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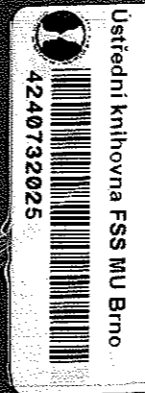
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THE SOCIOLOGY OF ORGANIZATIONS

*Classic, Contemporary,
and Critical Readings*

EDITOR

Michael J. Handel

PART X

ORGANIZATIONAL CULTURE

Though there are many different definitions of culture, a society's culture is usually defined as its values, norms, beliefs, and attitudes, and the symbols and rituals used to express them. Institutional theory argues that the wider culture has a strong impact on organizational structure and functioning (see Reading 19). Another stream of research is interested in the culture *within* organizations, considered as social systems in their own right.

Organizational researchers have long recognized that different organizations have their own tone or "feel." Even when they are in the same industry or are performing the same function, different organizations may be more authoritarian or democratic, rule-bound or informal, innovative or resistant to change, accepting of or hostile toward diversity, or may have generally friendly or unfriendly atmospheres.

However, the recent interest in organizational culture reflected the spectacular global success of Japanese business in the 1970s–1980s. American corporations during the 1920s used policies collectively known as *welfare capitalism* to encourage employees to identify with the company and avoid unions. These policies included employment security, fringe benefits such as health care, company-sponsored unions, grievance mechanisms, suggestion systems, picnics and company-sponsored athletics, even company songs and other techniques, but only a few plans such as IBM's policies survived the Depression (Edwards 1979; Jacoby 1997). Japanese enterprises, which developed and maintained such paternalist policies and "family" atmosphere to a much greater degree, seemed to have intensely loyal and dedicated employees. Employee commitment and conscientious work attitudes became widely viewed as one of the secrets of Japanese business success. The recent interest in organizational culture among managers and some organizational researchers reflected a desire to improve morale, organizational commitment, and, hopefully, productivity.

The potential advantages of the Japanese approach are illustrated by a typology of organizational control techniques developed by Amitai Etzioni (1964). Some organizations, such as prisons and involuntary mental institutions, use physical sanctions or *coercion* to control their members. Others, such as most business organizations, use material or *utilitarian incentives* to induce members to behave in the desired ways. Still other organizations, such as churches or political parties, use *normative controls*, such as higher ideals or group acceptance, to persuade members to identify with and internalize the organization's goals,

accepting them as their own. Organizations using normative control strategies elicit greater commitment from members than those using utilitarian methods, and those using coercion elicit the least. More recently, William Ouchi (1980), working in Williamson's transaction cost perspective, concluded from the Japanese experience that it can be cheaper to control people through socialization and norms than material incentives or bureaucratic rules.

However, as Joanne Martin (1992) argues, both actors and researchers can have different interpretations of the meaning of culture. She describes three approaches to the study of organizational culture: *integration*, *differentiation*, and *fragmentation*. Martin believes all three are necessary for fully appreciating how culture operates in organizations.

According to the integration perspective, members of an organization share a common viewpoint and consent to the basic principles of their culture, which are internally consistent and imply clear expectations for behavior. The integration perspective appeals to managers because it gives them a potential role as leaders in creating or transforming their corporate culture and offers the possibility of a committed workforce dedicated to organizational goals such as productivity and competitiveness. Some organizational researchers also endorse the view that for a set of beliefs or attitudes to count as culture it must be shared by a group.

However, the differentiation perspective recognizes the existence of sub-cultural differences within organizations and varying interpretations of cultural precepts and events, often reflecting conflicting group interests. Workers and managers may view the organizational culture differently, as Laurie Graham argued in her study of a Japanese-owned auto plant in Indiana (Reading 12). Different departments, such as the staff and line studied by Melville Dalton (Reading 13), may clash. Top managers and their subordinates may differ over issues of fairness and responsibility, as Robert Jackall (Reading 14) and others argue (Smith 1990). Different gender and racial groups may disagree over the degree of opportunity and bias within the organization (see Readings 28 and 29).

The differentiation perspective argues that there is no organization-wide consensus, only consensus within subcultures, and this view tends to give greater weight to how lower-status groups view the organization compared to the integration perspective. The differentiation perspective often studies conflicts and resistance that are not acknowledged in management rhetoric or organizational research that stresses teamwork, harmony, and cooperation. Like critiques of Human Relations and humanistic management, this perspective often interprets efforts to build a common culture as a way of manipulating workers to gain greater effort from them and is not likely to appeal to managers.

Many researchers with a differentiation perspective are suspicious of top management efforts to engineer strong cultures. They note that another name for cultural integration and consensus is conformity. The aim of building a strong culture is to shape workers' inner thoughts and feelings as well as their external behavior for commercial purposes.

The dedication and quasi-religious commitment that the new manager seeks to instill into his employees sometimes sits a little oddly with the nature of the company goal: It may be inspiring to hear of sales staff risking their life in a snow storm to ensure regular delivery, but when the reader learns that the product is a high-salt, high-calorie

junk food, doubts about whether some of this shining dedication is perhaps misplaced begin to arise. (Martin 1992, p. 102)

But, the differentiation perspective need not be used only to study indoctrination and resistance. There is significant literature arguing for the benefits of gender and racial and ethnic diversity in organizations. Different perspectives and subcultures can enhance organizational effectiveness by opening the organization to diverse points of view. Diversity is increasingly a fact of life within the labor force from which all organizations draw and among the consuming public; organizations that reflect this diversity within their own organizations may enjoy a competitive advantage. Outside of business enterprises, it has long been recognized that the effectiveness of urban police is compromised when an overwhelmingly white force has responsibility for patrolling minority neighborhoods because of the social distance, preconceptions, mistrust, misunderstandings, and communication problems between the two groups, among other reasons.

