

Obtaining Control through Organizational Culture and Identity Processes

Solving the problem of the changing conditions of control in the context of knowledge work

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Executive Summary

The purpose of this master thesis is to provide an answer to the problem of organizational control under conditions that does not allow for the application of traditional, rational control mechanisms to be applied.

In the midst of the changing composition of the business sectors, conditions serving as a prerequisite for the rational control mechanisms extensively utilized by the dominant organizational form of the industrial sector, bureaucracy, are eroding in the growing sectors of knowledge intensive industries. The characteristics of knowledge work dictate a very different approach to solving the problem of achieving effective coordination between individuals with divergent interests. Where conditions do not allow for measurement of output and description of behavior, a normative framework is required.

A presentation and analysis of the fields of organizational control, organizational culture and individual identity theory serve to provide the basis of building a conceptual model for control in the context of knowledge work.

Through the deliberate and focused attention to organizational culture change programs, managers can influence the basic assumptions serving as a cognitive framework providing stability and anxiety relief and effectively reducing the available choices of action. Underpinning this is the identity regulation processes that are processes of construction of self that situates the individual in the context of society, and the individual's evaluation of self derived partly from comparison of group affiliation in society.

The processes of organizational culture and identity regulation are very complex processes. Claims of construction of identity and organizational culture in detail are exaggerated, as both culture and identity are mediated processes, with a large portion of the individual's own attributions as well as innumerable influences acting as potential contaminants. Organizational culture is not a normative framework of force. It is acting as a cognitive mental map, eliciting commitment through its stabilizing and self-esteem enhancing underlying processes.

Table of contents

Executive Summary	2
1 Introduction.....	6
1.1 Thesis Motivation.....	6
1.2 Problem statement	11
1.3 Readers guide & Blooms taxonomy.....	11
1.4 Demarcations.....	12
2 Introduction to and historical development of the theoretical fields	13
2.1 Organizational Control	13
2.1.1 Control defined and explained	13
2.1.2 Simple Controls.....	14
2.1.3 Hierarchical Control.....	15
2.1.4 Technical Control.....	16
2.1.5 Bureaucratic Control	18
2.1.6 Summation	20
2.2 Organizational culture	20
2.2.1 Organizational culture as a divided field	21
2.2.2 The strengths and weaknesses of the organizational culture term	22
2.2.3 A critical approach to organizational culture	24
2.2.4 Summation	26
2.3 Identity theory	26
2.3.1 The individual and society	26
2.3.2 The construction of self in the context of society	27
2.3.3 The relation of self to groups in society.....	28
2.3.4 Summation	29

3	Literature Review.....	30
3.1	Before we begin.....	30
3.2	Organizational culture	31
3.2.1	Edgar H. Schein – Organizational Culture and Leadership	33
3.2.2	Joanne Martin – Cultures in organizations: Three perspectives	36
3.2.3	Mary Jo Hatch – The Dynamics of Organizational Culture	40
3.3	Organizational Culture – The critical view	42
3.3.1	V. Lynn Meek – Organizational Culture: Origins and Weaknesses	43
3.3.2	Hugh Willmott – Strength is ignorance, slavery is freedom: Managing culture in modern organizations	45
3.3.3	Peter Anthony – Managing Culture	47
3.4	Identity theory	49
3.4.1	George H. Mead – The Self: The ‘I’ and the ‘Me’	49
3.4.2	Henri Tajfel & John Turner – An integrative theory of intergroup conflict	50
3.4.3	Mats Alvesson & Hugh Willmott – Identity regulation as organizational control producing the appropriate individual	51
3.5	Organizational Control	53
3.5.1	Richard Edwards – Contested Terrain	53
3.5.2	William Ouchi – A conceptual framework for the design of organizational control mechanisms.....	55
3.5.3	Paul Thompson & Mats Alvesson – Bureaucracy at Work: Misunderstandings and mixed blessings.....	59
3.5.4	Michael Reed – Beyond the iron cage? Bureaucracy and democracy in the knowledge economy and society.....	60
4	Analysis & Theoretical framework.....	62
4.1	The challenges of organizational control in the knowledge economy	63
4.2	Achieving control through organizational culture.....	66

4.3	The identity regulation process as a foundation for control through culture	68
5	Discussion	69
5.1	The state of the bureaucratic organizational form.....	69
5.2	Organizational culture; its functionality and implications	71
5.2.1	Change in culture or change in behavior?.....	72
5.2.2	Culture as a unifying concept & the leaders role	72
5.2.3	Working class struggles in organizational culture	73
5.2.4	Freedom under responsibility.....	74
5.3	Identity regulation and culture in complex environments.....	75
5.4	Further questions	76
6	Conclusion	77
6.1	The characteristics of job types in knowledge work	78
6.2	Exercising control through culture and identity processes.....	78
6.3	Critical voices.....	79
6	References.....	80
7	Appendix A.....	81

1 Introduction

1.1 Thesis Motivation

From when the centralization of capital began and businesses started growing from small entrepreneurial enterprises to larger more complex forms of organizing work, owners, managers and entrepreneurs have sought the most effective solution to the central problem of the, to use the Marxian terms, capitalist/labor relationship (Edwards, 1979). The problem has been expressed in a variety of ways. From the Marxian view of a problem of finding the most efficient way of transforming the potential labor power purchased in the labor market into actual undertaken labor. In more modern, and to this thesis appropriate, terms, Ouchi (1979) has expressed the problem as

achieving coordination among individuals with, at least partly, divergent goals. In simpler terms, the problem can be stated as a problem of control.

As shall be explained in the next chapter, the mechanisms and systems applied in an attempt to achieve this control has undergone a significant development, both in terms of the technical aspects of the mechanisms themselves, but also in terms of its complexities and an expansion of authority in the sense that tools of control, if you will, have moved from being purely a technical device to exhibiting ever greater normative tendencies.

The development of the organizational control mechanisms have been driven partly by advances in the technological aspects of the actual production facilities, partly by changes in societal trends as part of a larger context resulting in changed conditions in the work place.

The greater economic development of the world has seen the economies of industrialized countries change drastically over the last two decades. From small entrepreneurial enterprises and a large agricultural sector to the industrialization that brought such prosperity (Edwards, 1979). Over the past twenty years, with an emphasis on the last ten years especially, the development of the composition of business sectors have seen a drastic reduction in typical industry sectors and a powerful growth in what can be termed the knowledge worker-intensive sectors.

Denmark has traditionally been a country dominated by the agricultural sector and was slow to undergo the industrialization change process. It was not until the post-World War II years that Denmark caught the industrialization wave, fueled by the explosive capitalist boom in the economies of Western Europe and America¹. The table below illustrates the development of distribution of the total population employed in a given industry from 1901 till 1970.

¹ <http://www.leksikon.org/art.php?n=3072> visited 12.10.12

Figure 1²

Table 106		Population by industry in the censuses							
	1901	1906	1911	1930	1940	1950	1960	1965	1970
thousand persons									
Total population	2 450	2 589	2 757	3 551	3 844	4 281	4 585	4 768	4 938
Agriculture, etc.	975	999	1 041	1 127	1 066	1 012	861	703	495
Manufacturing	721	737	788	1 091	1 285	1 492	1 674	1 776	1 758
Trade and sales	238	291	310	421	484	557	631	661	681
Transport	126	138	162	236	249	306	335	331	330
Administration and professions	118	135	141	223	268	363	480	605	770
Industry not stated	53	68	73	86	73	63	31	43	69
Pension, property, assistance	219	220	241	367	418	487	574	649	834
per cent									
Total population	100	100	100	100	100	100	100	100	100
Agriculture, etc.	40	39	38	32	28	24	19	15	10
Manufacturing	29	28	29	31	33	35	37	37	36
Trade and sales	10	11	11	12	13	13	14	14	14
Transport	5	5	6	7	7	7	7	7	7
Administration and professions	5	5	5	6	7	8	10	13	16
Industry not stated	2	3	3	2	2	1	1	1	1
Pension, property, assistance	9	8	9	10	11	11	13	14	17

Note: Children living at home and married women with no commercial employment as well as domestic help are placed in the same industry group as the head of the household. Grouping by occupation is per the census in 1950. 1901-1911 is excl. North Schleswig. Due to rounding up/down, the totals are not precise.

Source: Lars Bugge Andersen, et al. *Erhvervsstrukturens udvikling i Danmark 1901-1976*

The table shows that until shortly after World War II the Danish labor force was primarily employed in the, at the time, two big industries in Danish business, agriculture and manufacturing, accounting for 58% of the total labor force in 1950.

During the next thirty years, the agricultural industry shrunk considerably by around 50% while the manufacturing industry grew by roughly 35%. During the same period, the traditional white-collar industries also grew considerably, with Pension, property & assistance growing by a just over 70% while administration and professions doubled their numbers. In 1970 knowledge intensive industry accounted for 33% of the labor force.

The below table illustrates the development from 1970 until 2001 and from there till 2011.

² Statistical yearbook 2012 <http://www.dst.dk/en/Statistik/Publikationer/VisPub.aspx?cid=16251>

Figure 2³

Table 107 Employed persons by industry			
	2001	2006	2011
	thousand persons		
Total	2 773	2 755	2 667
Agriculture, forestry and fishing	98	82	70
Manufacturing, mining and quarrying, and utility services	464	400	319
Construction	173	179	150
Trade and transport etc.	649	653	628
Information and communication	106	97	98
Financial and insurance	79	80	82
Real estate	33	38	44
Other business services	226	257	266
Public administration, education and health	817	842	873
Arts, entertainment and recreation activities	114	117	117
Activity not stated	12	9	20

www.statbank.dk/ras9

Although the two tables are not directly comparable, due to different categorizations and counting methods, the trend is clear. The traditional blue-collar industries, represented in the table above as Agriculture, Manufacturing and Construction having shrunk significantly from 1970 to 2001 where the industries accounted for 27% of the labor force, while the more knowledge intensive industries, represented by Information & Communication, Financial & Insurance, Real Estate, Business Services and Public Administration accounted for 45%. This trend continues into 2011 where the corresponding figures are 20% for blue-collar labor and 51% for knowledge intensive industries.

According to Ouchi (1979) this development constitutes new challenges for organizations as they attempt to answer the basic problem of organization, still very much relevant, of how to achieve organization between individuals with divergent interests. The challenges come about as the product of the labor process, as well as the tools of transforming labor power into labor changes. In knowledge intensive organizations, the product of the knowledge worker is more often than not, more knowledge. The knowledge worker processes information, analyzes, evaluates and dissect complex problems to present the product of their labor: solutions, suggestions, informational reports and so on. Further to that, the tools of the labor process, the process of transforming labor power into labor previously dominated by machines and tools, has become knowledge itself. The skills with which to produce the output are vested deeply in the knowledge worker as a result of a lengthy training process, and are not easily obtainable.

³ Statistical yearbook 2012 <http://www.dst.dk/en/Statistik/Publikationer/VisPub.aspx?cid=16251>

The implications of these changes for organizational control are many. For starters, the balance of power shifts in so far as ownership of the production facilities is concerned. Up until the appearance of knowledge work, the owners controlled the production facilities and by virtue of that fact had control of the production process. In knowledge work, the employee controls the production facilities (His knowledge and skills) and further to that, the product of his labor might be the intellectual property of his employer, but by the definition of knowledge, it is vested deeper in the worker than the product he presents to his employer. In knowledge intensive work, where the production process is comprised of a worker using analytical skills learned through education to analyze and dissect complex problems to come up with innovative solutions, the control over the production falls on the worker. The organization has thus lost a very important tool in the struggle for control (Mitchell & Meacheam, 2011).

In Ouchi's terms (1979), the conventional mechanisms of organizational control, rational controls, ever present in the dominant organizational form of the industrialized sectors, bureaucracy, rely on characteristics of the production form and/or output that are simply not present in knowledge work.

As a result of this development, organizations are forced to adopt a different approach to harnessing a knowledge worker's productivity – to convert purchased labor power into labor. In their paper "Knowledge worker control: understanding via principal and agency theory" Mitchell & Meacheam (2011) set up several propositions for the handling of the principal agency problem for knowledge workers. Among these, proposition three states:

"Knowledge workers are less likely to behave in a self-interested manner and more likely to be motivated towards the achievement of organizational goals when they work in an organization in which shared values emphasize collegial interdependence and goal congruity." (Mitchell & Meacheam, 2011: 155)

Mitchell & Meacheam's description of what is needed to motivate knowledge workers fit the definition of the term organizational culture, offered by V. Lynn Meek very well, as she states:

"The study of organizational culture – the proposition that organizations create myths and legends, engage in rites and rituals, and are governed through shared symbols and customs..." (Meek, 1988: 453)

Further to this, Ouchi (1979) suggest what he calls clan control, which is control through

“high internal commitment to the firms objective... a highly formalized and lengthy period of socialization... When the socialization process refers to all of the citizens of a political unit, we refer to it as culture... When it refers to the properties of a unique organization, we may refer to it as a clan” (Ouchi, 1979: 837)

The concept of using organizational culture as a mechanism for control suggests an internalization of values and a commitment to the organizational goals and values, lends itself to questions about identity formation and regulation, as a matter of definition. It is with this concept of commitment to and identification with the organization in mind that I propose my problem statement for examination in this thesis.

1.2 Problem statement

On the basis of the challenge of exercising organizational control under conditions inherent in knowledge work presented in the previous section, I am going to answer the question:

How can the theoretical fields of organizational culture and identity theory combine to form a conceptual framework for organizational control within the context of knowledge work?

1.3 Readers guide & Blooms taxonomy

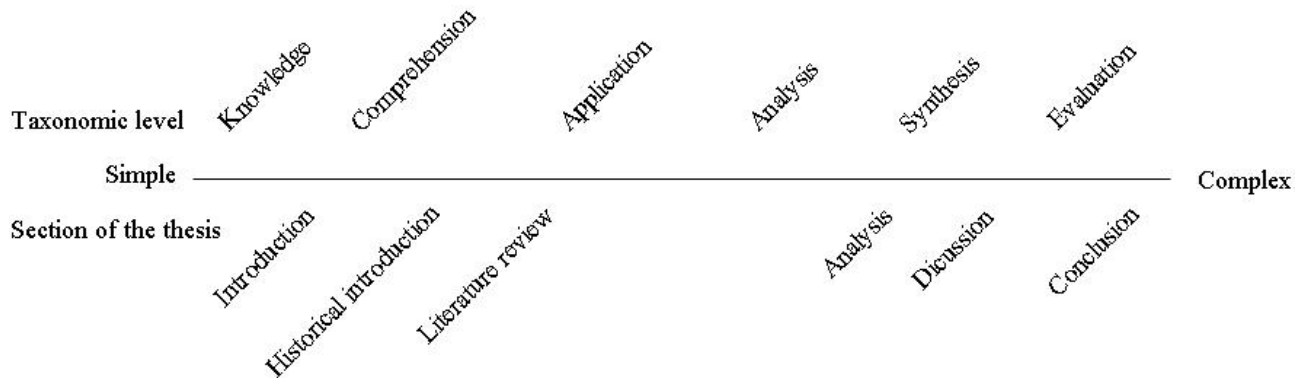
In order to answer the problem statement I will first present the historical roots and developments of each individual field, to give insights into the terms and concepts as well as why and how the change.

I will then present the literature serving as the basis for this thesis in a literature review, accessing their contribution to the subject of control through culture especially.

The next chapter is an analysis and synthesis of the literature to form a conceptual model for achieving organizational control through organizational culture and underlying identity processes. Next I will undertake a discussion of different aspects of the model followed by the conclusion. The figure below is a representation of my attempt to structure my thesis in order to achieve as high a

point on Bloom's taxonomy as possible. The below figure illustrates Bloom's taxonomical levels, and how I have tried to position each element of the thesis.

Figure 3



1.4 Demarcations

The subject of control through culture is incredibly complex. As such the theoretical fields surrounding the subject of organizational culture as a control mechanism are many and intertwined. Social theory, social identity theory, individual identity theory, organizational identity theory, organizational control theory, anthropology theory, labor process theory, critical management theory and so on can all be said to have significant influence on the subject. In light of the limited time and volume constraints inherent in the format of a master thesis, I have limited this paper's theoretical foundations to the fields of organizational control theory, identity theory and organizational culture theory. The reasoning for this focus is that fields of organizational control and culture are given as relevant as per the title, while the subject of personal identity processes is a closely related sub-field.

On account of the limitations posed by the format of a master thesis, I will not be discussing the different consequences of the diverging theoretical perspectives in detail in the analysis and discussion chapters. While I will be brushing on the subject, a discussion in the detail the subject commands is not possible.

As the problem statement states, my intention is to approach the thesis from an angle of knowledge work and the challenges inherent under those conditions. As such, this will be my outset when processing theory and synthesizing different concepts into a model for control under those conditions.

For a more comprehensive discussion on which subjects that would have been relevant to include in this thesis, see the discussion chapter.

2 Introduction to and historical development of the theoretical fields

In this chapter I will introduce the three theoretical fields of organizational control, organizational culture and identity, in order to establish a deeper understanding of the subjects themselves, and the theoretical foundations on which I base the analysis, discussion and conclusion of this thesis.

2.1 Organizational Control

In this section the field of organizational control will be explored. I will be explaining how the term control is defined and utilized throughout the thesis, as well as the historical development of the term, highlighting the factors that have been and still are driving the development of control in organizations. This is done to thoroughly understand the conditions that organizational control exists under as well as obtain an integral understanding of the elements in organizational control.

2.1.1 Control defined and explained

This thesis will explore how of organizational culture- and identity theories can bind together to form a framework for organizational control. Control is an extensive term but will be used in this thesis solely in regards to management control (hereafter termed control or organizational control) defined as follows:

“Management control refers to the process by which an organization influences its subunits and members to behave in ways that lead to attainment of organizational objectives.” (Arrow, 1974; Flamholtz, Das, & Tsui, 1985; Ouchi, 1977)⁴

Thus the thesis disregards the higher level of analysis of strategic control and the lower level of analysis of operational control.

Control can be viewed as the way three elements are coordinated:

⁴ Quote taken from Academy of Management Journal, Vol. 37, No. 6 (Dec. 1994) pp. 1478-1517: Yan & Gray – Bargaining Power, Management Control, and Performance in United States-China Joint Ventures: A Comparative Case Study, 1994: 1481.

