Coming to a New Awareness of Organizational Culture

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The purpose of this article is to define the concept of organizational culture in terms of a dynamic model of how culture is learned, passed on, and changed. As many recent efforts argue that organizational culture is the key to organizational excellence, it is critical to define this complex concept in a manner that will provide a common frame of reference for practitioners and researchers. Many definitions simply settle for the notion that culture is a set of shared meanings that make it possible for members of a group to interpret and act upon their environment. I believe we must go beyond this definition: even if we knew an organization well enough to live in it, we would not necessarily know how its culture arose, how it came to be what it is, or how it could be changed if organizational survival were at stake.

The thrust of my argument is that we must understand the dynamic evolutionary forces that govern how culture evolves and changes. My approach to this task will be to lay out a formal definition of what I believe organizational culture is, and to elaborate each element of the definition to make it clear how it works.

Organizational Culture: A Formal Definition

Organizational culture is the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

1. Pattern of Basic Assumptions

Organizational culture can be analyzed at several different levels, starting with the visible artifacts — the constructed environment of the organization, its architecture, technology, office layout, manner of dress, visible or audible behavior patterns, and public documents such as charts, employee orientation materials, stories (see Figure 1). This level of analysis is tricky because the data are easy to obtain but hard to interpret. We can describe “how” a group constructs its environment and “what” behavior patterns are discernible among the members, but we often cannot understand the underlying logic — “why” a group behaves the way it does.

To analyze why members behave the way they do, we often look for the values that govern behavior, which is the second level in Figure 1. But as values are hard to observe directly, it is often necessary to infer them by interviewing key members of the organization or to content analyze artifacts such as documents and charts. However, in identifying such values, we usually note that they represent accurately only the manifest or espoused values of a culture. That is they focus on what people say is the reason for their behavior, what they ideally would like those reasons to be, and what are often their rationalizations for their behavior. Yet, the underlying reasons for their behavior remain concealed or unconscious.

To really understand a culture and to ascertain more completely the group’s values and overt behavior, it is imperative to delve into the underlying assumptions, which are typically unconscious but which actually determine how group members perceive, think, and feel. Such assumptions are themselves
Figure 1: The Levels of Culture and Their Interaction

- Artifacts & Creations
  - Technology
  - Art
  - Visible & Audible Behavior Patterns

- Values
  - Visible but Often Not Decipherable

- Basic Assumptions
  - Relationship to Environment
  - Nature of Reality, Time & Space
  - Nature of Human Nature
  - Nature of Human Activity
  - Nature of Human Relationships
  - Greater Level of Awareness
  - Taken for Granted
  - Invisible
  - Preconscious

learned responses that originated as espoused values. But, as a value leads to a behavior, and as that behavior begins to solve the problem which prompted it in the first place, the value gradually is transformed into an underlying assumption about how things really are. As the assumption is increasingly taken for granted, it drops out of awareness.

Taken-for-granted assumptions are so powerful because they are less debatable and confrontable than espoused values. We know we are dealing with an assumption when we encounter in our informants a refusal to discuss something, or when they consider us "insane" or "ignorant" for bringing something up. For example, the notion that businesses should be profitable, that schools should educate, or that medicine should prolong life are assumptions, even though they are often considered "merely" values.

To put it another way, the domain of values can be divided into (1) ultimate, non-debatable, taken-for-granted values, for which the term "assumptions" is more appropriate; and (2) debatable, overt, espoused values, for which the term "values" is more applicable. In stating that basic assumptions are unconscious, I am not arguing that this is a result of repression. On the contrary, I am arguing that as certain motivational and cognitive processes are repeated and continue to work, they become unconscious. They can be brought back to awareness only through a kind of focused inquiry, similar to that used by anthropologists. What is needed are the efforts of both an insider who makes the unconscious assumptions and an outsider who helps to uncover the assumptions by asking the right kinds of questions.4