Other subcultural differences within organizations, such as those between human resource, finance, and engineering departments, may be important for understanding organizational life but reflect different operating styles, training, and functions of groups that are neither in conflict nor even in sustained interaction with one another (Martin 1992, p. 90).

Finally, the fragmentation perspective views cultural systems as more ambiguous, lacking clarity at either the collective or subgroup levels. Like James March's view of decision making, the world contains great confusion and disorder, and people are only partially successful in making sense of corporate policies as well-or ill-intentioned or favorable or unfavorable to their interests and well-being. If subordinates are allowed to confront managers with their concerns in meetings, but then no action is taken, it is not clear if the lack of follow-up is unintentional or if the meeting is a hollow ritual intended to pacify workers. If the human resources department fails to adopt an employee-friendly policy, it is not clear whether the company lacks genuine concern for its workers or whether the department simply lacks the power within the company to lobby effectively. Individuals also have multiple identities, as, say, both women and managers, that might interfere with the coalescence of distinct, homogeneous groups with either shared or conflicting views. The centrality of ambiguity and uncertainty in the fragmentation perspective makes it an uncomfortable model for many researchers, as well as managers.

Managers embraced the idea of consciously shaping their organizational cultures because they operated from an integration perspective, but for Martin the actual results inevitably include the resistance and ambiguity associated with the differentiation and fragmentation perspectives, as well.

Gideon Kunda's study of a computer maker, High Technologies Corporation, or Tech, illustrates many of these ideas (Reading 27). Tech's charismatic founder created a highly distinctive corporate culture that emphasized technical excellence, ethical conduct, enthusiasm, very long hours, total involvement in work, self-direction and self-reliance, creativity, professional autonomy, a no-layoff pledge, and an antibureaucratic spirit that work should be fun, hierarchy limited, and formal structure and rules minimized. Tech's loose structure and professional, high-commitment culture correspond to Burns and Stalker's organic

system (Reading 4) and has elements of Mintzberg's adhocracy. A steady stream of literature, training, group activities, public meetings, rituals, and supervisory and peer reinforcement inculcated the company's values and messages. Kunda cites Etzioni's work in arguing that employees' resulting emotional attachment to their work and self-direction reduced the need for more formal monitoring and control mechanisms.

Tech's corporate culture offered employees many positive benefits, but it demanded a great deal in return, including a substantial part of their personal identity. Though most employees liked both their jobs and their employer, many tried to dissociate themselves from the corporate culture or remained ambivalent. As McGregor argued (Reading 9), borrowing from Maslow, most people want a satisfying job, and self-fulfillment at work has often appeared to be the ideal antidote to the alienating qualities of bureaucracy. But a workplace that tries to serve both economic goals and human needs blurs the boundaries between self and work and threatens to absorb one's personal identity into a work role. In addition, to propose an identity between personal self-actualization and a company's business objectives invariably raises the kinds of questions about motives that critics have posed since Human Relations. Because strong corporate cultures try to shape how people think and feel, Kunda suggests they encroach on employees' private selves even as they offer a uncommon sense of community and working conditions that are generally superior to those of conventional firms.

But Kunda's concerns with the harmful effects of corporate culture initiatives have been partly overtaken by recent events. Since the early 1990s, the Japanese threat has receded, and the managers of large corporations now want their employees to act more as if they were free agents in a marketplace rather than permanent employees of an organization or members of a single community, as Bennett Harrison argued (see Reading 26). After Kunda studied the company, Tech faced economic difficulties in the 1990s and had to resort to layoffs. As with welfare capitalism more than fifty years earlier, when promises of security in return for commitment become too costly, they must be discontinued. For Tech and most other American companies since the 1990s, "The rhetoric of organizational communities and cultures is being replaced swiftly by the rhetoric of markets and entrepreneurs. . . . Out of the ashes of discredited bureaucracy, stuck with metaphors of obesity and waste, familiar notions again appear, including laissez-faire capitalism and the survival of the fittest" (Kunda and van Maanen 1999, pp. 73ff.). Eventually Tech was acquired by a younger competitor and ceased to exist as an independent company.

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ENGINEERING CULTURE

Control and Commitment in a High-Tech Corporation

GIDEON KUNDA

CULTURE AND ORGANIZATION

"Welcome to Technology Region—Working on America's Future," proclaim the signs along Route 61, the region's main artery. It is early, but the nervous, impatient energy of high-tech is already pulsating through the spectacular countryside. Porsches, souped-up Chevies, Saabs, indeterminate old family station wagons, motorcycles, company vans, lots of Toyotas—the transportation variety is endless—edge their way toward the exit ramps and the clusters of "corporate parks," engineering facilities, conference centers, and hotels that are the place of daily congregation for the region's

residents. As their cars jerk along, some drivers appear engrossed in thought, a few may be observed speaking into tape recorders or reading documents from the corner of their eyes. In "the region" the future is now; time is precious; and for many of the drivers work has already begun.

The parking lot in front of High Technologies' Lyndsville engineering facility is rapidly filling. High Technologies Corporation—"Tech" to most of its employees—is one of the larger, more successful, and better known of the Region's corporate residents, and reputed to be on the "leading edge" of the high-tech industry. The Lyndsville facility is home to a number of Tech's more prominent and promising engineering groups. It is a low, sprawling, ugly building squatting behind the spacious parking

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