- The direction of work. What needs to be done, by whom, in what order, to what degree of precision or accuracy, and in what period of time.
- The evaluation of work. How each worker is supervised, his output evaluated, to determine which worker (or groups of workers) is performing well and which workers are performing to a substandard.
- The disciplining of work. How each worker is rewarded or punished in relations to the evaluation of the instructed direction of work (Edwards, 1979).

In the next sections I will explain the different overall approaches to control as well as the historical development of the mechanisms and systems applied to achieve control and the effects of these mechanisms on control processes.

2.1.2 Simple Controls

During the development of the modern economy the control mechanisms have gone through a significant change as business owners and managers have sought to solve the problems arising from the main problem of the capitalist/labor relationship (from a capitalist viewpoint); how to transform purchased labor power into actual labor with a minimal loss of potential labor power.

Until the 19th century, production and business in general was centered round small workshops with one owner, the entrepreneur, who was also the most capable and experienced worker, and no more than a handful of employees. During the 19th century businesses grew to consist of the entrepreneur, with a handful of foremen and managers exercising control over the units of workers. Control was personal and direct, as foremen often intervened directly in the work process, and could hold the power to hire and fire workers or discipline them in other ways.

This form of organization required only a simple form of control, as the organization was never bigger than it would allow the entrepreneur and his small group of foremen to keep personal supervision of most if not all activities, and thus did not demand any elaborate award/punishment schemes, loyalty programs and so forth. Reward and punishment was direct and timely precise, hence the name Direct control, although this form of control is also known as entrepreneurial control (Edwards, 1979).

The industrial revolution that saw businesses grow from the small workshops of the 18th and earlier 19th century to big factories employing thousands of workers was followed by the gradual

introduction of mass production in the early 20th century, driven largely by the introduction of electricity in production facilities and the concentration of capital.

As the organizations got bigger and bigger and the number of workers followed suit, owners were faced with a problem of control, of how to keep an eye on things as the many workers made it impossible for the owner to, not only personally oversee the entire operation, but to keep a close eye on his foremen and supervisory staff all together. Simultaneously as production facilities grew a lot bigger, the need for ever greater coordination arose with the increasing complexity of the products being produced as well as with the scale of production. The efficiency of simple controls declined with the emergence of these factors and as the increasing complexity of production and the increasing need for coordination raised the cost of production disruptions such as strikes a new way of maintaining control over the process of work was needed (Edwards, 1979).

2.1.3 Hierarchical Control

The failures of simple controls as the size of production facilities grew saw an increase in worker resistance, in the form of massively increasing union organization as well as worker militancy. Workers slaved under poor conditions and the lack of the entrepreneur's personal touch, rewarding hard work as well as punishing lingering behavior, only worsened the situation. Work was directed under sometimes brutal foremen whom had been given almost full discretion to run their units as they saw fit by management, in an attempt to mimic the role of the entrepreneur. The result was arbitrary control, punishment and favoritism. The foremen had such power over the distribution of work and reward and punishment and no consequences, because their actions were, in the eyes of management, justified. The hierarchical control mechanisms were in a sense a physical extension of entrepreneurial control, in so far as management attempted to recreate the conditions of entrepreneurial control by hiring foremen and supervisors (Edwards, 1979).

In the early 20th century USA, Big Business was trying to negate the rising worker resistance. In an attempt to quench the worker resistance and the growing public resistance over the shady sides of the concentration of capital Big Business introduced welfare plans, company unions and co-management and worker committees for the resolution of work disputes and such.

The welfare plans sought two things. First, to create a more loyal worker by portraying the image of a corporation with a genuine interest and concern for its workers well-being and secondly, to increase the workers enrolled in the welfare plan's dependency on the corporation. In both cases the objective was to reduce worker resistance and stabilize working relationships (Edwards, 1979).

In the start of the 20th century, elsewhere in the American business world, outside the biggest corporations, Frederic W. Taylor was working on a management system called “Principles for scientific management”, published in 1911 in a letter to congress, designed to increase the production efficiency, by breaking down each job into the smallest of tasks and carefully study the execution of those tasks in order to find the optimal movement pattern, optimal size of a shovel for each material according to the weight of said material etc. Taylor’s essential contribution to the field is one of providing the basis for modern forms of control, as his system never gained much foothold in the organizations.

The concentration of capital brought about a greatly increased need for coordination. At the same time markets developed along the lines of the monopoly-like conditions of the concentration of capital, which saw marketing and sales departments being formed in the companies, where sales had previously been handled by agents buying from multiple suppliers and selling to buyers, companies began to recruit their own sales force for greater control of the sales process as part of the conditions of being a monopoly-sized company. In support of this development came the marketing staff and departments (Edwards, 1979).

The rise in the part of the labor force that was employed in non-production jobs (white-collar as opposed to blue-collar workers) rose from 15% in 1910 to 40% in 1975. Although, a large portion of this growth happened in the public sector in terms of education, health care and other publicly provided services, along with a growing number of workers employed in the state and municipal bureaucracies, it created another issue of control.

The traditional measure of how well a worker was doing could not be applied to the growing white-collar staff. The non-standard nature of tasks made it impossible to use objective measures of efficiency and productivity and further to that, made it impossible to directly compare a day’s work for two white-collar workers, even two who held the same job description (Edwards, 1979).

2.1.4 Technical Control

The next step in business’ attempt to control worker resistance as well as minimize the problem of transforming purchased labor power into actual labor, was the technical control possibilities that followed the introduction of mass production. Technical control was first introduced in the textile

mills of Boston in the beginning of the 19th century, but did not reach other industries until much later.

Up until this point, workers had held the power to dictate the pace of the work. Work would not get done faster than the worker would carry it out. But the new production facilities with more advanced, stationary, machinery that was preprogrammed to a certain pace of work meant that the workers no longer dictated the pace. A worker could either fulfill the job or be fired for not meeting the required output from the machinery. Technical control is structural control in the sense that it is built into the structure of the work flow design of the production facilities as well as the machinery, and in that sense it represents a shift in power.

The preset pace of the machinery would also represent an effective way of undermining worker organization and coordination. The machine speedup meant that it required the workers full attention. There was no time to have a chat with the workers next to you but it also meant that workers became chained to very stationary machinery. Where workers had been walking around the production facility fetching tools, delivering materials and so on, and in that process having a lot of contact with other workers, they were now barely in contact with the workers in their immediate surroundings. Under this new situation workers had much less opportunity to discuss grievances with the respective foremen, pay-rates and so forth.

While machinery was introduced early, it was only the textile mills that used them for control. The true introduction of technical control did not happen before Henry Ford opened a plant with 'endless conveyor belts' in 1913.

Technical control was also introduced for low level white-collar staff. For this to work, companies routinized and standardized the jobs of the white-collar labor force as much as they could, resulting in a decreased difference between the lower levels of the white-collar labor force and the blue-collar workers (Edwards, 1979).

During the 1930s it became clear that technical control had its major deficiencies as well. Although it addressed the first element of control, the direction of work through labor deskilling and the breakup of tasks in to minute pieces, it failed to address what had been the central issue throughout the history of the large businesses: the arbitrary reward and punishment taking place at the hands of foremen wielding immense power. Although technical control took away the foremen's right to direct the work (and the need to, for that matter), the foremen still retained the right to punish and reward as they pleased.

2.1.5 Bureaucratic Control

Bureaucratic control was introduced in the 1930s when technical control began to lose its effectiveness, but its use increased greatly in the post-World War II years.

Bureaucratic control is categorized as being structural control just like technical control because it is embedded in the structure of the company. But in contrast to technical control, which is embedded in the workflow- and machinery designs, bureaucratic control is embedded in the social and organizational structure of the company (Edwards, 1979).

A major difference between bureaucratic control and the previous control systems is the focus on homogenizing vs. dividing the employed labor. Until bureaucratic control the emphasis was on deskilling workers and creating a situation in which it was easy to replace the worker, by simplifying each task as much as possible and having as few job categories as possible (Edwards, 1979).

Bureaucratic control emphasizes diversity. Through numerous job categories, in which a very large number of job titles exist, several pay grades within each job title, to the individual bonus, seniority bonus etc. This diversity lessens labor power to resist the business control by removing the sense of belonging to the same group. The picture of a clear dichotomy of workers and management has been eroded by the introduction of bureaucratic controls emphasis on diversity. 'We' now refers to the company, not the workers. To further the erosion, the nature of the bureaucracy has seen a dramatic increase in the number of workers with some sort of management responsibility, hovering in between roles (Edwards, 1979).

At the core of Bureaucracy is the institutionalization of power. It takes away power from foremen and vests it in company policy and rules. It is no longer your immediate supervisor telling you what to do and why, it is the company. Your immediate supervisor is merely enforcing the rules, not making them up.

Bureaucratic control systematically rewards certain behaviors that support the control system itself. While workers in the previous systems were by and large free to behave as they saw fit, within the parameters of getting the job done, the bureaucratic control system seeks to mold the behavior of the worker. There are three specific types of behavior that are systematically encouraged by bureaucratic control:

1. Orientation to rules; a high degree of awareness of the rules, and a high probability to following them.
2. Being dependable and predictable. Getting the job done in a reliable and dependable fashion, even when the job falls slightly outside the rules.
3. Internalization of organizational goals and values. An encouragement for workers to actively identify themselves with the organization.

The required behavioral trait differs at different job levels however. The lowest job levels tend to be fairly routinized in character and therefore orientation to rules is stressed on this level. The middle level jobs tend to be less routinized in character and workers are rewarded for being dependable and predictable. At the higher levels jobs organizations reserve rewards for those showing loyalty and commitment to the organization through an expressed internalization to the organizational goals and values (Edwards, 1979).

A deeper concern with the totalitarian characteristics of bureaucratic control was, and is, the seemingly growing dissatisfaction of workers losing their autonomy as rules came to govern everything from the direction of work, evaluation of work, reward and punishment of work and even the workers behavior at work. One way of looking at it would be to say that while workers have achieved a lot of what they were fighting for under the previous systems, it did not suffice. Once free from the arbitrary rule of foremen, blessed with greater job security and in some companies even the outlook of lifetime employment, workers have set their sights on the next point in the horizon; Workplace democracy. Once given some consideration in some matters of reasonable direct importance to the employee, the workers start asking why they are not consulted when in other matters, not necessarily pertaining directly to the workers requesting influence.

*“Once competence is shown (or believed to have been shown) in, say rearranging the work area, and after participation has become a conscious, officially sponsored activity, **participators may very well want to go on to topics of job assignment, the allocation of rewards, or even the selection of leadership.** In other words, **management’s present monopoly [of control] can in itself easily become of source of***

contention.” (Thomas Fitzgerald, GM’s Director of Employee Research and Training, 1971, Harvard Business Review, p42.)⁵

2.1.6 Summation

The organizational control field has undergone a tremendous development in conjunction with the technological and social developments. As technological advances have increased the complexity and intricacy of production facilities, as well as advances in the business science has led to even greater knowledge, so too has the job-characteristics of today changed massively, each stage of development requiring a change in the mechanisms of control.

Of course, the advancement in the development of control systems did not mean an abandonment of the earlier control systems. Entrepreneurial control is still very much dominant as well as technical control. In fact when one considers the number of companies, disregarding the size, entrepreneurial control is the most dominant control system. In reality there is always a mixture of different control measures at work at any one point in time, but one system is usually dominant. The developments described above pictures the development of organizational control as a term and system, and only partly its usage (Edwards, 1979).

2.2 Organizational culture

The idea of organizational culture is a concept mostly borrowed from anthropology, while also being influenced by sociology (Meek, 1988). Although the term organizational culture is a fairly young term and a fairly young field of theoretical literature, it can be traced back to the early part of the 20th century by way of terms such as ‘group norms’ and later ‘organizational climate’ and ‘cultural islands’ (all part of organizational culture). For group norms, the Hawthorn report of the 1920s heavily documented these, while social psychologists made use of the concept of cultural islands in the 1940s in their work with ‘action research’ and leadership training, in order to describe the difference in training settings from the trainee’s back home. Organizational climate has a longer research tradition than organizational culture, largely due to the fact that organizational climates are a more salient phenomenon and thus easier to study, with researcher working with the concept from the late 1960s. The ground work for later cultural studies where laid in the 1950s and 1960s where organizational psychologists differentiated themselves from industrial psychologist by focusing on units rather than individuals. This focus on work groups and indeed whole organizations brought with it the need for concepts that could describe these units, in the form of systems. The concept of

⁵ Quote from Contested Terrain – Edwards, 1979: 156

organizational culture really took hold when researchers were trying to explain why companies in the U.S. did not perform as well as their overseas counterparts, and especially Japan was singled out, with their very different organizational cultures (Schein, 1990).

2.2.1 Organizational culture as a divided field

There are multiple ways of describing the state of the theoretical field of organizational culture, and multiple writers in that field have done just that, but one way to describe it is to use Smircich's division of the field in two. One view of the field treats organizational culture as a variable. As something an organization has, something that can be manipulated to serve the ends of management. This view is consistent with the functionalist view. Focus is on managers and how managers can create a strong unifying culture. The other view of the field eschews the view that culture is something the organization has, rather it treats organizational culture as what the organization is, culture as a root metaphor for the organization. This view is not consistent with only one theoretical view, rather it is shared by the cognitive, symbolic, structural and psychodynamic perspectives on organization, but shares the underlying assumption of culture as a metaphor. The underlying train of thought leads proponents of this view to ask different questions in their research and in particular give the social world of the organization much less concrete status and view it as a subjective pattern of meaning sustained through human interaction and sensemaking as opposed to a more objective meaning, existing independently and imposing itself on human beings (Smircich, 1983).

As partially described above, the two views disagree on the very basic notion of how to think of culture in organizations. One of the implications of this difference is that they also disagree, quite severely in fact, about whether it is at all possible to manage or even influence culture, let alone purposely build an organizational culture according to management's wishes and design. Researchers like Schein, Ouchi and more, often belonging to the functional perspective on organizational culture, propose that it is indeed possible to influence culture, so much so that the body of literature on how to build an effective or strong organizational culture is quite vast. The different researchers have different takes on how exactly culture is created, but as a whole this perspective believes that culture is vested in top management and that top management is in a key position to influence the organizational culture (Schein, 2010 and more).

On the other hand researchers like Willmott, Meek and more, often operating from the symbolic-interpretive view, believe that culture is created among all the individuals of the organization, and as such find it ridiculous to speak of a leader created culture:

“Most anthropologists would find the idea that leaders create culture preposterous: leaders do not create culture, it emerges from the collective social interaction of groups and communities.” (Meek, 1988: 459)

As explained the field of organizational culture is quite divided on very fundamental issues, and as such, it is difficult to give a clear account of the term organizational culture.

2.2.2 The strengths and weaknesses of the organizational culture term

From the symbolic-interpretive perspective, the strength of the term is that it offers an understanding of how groups of people, even groups within groups, try to make sense of the world they experience, and in that process create meaning. It is a powerful notion that allows for the explanation of behavior and even though this view does not believe in the notion of managerial control through organizational culture, it does offer models of cultural change and more pertinently models of understanding the sensemaking process in the face of organizational change.

From the integration perspective, the strengths of the organizational culture term are immensely powerful. The promise of the term is that of aligning employee and organizational interests through a conflict resolving gel of internalized values and norms. The potential for efficiency gains seem immense. Applications ranging from cultural analysis in mergers and acquisitions to anticipate any culturally rooted problems and facilitate a smoother integration of the involved organizations, to elimination of the principal agency problem by essentially making the agent a part of the principal via internalizing of the principals norms and values, thus increasing the productivity of employees by making sure that everyone in the organization are serving the same interests.

In terms of weaknesses of the term, the inability of the field's contributors to settle their differences in respects to the appropriate way of conducting empirical studies weaken the legitimacy of the claims put forth in the subsequent research. Primarily the difference of opinion on this matter regards whether qualitative or quantitative methods of empirical studies are valid, and what, if any, uses the two methods can legitimately claim to have (Martin, 2001). The overall strength of the qualitative methods is the much deeper levels of knowledge of the organization retrieved by this method, and the subsequent deep understanding of the target organization. An understanding the symbolic-interpretive perspective, and notably Schein of the functionalist perspective, believe is vital if the knowledge is to be of any use.

The weakness of the qualitative methods, or thick descriptions/ethnographies, is that it is a very time consuming task to undertake, and it requires a very serious commitment on behalf of the target organization to work with the researcher over as much as a number of years. Furthermore, when this tremendous task is complete, no generalizable knowledge has been created. In other words, it is not possible to use the results of the analysis in any other work, than trying to understand the target organization. When considering that culture changes over time, the very fact that qualitative research methods are time consuming opens them up to the question of; has the culture changed since the study began? Are the results still valid?

In terms of contribution to general knowledge, it is not fruitless work. Valuable experience in undertaking analysis work of this magnitude is gained and can be used to build models of analysis applicable to other organizations and studies.

The quantitative method's overall strength is its ability to create generalizable results from the undertaken analysis, and the ability to cover a large number of participants in a single survey, in a short amount of time, compared to the qualitative method. This means that quantitative methods can complete studies generating an complete view of the cultures of entire industries, fortune 500 companies or whichever group of organizations one wish to analyze, regardless of the number of subjects. This, in turn, makes comparison between different organizations possible, indeed between industries, internally in industries and so forth. A task, if undertaken with qualitative research methods, would not be achievable due to enormity of time required. A couple of years in each company, if investigating fortune 500's it would take 1000 years.

Obviously, the weakness of this approach is the lack of depth in analysis, resulting in, from a symbolic-interpretive perspective, useless results saying very little of the actual culture. The level of depth needed to understand a given culture in a meaningful way is simply not present in a questionnaire, according to this perspective. Furthermore, as the subject of organizational culture analysis is rather complicated, there is a grave inherent danger in using questionnaires, as there is no way of knowing how the question was understood by the participants in the study, no way of knowing what meaning they attach to the language used in the questionnaire. While the interview method has its own methodological problems, it does have the advantage of the researcher being able to aptly explain both the purpose and the meaning of the study and its questions.