Cultural Paradigms: A Need for Order and Consistency

Because of the human need for order and consistency, assumptions become patterned into what may be termed cultural "paradigms," which tie together the basic assumptions about humankind, nature, and activities. A cultural paradigm is a set of interrelated assumptions that form a coherent pattern. Not all assumptions are mutually compatible or consistent, however. For example, if a group holds the assumption that all good ideas and products ultimately come from individual effort, it cannot easily assume simultaneously that groups can be held responsible for the results achieved, or that individuals will put a high priority on group loyalty. Or, if a group assumes that the way to survive is to conquer nature and to manipulate its environment aggressively, it cannot at the same time assume that the best kind of relationship among group members is one that emphasizes passivity and harmony. If human beings do indeed have a cognitive need for order and consistency,
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In this light, organizational culture paradigms are adapted versions of broader cultural paradigms. For example, Dyer notes that the GEM Corporation operates on the interlocking assumptions that: (1) ideas come ultimately from individuals; (2) people are responsible, motivated, and capable of governing themselves; however, truth can only be pragmatically determined by “fighting” things out and testing in groups; (3) such fighting is possible because the members of the organization view themselves as a family who will take care of each other. Ultimately, this makes it safe to fight and be competitive.

I have observed another organization that operates on the paradigm that (1) truth comes ultimately from older, wiser, better educated, higher status members; (2) people are capable of loyalty and discipline in carrying out directives; (3) relationships are basically linear and vertical; (4) each person has a niche that is his or her territory that cannot be invaded; and (5) the organization is a “solidary unit” that will take care of its members.

Needless to say, the manifest behaviors in these two organizations are totally different. In the first organization, one observes mostly open office landscapes, few offices with closed doors, a high rate of milling about, intense conversations and arguments, and a general air of informality. In the second organization, there is a hush in the air; everyone is in an office and with closed doors. Nothing is done except by appointment and with a rearranged agenda. When people of different ranks are present, one sees real deference rituals and obedience, and a general air of formality permeates everything.

Nonetheless, these behavioral differences make no sense until one has discovered and deciphered the underlying cultural paradigm. To stay at the level of artifacts or values is to deal with the manifestations of culture, but not with the cultural essence.

2. A Given Group

There cannot be a culture unless there is a group that “owns” it. Culture is embedded in groups, hence the creating group must always be clearly identified. If we want to define a cultural unit, therefore, we must be able to locate a group that is independently defined as the creator, host, or owner of that culture. We must be careful not to define the group in terms of the existence of a culture however tempting that may be, because we then would be creating a completely circular definition.

A given group is a set of people (1) who have been together long enough to have shared significant problems, (2) who have had opportunities to solve those problems and to observe the effects of their solutions,
<table>
<thead>
<tr>
<th>Table 1</th>
<th>Basic Underlying Assumptions around Which Cultural Paradigms Form</th>
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<tbody>
<tr>
<td>1.</td>
<td>The Organization's Relationship to Its Environment. Reflecting even more basic assumptions about the relationship of humanity to nature, one can assess whether the key members of the organization view the relationship as one of dominance, submission, harmonizing, finding an appropriate niche, and so on.</td>
</tr>
<tr>
<td>2.</td>
<td>The Nature of Reality and Truth. Here are the linguistic and behavioral rules that define what is real and what is not, what is a “fact,” how truth is ultimately to be determined, and whether truth is “revealed” or “discovered”; basic concepts of time as linear or cyclical, monochronic or polychronic; basic concepts such as space as limited or infinite and property as communal or individual; and so forth.</td>
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<tr>
<td>3.</td>
<td>The Nature of Human Nature. What does it mean to be “human” and what attributes are considered intrinsic or ultimate? Is human nature good, evil, or neutral? Are human beings perfectible or not? Which is better, Theory X or Theory Y?</td>
</tr>
<tr>
<td>4.</td>
<td>The Nature of Human Activity. What is the “right” thing for human beings to do, on the basis of the above assumptions about reality, the environment, and human nature: to be active, passive, self-developmental, fatalistic, or what? What is work and what is play?</td>
</tr>
<tr>
<td>5.</td>
<td>The Nature of Human Relationships. What is considered to be the “right” way for people to relate to each other, to distribute power and love? Is life cooperative or competitive; individualistic, group collaborative, or communal; based on traditional lineal authority, law, or charisma; or what?</td>
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and (3) who have taken in new members. A group’s culture cannot be determined unless there is such a definable set of people with a shared history.

The passing on of solutions to new members is required in the definition of culture because the decision to pass something on is itself a very important test of whether a given solution is shared and perceived as valid. If a group passes on with conviction elements of a way of perceiving, thinking, and feeling, we can assume that that group has had enough stability and has shared enough common experiences to have developed a culture. If, on the other hand, a group has not faced the issue of what to pass on in the process of socialization, it has not had a chance to test its own consensus and commitment to a given belief, value, or assumption.

