

## *State-of-the-Art-Reviews on Social-Organizational Processes*

CELESTE P. M. WILDEROM

In his preface to this *Handbook*, Edgar Schein notes an “obsession with proving that climate and culture make a difference to human well-being and organizational performance.” This “obsession” is arguably much less visible in the Part III chapters as compared to the chapters in Part II. Both parts share a focus on social-organizational processes. Part III chapters are best described as state-of-the-art reviews; they are less explicit in regard to the potential power of the positive and they contain more positivism. In the Part III chapters, authors show academic rigor, analytical distance as well as human insight into culture and climate. Comparing Part II and Part III chapters, we note a particular sense of balance in the current state-of-the-field.

What do I mean by this balance? Allow me to explain. Both parts together show that we have in our midst not only texts on culture-climate approached with scientific distance (something that the authors of all *Handbook* chapters amply demonstrate), but also views on human culture and climate (evolvment) from engaged or clearly articulated normative or practical perspectives of proven scientific use. This particular sense of balance in the field of organizational culture and climate attests to its collective intelligence coming of age.

Part III opens with a chapter by Sonja Sackmann, who reviews 55 recent empirical studies on the organizational culture-performance link and concludes, “Most studies found a direct linear relationship between organizational culture and performance.” Moreover, she found that “certain kinds of culture orientations have a positive effect on financial as well as nonfinancial performance measures” (cf. Hartnell, Ou, & Kinicki, 2009). And, guess what? Sackmann’s summary of the cultural content that render high organizational performance points to positive cultures: “Among them are the more open, adaptive, outside-, customer-, mission- or goal-, achievement-, competitive-, people-, innovative-, and quality-oriented cultures.” And another conclusion, such as the abandonment of the ill-defined yet popular notion of culture strength, coincides with other recent critiques of this notion (see, e.g., Ford, Wilderom, & Caparella, 2008; as well as Hartnell and Walumbwa in this part of the *Handbook*).

When reflecting on the reviewed culture-performance studies, Sackmann pleads for “multiple perspectives both with regards to conceptualizations of culture as well as its investigation on the basis of an expanded or even different set of assumptions.” Her

request is inherently supported by this edition of the *Handbook*, as we see much more diversity on how culture and climate scholars see and treat organizational culture within it than in the first edition (as highlighted in Chapter 2 by Alvesson, as well as in Schein's Preface). Please do not forget to read (also in this *Handbook's* Preface), Schein's critical take on the culture-performance link:

To say that culture and/or climate influence organizational effectiveness is a meaningless statement unless each of these abstractions is defined more concretely. By staying at this high level of abstractness we then fall into the trap of . . . convincing ourselves and managers that we now know how to do this and have convinced ourselves and managers that we now know how to do this and have proof that it works.

Moreover, he notes that "the irony in this search for a provable relationship between culture and performance is that anyone who has done any field research or analyzed cases of organizations already knows very well that these effects exist." Given the great diversity in the larger field of management scholarship, Sackmann's chapter is likely to appeal to a select group of scholars. Sackmann whets the appetite for what is yet to come in this *Handbook* (especially in Hartnell and Walumbwa's chapter on transformational leadership) in concluding that the field needs "more insights about culture and dynamics over time." As Chad Hartnell and Fred Walumbwa illustrate, studies on the interrelationship between leading and organizational culture can offer insights into how effective leadership is a key cause of high performing work cultures.

Hartnell and Walumbwa do much more in their chapter than review the available (sparse!) evidence supporting the assumption that managers with a transformational leadership style enhance the effectiveness or performance of an organizational cul-

ture. First, they apply both Schein's culture theory and James G. March and Herbert A. Simon's means-ends framework to show how, over time, organizational growth creates subcultures that in turn "articulate social norms (e.g., justice and equity norms) appropriate for effective transactional leadership." Second, they argue that subcultures may consist of departments or teams whose members are shown to "enact different value configurations" compared to the "wide range of abstract values that direct the organization's ends." This local organizational subculture is particularly pronounced in weak situations. Third, they suggest that within-organizational units are in a position to be aided by transformational leaders by means of "interpreting the complex social milieu and distilling ambiguous organizational values into more proximal means to accomplish effective ends." Fourth, they state, "The tendency to identify with more proximal collectives propagates the differences that support the emergence of organizational subcultures."