A general weakness of the term organizational culture, inherent in both perspectives, is the fact that it is built on the social constructivist thinking. As meaning is produced among groups of people, every attempt to analyze that meaning will inevitably be tainted by the researcher undertaking the analysis. Be it the researcher scoring questionnaires or be it the researcher settling in at an organization for a lengthy analysis. In every situation the researcher not only intrudes on the meaning creation process, but in the very process of analysis, imposes his own sensemaking in trying to make sense of the data before him. This generally makes it difficult to undertake studies that will produce scientifically reproducible results, which does not add legitimacy to the studies. This is not a weakness limited to the organizational culture field or even organizational theory as a field rather it is an ontological consideration with pervasive consequences. Of the two views the social constructivist foundation is stronger in the symbolic-interpretive, as practitioners of the functionalist approach often times does not share this ontological lens.

2.2.3 A critical approach to organizational culture

While the field of organizational culture has been the subject of much enthusiasm from the 1980s and forward, it is not without its critics. The criticisms of one end of the field towards the other are mostly of methodological or ontological considerations. Another theoretical field has emerged with criticisms labeled quite differently. Labor Process Theory have in their research and from their departure point of working class struggles voiced, at times very loud, concerns about the totalitarian tendencies of the organizational culture as a control mechanism approach along with the field of Critical Theory. They argue that engineering of culture and values are an intrusive and oppressive tool for capitalism to crush the ever ongoing labor resistance struggle. Willmott (1993) wrote an article called 'Strength is Ignorance, Slavery is Freedom: Managing culture in modern organizations'. In this article, loaded with condescending and doomsday-like language, Willmott argues that the moral ground of which control mechanisms stand is shaky in regards to organizational culture, because of the pervasive nature of culture and inherently values, norms and sensemaking. Willmott is not alone in his criticism, and although his text is ripe with very colorful language, there is an important point to grasp in the criticism of the totalitarian characteristics of organizational culture as a mechanism for control. As the labor market changes as described earlier, moving towards a knowledge society with a growing number of knowledge intensive workplaces and thus a growing number of knowledge workers, there have been an increasing number of reported stress problems among this group (Buch & Andersen, 2008). On the surface of things, this is a paradox as the group of knowledge workers should not be in the risk of stress problems

according to the dominant job-stress model. But with new job designs and content comes new problems. The table below presents a division of three different types of work and their related stress factors:

Figure 4⁶

	Classical stress problems	New classical stress problems	Modern stress problems
Type of work	Industrial work	Welfare work	Knowledge work
Stressors	Monotony High pace Low control	High strain Emotional demands Conflicts	Boundlessness Unlimited demands Unpredictability
Examples of job categories	Cashier Unskilled industrial workers	Nurses Teachers Welfare workers	Computer engineers Advertising agents Government officers

As the outer most right column of the table shows, knowledge work carries problems of boundlessness, unlimited demands and a very unpredictable work day. By boundlessness is meant that since the main tool for completing the knowledge workers task at work is the skills the knowledge worker possess along with a computer and a phone it is now possible to be on the job constantly. While at home, in the car, at a dinner party etc. This characteristic of work coupled with higher and higher workloads (in an attempt to increase efficiency) mean that it becomes important for the knowledge worker to be able to establish boundaries in order to be able to switch off and relax.

Classical blue-collar workers have the advantage of not being able to work unless they are at work and while the work day can be extremely stressful, it does not sink in to the private sphere of home. Organizational culture control mechanisms encourage employees to identify with the organization and to internalize the organizations goals and values. This is the very characteristic of organizational culture as a control mechanism that coupled with the lack of separation of work life and private life leads to problems for the knowledge worker. Especially so, when the encouragement to identify with the organization results in much of the individual workers identity being constructed in and around work. Work life becomes a far greater influence for the knowledge worker than for the traditional blue-collar worker. (Willmott, 1993)

The concept of identity, what it is and where it came from will be examined in the next section.

⁶ The table is from the article Buch & Anders – Beyond the job-strain model, 2008, and is their translation from Bason et al, 2003.

2.2.4 Summation

As a theoretical field organizational culture is relatively new, especially when compared with its origins in anthropology and sociology. One might be excused for drawing the conclusion that the field is in a pre-mature stage, finding its feet and identity, as it is ripe with disagreement on several key issues, such as the definition of organizational culture. The early promise of organizational culture was one of solving the problems of incongruence of goals and conflicts in the work place, but this notion is not without its critics. In a divided field, it is easy to find critical voices, but an emphasis of criticisms based in disagreement on theoretical perspective is present.

2.3 Identity theory

The field of identity itself has roots in ancient philosophy and stretches into, by philosophical standards, modern fields of psychology, sociology and anthropology. As such, a description of the historic development of identity theory is a daunting task. A task I have chosen to narrow by defining the start of the modern theorizing about identity to those sources that early organizational identity researchers often refer to (Hatch & Schultz, 2004). This section on the introduction of identity theory will highlight some of the more important ideas of the field, in order to create understanding of its development and its elements.

2.3.1 The individual and society

In 1902 Charles Horton Cooley wrote a book called Human nature and the social order, in which he described the individual and society as to sides of the same coin. Cooley believed that neither the terms of society nor the individual could be explained without the other, as expressed like so:

“... ‘Society’ and ‘Individuals’ do not denote separable phenomena, but are simply collective and distributive aspects of the same thing.” (Cooley, 1902: 37)... “Man’s psychological outfit is not divisible into the social and the non-social;... He is all social in the large sense is all a part of the common human life... Everything human about him has a history in the social past.” (Cooley, 1902: 47-48)⁷

In other words, society is made up of individuals and individuals are in a very high degree influenced by society, and as such, neither can be thought of separately. This notion can be considered the birthmark of framing oneself in relation to the social sphere.

⁷ Quote from ‘Organizational Identity – a Reader’ Schultz & Hatch, 2004: 10

Along with this very important contribution, Cooley also wrote about a group self, a collective we, as “an ‘I’ that includes other persons” (Cooley, 1902: 209)⁸ that coupled with the notion of a coupled self and society very much lay a foundation for field of organizational identity research (Hatch & Schultz, 2004).

Cooley also contributed to the field of individual identity by theorizing about the ‘looking glass self’, a term that refer to a person’s self growing as a process of interpersonal relations and the perception of others.

2.3.2 The construction of self in the context of society

George Herbert Mead wrote about The Self in “Mind, Self and Society” in 1934. In this book Mead built upon Cooley’s idea of the self as being social, by presenting the self as both dynamic and social. Mead divides the self in two notions, one of the ‘I’ and one of the ‘Me’, as two separate parts of whole. Separate in the sense that they are separate in behavior and experience and part of the whole as in part of the self and influencing on each other. While the ‘I’ provides us with new behavior and experiences the ‘Me’ is based on our assumptions of how we are perceived by others. The two concepts relates to each other as parts of the social process in which the ‘I’ is the base sense of self that serves as a historic departure point for the ‘Me’ of this moment. Mead explains it as so:

“The ‘I’ of this moment is present in the ‘me’ of the next moment... the ‘I’ comes in... as a historical figure. It is what you were a second ago that is the ‘I’ of the ‘Me’.”
(Mead, 1934:174-175)⁹

The ‘Me’ then, is the mechanism that incorporates society into the individual, by representing the individual’s perception of society’s perception of the individual. The self, then, is a dynamic process of negotiation between the historic base of the ‘I’ and the response of this to the ‘Me’.

In terms of contributions to the field of organizational identity, this idea carries over heavily into the thoughts about organizational image and the influence that concept has on organizational identity (Hatch & Schultz, 2004).

Some 25 years later, Erving Goffman, a sociologist heavily influenced by Mead, wrote a book called ‘The Presentation of Self in Everyday Life’ (1959) in which one of the chapters was called

⁸ Quote from ‘Organizational Identity – a Reader’ Schultz & Hatch, 2004: 10

⁹ Quote from ‘Organizational Identity – a Reader’ Schultz & Hatch, 2004: 11

‘The art of impression management’. In this chapter, Goffman presented the process of the self as a theater metaphor, comparing the self and society to actors and audiences. In Goffman’s metaphor, a dramaturgical performance substituted social interaction. He suggested that identity creation is a performance, and that the skills of the actors are important to managing the impression the audience is left with.

The idea of that the self was actors performing for an audience, in the form of society, introduced the idea of key stakeholders into the debate surrounding identity, and especially organizational identity and image.

In contrast to Cooley and Mead, who believed that identity was derived from an individual’s perception of other’s perception of the individual, Goffman argued that the actor’s skills (How effective the performance of the actor is) are decisive in terms of how others perceive the performance of the actor. In other words, Goffman argued that the individual affected society’s perception of itself, rather than society affecting the individual as with Cooley and Mead (Hatch & Schultz, 2004).

2.3.3 The relation of self to groups in society

In 1979 Henri Tajfel and John C. Turner proposed a counterpoint to the prevailing notion of the time, that group morale, group sense of self, group identity was exclusively a consequence of intergroup competition. Tajfel and Turner proposed what would later be seen as the starting point for social identity theory. Their argument was that social identification with a group was not contingent upon intergroup competition, as was the dominant view. They introduced a term called the minimal group, which denoted the power of naming someone a member of a group as enough to establish in-group and outside-group perceptions, suggesting that construction of organizational identity is a significant factor in the intergroup competition that previous researchers claimed was solely responsible for the production of group identity.

Tajfel and Turner contributed further to the field by defining social categorization as the basis of group membership:

“...the individuals concerned define themselves and are defined by others as a group... We can conceptualize a group... as a collection of individuals who perceive themselves to be members of the same social category, share some emotional involvement in this common definition of themselves, and achieve some degree of

social consensus about the evaluation of their group and of their membership of it.”
(Tajfel & Turner, 1979)¹⁰

Their argument about social identity is that it is based upon the individual's desire to increase its self-esteem by social comparison. This process of social comparison is used by individuals to differentiate themselves from other individuals and evaluate others both in-groups and out-groups. The differentiation, it's argued, is a need for determining members of in-groups and out-groups and a need for comparison between the individual and others. They argue that this differentiation is the foundation of intergroup competition, in which they distinguish between social competition; motivated by self-evaluation and fed by social comparison and instrumental competition; motivated by self-interest and fed by incompatible goals (Hatch & Schultz, 2004).

In 1996 Marilyn B. Brewer and Wendi Gardner presented a paper titled 'Who is this "We"?: Levels of Collective Identity and Self-representations'. In this paper Brewer & Gardner argue that individual identity is a process occurring on three levels. First level of personal identity separates the self from others. The second level of relational identity reflects the individual's relations to other people. The third level of collective identity reflects the individual's integration into social groups. From level one through three there is an increasing level of relation of the self to its social context and Brewer and Gardner argues that the different levels of identity coexist, but at any one time one will be the dominant self while the others lay latent (Hatch & Schultz, 2004).

The strength of the identity term in relation to this thesis is its power to explain how individuals come to define themselves and their relations to groups, i.e. organizations. How the processes of identification of self and group-sense of belonging function in humans will present insight into processes integral to the generation of identification, i.e. commitment to the organization and the organizational goals and values.

2.3.4 Summation

The development of the field of identity theory has thoroughly situated the theoretical concept of the self in a context of negotiated process of construction, between the individual and society, as well as established an underlying process of a pursuit for enhanced self-esteem and its influence on how, and why, individuals attach themselves to groups.

¹⁰ Quote taken from Hatch & Schultz – Organizational Identity, a reader, 2004: 13

3 Literature Review

In the following sections I have grouped the literature into the three different categories of identity, organizational culture and control, by assessing their primary contribution to organizational culture as control subject. This is not necessarily their proper placement in the grand scheme of the fields, but none the less it is where they make the most sense in this thesis.

In this chapter, literature from the three theoretical fields will be reviewed to present a picture of the different perspectives in the fields, their similarities, their differences and their significance to the concept of control via organizational culture.

I will present what I believe to be a representative sample of the exhaustive amounts of literature written on contributing in one way or the other to the subject of control through organizational culture. While each field will be examined separately, it is worth noting that they are very much intertwined. Control literature cross over into culture and identity, Identity into culture and control mechanisms and culture into issues of control and social and individual identity processes. This is by no means an attempt to illustrate the full field of literature pertaining to the subject, but in my opinion, the literature presented in this section present a fairly representational picture of the different views put forth in the various contributions.

3.1 Before we begin

Before venturing into the review of the literature providing the theoretical basis of this thesis, it is fitting that I let my own theoretical bias be known. I do not attempt to present a completely neutral picture of the literature; rather, I attempt to present the literature as I see their main contribution to the problem statement of this thesis, and the concept that I will attempt to develop from this literature.

I take a seat between to chairs in the debate of culture as a metaphor or culture as a variable, in the sense that I believe that organizational culture indeed is a variable that can be manipulated but at the same time I believe firmly that culture can indeed be thought of as metaphor for organizational life and that qualitative research methods are the only way to achieve any real depth of knowledge about an organization, and I believe that to be the only way to effectively put any one in the position to change the culture of the organization.

My own convictions will undoubtedly color my interpretations of the presented literature, and as such influence the placing of the thesis in the field of organizational culture.

3.2 Organizational culture

The theoretical field of organizational culture is as divided as it can be. Researchers disagree on everything from how to design the studies undertaken to collect the empirical foundation of the articles, to how to define and operationalize the term “Organizational Culture”. According to Martin (2001) most organizational culture researchers adopt one of the following three perspectives: the integration perspective, the differentiation perspective or the fragmentation perspective.

The integration perspective view organizational culture as a consensus building tool. An integration perspective study of a culture focuses on those manifestations that have consistent interpretations throughout the organization. Researchers working from this perspective often assume organization wide consensus from very small sample sizes, and are generally prone to making generalizations from very thin empirical foundations. As to the question of research design, studies from this perspective are prone to using quantitative, etic methods of acquiring data, as opposed to the more in-depth studies of the differentiation- and fragmentation perspective. The integration perspective is also more likely to be undertaken with a managerial-view in mind, viewing culture as a variable to be understood and manipulated to practical aims and forecasting.

The differentiation perspective view organizational culture as inconsistent interpretations of cultural manifestations. From this perspective, consistent interpretation only exists on lower levels of analysis, i.e. subcultures. Within subcultures there is much consistency in interpretations, but that is not necessarily the case between subcultures. They may be in conflict, harmony or indifference to each other. Researchers working from this perspective are generally prone to use qualitative, emic research methods of acquiring data, and seek a more in-depth understanding of the subject being studied, as opposed to the integration perspective’s quest for generalizations through more superficial, narrower studies. The differentiation perspective is more likely to be undertaken with a critical view in mind, viewing culture instead as a metaphor for organizational life.

The fragmentation perspective view organizational culture with a focus on ambiguity. From this perspective the organizational culture is neither clearly consistent nor clearly inconsistent, but hinges on the specific issue. For some issues, some parts of the organization will be in agreement, some will be in disagreement while others still will be largely indifferent. For other issues another set of organizational members will be in agreement, another set of organizational members in

disagreement and yet another set of organizational members being indifferent, thus view the organization, from a consensus viewpoint, in a constant state of flux.

“Subcultures, then, are reconceptualized as fleeting, issue-specific coalitions that may or may not have a similar configuration in the future. This is not simply a failure to achieve subcultural consensus in a particular context; from the Fragmentation perspective, this is the most consensus possible in any context”. (Martin, 1992: 138)

With regards to the likely characteristics of research design and viewpoint the fragmentation perspective is closely linked to the differentiation perspective

In terms of Smircich’s division of perspectives in to the two perspectives of symbolic-interpretivism and functionalism, the integration perspective is based in functionalism and both differentiation and fragmentation is based in symbolic-interpretivism.

Martin presents a small sample of the many different definitions of organizational culture in the vast body of literature (see appendix A).

As evident from these definitions, consensus is scarce. Two main questions can be traced through the samples: Is a central characteristic of culture that it is shared or not? Is organizational culture unique? The answers to these questions have profound implications for the further use of the term in a theoretical, and to a lesser extent, practical application. For instance, if culture is shared, is it the exact same beliefs and values shared by every single member of the organization as the integration perspective would suggest? Are they incompletely shared, as the fragmentation perspective would suggest? Or are they hardly shared at all between groups within the organization, as the differentiation perspective would suggest? It is more than a question of definition, it is a question of understanding the organization, and by implication of how to put the theory into practical use for managerial or workers purpose alike.

Whether or not culture is unique has deeper theoretical implications than practical. The major implication is that if culture is unique, no generalizations can be drawn on the basis of a cultural analysis. The only possible outcome of such a study would be very context-specific knowledge, and of course the possibility of building analytical models. In the following sections the contributors will be presented.

3.2.1 Edgar H. Schein – Organizational Culture and Leadership

Edgar H. Schein (Schein) has been very influential in the field of organizational culture, being one of the first (and for a long time the only one) to present a conceptual framework for analyzing and intervening in organizational culture (Hatch, 1993). His significance is further enhanced when considering the effect of his framework of organizational culture on the literature published in the years after. Today, the framework serves as a basis for the analysis of culture in many publications from all perspectives.

Schein (Organizational Culture and Leadership, 2010) works from the integration perspective, with a strong focus on the leaders influence on the culture and a strong belief in the possibilities of fixing perceived problems in any given culture, for better understanding, communication, team work etc.