The Strength of a Culture

The “strength” or “amount” of culture can be defined in terms of (1) the homogeneity and stability of group membership and (2) the length and intensity of shared experiences of the group. If a stable group has had a long, varied, intense history (i.e., if it has had to cope with many difficult survival problems and has succeeded), it will have a strong and highly differentiated culture. By the same token, if a group has had a constantly shifting membership or has been together only for a short time and has not faced any difficult issues, it will, by definition, have a weak culture. Although individuals within that group may have very strong individual assumptions, there will not be enough shared experiences for the group as a whole to have a defined culture.

By this definition, one would probably assess IBM and the Bell System as having strong cultures, whereas, very young companies or ones which have had a high turnover of key executives would be judged as having weak ones. One should also note that once an organization has a strong culture, if the dominant coalition or leadership remains stable, the culture can survive high turnover at lower ranks because new members can be strongly socialized into the organization as, for example, in elite military units.

It is very important to recognize that cultural strength may or may not be correlated with effectiveness. Though some current writers have argued that strength is desirable, it seems clear to me that the relationship is far more complex. The actual content of the culture and the degree to which its solutions fit the problems posed by the environment seem like the critical variables here, not strength. One can hypothesize that young groups strive for culture strength as a way of creating an identity for themselves, but older groups may be more effective with a weak total culture and diverse subcultures to enable them to be responsive to rapid environmental change.

This way of defining culture makes it specific to a given group. If a total corporation consists of stable functional, divisional, geographic, or rank-based subgroups, then that corporation will have multiple cultures within it. It is perfectly possible for those multiple cultures to be in conflict with each other, such that one could not speak of a single corporate culture. On the other hand, if there has been common corporate experience as well, then one could have a strong corporate culture on top of various subcultures that are based in subunits. The deciphering of a given company’s culture then becomes an empirical matter of locating where the stable social units are, what cultures each of those stable units have developed, and how those separate cultures blend into a single whole. The total culture could then be very homogeneous or heterogeneous, according to the degree to which subgroup cultures are similar or different.

It has also been pointed out that some of the cultural assumptions in an organization can come from the occupational background of the members of the organization. This makes it possible to have a managerial culture, an engineering culture, a science culture, a labor union culture, etc., all of which coexist in a given organization.
3. Invented, Discovered, or Developed

Cultural elements are defined as learned solutions to problems. In this section, I will concentrate on the nature of the learning mechanisms that are involved.

Structurally, there are two types of learning situations: (1) positive problem-solving situations that produce positive or negative reinforcement in terms of whether the attempted solution works or not; and (2) anxiety-avoidance situations that produce positive or negative reinforcement in terms of whether the attempted solution does or does not avoid anxiety. In practice, these two types of situations are intertwined, but they are structurally different and, therefore, they must be distinguished.

In the positive problem-solving situation, the group tries out various responses until something works. The group will then continue to use this response until it ceases to work. The information that it no longer works is visible and clear. By contrast, in the anxiety-avoidance situation, once a response is learned because it successfully avoids anxiety, it is likely to be repeated indefinitely. The reason is that the learner will not willingly test the situation to determine whether the cause of the anxiety is still operating. Thus all rituals, patterns of thinking or feeling, and behaviors that may originally have been motivated by a need to avoid a painful, anxiety-provoking situation are going to be repeated, even if the causes of the original pain are no longer acting, because the avoidance of anxiety is, itself, positively reinforcing.  

To fully grasp the importance of anxiety reduction in culture formation, we have to consider, first of all, the human need for cognitive order and consistency, which serves as the ultimate motivator for a common language and shared categories of perception and thought. In the absence of such shared “cognitive maps,” the human organism experiences a basic existential anxiety that is intolerable — an anxiety observed only in extreme situations of isolation or captivity.

Secondly, humans experience the anxiety associated with being exposed to hostile environmental conditions and to the dangers inherent in unstable social relationships, forcing groups to learn ways of coping with such external and internal problems.

A third source of anxiety is associated with occupational roles such as coal mining and nursing. For example, the Tavistock sociotechnical studies have shown clearly that the social structure and ways of operating of such groups can be conceptualized best as a “defense” against the anxiety that would be unleashed if work were done in another manner.  

