which are the major methods of influence (Handy 1993:185).

According to Handy (1993), these type of organisations form hierarchical bureaucracies, and power is derived from an individual’s position and not according to one’s expertise and professionalism. Furthermore, organisations with role cultures are slow in recognising the need for change, and if the need is recognised, it takes a long time for change to be implemented (Handy 1993:186).

*Task Culture*, on the other hand, is job oriented and it is present in organisations where individuals work as a team and power is derived only from expertise and only when required (Handy 1993:188). Handy (1993) represents this type of organisation as a ‘net’ in which much of the power and influence lies at the ‘interstices’ of the net (1993:188). The task culture puts complete emphasis on getting the job done and hence, this type of culture tries to assemble the suitable resources, the right employees at a suitable rank in the organisation, and to let them knuckle down (Handy 1993:188). This type of culture is very compliant, it is the most type in which managers in middle, and first levels like to work.

A *Person Culture* is quite unusual and it reflects organisations in which individuals believe to be superior to the organisation they are employed in (Handy 1993:190). A group of employees who are in accord often follows goals and objectives. Control systems and management hierarchies are not viable in these cultures except by mutual approval. Influence is mutual and the power-base is usually expert, meaning that individuals do what they are good at and are paid attention to on apposite matters (Handy 1993:190). Handy (1993) postulates that individuals within this type of culture are difficult to manage, and there is little influence that can be conveyed to tolerate on them (1993:191). This is because alternative employment is often easy for them to find due to their specialisations.

Handy (1993) argues that each of the above types of cultures may be fine, but sometimes, employees are often inflexible with regards to culture, meaning that they often believe in the myth that what works well in one organisation may also be successful in another (1993:183). In addition, Handy (1993) adds that an employee who is successful in one type of culture may not always do well in another (1993:204). Moreover, it is up to the executive of the organisation to handle all four cultures, to distinguish and to amalgamate within (Handy 1993:216).

### **Classifications of Organisational Cultures**

Other key figures in organisation culture, starting from the national types of culture of Geert Hofstede, the deep levels of culture of Edgar Schein, and other types such as those of Deal and Kennedy, and Fons Trompenaars, all offered various classifications of organisational cultures. These classifications aid in the understanding of organisations.

Furthermore, by understanding a typical organisational culture one may make improvements where a dysfunctional culture is identified.

### **Geert Hofstede and the Five Cultural Dimensions**

Geert Hofstede, who is probably the most important key figure in organisational culture, established the presence of local and national cultural groups that affect organisational behaviour. Hofstede also identified five cultural dimensions in his research, namely 'Power Distance', 'Uncertainty Avoidance', 'Individualism versus Collectivism', 'Masculinity versus Femininity' and 'Long versus Short-term Orientation'. These dimensions offer insights into various cultures so as to have a better understanding of these.

*Power distance* relates to the degree to which a low-status individual accepts and bears out the power and influence of high-status persons (Chhokar *et al* 2001:83). A high score on power distance suggests that there is a belief that a number of individuals exert larger amounts of power than others (Hofstede 2003:35). On the other hand, a low score replicates the outlook that all individuals should have equal rights.

*Uncertainty avoidance* replicates the degree to which people accept ambiguity and risk, and it relates to a culture where individuals are disturbed by change and threats (Chhokar *et al* 2001:82). A high uncertainty avoidance culture has a tendency to show worrying behaviours about the future, and employees in this type of culture hesitate to change their employer (Chhokar *et al* 2001:82).

*Individualism versus Collectivism* refers to the degree to which individuals are expected to defend themselves and it describes the manner in which an employee relates to collectivity (Hofstede 2003: 63). In other words, this dimension relates to the degree to which personal versus group objectives rule an individual's way of life. Several industrialized Western countries have an individualist culture, while the rest of the world, which include almost all developing countries, apply a collectivist culture (Hofstede 2003: 63).