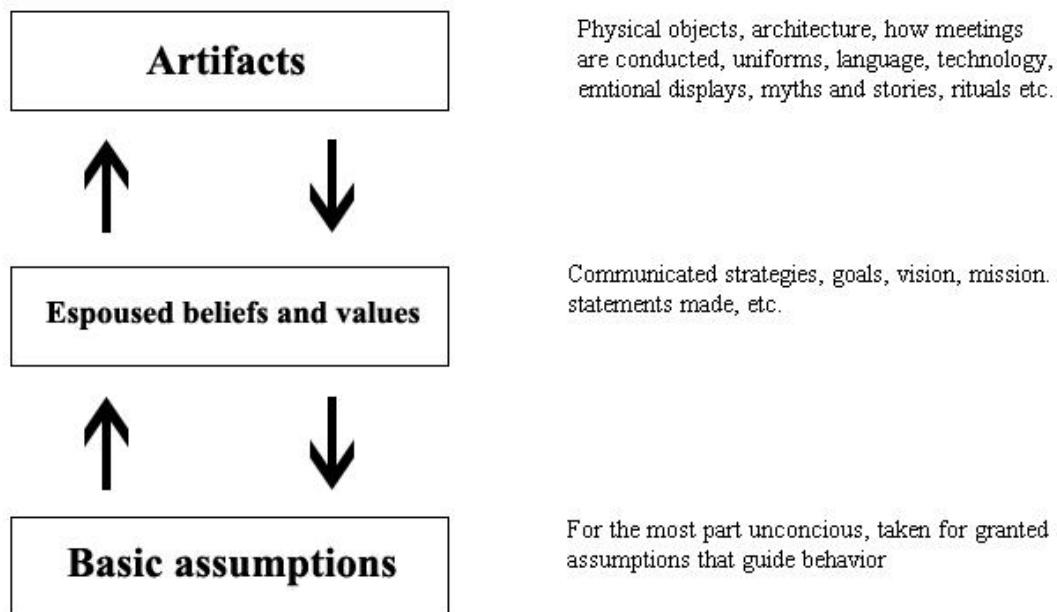
Schein formally defines culture as follows:

“The culture of a group can now be defined as a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has 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”. (Schein, 2010: 18) & “Culture can be thought of as the foundations of the social order that we live in and of the rules we abide by”. (Schein, 2010: 3)

For Schein his definition of organizational culture emphasizes basic assumptions in culture almost to the point of equating culture and basic assumptions, with artifacts and beliefs and values only being a product of basic assumptions, an expression of the basic assumptions if you will.

Schein’s framework for organizational culture analysis identifies three analytical levels of culture: artifacts, espoused beliefs and values and basic assumptions. From artifacts, through values to assumptions, each level represents a deeper understanding of the culture.

Figure 5



Artifacts are everything you can see, hear or feel. It is physical objects such as clocks, chairs, computers; it is physical surroundings such as offices, building design and colors; it is language, demeanor, uniforms and clothing in general; it is how meetings take place (quiet, in order vs. loud and chaotic for instance), how information is shared and so on.

Espoused beliefs and values (beliefs and values) are communicated statements. For instance "advertising generates more sales" can a belief and value. The workers are lazy is a belief and value. Educated people are smarter can be a belief and value and so on. Beliefs and values do not have to be traditional values and beliefs, but can be anything from corporate goals, vision and ethos to statements made by employees or statements on billboards, in commercials etc. Espoused beliefs and values are also statements about mission, vision and goals formulated and communicated by top management.

Basic assumptions are assumptions about anything from the nature of life, time, space to human nature, religion, science and to smaller things such as what procedures work in which situations and such. Basic assumptions are both present on an individual level and on a group level. On the group level, they are shared by the entire group. They are non-debatable and non-confrontable.

It is this analytical model that has become the basis of many articles attempting an analysis of organizational culture since its conception.

From the analytical point of view artifacts are the easiest level to access. They are readily available every in an organization, and are certainly plentiful. This has its downside as well though, as this make it a difficult task to decipher the meaning of the artifacts.

Going down a step further on the analytical ladder, espoused beliefs and values are rather accessible but can be deceiving. Espoused beliefs and values are not always congruent with basic assumptions, but can hold important information into revealing them.

The deepest analytical level of analysis in Schein's framework is the level of basic assumptions. They are very difficult to discover, but they provide very solid information about how and why an organization functions as it does. The basic assumptions manifest themselves in espoused beliefs and values and artifacts, therefore when the basic assumptions are uncovered, deciphering the full meaning of espoused beliefs and values as well as artifacts becomes possible.

In the same sense, it is fair to say that the basic assumptions are pivotal in organizational culture for Schein. Beliefs and values and artifacts are a representation of basic assumptions, and while they are important levels of analysis, they represent, first and foremost, a means to access the basic assumptions of a given culture.

The power of basic assumptions is great. Schein's own examples serve to show this brilliantly. Imagine holding the basic assumption that people are generally lazy. This means that you will interpret someone sitting idly at his desks as shirking his work, while someone holding the basic assumption that people are generally motivated and hardworking might interpret the same scenario as a worker deep in thought about how to solve a complex problem.

On a higher level, people holding the assumption that the individual comes before the group would find it inconceivable to sacrifice themselves in any way for the group. A capitalist would have a hard time understanding why you would build a non-profit organization, and so on. The power of basic assumptions is that they are:

"The implicit assumptions that actually guide behavior, that tell groups members how to perceive, think about and feel about things" (Schein, 2010: 28)

An important note to consider when dealing with what Schein (and subsequently many others) term 'basic assumptions', is the role these basic assumption play in our search for cognitive stability.

According to Schein, the human mind needs cognitive stability and culture at the level of basic assumptions serves to provide some of that stability:

“...the shared basic assumptions that make up the culture of a group can be thought of both at the individual and group level as psychological cognitive defense mechanisms that permit the group to continue to function. At the same time, culture at this level provides its members with a basic sense of identity and defines the values that provide self-esteem.” (Schein, 2010: 29)

This characteristic of basic assumptions explains why change on this level is as difficult as it is and why change on the level of basic assumptions provokes enormous amounts of anxiety. This is where the concept of culture draws its ultimate power as a stabilizing force, as well as a social and organizational control mechanism, by providing its members with cognitive stability and a way to make sense of their surroundings. While in the presence of others who share their basic assumptions, members of any given culture will feel at ease because the others make sense of the world in the same way. Introducing members with different basic assumptions will induce anxiety as members seek cognitive stability, as members seek to understand each other and make sense of the world. The need to reduce this anxiety is why groups develop shared basic assumptions, and why so much defensiveness is present when navigating between individuals with differing basic assumptions.

As opposed to most contributors that share Schein’s functionalistic view of organizational culture as a variable to be manipulated by management, Schein is very much in favor of qualitative research methods in order to achieve knowledge of the basic assumptions so vital to understanding the culture of an organization.

3.2.2 Joanne Martin – Cultures in organizations: Three perspectives

This section is based on Joanne Martin’s book “Organizational Culture: Mapping the terrain” (2001). The book provides a very thorough discussion of the field of organizational culture, the dominant theoretical perspectives of the field as well as introducing her theory on studying and analyzing organizational culture.

Drawing on Smircich's division of the three perspectives into functionalism and symbolic-interpretivism, Martin describes the approaches to undertaking cultural studies usually adopted by each of the two categories.

For the functionalist approach the following characteristics generally apply:

- Researchers working from this approach generally define organizational culture as a variable, something an organization has.
- The functional approach is often used to predict outcomes, attempt to enhance efficiency and profitability
- Researchers working from the functional approach are often undertaking their studies with managerial interests in mind.
- A goal of much functionalist research is to develop generalization about the nature of organizational culture and how it can be manipulated, by doing studies that can be empirically tested and from which the results can be scientifically reproduced.
- The conclusions from studies undertaken in this perspective often present their findings as objective truths, in line with attempting to develop generalizations.
- Studies undertaken from the functionalist perspective often operate from an ontological view point of a being-realism. A view that holds that reality exists independently of the observer, a belief that objective truth is indeed possible.
- Functionalist studies often apply an etic approach. Doing 'outside' research, such as questionnaires to fill out by employees without the researcher visiting the organization.
- Studies are often employing a narrow focus, with limited parts of the culture and limited parts of the employee groups studied, often with a focus on management, under the assumption of organization wide consensus, so the answers would be the same.

For the symbolic-interpretive approach the following characteristics generally apply:

- Researcher working from this approach generally view organizational culture as a metaphor for organizational life, a metaphor for organizational sense-making.
- The symbolic-interpretive approach usually seeks to undertake studies of great in-depth levels to develop very context-specific knowledge.

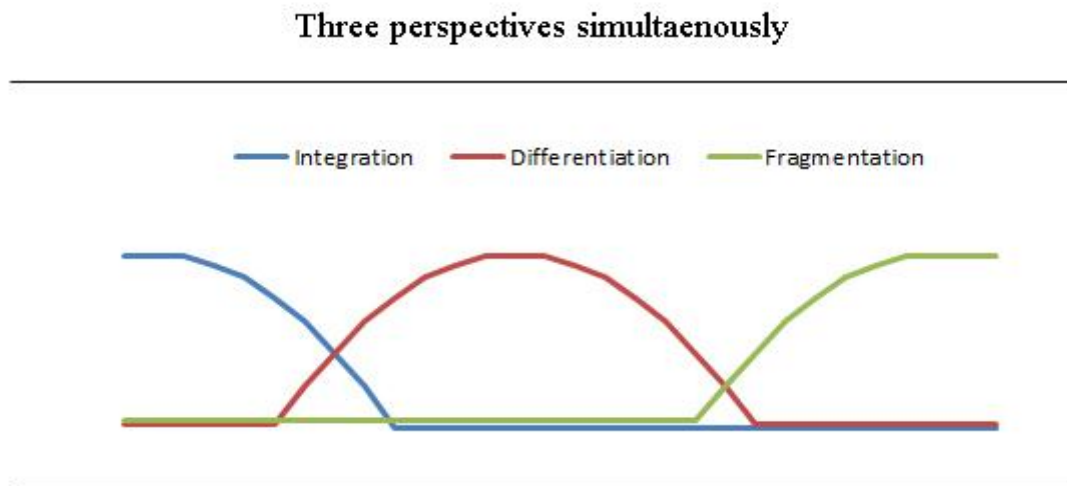
- Researchers working from the symbolic-interpretive approach often write their studies with the lower level employees/the working class' interests in mind.
- Symbolic-interpretive research focus on the symbolic meanings associated with artifacts such as rituals, stories, myths, physical arrangements etc., while aiming, not to predict outcomes, but to understand organizational life.
- Conclusions from symbolic-interpretive research are usually presented as context-specific (non-generalizable) interpretations of the culture of a given organization.
- Studies undertaken from the symbolic-interpretive perspective usually apply a becoming-realism ontological viewpoint. Becoming-realism based in social constructivism, stating that how we come to know things defines what they are. In other words, a belief that there is no such thing as an objective truth and that only subjective truth can be claimed.
- Symbolic-interpretivist studies usually apply an emic research approach, meaning an 'inside' approach. Emic research is, in contrast to the impersonal questionnaires of the Etic research, involving oneself with the organization to discover what is important to study, to develop deep intimate knowledge of the subject being studied.
- Studies usually take on a broad focus, both in terms of data sources studied, but also in terms of time allotted to undertake the study. Studies from this perspective eschew the assumption of the functionalist perspective about organization wide consensus and as such believe that it is not possible to know what the clerical staff says by interviewing the manager, and as a consequence take a broader approach to the data collection process.

An important point to note in the above comparison is the difference in ontological view. As the two perspectives differ wildly in their assumptions about what we can actually know and how we come to know it, a fundamental anchorage point, it is only natural, indeed to expected, that their approaches to studying culture will vary a lot.

Martin believes that all three of the major perspectives in the organizational culture field contain important insights into the organizational life and that neither of them can be discarded without a significant loss of perspective when doing an organizational culture analysis. The three perspectives in Martin's model of organizational culture analysis are as mentioned in the introduction to this section the Integration perspective, the differentiation perspective and the fragmentation perspective.

According to Martin, every organization can be described from all of the three perspectives. As such it is not a question of whether there are subcultures or not, whether there are conflicts or not or whether consensus is prevalent. Rather, it is a question of which of the perspectives that are salient in a specific point in time, as illustrated below:

Figure 6



At the beginning of an organizations life, for instance, the integration perspective can be present through everybody grouping together in the fight for survival and growth. As the organization outgrows the familiar-surroundings of a startup organization, differentiation might become the more dominant perspective, as new employees will be of more specialized character than in the earlier stage, i.e. computer techs, accountants and so forth, professional subcultures might start to make their mark. At other stages the culture of the organization might most aptly be described as fragmented, with some groups being in consensus on some subjects while in conflict on others, particularly characteristic of a more mature organization. However, this is by no means a set development path. The organization might face a serious threat from external factors that may be the catalyst to bring about consensus as the dominant perspective in the organization while the aftermath of a crisis might bring about new coalitions and new subcultures that can be in conflict over some issues and in consensus over others.

An important point to stress is that all three perspectives are present simultaneously. While one perspective is dominating in a particular point in time, the others have not vanished. The subcultures formed prior to a crisis, for instance, have not disappeared because the organization as a whole is banding together to survive. As Martin puts it:

“The core of the three-perspective approach is a proposition concerning simultaneity” (Martin, 2001: 158)

While Martin is a proponent of a three perspective approach, her base-perspective is that of the symbolic-interpretive view and in particular the fragmentation perspective.

3.2.3 Mary Jo Hatch – The Dynamics of Organizational Culture

Mary Jo Hatch’s article from 1993 is an attempt to bridge the gap between the functionalist and symbolic-interpretive perspectives on organizational culture. The article explores perceived gaps in Schein’s model (based in the functionalist perspective) and attempts to rectify the problems by proposing a revised model that combine Schein’s ideas with ideas from the symbolic-interpretive perspective.

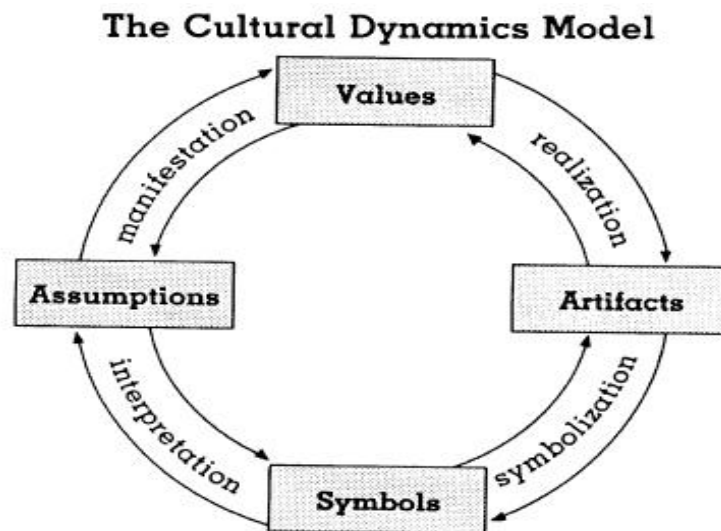
In terms of hands-on changes to Schein’s model, three things have been done. First, Hatch introduces symbols as an analytical object, in order to accommodate the symbolic-interpretive view of organizational culture. Second, the model is presented as a circle, rather than Schein’s linear model, in an effort to highlight the relationships between the analytical elements. Thirdly, and perhaps most importantly, the model focuses on relationship between the elements in terms of the processes that affects them.

Hatch introduces four processes that both maintain and change organizational culture, for each of the four processes there are two sub-processes, describing the influence the process has on each of the elements it is operating between, except for the process of interpretation:

- Manifestation – Proactive manifestation and retroactive manifestation
- Realization – Proactive realization and retroactive realization
- Symbolization – Prospective symbolization and retrospective symbolization
- Interpretation

The model is presented below:

Figure 7¹¹



Manifestation refers to the process by which assumptions are revealed in values by proactive manifestation and how values serve to either maintain or change assumptions through harmony between values and assumptions or through the introduction of values incongruent with assumptions, that never the less prove successful over time, by the process of retroactive manifestation.

Realization refers to the process of making something real, the process of bringing something into existence. Proactive realization is the process by which culturally influenced actions (influenced by beliefs and values) produce artifacts and as such turns the values into tangible form. Retroactive realization, like retroactive manifestation, is the process responsible for changing or reaffirming the beliefs and values. Artifacts produced by outside forces alien to the indigenous culture can, by being successful over time, change the beliefs and values or artifacts (indigenous or alien) can have a reaffirming effect on beliefs and values by reinforcing the dominant view.

Symbolization is added to the model to make clear the distinction between the production of artifacts and the production of symbols. While artifacts and symbols for the most part are considered the identical, both by functionalists and symbolic-interpretivists researchers, Hatch argue that when attention is turned to the dynamics of organizational culture, rather than the static view of the analytical elements on their own, a distinction is made. Symbols have meaning besides the literal meaning ascribed to them. A bouquet of roses, for instance, has the literal meaning by

¹¹ Dynamics of Organizational Culture – Mary Jo Hatch, 1993: 660, The Academy of Management Review, Vol. 18, No. 4 (Oct.1993), pp. 657-693

way smell, color, feel and such, but also has additional meaning to whomever receives them, painted by their past experiences with roses, people whom have given them roses, places of importance where roses have played a part and so on. Prospective symbolization refers to process by which artifacts are transformed into symbols by culturally influenced actions, and in this process given meaning beyond their literal meaning. Retrospective symbolization is the process, by which the literal meaning of an artifact is enhanced. The important point from the dynamic view point is that not all artifacts are given equal treatment within the field of symbols.

Interpretation refers to the process of contextualizing the symbols by viewing them in the broader frame of the basic assumptions, using these as a reference point, in order to construct an acceptable meaning. In the same way, assumptions are open to alterations in the process of making sense of a symbol.

Besides attempting to bridge the gap between the traditionally more pragmatically concerned functionalists and the more academically concerned symbolic-interpretivists, Hatch's model explains the processes that operate between each element, highlighting each element's ability to either change or reinforce the existing assumptions, putting the dynamics of organizational culture in focus.

3.3 Organizational Culture – The critical view

In this section I will try to present a selective sample of the critical literature published on the topic of Organizational Culture. As a common trend it is noteworthy that within the field of organizational culture, criticisms are often launched from authors with a theoretical base in the symbolic-interpretive view of organizational culture, viewing it as a metaphor for what the organization is, rather than something an organization has (i.e. the functionalistic view). In addition to criticism based in this perspective, authors from the fields of Labor Process Theory are very critical of the totalitarian characteristics of the idea of designing organizational culture (Edwards, Willmott and Thompson among those presented in this thesis). The main themes for these criticisms are:

- Criticism of the view of organizational culture as a variable that an organization has and can manipulate to suit its interests (i.e. functionalist vs. symbolic-interpretive view).

- Criticism of the applicability of organizational culture as a behavioral control mechanism (i.e. criticism of whether it is at all possible to influence organizational culture in such precise terms that it allows management to design the culture to their wishes).
- Criticism of the moral implications of engineering values and norms via culture (i.e. using organizational culture as a behavioral regulation tool).

These themes will be examined in the next sections.