Hartnell and Walumbwa's ideas on how organizational units play a role in maintaining or innovating organization-wide cultures are much more fine-grained than can be described here. In one of their propositions, they even include "employees' positive psychological benefits." Furthermore, they argue that a hierarchical or bureaucratic organizational culture is less likely to be led by a CEO with a transformational leadership style; this is not only consistent with Sackmann's findings on the content of highly performing organizational cultures but also with Bernie Bass and Bruce Avolio's (1994) idea of transformational cultures. The absence of transformational-leadership cultures can, if I may add, be found in most of the many public-sector departments operating in the political capitals of almost every country in the world.

In Chapter 14 of this third part of the *Handbook*, Michael West and Andreas Richter offer a state-of-the-art review of outcomes of work climates of teams. In structuring the first part of their review, they use one of the very few well-known generic frameworks of organizational culture types, the competing values framework. Unintentionally, but quite interestingly, West and Richter bring further detail to some of the generic subcultural propositions that Hartnell and Walumbwa had derived in the previous chapter. For instance, only human relations type cultures and climates may tend to “choose to dedicate time to learning processes, allowing them to improve their effectiveness, via localized adaptation, to changes in demands and the wider environment.” West and Richter also review the literature on four team climate-formation factors: structure, leadership, attraction-selection-attrition, and social interaction. They further note that the studied outcomes of various team climates show a great “breadth of the work group climate concepts and their outcomes.”

The increasingly greater number of team-climate concepts raises, for me, the question as to whether this array of fine-grained concepts would be better off if studied (also) in a more holistic fashion, such as through the notions of positive versus negative work climates-cultures. The West and Richter chapter concludes with solid ideas for fresh team-climate researchers, and the authors emphasize the need to use multilevel theories (see also Yammarino and Dansereau, Chapter 4 of this *Handbook*). West and Richter even include a research question that Hartnell and Walumbwa have addressed in part in the preceding chapter: Do “relationships among variables at, for example, the team level, generalize to the organizational level?” And referring back (indirectly) to the notion of positive organizational cultures and climates, they note

an interest in the negative effects of team climates. Indeed, such a focus would help galvanize the topic of team climate as being of importance to all people at work (see also Schneider, Ehrhart, & Macey’s thorough assessment of organizational climate research in Chapter 3 of this *Handbook*).

Linda Duxbury and Laura Gover start Chapter 15 with a description of a clearly negative work setting, especially from the point of what one may call “overexpecting” or excessively demanding work cultures-climates. In their state-of-the-art chapter on the link between work–family conflict and organizational culture, they are intrigued by the question of how organizations develop cultures that are supportive of work–family issues or employee work–family balance. Related notions such as work–family culture and climate and family-friendly work environments are discussed, as well as various survey measures to validly assess the phenomenon of work interfering with private affairs. They then note that empirical studies have already shown various positive employee effects of supportive or positive work–family cultures. Work–family policies appear not fully utilized by the employees who need them, and this underutilization is shown to be due to organizational culture or climate type factors; as the authors note, “Individuals are unlikely to use policies they feel will jeopardize career advancement or job security.” Six negative culture contents are sketched, illustrated by real-life descriptions coming from a representative sample of Canadian employees: (1) a culture of hours, (2) a bottom-line culture, (3) a culture of disconnect (i.e., in terms of good policies, poor practice), (4) a culture of guilt, (5) a culture of backlash, and (6) a culture of work or family. Indeed, Duxbury and Gover conclude, “New research is needed to help us understand the determinants of a family-friendly culture as well as to quantify how such a culture benefits key stakeholders,” not only for people

in those work cultures, but also for the good of the people in all organizing contexts. In conclusion, these authors plead for more theoretical and empirical work on “how to best change dysfunctional cultures into ones that support work–life balance.” Similarly, a more generic focus on how to best improve any dysfunctional work culture is something that culture and climate scholars need to take up as soon as possible.

