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Organizational Change and Development

4.1 Organizational culture

The concept of organizational culture can be traced back to the human relations theories in the 1930s, originated from anthropological and sociological research on culture related to societies and groups’ patterned behaviors (Schreyögg, 2008; Keyton, 2005; Bodley, 1994). An organization does not just have a culture, it represents a culture emerging from the social construction of meaning and identity. According to Bodley (1994), culture is learned in mental processes, while people mutually and collectively regulate their organizational culture. Organization has a common history expressed in social heritage, shared in values, ideals, and rules and passed on to new members, the future generations. Being integrated in the organizational culture the members learn how to solve problems of adapting to the environment and of living together. Culture is a series of performances created by decision-making individuals and enhanced by structural changes. Culture emerges from what has been successful for the organization in the balance of internal integration and external adaptation, as seen in Schein (2004). By doing so, people share patterned behaviors, thoughts and understanding of how needs are negotiated to give meaning to their lives in their organizational community. They develop common language, symbols, metaphors, stories, or “common memory” that enable them to set up the basics of consensus of how to interpret and define the world. This approach is developed by symbolic interactionalist scholars explaining the nature of organizational reality. Although Schein did not refer his concept to symbolic interactionalism explicitly, he emphasized that our understanding mediated through visible artifacts and espoused values is a reflection of our taken-for-granted sense of reality. The shared patterns
arise out of the need of the organization to survive. Organizations are seen as “places of relative freedom of choice” in which members learn to find common achievement in the processes of and cooperation by meaning-making. The commitment to collective safety assures them accordingly their personal survival due to their “choice” of sharing the sense of reality provided by the organization and community.

The symbolic interactionalist theories’ interest lies particularly on environmental conditions that have an impact on individual and collective attitudes, perceptions, and involvement in the process of the construction the organizational structure and culture within a temporal and local context. In the same direction as Bodley (1994) and Schein (2004), Keyton defined organizational culture as follows: “Thus, an organization is a dynamic system of organizational members (...) who communicate within and across organizational structures in a purposeful and ordered way to achieve a superordinate goal (...) An organization can change its physical location and replace its members without breaking down because it is essentially a patterned set of discourses that at some point in time were created by the members and codified into norms and practices that are later inherited, accepted, and adapted by newcomers” (2005:10).

The internal integration depends on the quality of external adaptation and the quality of relationships with the environment. Organizations have to interact and negotiate with their environment which puts demands and constraints on the organization in many ways. The systemic approach represented by Parsons (2000) and Luhmann (1984) brings in additional arguments that an organization as a system on the one hand needs boundaries in order to exist, and on the other hand is at the same time selectively open to keep the equilibrium to balance between integrating and dividing forces. The equilibrium is necessary to establish stability of the organization and to promote the feelings of safety to the organizational members. Within a system different subsystems contribute to the intensity and quality of the dynamics that either stabilize or destabilize the organization, as each subsystem has different effects on other parts of the organizational system which make up the whole. From the point of view of systemic approach leaders have to know how different systems within an organization function and control processes of adaptation, goal attainment, integration, and the maintenance of the equilibrium, thus of stability (Parsons, 2000).

To understand the makeup of an organization, very often structure and culture are distinguished from each other, although they are interrelated. Organizational structure is the conduits, the lines of authority,