3.3.1 V. Lynn Meek – Organizational Culture: Origins and Weaknesses

In this article from 1988 Meek takes a critical look on the use of the term organizational culture as borrowed from anthropology.

Meek is highly critical of the notion that some theorists use the term ‘culture’ as an umbrella term covering everything that is human within an organization. According to Meek, these theorists (unnamed) use culture as a way of hiding problems inherent in the organizational *structure*, not the organizational *culture*. While recognizing that organizations contain both socially created organizational structure and culture, it is also made clear that they are two different things.

The article attempts three things. 1; to take a look at some of the consequences the transfer of the concept of organizational culture from anthropology and sociology has had. 2; the article describes the difference between organizational culture and organizational structure and 3; the article dissects organizational culture into sub-concepts, arguing the culture as a whole is too all embracing.

In relation to the consequences of borrowing the concept of culture and transferring it to organizational theory, Meek draws up three arguments that can all be summed up as criticism of organizational theorists for not considering the multiplicity of organizational culture by only considering the structural-functionalist anthropological tradition in transferring the concept. The argument goes that although culture as a concept has its roots in the structural-functionalism it has mutated in practice. Under the same umbrella, Meek also criticizes the view of organizational culture as a force for social integration in the organization for being rooted in the structural-functional tradition, a tradition from which Meek does not work.

The problem with this grounding in structural-functionalism is that its view of culture as a integrative tool, suggesting that social order is maintained through internalization of values, carries with it a tendency to disregard, ignore or only treat in superficial terms, conflicts inherent in the organization and important structural issues such power and conflict as well as the importance of

the structures in class-culture. Several researchers working from the structural-functionalist perspective assume that organizational culture is:

“...a unifying force within the organization, that there exists a universal homogenous culture, and that the task for the researcher is to discover it” (Meek, 1988: 456)

This is a main point of criticism from Meek, and can be categorized as described in the introduction to this section, as a critique of the integrative view on organizational culture.

Meek strongly oppose the view that culture is the internalization of dominant social norms and values, arguing that any theory that holds this assumption to be true, must also assume that any one not holding the same values and norms be outside the culture. Such an assumption “*flies-in-the-face of reality*” (Meek, 1988: 458) when considering the different social classes of management and blue-collar workers. Any organization with members divided in group of different classes will have values and norms structured in class cultures, not organization-wide cultures, that are a source of conflict. It would be difficult, Meek argues, to explain the many strikes and working-class struggles through history

“...either in terms of the collective will of the corporation[s] or in terms of the internalization of dominant values and norms” (Meek, 1988: 458)

In continuation of this argument, Meek also strongly oppose the view that culture is something to be created and manipulated by management. Many researchers claim, to rather differing extent, that culture is indeed created and controlled by management, while Meek is of a very different persuasion:

“...it is unlikely that social anthropologists would postulate that tribal leaders create culture; the chief is as much a part of a local culture as are his tribal or clan compatriots” (Meek, 1988: 459)

In further continuation of the critique of culture as a unifying concept, Meek is highly critical of the link between organizations economic performance and their organizational culture, as especially claimed by Peters and Waterman (1982) but also others such as Ouchi (1981). Meek notes that

organizational success and especially economic success is far more dependent on external environmental factors and the conditions of the market than of the internal norms and values of the organization.

Along the path of criticism of the integration perspective on organizational culture, Meek points to the lack of recognition of sub-cultures. A subject covered through later revisions of Schein's work on organizational culture from an integration perspective.

A crucial weakness of structural-functionalism is its reliance on biomechanical or anthropomorphic metaphors. The problem is that when using metaphors like organizations are like organisms, there is a tendency to fabricate abstract explanations of phenomena that can't be observed.

Meek believes that the view of organizational culture as embedded in social interaction means that it is impossible to discover or mechanically manipulate the culture; it can only be described and interpreted.

The term organizational culture is often used as an umbrella term, covering many concepts. Meek advocates a use of the culture term that differentiates between culture and structure. The problem of joining the two terms under culture is that it then does not allow for disputes between structure and values and norms, i.e. class struggles.

Finally, in a further advocacy for a narrower definition of organizational culture and to add to the debate on the analysis of organizational culture, Meek dissects the term into four analytical categories: Symbols, myths, ideational systems and rituals.

3.3.2 Hugh Willmott – Strength is ignorance, slavery is freedom: Managing culture in modern organizations

Willmott (1993) is extremely critical of what he calls "corporate culturism", referring to authors such as Peters & Waterman (1982) and Deal & Kennedy (1982). Willmott's criticism stems, in large part, from his heritage in Labor Process Theory and work in the field pertaining to working class struggles. As such, he is in direct opposition to the vast majority of authors working from the integration perspective on just about every topic, ranging from departure point (Management vs. Workers) to how to conduct research.

Besides being critical of largely the same points as Meek in regards to the perceived shortcomings of the integration view of organizational culture, Willmott's criticism is aimed at the moral

implications of “value engineering” & “social engineering”. The article is full of very powerful imagery such as:

“...in which governance if the employees soul becomes a more central element in corporate strategies.” (Willmott, 1993: 517) & “it aspires to extend management control by colonizing the affective domain.” (Willmott, 1993: 517)

A point Willmott himself acknowledges by saying that the article is unashamedly polemical. Willmott argues that the engineering of organizational culture with the aim of eliciting greater commitment from employees is essentially aspiring to:

“...extend the terrain of instrumentally rational action by developing monocultures in which conditions for the development of value-rational action, where individuals struggle to assess the meaning and worth of a range of competing value-standpoints, is systematically eroded.” (Willmott, 1993: 518)

In continuation he claims that the domain of management control is, at least in principle, greatly extended by organizational culture (or corporate culturism as he calls it), by extending managements task from authorization, delegation and enforcement of rules to now telling employees not only what they produce but how they should feel and think about it.

This argument is extended by an argument about the doublethink of the practical autonomy that is often accompanied by a control via culture. The criticism is leveled at the case where direct control is relaxed, seemingly granting greater freedom to the individual worker. The catch is, in these cases according to Willmott, that the greater sense of freedom, the practical autonomy, comes at the cost of a kind of brainwashing, in which the overall range of actions available are reduced through an internalization of organizational values and norms. The greater freedom is bound by the restraint of value engineering, by the restraint of a choice of correct actions within the scope of the organizational values.

Willmott is not entirely critical to the concept of normative frameworks (such as organizational culture) providing security for the individual through autonomy. His gripe with the idea in terms of organizational culture design is the assumption that autonomy can be provided in a monocultural-

state with no room for critical reflection, as he terms the value designing part of managing organizational culture.

Willmott argues that the moral premise of which the concept of managing organizational culture is build is not morally benign, but in fact it is demoralizing all together. The argument is, according to Willmott, that the management of organizational culture/value engineering can provide the employees with a sense of value and belonging. It can provide the employee with relief of the anxieties of modern life by providing an anchor with which to identify and feel purpose. According to Willmott, this is the demoralizing aspect of organizational culture, because the effect is to obstruct rather than foster the process of coming to terms with life in the modern society.

A less abstract and gloomy critique comes in the form of questioning whether organizations really succeed in eliciting greater commitment from the employees or whether they are merely behaving according to the desired values of the organization.

Finally, Willmott lends his support to the view of organizational culture as a root metaphor for the organizational life (in line with the symbolic-interpretive perspective).

3.3.3 Peter Anthony – Managing Culture

Anthony's book 'Managing Culture' (1994) treats the subject of managing culture. Not as a descriptive guide as how-to manage culture, but as a critical discussion of the management of culture. The meaning of 'managing culture', a view on some of the cultural change programs of some large organizations, the difference between structure and culture as well as an critical look on the role of the leader and the criteria on which to judge whether or not culture has indeed changed.

Anthony defines culture as:

“Cultures develop in communities which are distinctive from their neighbours and are held together by patterns of economic and social cooperation reinforced by customs, language, tradition, history and networks of moral interdependence and reciprocity.”
(Anthony, 1994: 28)

This definition puts Anthony in the category of definitions that emphasize the shared characteristics of organizational culture, and also in the category that emphasize the uniqueness of the culture.

Anthony distinguishes between organizational structure and organizational culture. Not in an attempt to claim that structure is not part of the culture, but rather he defines cultural management as the management of things directly involved in culture, as he puts it:

“We must also distinguish between those influences which, although well within the scope and power of management to influence culture, do not operate directly upon the cultural scene.” (Anthony, 1994: 2)

As such changes in the layout of offices, production systems and so on are treated as essentially separate from the managing of culture. This differentiation is not an attempt to patronize changes in structure either, as Anthony argues that a change in culture is likely to be of very little effect if not accompanied by a change in structure, in fact, changes in structure are often the best way of achieving cultural change.

In continuance of this argument, it is claimed that with leaders in favorable positions to influence culture (in line with Schein’s ideas on the matter), they are still reliant on support from the structural as well as the ideational (myths, narratives) sides of the organization. Without congruence between the leaders’ efforts to influence the culture and the structural and ideational, the leaders’ effort is likely to be contradictory and confusing.

As with most other critics of the practical application of organizational culture, Anthony questions whether it is possible to exert influence on culture in such a manner that directly changes it in the desired direction. While he is not critical of the notion of leaders ‘creating’ culture, as in leaders being in a favorable position to make their, somewhat larger than average, influence count, he still questions the belief that it is possible to design such an abstract thing as belief systems so carefully as to achieve the desired result. The verdict from Anthony is that while he is definitely a proponent of the idea that organizational culture can be influenced and indeed changed (As evident by his chapter on turning cultural development into cultural management) it is a lengthy and complex process, not as open to miniscule corrections as some organizational culture literature seems to suggest.

In terms of placing Anthony in the theoretical categories I've used to sort out the authors in this section, it is a curious case of a mixed blessing. Anthony takes a more practical approach to the subject, as his book is not a scientific article and not written in the same tone of the researcher as many other contributions. While he believes cultures are shared and unique, he also advocates the intricacies of organizational culture with all their subcultures and the complexity inherent in that concept. He recognizes the conflict and dispute present, but situates in the context of a broader, shared culture, effectively acknowledging the positions of both the functionalistic and the symbolic-interpretivistic perspective.

A distinction must also be made between the projected image of organizational culture and the real organizational culture, it is argued. Anthony here refers to culture as a system of shared beliefs and values, which scarcely has anything to do with the espoused beliefs and values of top management.

Anthony draws attention to the predicament of rightly defining what it is the management is really trying to do, when claiming to be attempting a cultural change program. Are they really trying to change the culture of the organization, as culture is understood to be tacit, governing beliefs and values, or are they simply aiming for a change in behavior, not necessarily pertaining to a change on as deep an analytical level as, in Schein's terms, basic assumptions?

3.4 Identity theory

In this section the different aspects influencing the processes of individual identity creation will be explored. Although excluding the organizational identity level of analysis, the focus of the section will be on how these processes interact to form the individual sense of self, as an independent concept as well as the individual sense of self in interaction with the organization

This section will position the individual and the forces influencing his identity creation processes in context of interaction with the groups the individual belong to in one way or another.

3.4.1 George H. Mead – The Self: The 'I' and the 'Me'

In 1934 Mead published a book called 'Mind, Self and Society', in which he wrote about the construction of the self as process of continued negotiation between two parts of the whole termed the 'I' and the 'Me'. The 'I' can be described as an individual self, to which the 'Me' would be the social self. The 'I' is a historical construct of sorts. It is the self you were before the self you are now. The 'Me' can be described as the organized sets attitudes of others towards the individual. The

‘Me’ is the attitudes of others and the ‘I’ responds to those attitudes to create the self. This process is a constant loop in which the ‘I’ influence the ‘Me’ that in turn influences the ‘I’. In that sense it is fair to say that the ‘I’ of this moment is present in the ‘Me’ of the next.

Now, the ability to comprehend other’s attitudes towards one self is what gives the individual its ‘Me’. This is the self one is aware of and can comprehend. Imagine a social situation in which the individual is in a room with multiple other individuals. The individual is aware of the others attitude towards him i.e. he knows their responses to any given action of his and he knows what they want. It is the presence of all this that constitutes his ‘Me’ and it is towards this that his ‘I’ now reacts. The ‘I’ is the personal, individual, novel part of the continued negotiation of the self between the expectations of society, in the ‘Me’, and the historical construct of the self, the ‘I’.

The importance of this division of the concept of self into the concepts of the ‘I’ and the ‘Me’ is to place the individual in the context of society and groups, and to understand the negotiated process of identity creation that occurs in continues interaction between the individual and its surroundings.

3.4.2 Henri Tajfel & John Turner – An integrative theory of intergroup conflict

Tajfel & Turner (1979) proposed an argument about intergroup conflicts in which they claimed that group categorization per se, that is, the mere fact of belonging to a group and as such defining one self as belonging to one group, and not belonging to another, was enough to elicit positive behavior towards ones own group, and discriminatory behavior towards other groups. Earlier it was assumed that conflicting group interests was the foundation for inter-group conflict, but Tajfel & Turner articulated a theory about the individual’s conception of self in relation to groups that explained inter-group conflict in entirely different terms.

Tajfel & Turner view social categorization, that act of identifying groups of individuals, as a cognitive tool to differentiate and classify the social environment. This differentiation and classification serves as a system for self-reference, a system that aids the individual in defining its place in society, by the process of social identification, which in turn defines the individual, as a member of a group, as ‘better’ or ‘worse’ than members of another group.

In formulating this theory of intergroup conflict, Tajfel & Turner work on three very interesting assumptions. According to these, first; individuals fundamentally strive to improve their self-esteem and to have a positive image of self. Second; the process of social identification carries with it a

positive or negative connotation. That is, social identification entails a positive or a negative value in reference to other groups. Third; when evaluating the individuals own group in comparison to other groups, a positive evaluation will result in high levels of prestige and a negative evaluation will result in low levels of prestige.

From those assumptions, three principles are derived. First; individuals strive to attain or maintain a positive social identification. Second; a positive social identification will largely be based on favorable comparison between own groups and other groups. Third; when the individuals social identification is considered inadequate, the individual will leave its group or try to enhance the value of the group.

Basically, individuals identify themselves with groups in an attempt to elevate their self-esteem, due to a fundamental desire to do so. An individual's desire for a better self-esteem leads to a want, a need, to identify with different groups in society seen as being of higher value than others. Identification with these groups projects positively on the individual, raising the individual's self-esteem.

3.4.3 Mats Alvesson & Hugh Willmott – Identity regulation as organizational control producing the appropriate individual

In this article, Alvesson & Willmott (2002) links the concept of organizational control to identity creation processes. It is a balanced article, in so far as they argue for specific methods of managing identity as well as the point that organizational members are not passive recipients of identity.

Alvesson & Willmott highlight the way in which management discourses play an integral role in the formation, maintenance and transformation of identity, and provide a conceptual model of identity regulation, as well as describing the tools available to management to influence the identity creation process.

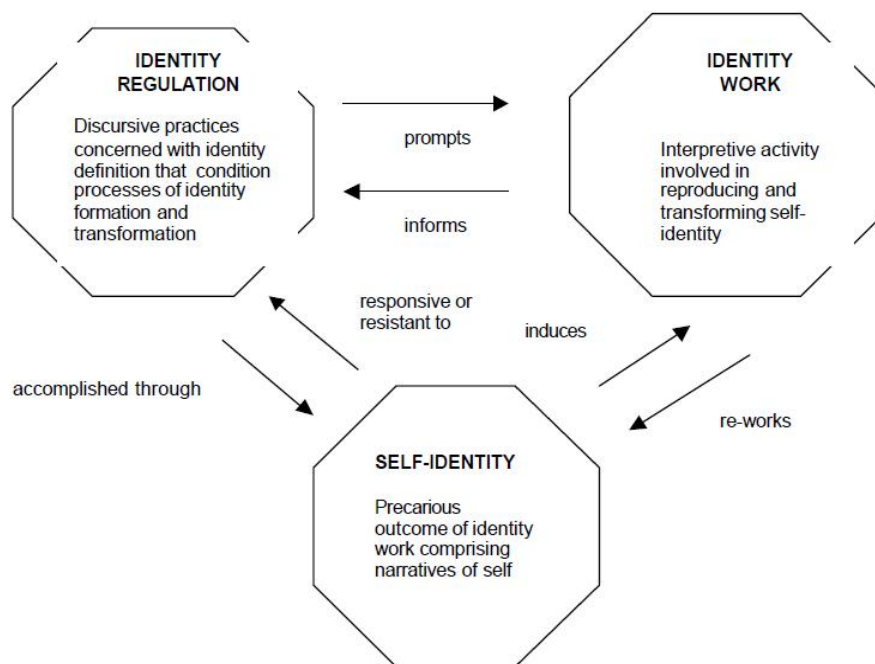
In an attempt to explain the complexities and dynamics of identity creation processes, Alvesson & Willmott differentiate three distinctly different categories of processes influencing identity creation; managerial; cultural-communitarian and quasi-autonomous.

The managerial category covers the influence deliberate action of management can have, the cultural-communitarian category covers the effect membership of different cultures can have and the quasi-autonomous category covers the influence of the many diverse influences from many

diverse sources on identity, that can have a detrimental effect on the efforts of management on identity regulation.

Essentially, this differentiation highlights the argument that while management are in a prime position to actively influence the identity regulation process, individuals are not passive dummies, on the receiving end of a managerially constructed identity. The regulation process is much more complex, as is evident in figure 7.

Figure 8¹²



Alvesson & Willmott present nine ways of influencing the identity regulation process, divided into four categories:

***"The employee:** Regulations in which the employee is directly defined or implied by reference to others.*

***Action orientations:** Regulations in which the field of activity is constructed with reference to appropriate work orientations.*

***Social relations:** regulations of belongingness and differentiation.*

¹² Alvesson & Willmott – Identity regulation as organizational control (2002), in Hatch & Schultz – Organizational Identity; a reader, 2004: 445

***The scene:** Regulations indicating the kind of identity that first the larger social, organizational and economic terrain in which the subject operates.*“ (Alvesson & Willmott – Identity regulation as organizational control (2002), in Hatch & Schultz – Organizational Identity; a reader, 2004: 451)

By stating that the process of identification and the idea of rational decision-making in organizations are bounded, Alvesson & Willmott lend credence to the idea of obtaining organizational control through identity regulation as a part of control through organizational culture. As the two terms are bounded, the identification with the organization will effectively act to reduce the range of decisions, a significant purpose of control through organizational culture.