Hofstede (2003) argues that employees in an organisation with an individualist culture are expected to perform according to their own interest, and the organisation of tasks should coincide with the employer's interest (2003:63). On the other hand, in a collectivist culture, the type of relationship between employees and their organisation is probable to be based on contractual obligation (Jackson 2001:1272).

*Masculinity versus Femininity* refers to the male and female traditional values, and it relates to how much assertiveness and material possessions are appreciated in a society in opposition to healthy interpersonal relationships and quality of life style (Chhokar *et al* 2001:83). For example, the accumulations of wealth and material possessions relate more to the male values and hence to masculine cultures (Handy 1993:196). On the other hand, feminine cultures value strong relationships with superiors and they strongly believe in group decision-making (Chhokar *et al* 2001:83).

*Long versus Short-term Orientation* relates to the significance attached to the future versus the past and present. In long-term orientation societies, individuals value savings and determination, whilst short-term oriented societies respect tradition, nepotism and reciprocation of donations (Chhokar *et al* 2001: 84).

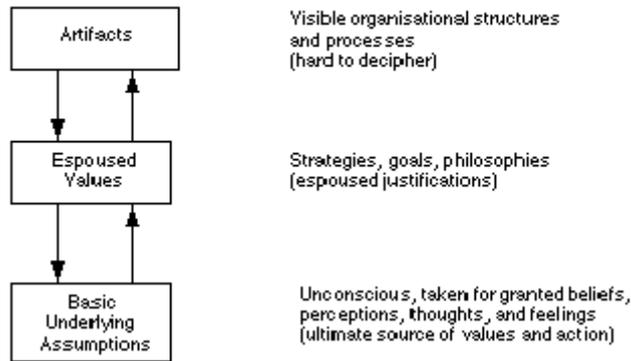
Hofstede's above dimensions signify that there are key differences that instigate individuals from differing cultures to have differing views. Hofstede (2003) illustrates his concern that an increase in the awareness of understanding the cultural environment would be beneficial (2003:5).

### Edgar Schein and the Three Levels of Organisational Culture

Edgar Schein (1985), (cited in Williams *et al* 1993), argues that culture is the most difficult organisational element to change (1993:13), and it cannot be explained in its entirety. Schein’s model of organisation (see Figure 2 below) illustrates three cognitive levels of organisational culture (Hampden-Turner 1990:12-13). These levels offer a definition of what organizational culture really is.

Figure 2

**Levels of Culture**



Source: Clark, W. (2002)

The first level deals with artefacts or the physical attributes of an organisation (Williams *et al* 1993:138). These may include amenities, offices, furniture, rewards and credits, the dress code, and the visible interaction between employees themselves and other stakeholders.

The second level deals with espoused values or the apparent culture of the organisation’s stakeholders (Williams *et al* 1993:139). This includes the expression of the mission statement, strategies, goals, philosophies and the functioning beliefs throughout the organisation.

The third inmost level deals with the organisation’s implicit hypothesis. These are elements of culture that are not visible and which are unmentionable inside the organisation (Williams *et al* 1993:140). These may include unspoken rules that employees are not consciously aware of, but which are deep rooted and may provide an explanation to understanding why things take place in a particular way.

According to De Jonge (2006), surveys and interviews with employees are not enough to draw out these attributes, and other more in-depth means may be required, such as repetitive clinical sessions similar to a therapeutic rapport between a psychologist and a patient. Moreover, this level is the basic dynamic element of organisational culture that is often overlooked by organisational behaviourists.

### Fons Trompenaars and the Four Corporate Cultures

Trompenaars (1993) argues that the culture of a company includes the models and standards that influence how employees act, and the organisation’s cultural setting is reflected by the corporate culture that a company adopts (Trompenaars & Hampden-Turner 2003:158). Trompenaars identified four ideal types of corporate culture: ‘The family’, ‘The Eiffel Tower’, ‘The guided missile’ and ‘The incubator’. All four types suggest the different types of interactions that are present between employees and their organisation.