If an organizational culture is composed of both types of elements — those designed to solve problems and those designed to avoid anxiety — it becomes necessary to analyze which is which if one is concerned about changing any of the elements. In the positive-learning situation, one needs innovative sources to find a better solution to the problem; in the anxiety-avoidance situation, one must first find the source of the anxiety and either show the learner that it no longer exists, or provide an alternative source of avoidance. Either of these is difficult to do.

In other words, cultural elements that are based on anxiety reduction will be more stable than those based on positive problem solving because of the nature of the anxiety-reduction mechanism and the fact that human systems need a certain amount of stability to avoid cognitive and social anxiety.

Where do solutions initially come from? Most cultural solutions in new groups and organizations originate from the founders and early leaders of those organizations. Typically, the solution process is an advocacy of certain ways of doing things that are then tried out and either adopted or rejected, depending on how well they work out. Initially, the founders have the most influence, but, as the group ages and acquires its own experiences, its members will find their own solutions. Ultimately, the process of discovering new solutions will be more a result of
Table 2 Problems of External Adaptation and Survival

<table>
<thead>
<tr>
<th>Strategy:</th>
<th>Developing consensus on the primary task, core mission, or manifest and latent functions of the group.</th>
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</thead>
<tbody>
<tr>
<td>Goals:</td>
<td>Developing consensus on goals, such goals being the concrete reflection of the core mission.</td>
</tr>
<tr>
<td>Means for Accomplishing Goals:</td>
<td>Developing consensus on the means to be used in accomplishing the goals — for example, division of labor, organization structure, reward system, and so forth.</td>
</tr>
<tr>
<td>Measuring Performance:</td>
<td>Developing consensus on the criteria to be used in measuring how well the group is doing against its goals and targets — for example, information and control systems.</td>
</tr>
<tr>
<td>Correction:</td>
<td>Developing consensus on remedial or repair strategies as needed when the group is not accomplishing its goals.</td>
</tr>
</tbody>
</table>

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4. Problems of External Adaptation and Internal Integration

If culture is a solution to the problems a group faces, what can we say about the nature of those problems? Most group theories agree it is useful to distinguish between two kinds of problems: (1) those that deal with the group’s basic survival, which has been labeled the primary task, basic function, or ultimate mission of the group; and (2) those that deal with the group’s ability to function as a group. These problems have been labeled socioemotional, group building and maintenance, or integration problems.  

Homans further distinguishes between the external system and the internal system and notes that the two are interdependent. Even though one can distinguish between the external and internal problems, in practice both systems are highly interrelated.

External Adaptation Problems. Problems of external adaptation are those that ultimately determine the group’s survival in the environment. While a part of the group’s environment is “enacted,” in the sense that prior cultural experience predisposes members to perceive the environment in a certain way and even to control that environment to a degree, there will always be elements of the environment (weather, natural circumstances, availability of economic and other resources, political upheavals) that are clearly beyond the control of the group and that will, to a degree, determine the fate of the group. A useful way to categorize the problems of survival is to mirror the stages of the problem-solving cycle as shown in Table 2.

The basic underlying assumptions of the culture from which the founders of the organization come will determine to a large extent the initial formulations of core mission, goals, means, criteria, and remedial strategies, in that those ways of doing things are the only ones with which the group members will be familiar. But as an organization develops its own life experience, it may
begin to modify to some extent its original assumptions. For example, a young company may begin by defining its core mission to be to "win in the marketplace over all competition," but may at a later stage find that "owning its own niche in the marketplace," "coexisting with other companies," or even "being a silent partner in an oligopolistic industry" is a more workable solution to survival. Thus for each stage of the problem-solving cycle, there will emerge solutions characteristic of that group's own history, and those solutions or ways of doing things based on learned assumptions will make up a major portion of that group's culture.

Internal Integration Problems. A group or organization cannot survive if it cannot manage itself as a group. External survival and internal integration problems are, therefore, two sides of the same coin. Table 3 outlines the major issues of internal integration around which cultural solutions must be found.

While the nature of the solutions will vary from one organization to another, by definition, every organization will have to face each of these issues and develop some kind of solution. However, because the nature of that solution will reflect the biases of the founders and current leaders, the prior experiences of group members, and the actual events experienced, it is likely that each organizational culture will be unique, even though the underlying issues around which the culture is formed will be common.29

An important issue to study across many organizations is whether an organization's growth and evolution follows an inherent evolutionary trend (e.g., developing societies are seen as evolving from that of a community to more of a bureaucratic, impersonal type of system). One should also study whether organizational cultures reflect in a patterned way the nature of the underlying technology, the age of the organization, the size of the organization, and the nature of the parent culture within which the organization evolves.