3.5 Organizational Control

In this section the different perspectives on organizational control will be examined. I have chosen what I believe to be a representative outline of literature, presenting the different technical forms of control as well as examining some of the claims of how the modern society is developing, and what sort of primary organizational form is best suited to deal with the challenges accompanying this development. How best to achieve organizational control, as well as being the primary source for the historical development of organizational control mechanisms, Edwards is used to present the three major categories of control mechanisms. Ouchi is used to introduce the cultural elements of control, while Alvesson & Thompson and Reed are used to show that all are not in agreement about the development of organizational control mechanisms and the limitations of the dominant control mechanism, bureaucracy.

3.5.1 Richard Edwards – Contested Terrain

Richard Edwards book ‘Contested Terrain’ from 1979 is a very thorough walkthrough of the development of the organizational control mechanisms available, as well as the social and economic basis that drove that development.

Edwards defines control as the coordination of three distinct elements: the direction of work; the evaluation of work and the disciplining of work. Control is a tool needed for solving the basic problem of the capitalist/labor relationship; how to transform purchased labor power into actual labor with a minimal loss of potential labor power. In order to achieve control in the most effective way, that is, in order to delegate, evaluate and reward and punish work in a manner in which maximizes the output of the labor power purchased, organizations have developed four distinct categories of control.

1. **Simple control:** The simple control mechanism consists for the most part of direct supervision of the work process by the person in charge of the organization. This control mechanism is often the dominant mechanism in many entrepreneurial organizations, small enough to make it possible for the entrepreneur to undertake direct, personal supervision of his, typically, small groups of employees. An argument could be made that even for slightly larger organizations, in which the entrepreneur is flanked by a small group of foremen, simple control mechanisms are still effective, in so far as the entrepreneur is able to make his presence felt by a personal relationship with his foremen, as well as workers, ensuring that the personal touch does not alienate the foremen, and that they therefore labor under the interests of the entrepreneur.
2. **Hierarchical control:** The hierarchical control mechanism was developed as an answer to the shortcomings of simple control as many organizations grew too big to be effectively managed by the personal touch of the entrepreneur. Basically hierarchical control systems seek to emulate the conditions of the simple controls and the supervision of the entrepreneur by extending his powers onto foremen and creating a hierarchy of bosses working under bosses and so on. Hierarchical control in itself is a very oppressive system, as it lacks the reward-part of the entrepreneurial relationship under simple controls. It also lacks any kind of fairness, as full discretion was given to the foremen. In effect this means that the workers will experience a very arbitrarily ruled organization, with no element of fairness. From the organizations management's viewpoint, a larger problem with this type of control mechanism is the problem of assuring that the foremen work to achieve the same goals as management, instead of pursuing their own agenda.
3. **Technical control:** The technical control mechanisms were developed with the introduction of mass production technology. The introduction of automated machinery resulted in shifting the power to set the pace of the tasks from the workers to management, and is the core principle of technical control: The direction of work routines through machinery and workflow design. Technical control can also be considered structural control, as it is built in to the structure of the organization, in terms of machinery, workflows and so on.
4. **Bureaucratic control:** Just as technical control, bureaucratic control mechanisms are categorized as structural control. Unlike technical control, that is imbedded in the physical structure of the organization, bureaucratic control is embedded in the social and

administrative structure. Bureaucracies are characterized by the institutionalization of power in the structure of the organization. Instead of vesting the power in managers, foremen and supervisors, in the bureaucracy power is vested in impersonal rules and regulations, in the faceless form of the organization. Another important characteristic of the bureaucracy is its totalitarian tendencies in the form of its influence on organizational culture by emphasis on “the good worker”. The other three control mechanisms extend considerable leeway in how workers behave, as long as the job gets done. Under bureaucracy certain behaviors are encouraged at different job levels.

In actual organizations it is highly unlikely that only one control mechanism will be in operation. The vast majority of organizations employ elements of all four control mechanisms at the same time, and the four categories are ordered such as to the latter can easily contain elements of the former.

As described earlier, the development in control mechanisms corresponds to a historical development that leaves us on the cusp of a change in, if not control mechanisms, then certainly a change in the classical structure of the bureaucratic organization.

3.5.2 William Ouchi – A conceptual framework for the design of organizational control mechanisms

Ouchi (1979) introduces organizational control as a matter of “*obtaining cooperation among a collection of individuals or units who share only partially congruent objectives*” (Ouchi, 1979: 833). To achieve this objective organizations rely upon three different control mechanisms:

- The Market control mechanism
- The Bureaucratic control mechanism
- The Clan control mechanisms

Under which there are two different control procedures:

- Output control
- Behavior control

To these features (that can roughly be equated with market and bureaucratic control systems respectfully) there is the additional control parameter of selection procedures, which will be examined later in this section.

The Market and Bureaucratic control mechanisms are broadly known as rational control systems, based on the assumption that employees are rational, profit maximizing individuals.

What Ouchi calls clan control is the equivalent of control through culture. For the remainder of the review of his work, I will refer to clan control as control through culture, because A; they are essentially the same (which will be demonstrated in due course) and B; control through culture is the subject of the thesis, and therefore it is highly relevant to draw parallels between Ouchi's work and control through organizational culture.

In reality, the vast majority of organizations will deploy a mixture of the three control mechanisms, but for illustration purposes, they are presented as separate instruments.

The Market control mechanism refers to a mechanism of control in which very little if any control by management is necessary (or indeed useful). The market control mechanism relies upon any given market to condition the behavior of the employed agent, by measuring the output of the employee (using output control). In a perfect market, all information will be contained in the price of the commodity, and therefore one has only to align the employees reward with the organizations maximum reward to achieve goal congruence.

The problem with this is that the perfect market is far from reality. The reality is that asymmetric information is the rule and there are no guarantees that the seller of a commodity will not attempt to act dishonestly. Therefore this control mechanism has high transaction costs in terms surveillance, drafting of contracts and enforcement in an effort to get fair value.

The Bureaucratic control mechanism is characterized by involving far more surveillance of the employee than both the market mechanism and the culture mechanism. Bureaucratic control mechanisms consist of rules and hierarchy, governing either the desired behavior of the employees or strict rules about the output. The close supervision of the employee by an immediate superior, making sure the employee is following the very explicit rules of conducting the work are followed is a trademark of bureaucratic control mechanisms. The downside to bureaucracy is the vast amounts of supervision and administration involved, along with the animosity felt by the employees

as their autonomy and sense of self control are undermined, resulting in purely compliant behavior, void of any enthusiasm and commitment.

The control through culture mechanism relies heavily upon internalization of the values and goals of the organization. Ouchi refers to this process as a socialization process, undertaken during training and selection. Most professional groups undergo a socialization process during their education that ensures that they are equipped with values suitable to their work. The downside to this control mechanism is its inability to handle a large employee turnover. Internalized values, routines and traditions take time to adopt for newcomers, which is why a stable membership of the culture is a prerequisite.

Whether output control or behavior control is appropriate is determined by the individual characteristics of the job to be controlled. Basically the two dimensions to be considered are 1; the knowledge of the transformation process and 2; the ability to measure the output. In the case of an employee working a position at a conveyor belt, we understand the transformation process completely but since he is a part of a much larger production unit, it is difficult to measure his output accurately. In this case, achieving effective control is simply a matter of watching the behavior of the employee.

In the case of a purchaser employed by a women's clothing store, our information about what makes a successful purchaser of women's clothing is far from complete, but our ability to measure her success in terms of profitability (output) is very good, and therefore an output control system is suitable to achieve control and reasonable goal congruence.

In the case sending an astronaut to the moon, we have both perfect knowledge of the transformation process and we have very dependable ways of measuring whether or not he made it to the moon. In this case, it is a question of economics whether to use output or behavioral control. As it would be enormously expensive to leave the launch of the shuttle in the hands of the astronaut if it failed, it is by far the cheaper option to instead control the behavior of the astronaut by having literally hundreds of control officers monitoring every step of the journey.

In the other end of the spectrum, we have a typical research job. It is impossible to set up a step-by-step guide to how to invent the new wonder drug and it is difficult to measure the output, given that it can take 50 years to see the true effects of research. In this case neither output control nor behavior control, either of the rational control parameters, are suitable. In this case the organization relies

heavily on control through culture, both in terms of the culture of the organization, but as well the culture of the profession that has instilled values in the researcher from training.

This leads into the final instrument of control, the selection process. In one end of the spectrum, organizations can spend a lot of time and money picking out the right recruit and on the other end the organization could take any one that would apply for the job. The first example is a characteristic of the researcher's job used as an example above, typical of organizations relying on cultural control while the latter is a characteristic of the purchaser's job, typical of an organization relying purely on the market as a means of control. In between we find the organizations applying bureaucratic control mechanisms, taking some time to select and train their employees. Such training and developing of a routinized system takes a lot of time and money to setup, but the benefit is that once in place, it is capable of handling a large employee turnover without a detrimental effect on the performance of the organization.

Ouchi emphasize the connection between heavy selection and training processes with greater commitment. Partially because of the values instilled during training as mentioned earlier and partially as part of the mentor/mentee relationship newcomers can develop with their mentors, resulting in a relationship in which the mentee wishes to emulate the behavior of the mentor which is seen as desirable. It is, however, important to note that emulating behavior is not equal to internalizing values, but can be a step in the internalization process or failing to act as an internalization catalyst, it can at least produce the required behavior.

Ouchi argues for a change in the business environment from the stable conditions allowing for big, slow moving and heavy to maneuver bureaucracies to an ambiguous and uncertain environment, requiring a much more flexible and reactive organization. Add to this argument, testimony from many contributors to the organizational theory field, that organizations, for one reason or the other, are not as rational as previously assumed. In such conditions 'rational control' mechanisms are not appropriate, and due to these conditions, control through the stressing of organizational culture elements might be best way of achieving goal congruence going forwards.

3.5.3 Paul Thompson & Mats Alvesson – Bureaucracy at Work: Misunderstandings and mixed blessings¹³

In this contribution from 2005, Thompson & Alvesson take a critical look on the claims that bureaucracy has gone out of style and has no place in the modern economy. Their basic argument is that while bureaucracy might have been pronounced dead in the managerial literature, it has never ceased to be the dominant form of organization in the real world.

The criticism of bureaucracy is based in a perception that the world is changing in a way that makes bureaucracy an inappropriate organizational form. Globalization gets much of the blame, by indirectly increasing the pace of change and volatility of the external environment to which organizations have an increased need to be able to adapt and respond to, along with the overall development of the requirements in the workplace renders the heavy, inflexible bureaucratically governed organizations out of touch and consequently organizations have increasingly adopted more flexible, loosely coupled, network styles of organizing with altogether softer control mechanisms. Thompson & Alvesson however question the validity of these claims, arguing that they have little basis in empirical foundation and are more of a trend in management literature.

The traditional defense of bureaucracy, it is claimed, is that:

“Bureaucracy is the best way of getting work done because it is the only form of organization that deals with size, complexity, and the need for accountability.”
(Thompson & Alvesson, 2005: 91)¹⁴

In other words, the traditional defense of bureaucracy is a tribute to the effectiveness and instrumental rationality of the bureaucratic organization. Thompson & Alvesson lean less toward the traditional defense, though, and more towards a defense of some of the values instilled in and by bureaucracies, values such as *“impartial conduct, due process, accountability to impersonal order rather than social persons, and a separation between the public and the private”* (Thompson & Alvesson, 2005: 91)¹⁵, in part as a recognition of the fact that the world is indeed changing and that bureaucracies are changing as well. The central argument here is not that bureaucracies function exactly as they did in their prime 70 years ago, rather that while the world is changing, bureaucracies are changing with it. There is a widespread tendency to decentralize the managerial

¹³ As Chapter 4 in *The Values of Bureaucracy* – Paul Du Gay, 2005.

¹⁴ Quote from *The Values of Bureaucracy* – Paul Du Gay, 2005: 91

¹⁵ Quote from *The Values of Bureaucracy* – Paul Du Gay, 2005: 91

decision process, for instance. Bigger focus on market-regulated profit centers, flatter structures and reduced hierarchy. There is even a tendency to soften the traditional view on task design, acknowledging the efficiency of small autonomous work teams and the likes thereof. Even the knowledge workers unique requirements for productivity are acknowledged:

“The current focus on the importance of knowledge assets reinforces the long understood point that high levels of autonomy are effective preconditions for creative outcomes” (Thompson & Alvesson, 2005: 98)¹⁶

The argument is, however, that while this change is going on, there is no reduction in the amount of rules still governing behavior and still a high degree of standardization wherever it is possible.

The central feature of bureaucracy at work is hierarchical authority underpinned by rationalization and rule-governed behavior. A feature that, according to Thompson & Alvesson, has not changed as the dominant method of organizing work, regardless of the peripheral changes around it.

3.5.4 Michael Reed – Beyond the iron cage? Bureaucracy and democracy in the knowledge economy and society¹⁷

Michael Reed (2005) joins the debate on the organizational form of the future by contending, somewhat like Thompson & Alvesson, that while there is no questioning the changes in the social, technological, economic, and cultural sphere, the results are not so much the decline and dismantling of bureaucracy as the dominant form of organization, rather the result is a changed form of bureaucracy, with greater autonomy, increased de-centralization, but still dominated by rules, hierarchy and the trademarks that made bureaucracy the dominant form of organization throughout the 21st century.

In a way, Reed’s contribution can be seen as an extension of Thompson & Alvesson’s, in so far as while both contributions recognize the changes going on in the external environment, Thompson & Alvesson argues that nothing has essentially changed, while Reed argue for a hybrid form of organization rather than a paradigm shift.

¹⁶ Quote from The Values of Bureaucracy – Paul Du Gay, 2005: 98

¹⁷ As Chapter 5 in The Values of Bureaucracy – Paul Du Gay, 2005.

Reed takes a look at bureaucracy and the required organizational forms of the knowledge economy from both sides, stating arguments that both highlight the advantages and strengths of bureaucracy, as well as the arguments out forth by its detractors.

In the article, Reed argues for the strengths of bureaucracy, in response to the growing movement of authors claiming that bureaucracy is incompatible with the democratic forces that follow the changes in the external environment.

Bureaucracy contains certain characteristics setting it apart from other forms of organization of administration and control. Referencing Weber, bureaucracy has three unique features:

“First, it established an administrative structure and system that was functionally indispensable to the operation of the modern capitalist state.

Second, it provided an institutional mechanism for generating, concentrating, and distributing power that facilitated the continuous monitoring and control of social action in all spheres of social, economic, political and cultural life.

Third, it elevated and legitimated instrumental or functional rationality as _the_ cognitive mode and cultural framework... ” (Reed, 2005: 119)¹⁸

On top of which, again referencing Weber, there are three distinctive reasons for the domination of bureaucracy over all other forms of organization. 1; its technical supremacy in fulfilling the needs of the modern economy in terms of control 2; its cultural power as an ever-present cognitive framework, in terms of its rationality provided acceptability and legitimacy and 3; its capacity to integrate power, in terms of administrative, political and cultural power, into on organizational form that, as quoted above, made it indispensable to the modern capitalist state.

These characteristics are also what make bureaucracy highly resistant to change. That bureaucracy has become an integral part of modern society, from business to government and public service, bureaucracy, at least to an extent, dominates the cognitive framework of the organization.

Where Reed separates noticeably from Thompson & Alvesson’s projection of bureaucracy’s role in the knowledge economy is when he highlights Weber’s notion of bureaucracy not as a stubborn, in-

¹⁸ Quote from The Values of Bureaucracy – Paul Du Gay, 2005: 119

grown relic of past organizational forms, but as the organizational form best suited for the future as well. The argument goes that by imposing a framework of alienating, specialized work roles on its members, bureaucracy regulates the relationship between the individual and the organization through a functional differentiation. This in turn instills flexibility in bureaucracy, as it provides it with mechanisms to respond to the ever increasing volatility and pace of change in the knowledge economy.

In a critique of bureaucracy and an advocacy of a network theory-approach to the organizational form of the future, Reed highlights the perceived inability of bureaucracy to adapt quickly enough for it to keep pace with the requirements of the knowledge economy, deeming it too inflexible, while new information and communication technologies undermine the traditional hierarchical approach to organization inherent in bureaucracy.

Reed concludes, however, that despite the strengths of bureaucracy, both as an institution and as an organizational form to handle the requirements of modern society, we are seeing a shift in, at the very least, the form of bureaucracy. While much of the bureaucratic essence is still present, for now a hybrid seems to be on the books, as organizations in the knowledge economy adopt flatter structures, empower employees and in general seem to shift towards a theory of network organizing.

For a real change of paradigm to take place, Reed concludes that:

“There must be enough of ‘the new’ in ‘the old’ and the former must have the potential to stop the latter from ‘strangling it at birth’.” (Reed, 2005: 133)¹⁹

The hybrid state of organizing that Reed suggests is on the march can be seen as slowly putting ‘the new’ into ‘the old’, perhaps before a genuine paradigm shift?

4 Analysis & Theoretical framework

The following section answers large parts of the problem statement by outlining the theoretical foundation that will serve as the basis for a conceptual model for achieving organizational control through the deliberate and focused influencing of organizational culture.

¹⁹ Quote from The Values of Bureaucracy – Paul Du Gay, 2005: 133

4.1 The challenges of organizational control in the knowledge economy

Through the second half of the 20th century and to an extent the start of the 21st, the dominant form of organization have been the bureaucracy (Edwards, 1979; Ouchi, 1979; Thompson & Alvesson, 2005; Reed, 2005). Everything from government, schools, health care, welfare, larger and smaller businesses to small athletic associations have built their organizations on the rules and hierarchical structures of the bureaucracy, in order to solve the basic problem of achieving cooperation between individuals holding, at least, partially incongruent objectives (Ouchi, 1979).

The bureaucracy's dominance is due to a number of core characteristics of the bureaucratic organization. Bureaucratic organizations are as close to a purely rational system as is possible to get in large contexts. In this sense, bureaucracy legitimates and incorporates the governance through rationally thought out rules, rather than subjective case-by-case evaluations. This feature extends into what has been called the institutionalization of power into rules and policies governing the social, political and economic spheres of the human existence (Reed, 2005). A basic value of bureaucracies is the fact that action is to be taken on the basis of written rules, set out by the policy makers. This means that power is vested in the faceless organization rather than in the immediate superior. Your boss is no longer making up the rules you have to follow, he is merely making sure you follow the same rules he abides by.