*The family culture* is a power-based oriented culture that focuses on people and is based on hierarchies (Trompenaars & Hampden-Turner 2003:158). In this type of culture, a

powerful father-figure type of head leads employees. Promotions in this type of organisation are given according to seniority and employees have a long-term relationship to the organisation, meaning that they are completely committed to the organisation and their senior colleagues.

*The Eiffel Tower culture* is a task-oriented culture based on hierarchies as well. Organisations adopt a rigid division of labour and specific job descriptions. Trompenaars & Hampden-Turner (2003) postulate that similar to the Eiffel Tower of Paris, these types of organisations give more importance to their structures than the purpose of the business (2003:166).

*The guided missile culture* is driven by tasks where the objectives are mostly cherished, but it is not based on hierarchies (Trompenaars & Hampden-Turner 2003:172). Employees here are expected to perform all that is required to achieve the company's goals and objectives, even though roles are not set in advance as in the Eiffel Tower type of culture.

*The incubator culture* values employee development. Organisations with an incubator culture have little structure and the minimum of hierarchies (Trompenaars & Hampden-Turner 2003:172). Employees demand authority only if their ideas are motivating and innovative.

Trompenaars (1993) argues that in reality, the four types of culture do not exist in isolation. This means that more than one type of culture may exist in an organisation. It may be suggested that in order for a business to be successful, an organisation ought to choose the positive basics of Trompenaars' four types of cultures.

### **Deal and Kennedy's Four Generic Cultural Types**

Deal and Kennedy (2000) measured organisations in respect of feedback and risk (2000:12), and they used these factors in order to suggest four classifications of culture: 'The Tough-Guy Macho Culture', 'The Work Hard/Play Hard Culture', 'The Bet your Company Culture' and 'The Process Culture'.

The *tough-guy* is a macho culture in which employees often take high risks and obtain fast feedback on their actions (Deal & Kennedy 2000:12). Rewards in this type of culture may be high even though it may be quite demanding to work within. An example of organisations with tough-guy cultures may be stockbrokers, due to their hectic monetary deeds.

The *work hard/play hard* culture represents sales organisations, which do their utmost for high quality customer service and employees, take few risks but receive fast feedback. Employees operating in this type of culture are required to be highly active and positive most of the time (Deal & Kennedy 2000:13).

In a *bet-your-company* organisational culture 'big stakes' decisions are taken but results, and whether the decisions were right or wrong, are known after a very long period of years (Deal & Kennedy 2000:13). Typical organisations may include development and construction businesses where the end result comes after a number of years.

The *process culture* reflects organisations that take no risks, there is very little feedback and employees are more concerned with how the work is done rather than what is the end result (Deal & Kennedy 2000:14). Organisations in the public service adopt this kind of culture, where high bureaucracy and red tape are present.

Similar to Trompenaars, Deal & Kennedy (2000) argue that no organisation corresponds specifically to any one type of culture and, hence a combination of all four may exist (2000:14). In addition, Deal & Kennedy (2000) postulate that organisations with strong cultures, '*artfully blend*' the essential positive characteristics of all four types and shape them up in a manner that guarantees top performance (2000:15).

## Final Observations

Various writers express scepticism about the functionalist and unitarist views of culture offered by the key figures mentioned previously (Williams *et al* 1993:12), especially the ones offered by Hofstede. Hofstede's dimensions have been criticised for the fact that his views do not cover diversity within national cultures, and he proposes less of a role for people in developing cultures. Moreover, there may be a touch of bias since Hofstede is a European and most other theorists are American.

In practice, an organisational culture is not completely 'homogeneous' (Williams *et al* 1993:23). This means that no organisation adopts a single type of culture and complex organisations might have sub-cultures that overlap and disagree with each other. Trompenaars and Deal & Kennedy agree with this fact. Handy illustrated the fact that employees who are successful in an organisation with a particular culture, may not be so in another, whereas Schein defined culture as an entity which is nearly impossible to measure, study or change.

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