5. Assumptions That Work Well Enough To Be Considered Valid

Culture goes beyond the norms or values of a group in that it is more of an ultimate outcome, based on repeated success and a gradual process of taking things for granted. In other words, to me what makes something "cultural" is this "taken-for-granted" quality, which makes the underlying assumptions virtually undiscussable.

Culture is perpetually being formed in the sense that there is constantly some kind of learning going on about how to relate to the environment and to manage internal affairs. But this ongoing evolutionary process does not change those things that are so thoroughly learned that they come to be a stable element of the group's life. Since the basic assumptions that make up an organization's culture serve the secondary function of stabilizing much of the internal and external environment for the group, and since that stability is sought as a defense against the anxiety which comes with uncertainty and confusion, these deeper parts of the culture either do not change or change only very slowly.

6. Taught to New Members

Because culture serves the function of stabilizing the external and internal environment for an organization, it must be taught to new members. It would not serve its function if every generation of new members could introduce new perceptions, language, thinking patterns, and rules of interaction. For culture to serve its function, it must be perceived as correct and valid, and if it is perceived that way, it automatically follows that it must be taught to newcomers.

It cannot be overlooked that new members do bring new ideas and do produce culture change, especially if they are brought in at high levels of the organization. It remains to be settled empirically whether and how this happens. For example, does a new member have to be socialized first and accepted into a
### Table 3: Problems of Internal Integration

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
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<tbody>
<tr>
<td>Language:</td>
<td>Common language and conceptual categories. If members cannot communicate with and understand each other, a group is impossible by definition.</td>
</tr>
<tr>
<td>Boundaries:</td>
<td>Consensus on group boundaries and criteria for inclusion and exclusion. One of the most important areas of culture is the shared consensus on who is in, who is out, and by what criteria one determines membership.</td>
</tr>
<tr>
<td>Power &amp; Status:</td>
<td>Consensus on criteria for the allocation of power and status. Every organization must work out its pecking order and its rules for how one gets, maintains, and loses power. This area of consensus is crucial in helping members manage their own feelings of aggression.</td>
</tr>
<tr>
<td>Intimacy:</td>
<td>Consensus on criteria for intimacy, friendship, and love. Every organization must work out its rules of the game for peer relationships, for relationships between the sexes, and for the manner in which openness and intimacy are to be handled in the context of managing the organization’s tasks.</td>
</tr>
<tr>
<td>Rewards &amp; Punishments:</td>
<td>Consensus on criteria for allocation of rewards and punishments. Every group must know what its heroic and sinful behaviors are; what gets rewarded with property, status, and power; and what gets punished through the withdrawal of rewards and, ultimately, excommunication.</td>
</tr>
<tr>
<td>Ideology:</td>
<td>Consensus on ideology and “religion.” Every organization, like every society, faces unexplainable events that must be given meaning so that members can respond to them and avoid the anxiety of dealing with the unexplainable and uncontrollable.</td>
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central and powerful position before he or she can begin to affect change? Or does a new member bring from the onset new ways of perceiving, thinking, feeling, and acting, which produce automatic changes through role innovation?21 Is the manner in which new members are socialized influential in determining what kind of innovation they will produce?22 Much of the work on innovation in organizations is confusing because often it is not clear whether the elements that are considered “new” are actually new assumptions, or simply new artifacts built on old cultural assumptions.

In sum, if culture provides the group members with a paradigm of how the world “is,” it goes without saying that such a paradigm would be passed on without question to new members. It is also the case that the very process of passing on the culture provides an opportunity for testing, ratifying, and reaffirming it. For both of these reasons, the process of socialization (i.e., the passing on of the group's culture) is strategically an important process to study if one wants to decipher what the culture is and how it might change.23

By focusing on perceptions, thoughts, and feelings, I am also stating the importance of those categories relative to the category of overt behavior. Can one speak of a culture in terms of just the overt behavior patterns one observes? Culture is manifested in overt behavior, but the idea of culture goes deeper than behavior. Indeed, the very reason for elaborating an abstract notion like “culture” is that it is too difficult to explain what goes on in organizations if we stay at the descriptive behavioral level.