Bureaucratic organizations are permeated with differentiated structure, despite a centralized decision process, each department with specialized responsibility, and specialized tasks for each employee. This task specialization has consequences for the control of employees, in so far as it moves from workers being one large group, all identifying with each other, to being a highly differentiated group of individuals, effectively acting to reduce 'worker resistance' (Edwards, 1979). The highly differentiated characteristic of the bureaucracy runs parallel to another key feature in such organizations, their highly structured hierarchies, with bosses on many levels typically having multiple bosses below them in rank but above as well. This too adds to the reduction of worker resistance through a further reduction in the sense of identity employees can derive from being a group of workers. The bureaucratic organization has greatly increased the number of employees with supervisory responsibilities, creating a dual-role identification. Many employees are both 'workers' in the sense that they are working under someone else's authority as well as being managers, having 'workers' work under their own authority (Edwards, 1979).

Another characteristic that has made bureaucracies a dominant organizational form is its intrinsic characteristics that lead to the appreciation of length of employment. While the older control

mechanisms relied upon a standardization of tasks in order to make the worker easily replaceable and a ready army of unemployed workers to step in, the many rules and procedures of bureaucracy make a high employee turnover undesirable, allowing for greater job stability and in some cases the prospect of lifetime employment, with the securities that goes with such tenure (Edwards, 1979)

The modern society has changed a lot since the bureaucracies gained ground as the dominant organizational form. While bureaucracies are very efficient organizations in coordinating large amounts of individuals and groups, it also has negative consequences. On top of the standard critique of the slow handling of cases and dehumanization by strictly adhering to the, much lauded, rules, without consideration for the human factor (Thompson & Alvesson, 2005), it is widely contested that bureaucracies are increasingly falling behind in the race as the most appropriate form of organization. The very characteristics that make bureaucracy an effective administration tool in some cases, the strict rules, hierarchies and differentiation serve as an anchor, slowing the entire organization in its very centralized decision process. This make the bureaucratic organization unsuited, in terms of efficient operation, to handle environments in which the pace of change is rapid and external adaptation is an integral part of success (Thompson & Alvesson, 2005).

As described in the introduction, it can be argued that the development of the economy is moving in such a direction, with the reduction of typical blue-collar job and the increase in the part of the labor force employed in industries characterized by a heavier focus on knowledge work. From 1950 to 2011 employment rates for traditional blue-collar industries fell from totaling 58% of the labor force to 20%, while employment rates for knowledge intensive industries rose from 19% in 1950 to 51% of the total Danish labor force in 2011.²⁰

Drawing on Ouchi's classification of modes of control, and their appropriateness in given situations, the control mechanisms typical of the bureaucratic organization, output control and behavioral control, are seen as ineffective to handle job types with the characteristics inherent in knowledge work. The typical control procedures applied in the bureaucratic organization, output control and behavior control, that is the monitoring and evaluation of outputs and the actual behavior involved in solving the task at hand, has specific prerequisites for them to work. One prerequisite is that management has to have specific knowledge of the production process, that is, detailed knowledge of how the labor power is transformed into actual labor in order to monitor the

²⁰ See the introduction for sources for these numbers.

behavior, i.e. be able to evaluate whether or not the exhibited behavior is congruent with an efficient production process. Failing that prerequisite, management must be able to precisely judge the effort of an employee by objective output outcomes. It is imperative that these measures of output are linked directly to the efforts of the employee, in order to effectively evaluate his contribution (Ouchi, 1979).

The problem of control arises when we consider the previously explained changes in the external environment of the organization. The conditions considered characteristic of the changing environment are of ambiguity, uncertainty and loose couplings as opposed to the strict organization of bureaucracies. Under such conditions, the prerequisites of reliable and precise measurement of the output or the detailed knowledge of the transformation process are not possible to achieve, resulting in a need for a different form of control capable of handling the question of divergent interests in the coordination of individuals (Ouchi, 1979).

In conditions requiring a highly adaptive organization, operating in an industry with limited knowledge of the transformation process and with limited ability to precisely measure each employee's contribution towards the organizational goals, the control mechanism required cannot rely upon traditional measures of control. The rational model of control previously so powerful in the bureaucratic organization is proving inadequate to handle these new challenges as the industrial part of the world moves closer to the transition from industrial economies to the knowledge economy, where knowledge work plays an ever growing role.

The answer to the problem of control in the knowledge economy lay in the focus on and nurturing of values and assumptions governing behavior. Ouchi (1979) points out that what is needed is to foster a greater sense of commitment from the employees towards the organization, so that the employees may be given greatly increased autonomy:

“It may be that, under such conditions, the clan form of control, which operates by stressing values and objectives as much as behavior, is preferable. An organization which evaluates people on their values, their motivation, can tolerate wide differences in styles of performance; that is exactly what is desirable under conditions of ambiguity, when means-ends relationships are only poorly understood...” (Ouchi, 1979: 845)

As organizations are prompted to exercise control through a focus on values and motivation, and less on more tangible elements, the management of these values are brought into play. In Schein's terminology (2010), organizations have to engage in managing their cultures, in order to exercise control through organizational culture.

4.2 Achieving control through organizational culture

The essence of organizational culture in terms of importance to this thesis, and all together according to some perspectives, is the shared basic assumptions guiding behavior for all cultural members (Schein, 2010). Schein classifies three distinctly different levels of analysis in organizational culture; artifacts, espoused beliefs and values and basic assumptions. From first to last, the levels indicate a deeper understanding and importance of the organizational culture. Artifacts are a superficial level of analysis, ripe with contents that need not have anything to do with culture. They are easily available for analysis, but say very little about the basic assumptions on their own. The beliefs and values are harder to get at but offer deeper insights into what governs behavior than artifacts. The basic assumptions are, usually, unconscious assumptions or values, so basic and taken for granted as to effectively narrow the range of possible actions taken in a situation pertaining to the relevant assumption. Such is the power of these unconscious governing assumptions, and this is where culture draws its ultimate power as a concept from an organizational control point of view.

According to Schein (2010) the source of the power of organizational culture comes from the basic human need for cognitive stability. The mind needs a stable frame of reference as we try to make sense of the world we live in. Organizational culture, by way of the basic assumptions, provides this cognitive framework, and in this sense, provides us with a sense of stability and security. Conversely, this is also why change on the level of basic assumptions is very difficult. Change on this level destabilizes our cognitive frameworks, which induces large quantities of basic anxiety. As such, organizational culture can appropriately be thought of as a cognitive defense mechanism. When in the company of others who share our cognitive framework, our view of the world, we are comfortable, while being very uncomfortable when in the company of others who share a different cognitive framework.

Basically the management of organizational culture, as explained in Schein's terms (2010), is the management of the values and motivations Ouchi (1979) speaks of, when explaining the characteristics required of a control mechanism able of handling the conditions of organizations in a knowledge economy.

The views on organizational culture are so many and so diverse, that it is necessary to define exactly what is meant when using the term. Schein's model of organizational culture analysis serves as the basis of this thesis use of the term, but further clarification is needed to enhance the pragmatic value of the model presented in this section. Martin's (2001) model of the analysis of organizational culture offers an important step forward for the less abstract and more pragmatic approach to culture. Culture is approached through different theoretical perspectives that have certain research oriented implications, which can lead to an overemphasis on things that in the application of the subject are less important. This is most obvious, and most counter-productive, in the discussion that arises when the discussion falls on what culture is, and if it is shared or not. While I recognize the implications of the answer on a theoretical level, the discussion can reach a semantic level at times. Martin cuts through this cloud of disagreement by presenting a model that contains the three big perspectives simultaneously. In this model, culture is indeed shared, but that does not mean that cultural members are in agreement on everything. It is a concept that denotes that when sharing some basic assumptions, you are a member of that culture. It is of no importance to your membership whether or not you disagree on other subjects. In this way, cultures exists in conceptual peace with subcultures and culture can be thought of as incompletely shared systems of meaning (basic assumptions), in which different coalitions develop over time, leading to different cultural-group compositions as the organization develops.

In order to achieve control through organizational culture, it is necessary to be able to influence the processes that create, sustain and change the individual elements of organizational culture. To that end, Hatch (1993) has developed a cultural analysis model focusing on organizational culture as processes, and trying to bridge the theoretical gap between competing perspectives (symbolic-interpretive and functional) by presenting a model for the dynamics of organizational culture.

In this model Hatch builds on Schein's original model from 1985, by using the same three analytical elements as in Schein's model (artifacts, beliefs & values and assumptions) while adding symbols to the mix. At the same time, the model is presented in circular shape, rather than the linear presentation of Schein's model, ordered by analytical depth. Hatch does not disagree with the governing characteristics of basic assumptions, but the model is intended to highlight the dynamics between the elements as to describe how culture is changed as well as sustained.

The four processes influencing on four elements of the model are: *manifestation* that refers to the proactive process by which assumptions are revealed in values, and the retroactive process by which new values introduced to the culture can over time manifest themselves in basic assumptions; *realization* that refers to the proactive process of beliefs and values influencing on the productions of artifacts, and the retroactive process of artifacts, usually from sources outside the culture, can influence the values; *symbolization* that refers to the prospective process of adding additional meaning other than the literal to an artifact and the retrospective process of enhancing the literal meaning of one artifact over others, giving some artifacts more attention than others; and finally *interpretation* that refers to the process of evoking ones broader cultural frame of reference, in the form of basic assumptions, when interpreting symbols.

The basic premise of how changes to individual elements occur is in line with Schein's thinking. Basic assumptions are the product of a learning process, in which an assumption that proves successful over time becomes gradually more ingrained (Schein, 2010).

Each of these processes represents a way to influence culture. An entry point, if you will. By being aware of the influence each of the elements has on each other, management can concentrate on influencing those processes.

4.3 The identity regulation process as a foundation for control through culture

Organizational culture might provide a cognitive reference frame from which to make sense of the world, but there are multiple cultures to be a member of, and furthermore, there are subcultures in the form of professional cultures, counter-cultures and many more. Management's job when trying to exercise control through the deliberate design of organizational cultures is to entice commitment and identification to the right culture. How that is achieved is partially explained by Schein (2010).

In his explanation of the analytical level of basic assumptions, Schein argues that organizational culture at that level, can not only be seen as a psychological cognitive defensive mechanism, but also provides its members with a sense of identity and a definition of the values to adhere to in order to enhance ones sense of self-esteem. More on this later.

Identity, according to Mead (1934), is a negotiated process between the individual and surrounding environment. Identity, in the form of the self, consists of the 'I' and the 'Me', where the 'I' is a historical construct present in the 'Me'. The 'Me' is a negotiated process of the historical 'I', the individual and the influences of the surrounding environment. In a sense it is fair to say that in Mead's model, the 'I' is the portion of the self supplied by the individual, the portion of the self that

supplies the original responses, while the 'Me' is the part of the self that supplies the societal influence.

The implications of concept for this thesis is the notion that individuals construct their identities in a negotiated process between themselves and the society in which they act, and as a part hereof, the cultures of which they are members.

Tajfel & Turner (1979) build their theory on intergroup conflict on the same notion of a negotiated construct of self. According to them, groups play a pivotal role in the construction of individual identities. This is due to their contention that individual's self-esteem is closely linked with group membership and inter-group comparison. Tajfel & Turner observed during their research, that the mere act of naming someone a part of a group (social categorization) was enough to elicit favorable behavior towards that group and discriminatory behavior towards other groups.

Their theory is built on three assumptions. First; individuals fundamentally strive to improve self-esteem. Second; the process of social categorization, and by implication, social identification carries positive or negative value and third; positive evaluations in inter-group comparisons will result in high prestige while negative evaluations will result in low prestige.

Tajfel & Turners contention is that an individual's quest for enhanced self-esteem leads them to want to identify with groups the individual evaluate positively, which is the underlying process that serves as the foundation for control through culture. The organization will deliberately design an organizational culture to which employees can identify and through that identification derive enhanced self-esteem, generating commitment to the organization.

5 Discussion

In this chapter I will highlight some of the critical concerns raised in regards to the central arguments of the conceptual framework for control through organizational culture as presented in the last chapter. The purpose of the chapter is partially to present a holistic view on the fields in question, showing an awareness of the competing views as well as building a stronger foundation for the arguments put forward by discussing these contentions.

5.1 The state of the bureaucratic organizational form

In the framework presented in this thesis, it is argued that bureaucracy as an organizational form and control mechanism no longer holds as dominant a position as it once has, due to two distinct

factors. 1; Bureaucracies are notoriously inflexible and slow to respond in external adaptation terms, making bureaucracy an odd fit in the emerging environments where the pace of change is fast and conditions can generally be described as unstable and ambiguous and 2; the western part of the world is changing in regards to the composition of the sectors in the economy. Where the industrial sectors has once been by far the most dominant sector, knowledge worker-intensive sectors are now on the rise, and fast becoming the biggest fish in the pond (See the introduction for an explanation of the development of these two sectors throughout the last 70 years). This development means that there are more and more jobs which by their pure definition does not fit into the rational control systems of the bureaucracy, or at the very least are an odd fit.

Critics of this view that bureaucracy is on the decline tend to argue that, while they acknowledge the changes to the external environment, it is of little consequence as the mere presence of bureaucratic characteristics in organizations is enough to claim that bureaucracy is as dominant as always (Alvesson & Thompson, 2005; Reed, 2005).

This criticism misses the point entirely. While some authors might stake their claim in grandiose headlines, the point is not that bureaucracies are from now and until the end of time an organizational form of the past. The point is that more and more organizations are changing their approach to organizational control. Not by abandoning the core characteristics of bureaucracy altogether, but by designing the organization in a way that allows for the implementation of normative frameworks to exercise the measure of control needed. Even the distinctly different matrix organizational form (loosely coupled organizations, network organizations) still bears many marks of the bureaucracy. While hierarchy in these organizations has indeed flattened, it has not been abandoned. There are still clear lines of authority from top to bottom, but the approach to decision making privileges have changed towards a decentralization of power, authorizing those in the organizations closest to the knowledge to make decisions. I want to emphasize, that this is by no means incompatible with the hierarchical decision structure of the bureaucracies. Ultimate power still runs from top to bottom, indeed it is the top of the hierarchy that has the power to delegate decision privileges, and revoke them if necessary.

The argument of bureaucracy's dominance continuing (Alvesson & Thompson, 2005) because of the continued presence of bureaucratic traits is hollow in another sense as well. From a purely logical standpoint, it stands to reason that the mere presence of characteristics pertaining to one form of organization does not negate the presence of another form of organization, unless the two are in a total sense incompatible. Following this logic, the argument only makes sense if one

chooses to ignore the overlapping tendencies and focus solely on the purest forms of each organizational form. Such a blind focus makes little sense.

If one considers the second factor described in the beginning of this section, the changing composition of the sectors of the economy, the arguments could be suspected missing, not the point, but each other entirely. As the conditions of each sector differ, so does the appropriate organizational form. And surely, neither the proponents of change nor the proponents of bureaucracy will claim that the industry or knowledge sector is insignificant. It is therefore my contention that while the dominance of bureaucracy has indeed been weakened, it is a matter of where you chose to focus your gaze. Look at the industrial sector and one will see a vast prevalence for the bureaucratic organization form, albeit with an influx of normative control. Look at the knowledge intensive sectors, and one will see organizations resembling more of a hybrid between the core characteristics of the bureaucracy and the flexibility and enhanced control possibilities of the normative control frameworks. In any case, In Reed's (2005) terminology, for a change to occur, there has to be enough of the new in the old, and it is clear that normative control is making its presence felt both in the management literature and in the organizations.

5.2 Organizational culture; its functionality and implications

The central premise of the framework presented in this thesis is one of organizational culture functioning as a normative, cognitive framework of control through the conscious and deliberate fostering of commitment to the values of the organization. A framework of control meant to solve the problem of coordination between individuals who hold, at least partially, divergent interests (Ouchi, 1979) by aligning those interests in the organizational goals.

Since organizational culture took hold in early 1980's, managers have initiated large cultural change programs in an effort to increase productivity and decrease conflicts (Anthony, 1994). In reviewing some of these early and very comprehensive change programs, Anthony addresses the intensely practical question of whether a change in the actual culture of the organization is a; what is needed and b; what is achieved. As per the definition of organizational culture offered by Schein (2010) in order to claim a change of culture has occurred, change has to have happened on the analytical level of basic assumptions. A change in behavior might be all that is achieved, but it might also be all that is required.

5.2.1 Change in culture or change in behavior?

Willmott (1993) is critical of this very thought. Does cultural control really achieve true commitment through internalization of values or is the commitment observed merely compliance to the values without commitment? The framework presented in the previous chapter argues heavily for the process underlying the achievement of commitment. That being said, commitment and internalization of values will probably not be the result for all group members. A cheeky question is, does it matter? Putting aside the theoretical implications for a minute, if commitment to the values and simple compliance to the values produce the same intended behavior from the employees, in practical terms it matters little. In theoretical terms, it matters a lot. First off; it is difficult to be sure of any lasting effects if there is no commitment and internalization. Second; the changes management undertake in trying to change values and assumptions are costly, expensive and the whole operation is very complex. And it will fail miserably, if the observed behavior is not due to commitment, as the new initiatives will be tailored to the scenario of commitment.

5.2.2 Culture as a unifying concept & the leaders role

Following this line of thought, Meek (1988) is critical of the notion of a normative framework i.e. organizational culture as a unifying concept all together. This skepticism stems mainly from an entirely different view of what organizational culture is and my implication, how it can be managed, if at all. Meek is a proponent of the symbolic-interpretive perspective that holds the view that organizational culture is not a variable, not something that an organization has and as such not something that can be manipulated, but instead organizational culture is what the organization is, it is a metaphor for the sensemaking that goes on in organizational life (Along with Willmott and others). The immediate consequence of this view (according to Meek) is the negation of the notion that leaders can create culture. Following this view, organizational culture is created among the cultural members first and foremost, and not by the leaders. It is my sincerest opinion that this criticism is off the mark. As hard as I try I cannot see how culture being created among the members of the culture is incompatible with the view that organizational leaders (managers etc.) are in a prime position to exert a very large amount of influence on the culture, given the leaders position of power. This is not to say that a leader can create an organizational culture as if he was building a Lego city, rather, it is to draw attention to the fact that while culture is indeed produced, maintained and changed by its members, organizational leaders have direct authority to change many aspects of the culture. It is within their power to change all of the supportive elements of culture (Schein, 2010). A great deal of artifacts and symbols can be directly dictated, such as

architecture of buildings, office décor, routines and guidelines, dress codes, corporate language, and so on.