Not only must managers ensure a balance in their employees’ efforts at work and away from work, but also they must balance many other aspects of social-organizational life at work, particularly in terms of exploitative and explorative types of effort. Or, to put it differently, managers must continuously weigh extant routines (often denoting organizational inertness) against genuine effort at innovation or improvement. All employees must continuously find a balance in various ways, and this balancing act applies not only to the individual level. At the same time, organizational balance—vis-à-vis existing and latent competitors and/or stakeholders—is required.

Such organizational balance typically occurs through culturally embedded strategic behavior, and this strategic monitoring always includes cognitions. According to Gerard Hodgkinson and Mark Healey, in their highly original final chapter of the *Handbook*’s third section, even “industries, like organizations, must balance the need for cognitive convergence with the need for requisite cognitive variety.” This cognitive-strategic balancing act of top managers and their associates is the subject of the last chapter. Based on a clear definition of inter-organizational macrocultures taken from Eric Abrahamson and Charles Fombrun (1994), Gerard Hodgkinson and Mark Healey write about top managers across organizations that share beliefs that characterize particular classes of organizations. These authors argue that the content of these

strategy-relevant cognitions of these strategic actors within a given industry (that operate partly in unconscious, intuitive, or even irrational ways) may homogenize organizational cultures over time, arguing, “Homogeneous macrocultures restrict the inventiveness of, and diffusion of innovations among, member organizations, thereby driving them toward collective inertia, and increases the similarity of their strategic profiles.” According to Schein, these generally “shared, taken for granted dimensions of behavior, thought or feeling,” including “a form of collective blind spot on the part of established players,” can be potentially destructive to the world, as illustrated by the current global financial crisis. To help prevent such sector disasters, Hodgkinson and Healey make a strong case for longitudinal, large-scale studies to explore the link between (interorganizational) macrocultures and organizational adaptation efforts by situated actors to their work cultures, and the (multilevel) forces they may unleash. Indeed, such types of cultural-dynamic insights are needed in the field in order to more fruitfully evolve or revitalize a given organized culture (the subtle emphasis on a culture’s evolution rather than on culture change is based on Schein’s comments in the first edition of this *Handbook*; see also this *Handbook*’s 2010 preface).

In general, we need studies on (slightly) countercultural behaviors of various organizational actors and how they may affect and be affected by (interorganizational) macrocultural and managerial forces. Why would such resulting insights be of help to firm performance, one may ask? Culture (and climate) confronts us with unconscious, intuitively clear (to some) yet not readily knowable shared realities of our daily work environments, through which even the best of (collective) intentions, insights, and competencies may not come to organizational fruition. In other

words, in every culture (or cultural content) there are (potentially valuable) blind spots. When one mixes any given culture with common organizational forces, such as the underestimation of local or seemingly distant creative forces, a repression of potentially vital business ideas or culture-evolving opportunities occurs. The maintenance or reproduction of the (seemingly) natural inertness of an organized culture is then likely to take place, thereby undermining or reducing unavoidably the positive energy of human actors. I hope that new in-depth analyses of social-

organizational processes, such as the ones contained in this section, lead to insights on how dynamic organized cultures-climates are or could be. After eventual diffusion of the insights that come from organizational culture- and climate-dynamics research, we hope to have helped in the creation of better-for-the-world type firm performance effort. Meanwhile, culture and climate scholars may want to ponder Schein's paradoxical sentence in this *Handbook's* preface: "In my own research and practice, I find myself increasingly avoiding the word *culture* altogether."

---

## REFERENCES

- Abrahamson, E., & Fombrun, C. J. (1994). Macrocultures: Determinants and consequences. *Academy of Management Review*, 19(4), 728–755.
- Bass, B. M., & Avolio, B. J. (1994). Transformational leadership and organizational culture. *International Journal of Public Administration*, 17, 541–554.
- Ford, R. C., Wilderom, C. P. M., & Caparella, J. (2008). Strategically crafting a customer-focused culture: An inductive case study. *Journal of Strategy and Management*, 1(2), 143–167.
- Hartnell, C. A., Ou, A. Y., & Kinicki, A. (2009). *Assessing the organizational culture–organizational effectiveness link: A meta-analytic review*. Paper presented at the annual meeting of the Academy of Management, Chicago.