To put it another way, behavior is, to a large extent, a joint function of what the individual brings to the situation and the operating situational forces, which to some degree are unpredictable. To understand the cultural portion of what the individual brings to the situation (as opposed to the idiosyncratic or situational portions), we must examine the individual's pattern of perceptions, thoughts, and feelings. Only after we have reached a consensus at this inner level have we uncovered what is potentially cultural.

The Study of Organizational Culture and Its Implications

Organizational culture as defined here is difficult to study. However, it is not as difficult as studying a different society where language and customs are so different that one needs to live in the society to get any feel for it at all. Organizations exist in a parent culture, and much of what we find in them is derivative from the assumptions of the parent culture. But different organizations will sometimes emphasize or amplify different elements of a parent culture. For example, in the two companies previously mentioned, we find in the first an extreme version of the individual freedom ethic, and in the second one, an extreme version of the authority ethic, both of which can be derived from U.S. culture.

The problem of deciphering a particular organization's culture, then, is more a matter of surfacing assumptions, which will be recognizable once they have been uncovered. We will not find alien forms of perceiving,
thinking, and feeling if the investigator is from the same parent culture as the organization that is being investigated. On the other hand, the particular pattern of assumptions, which we call an organization’s cultural paradigm, will not reveal itself easily because it is taken for granted.

How then do we gather data and decipher the paradigm? Basically, there are four approaches that should be used in combination with one another:

1. Analyzing the Process and Content of Socialization of New Members. By interviewing “socialization agents,” such as the supervisors and older peers of new members, one can identify some of the important areas of the culture. But some elements of the culture will not be discovered by this method because they are not revealed to newcomers or lower members.

2. Analyzing Responses to Critical Incidents in the Organization’s History. By constructing a careful “organizational biography” from documents, interviews, and perhaps even surveys of present and past key members, it is possible to identify the major periods of culture formation. For each crisis or incident identified, it is then necessary to determine what was done, why it was done, and what the outcome was. To infer the underlying assumptions of the organization, one would then look for the major themes in the reasons given for the actions taken.

3. Analyzing Beliefs, Values, and Assumptions of “Culture Creators or Carriers.” When interviewing founders, current leaders, or culture creators or carriers, one should initially make an open-ended chronology of each person’s history in the organization — his or her goals, modes of action, and assessment of outcomes. The list of external and internal issues found in Tables 2 and 3 can be used as a checklist later in the interview to cover areas more systematically.

4. Jointly Exploring and Analyzing with Insiders the Anomalies or Puzzling Features Observed or Uncovered in Interviews. It is the joint inquiry that will help to disclose basic assumptions and help determine how they may interrelate to form the cultural paradigm.

The insider must be a representative of the culture and must be interested in disclosing his or her own basic assumptions to test whether they are in fact cultural prototypes. This process works best if one acts from observations that puzzle the outsider or that seem like anomalies because the insider’s assumptions are most easily surfaced if they are contrasted to the assumptions that the outsider initially holds about what is observed.

While the first three methods mentioned above should enhance and complement one another, at least one of them should systematically cover all of the external adaptation and internal integration issues. In order to discover the underlying basic assumptions and eventually to decipher the paradigm, the fourth method is necessary to help the insider surface his or her own cultural assumptions. This is done through the outsider’s probing and searching.

If an organization’s total culture is not well developed, or if the organization consists of important stable subgroups, which have developed subcultures, one must modify the above methods to study the various subcultures. Furthermore, the organizational biography might reveal that the organization is at a certain point in its life cycle, and one would hypothesize that the functions that a given kind of culture plays vary with the life-cycle stage.

Implications for Culture Management and Change
If we recognize organizational culture — whether at the level of the group or the total corporation — as a deep phenomenon, what does this tell us about when and how to change or manage culture? First of all, the evolutionary perspective draws our attention
to the fact that the culture of a group may serve different functions at different times. When a group is forming and growing, the culture is a "glue"—a source of identity and strength. In other words, young founder-dominated companies need their cultures as a way of holding together their organizations. The culture changes that do occur in a young organization can best be described as clarification, articulation, and elaboration. If the young company's culture is genuinely maladaptive in relation to the external environment, the company will not survive anyway. But even if one identified needed changes, there is little chance at this stage that one could change the culture.