If one considers the distinction between a manager and a leader, this ability to influence the culture becomes even greater. According to Schein (2010) natural leaders have, via their charisma, a great influence on the culture of the group he leads. In fact, the culture of the group will often reflect the values and behaviors of the leader, as his solutions to the problems faced by the group have proved successful over time, and thereby been slowly adopted as basic assumptions.

In all fairness to Meek, he does acknowledge the leaders favorable position, but the emphasis on his critique of the notion renders this acknowledgment nothing more than a footnote.

5.2.3 Working class struggles in organizational culture

A more grounded critique of organizational culture as a unifying concept comes in the form of Alvesson & Willmott's (2002) argument that the notion of culture as a control mechanisms neglects to deal with the subject of working class struggles and the potential and actual conflicts in the work place that ensues. The critique no doubts stems from Alvesson & Willmott's background in Labor Process Theory, dealing with the subjects of control and organizational forms from the viewpoint of the worker, as an extension of Marxian theories of capitalist/labor relationships, however, if we focus on the knowledge-intensive sector, it is my contention that the distance between the classes of worker and managers (labor and capitalist, to use the labor process theories' terms) has been greatly reduced, both in terms of living standards and job descriptions. No longer are workers tucked away in hot factories enduring physically hard labor while managers run around in suits supervising. The manager's job has changed little in this respect, but in this sector, workers are mostly highly educated, wearing suits themselves, making quite a bit of money from their jobs, and generally living a life not as far removed from the managers, as it once was. This in itself serves to reduce the friction between the classes, as well as the you and I differentiation between management and worker (especially considering the greatly increased number of 'workers' with management responsibility) (Edwards, 1979), but the whole point of adhering to the same values and committing to organizational goals is an alignment of interests (Ouchi, 1979; Schein, 2010). 'Worker resistance' is a term that carries a lot less weight, when 'worker' and manager are both working to achieve the same objectives to their mutual benefit.

5.2.4 Freedom under responsibility

While they share the same home perspective Willmott (1993) is not as opposed to the notion of normative control through organizational culture as a unifying force as Meek (1988). His main gripe with that notion is its promises of greater autonomy to the workers while trying to foster a monoculture, free from contaminating elements. Its contention is that, true autonomy comes from the freedom to choose, freedom to think, and that normative control is the direct opposite, in so far as it acts to reduce the range of choices available, and discourages critical thought towards the goals of the organization. He extends the criticism of what he calls ‘corporate culturism’ further by claiming that it is a totalitarian practice aimed at effectively extending management control into the affective domain. It is ‘doublethink’ (A term adopted from George Orwell’s sci-fi surveillance nightmare ‘1984’) to claim to offer greater freedom and autonomy in one respect but providing that very freedom with negation of true autonomy, the argument goes. A counter argument could very well be that every single member of the organization, and culture, are free to leave as they see fit. There is no force, and while Willmott interprets the normative controls as slavery, it could just as easily be argued that it is an extension of the very common notion of freedom under responsibility. One is given freedom to exercise judgment in matter pertaining to a certain case, under the broader guidelines of the authority granting the freedom. There is absolutely nothing remotely morally questionable or “*colonizing the affective domain*” (Willmott, 1993: 517) in that.

While Willmott certainly has a point in the totalitarian tendencies of normative control, he takes his criticism, and argumentation, too far in my view. In his representation of the function and intention of ‘corporate culturism’, Willmott argues as if the organization trying to advance commitment to their values and goals is an omnipresent entity, governing all aspects of human life. The reality is, that while normative control and the increased commitment brought about in the knowledge-intensive sectors, does present challenges in delimiting professional and personal life, there is no on forcing an employee to internalize values. Anyone working at any organization can sense the values being championed and evaluate whether those values are worth adhering to, and is hereafter free to pursue a greater commitment to them and the organization, or to keep a peripheral distance, showing the appropriate behavior at work while adhering to other values from another group when in private.

While it is a relatively new phenomenon that so many are actively trying to design normative modes of control, the phenomenon in itself is not new. As Ouchi points out (1979), normative control is an integral part of professional communities, where the values of the profession are infused and

internalized through training and education. There is nothing novel about organizations (be it business, political parties, social clubs) stressing certain values, even to the degree where it is difficult to become an accepted member of the organization if one does not partake in the sharing of the values in question. As such the doomsday speak of Willmott (1993) is enormously exaggerated. Especially when considering the complexity of, not only cultures, but the identity regulation process as well.

5.3 Identity regulation and culture in complex environments

A topic of some controversy in organizational culture literature is how to handle the subject of how to tell where one culture ends and another begins, how to draw borders around cultures. In most organizational culture literature clear borders are assumed, meaning that when an employee enters the physical premises of the organization, he automatically sheds all other cultural influences, but in reality the diametrical opposite scenario holds true. Every member of the organizations culture is simultaneously a member of several other cultures presenting multiple contaminating influences to the normative framework. Taking me as an example, I am a Caucasian male in my late 20's, I live in Copenhagen, Denmark. I am currently on the verge of submitting my final paper on the road to completing my education as a cand.merc.sol. I like football, both in terms of playing football with friends and in terms of watching on TV. I am politically interested, I like philosophy, I like movies and so on and so forth. Each listed characteristic of me is a possible scene for a cultural membership or group identification. According to Martin (2001) different identifications will be triggered at different times. Me being from Denmark will be triggered when being abroad, especially so in the company of other Danes. Me being politically interested will be triggered while being in the presence of a very politically aware group or at the presence of a very politically unaware group, creating a identification in the former situation and one of alienation in the latter situation. The implications for the cultures of organizations are that far from being monocultural, every organization, and cultural member, bring into the culture a host of different cultural content in the form of artifacts, beliefs and values as well as basic assumptions. The unifying quality of culture is not that everything is shared, but that people can find common foothold in some shared assumptions relevant to whatever activity the group is engaged in.

Changing organizational culture is a lengthy, complex process. As Schein (2010) describes, and stresses, it is by the test of time that new artifacts and values prove successful and, over an extended period of time, gradually come to be taken for granted and embedded in the basic assumptions of the group.

The same thing can be said for the important point made by Alvesson & Willmott (2002), whom argue that while management is in a favorable position to influence identity regulation processes, identity regulation in itself is a complex, mediated process between managerially constructed discourses, societal influences and personal baggage. The managerially constructed discourses are off course management's attempts to influence the identity regulation process, while the societal influence is much akin to the external cultural influences, so to speak, described above. The personal baggage can be thought of as the 'I' in Mead's (1934) model of the composition of the self, the individual's own contribution to identity.

This means, in very real terms, that employees are not just 'recipients of managerially constructed identities', but a very active part of the identity regulation process. As such, it is a complex process to enlist the commitment of employees in the form of a sense of identification with the organization and its values. But if one accepts Mead's (1934) definition of the self as a mediated process between the individual and its surroundings, as well as Tajfel & Turner's (1979) assumptions about group categorization and identification and what drives these processes, it is possible to influence the identity regulation of cultural members.

5.4 Further questions

As explained in the demarcations of this thesis, the subject of organizational identity was left out due to space, scope and depth considerations. However, it would improve the pragmatic value of the framework to add a conceptual model for managing the organizational image and identity so vital for the social categorization and identification necessary for achieving internalization of organizational values and through this generating the desired levels of commitment acting as a normative control mechanism.

A further exploration of what drives the individuals inter-group evaluations would be very interesting, as it would shed light on not only how to generate positive evaluations but in very basic terms aid to the understanding of the group identification process.

Critical studies undertaken on the subject of work-life balance could be of interest, as the borderless traits of the knowledge-worker-jobs are a serious concern in regards to employee health and well-being, and by implication, the further use of normative controls.

There are plenty of other theoretical subjects that could have been interesting to take under examination in this thesis, but due to the limited nature of a master thesis have been left out. Among these is Weick's notion of sense-making, to add depth to the social constructivist-dimension.

March's primer on decision making could be of interest in order to shed light on how individuals chose between competing options, especially pertinent to the subject of which groups to draw ones self-esteem from.

Another angle on the thesis entirely, while keeping the subject intact, could be to treat it through the theoretical perspective of human resource management. It would have been an obvious alternative given the HR-related nature of the subject.

Treating the subject through a knowledge-work-theory-lens might also seem obvious, but my intention for this thesis was to examine the basic parts of theory that comprises the field in order to synthesize the theoretical views into a conceptual model of my own.

6 Conclusion

This thesis set out to answer the problem of how to achieve organizational control through the use of organizational culture and individual identity process in the context of knowledge worker-intensive organizations.

The motivation for the problem statement is a change in the composition of the labor market, moving from a state of a heavy dominance of the industrial sector to a state of dominance of the knowledge worker-intensive sectors. This change means, among other things, that the conditions for the application of traditional, rational control measures has eroded, as the characteristics of the typical job-types in knowledge worker-intensive organizations are significantly different from the job-types of the typical industrial organization.

In order to answer the problem statement, the thesis first examines the historical and technical development of the related theoretical fields in order to establish an understanding of the integral elements of the concepts inherent in control through culture. Second, the thesis presents contributions in the fields serving as the basis for formulating a conceptual model of control through organizational culture as well as critical perspectives on the subject. Finally the thesis synthesize these contributions into a conceptual model, describing the processes of achieving control through culture followed by a discussion of criticisms raised by the contributors in the literature section, in order to provide perspective and balance to the presentation of a contested subject.

6.1 The characteristics of job types in knowledge work

With the composition of the relative size of the industrial and knowledge-intensive sectors changing towards an ever larger sector of knowledge intensive organizations, the dominance of the main organizational form of the industrial sectors, the bureaucracy, is withering. The organizational forms dominating the knowledge intensive organizations are not void of characteristics integral to bureaucracy, in a total abandonment of the concept. Rather, they are adopting a hybrid version, in which focus is on decentralizing of decision power and granting an increased amount of autonomy to employees in the acknowledgment of the loss of control of the production facilities that is intrinsic to knowledge work.

The changes in job-type characteristics are important because of the conditions necessary for the rational control mechanisms of bureaucratic organizations. These control mechanisms require that it is possible to either; precisely measure the output of an employee in order to evaluate his performance solely on output or to have near perfect knowledge of the transformation process, allowing for the supervision of the employees behavior to serve as an adequate evaluation of whether or not his performance is satisfactory. The problem is that neither of these prerequisites is met when examining the conditions of the knowledge work process. It is impossible to measure the output of an employee accurately, as the product of knowledge work is often knowledge itself, as the answer to complex problems and the processing, analyzing and presentation of information. It is also impossible to describe a procedure for the production of this knowledge. The production process is a result of skills learned through official training and personal experience, and as such is unique to each employee.

Therefore it is necessary to approach the matter of organizational control in a different way. While control through the rational mechanisms is predominantly technical, a more normative approach is needed when attempting to control a process void of physical manifestation.

6.2 Exercising control through culture and identity processes

This normative control can be accomplished through the concept of organizational culture underlined by the concept of individual identity and the processes involved in identity regulation.

Organizational culture, for the purpose of control, can be defined the basic assumptions shared by cultural members, and expressed in values & beliefs as well as artifacts. The basic assumptions act as governing values, effectively acting to reduce the range of possible actions taken in a situation. It is this culture, these basic assumptions, which serve as the basis of control in the conceptual model presented.

An underlying assumption of the model is the human minds need for cognitive stability. This assumption serves to explain the power of organizational culture in regulating behavior. It is built upon the premise that culture is a stabilizing force for the human mind, in so far as it serves to provide a framework of how to interpret events. When shared among a group of individuals, this framework serves as the basis of making sense of the world, to reduce the anxiety otherwise provoked by the uncertain meaning of the situation.

These basic assumptions are hard to change, due to their stabilizing effect of our cognitive state, but not impossible. In the purest sense, they are developed through the testing of values, assumptions and practices over time. Those that prove successful gradually come to be taken for granted. It is by this process of testing over time that they can be changed as well. It is possible to introduce new elements into the culture, new beliefs, new artifacts and so on that will contest the existing culture. If in congruence with the existing cultural elements, the newly introduced element will stand the test of time quietly, but if in conflict with existing elements, it is an anxiety provoking exercise.

The foundations of this cognitive stability found in groups lay in the construction of the self. The self is a construct that comes into being in a negotiated process between the individual and society. The individual constantly strives to improve self-esteem, and draws this self-esteem regulation partly from the identification with groups.

In summary, organizational control through culture works by constructing a positive image of a group, a positive organizational culture that the individual in its process of identity regulation and search for cognitive stability, can identify with and commit to.

6.3 Critical voices

This is a controversial subject and claim. From the moral implications of such normative controls to the feasibility of the concept altogether, it is a contested topic.

The moral implications of the subject are exaggerated in great deal. While it is true that normative controls are indeed more intrusive and aids to the blurring of the lines between the private sphere and the work sphere, it is neither forced upon employees nor a manipulating attempt of getting individuals to do things they do not want to do. In that criticism lies an assumption about control through organizational culture as a concept, that is far beyond realities. Individuals are not passive recipients of managerially constructed identities, and do not unquestionably accept membership of organizational cultures that do not prompt a positive evaluation from the individual. Organizational culture change and identity regulation processes are alike in terms of the very complex nature of the process. Both are processes of a innumerable influences, all contesting a place in the final outcome

While managers are in a prime position to influence these processes through power over and control over many of the influences that play a part in these processes, it is farfetched to assume that managers are capable of dictating cultures in minute detail.

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7 Appendix A

The following list of definitions are presented by Martin in “Organizational Culture: Mapping the terrain” from 2001.

1. Culture is the set of important understandings (often unstated) that members of a community share in common (Saathe, 1985, p6)

2. Culture is a set of understandings or meanings shared by a group of people. The meanings are largely tacit among the members, are clearly relevant to a particular group, and are distinctive to the group. (Louis, 1985, p74)

3. A standard definition of culture would include the system of values, symbols, and shared meanings of a group including the embodiment of these values, symbols and meanings into material objects and ritualized practices... The 'stuff' of culture includes customs and traditions, historical accounts be they mythical or actual, tacit understandings, habits, norms and expectations, common meanings associated with fixed objects and established rites, shared assumptions, and intersubjective meanings (Sergiovanni & Corbally, 1984, pviii)

4. Cultural arrangements, of which organizations are an essential segment, are seen as manifestations of a process of ideational development located within a context of definite material conditions. It is a context of dominance (males over females/owners over workers) but also of conflict and contradiction in which class and gender, autonomous but over determined, are vital dynamics. Ideas and cultural arrangements confront actors as a series of rules of behavior; rules that, in their contradictions, may variously be enacted, followed, or resisted. (Mills, 1988, p366)

5. An organization might then be studied by discovering and synthesizing its rules of social interaction and interpretation, as revealed in the behavior they shape. Social interaction and interpretation are communication activities, so it follows that the culture could be described by articulation communication rules. (Schall, 1983, p3)

6. Culture is the pattern of shared beliefs and values that give members of an institution meaning, and provide them with the rules for behavior in their organization. (Davis, 1984, p1)

7. To analyze why members behave the way they do, we often look for the values that govern behavior, which is the second level... But as the 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 charters. However, in identifying such values, we usually note that they represent only the manifest or the 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 groups members perceive, think, and feel. (Schein, 1985, p3)

8. In a particular situation the set of meanings that evolves gives a group its own ethos, or distinctive character, which is expressed in patterns of belief (ideology), activity (norms and rituals), language and other symbolic forms through which organization members both create and sustain their view of the world and image of themselves in the world. The development of a worldview with its shared understanding of group identity, purpose, and direction are products of the unique history, personal interactions, and environmental circumstances of the group. (Smircich, 1983a, p56)

9. Culture does not necessarily imply a uniformity of values. Indeed quite different values may be displayed by people of the same culture. In such an instance, what is it that holds together the members of the organization? I suggest that we look to the existence of a common frame of reference or a shared recognition of relevant issues. There may not be agreement about whether these issues should be relevant or about whether they are positively or negatively valued... They may array themselves differently with respect to that issue, but whether positively or negatively, they are all oriented to it. (Feldman, 1991, p154)

10. Culture is a loosely structured and incompletely shared system that emerges dynamically as cultural members experience each other, events, and the organization's contextual features (Anonymous review, 1987)

11. Members do not agree upon clear boundaries, cannot identify shared solutions, and do not reconcile contradictory beliefs and multiple identities. Yet, these members contend they belong to a culture. They share a common orientation and overarching purpose, face similar problems, and have comparable experiences. However, these shared orientations and purposes accommodate different beliefs and incommensurable technologies, these problems imply different solutions, and these experiences have multiple meanings... Thus, for at least some cultures, to dismiss the ambiguities in

favor of strictly what is clear and shared is to exclude some of the most central aspects of the members' cultural experience and to ignore the essence of their cultural community. (Meyerson, 1991a, p131-132)

12. When organizations are examined from a cultural viewpoint, attention is drawn to aspects of organizational life that historically have often been ignored or understudied, such as the stories people tell to newcomers to explain 'how things are done around here', the ways in which offices are arranged and personal items are or are not displayed, jokes people tell, the working atmosphere (hushed and luxurious or dirty and noisy), the relations among people (affectionate in some areas of an office obviously angry and perhaps competitive in another place), and so on. Cultural observers also often attend to aspects of working life that other researchers study, such as the organization's official policies, the amounts of money different employees earn, reporting relationships, and so on. A cultural observer is interested in the surfaces of these cultural manifestations because details can be informative, but he or she also seeks an in-depth understanding of the patterns of meanings that link the manifestations together, sometimes in harmony, sometimes in bitter conflicts between groups, and sometimes in webs of ambiguity, paradox and contradiction (Martin, 2002, p3)