In organizational midlife, culture can be managed and changed, but not without considering all the sources of stability which have been identified above. The large diversified organization probably contains many functional, geographic, and other groups that have cultures of their own—some of which will conflict with each other. Whether the organization needs to enhance the diversity to remain flexible in the face of environmental turbulence, or to create a more homogeneous "strong" culture (as some advocate) becomes one of the toughest strategy decisions management confronts, especially if senior management is unaware of some of its own cultural assumptions. Some form of outside intervention and "culture consciousness raising" is probably essential at this stage to facilitate better strategic decisions.

Organizations that have reached a stage of maturity or decline resulting from mature markets and products or from excessive internal stability and comfort that prevents innovation may need to change parts of their culture, provided they can obtain the necessary self-insight. Such managed change will always be a painful process and will elicit strong resistance. Moreover, change may not even be possible without replacing the large numbers of people who wish to hold on to all of the original culture.

No single model of such change exists: managers may successfully orchestrate change through the use of a wide variety of techniques, from outright coercion at one extreme to subtle seduction through the introduction of new technologies at the other extreme. 28

Summary and Conclusions
I have attempted to construct a formal definition of organizational culture that derives from a dynamic model of learning and group dynamics. The definition highlights that culture: (1) is always in the process of formation and change; (2) tends to cover all aspects of human functioning; (3) is learned around the major issues of external adaptation and internal integration; and (4) is ultimately embodied as an interrelated, patterned set of basic assumptions that deal with ultimate issues, such as the nature of humanity, human relationships, time, space, and the nature of reality and truth itself.

If we are to decipher a given organization's culture, we must use a complex interview, observation, and joint-inquiry approach in which selected members of the group work with the outsider to uncover the unconscious assumptions that are hypothesized to be the essence of the culture. I believe we need to study a large number of organizations using these methods to determine the utility of the concept of organizational culture and to relate cultural variables to other variables, such as strategy, organizational structure, and ultimately, organizational effectiveness.

If such studies show this model of culture to be useful, one of the major implications will be that our theories of organizational change will have to give much more attention to the opportunities and constraints that organizational culture provides. Clearly, if culture is as powerful as I argue in this article, it will be easy to make changes that are congruent with present assumptions, and very difficult to make changes that are not. In sum, the understanding of organizational culture would then become integral to the process of management itself.
The research on which this article is based was supported by the Chief of Naval Research, Psychological Sciences Division (Code 452), Organizational Effectiveness Research Programs, Office of Naval Research, Arlington, VA 22217, under Contract Number N00014-80-C-0905, NR 170-911.

Special thanks go to my colleagues Lottie Baily, John Van Maanen, and Meryl Louis for helping me to think through this murky area; and to Gibb Dyer, Barbara Lawrence, Steve Barley, Jan Samzelius, and Mary Nee whose research on organizational culture has begun to establish the utility of these ideas.

References


3. See:


5. See:
   An application of these ideas to the study of organizations across cultures, as contrasted with the culture of organizations can be found in W. M. Evon, Organization Theory (New York: John Wiley & Sons, 1976), ch. 15;
   Other studies of cross-cultural comparisons are not reviewed in detail here. See for example:
   G. Hofstede, Culture's Consequences (Beverly Hills, CA: Sage Publications, 1980);


8. See:
   T. E. Deal and A. A. Kennedy, Corporate Culture (Reading, MA: Addison-Wesley, 1982);

9. See:
   J. Van Maanen and S. R. Barley, "Occupational Communities: Culture and Control in Organizations" (Cambridge, MA: Sloan School of Management, November 1982);


13. See:

14. See:

15. See:
   Schein (1961);

16. See:
   A. K. Rice, The Enterprise and Its Environment (London: Tavistock, 1963);
   R. P. Bales, Interaction Process Analysis (Chicago, IL: University of Chicago Press, 1950);


18 See:


20 When studying different organizations, it is important to determine whether the deeper paradigms that eventually arise in each organizational culture are also unique, or whether they will fit into certain categories such as those that the typological schemes suggest. For example, Handy describes a typology based on Harrison’s work that suggests that organizational paradigms will revolve around one of four basic issues: (1) personal connections, power, and politics; (2) role structuring; (3) tasks and efficiency; or (4) existential here and now issues. See:


23 Ibid.


26 See:


28 A fuller explication of these dynamics can be found in my forthcoming book on organizational culture.