RESEARCH NOTE

A METHOD FOR APPLYING CULTURAL THEORY IN THE STUDY OF ORGANIZATIONS

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This research note proposes a method for determining the relative intensity of cultural theory's four ways of life within a concrete organization. The development of such a method is useful for the testing of hypotheses concerning concrete organizations that can be derived from cultural theory. The method is illustrated in an empirical test of a hypothesis regarding the occurrence of unethical behaviour within public-sector organizations.

Introduction

Since the publication of the classic *Cultural Theory* (Thompson *et al.*, 1990), this approach has often been proposed as a framework for studying organizations. Yet a review of this literature shows that the typology of cultural theory has been used mainly to structure debates about public administration (e.g. Hood, 1998), as well as to analyse public policy debates (Coyle & Ellis, 1994; Thompson *et al.*, 1999; Verweij & Thompson, forthcoming), and much less for in-depth case studies of real-life organizations. Moreover, those case studies of organizations in which cultural theory was used (for instance, de Vries, 1999) most often did so to structure intra-organizational debates and struggles over a particular issue, rather than to provide an overall description of the organization. In-depth descriptions of the relative balance of the four types in a concrete organization are nevertheless useful as a basis for systematic comparative analysis of organizations. They are also useful as a basis for predictions about particular characteristics of the organization. In this article, I will show how a description of the relative intensity of the four types can act as the basis for predictions about the types of unethical behaviour that will be prevalent in that organization.

However useful such a systematic measurement of the relative intensity of the four types in an organization might be, it is not easy to do—for at least four reasons. First, organizational interaction patterns are often 'hidden'. In particular, this is the case when there is one dominant interaction type in an organization. For instance, Mars (1982, p. 30) describes how in the dominantly hierarchical and fatalistic Soviet economy there were 'fixers' or 'pushers' (*tolkach*) who acted in an individualistic way to compensate for the inefficiencies of the bureaucracy. '[A *tolkach*]' was an agent, an expert in beating the

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system's inherent rigidities, and he dealt principally in information. But officially he did not exist, even though he was there specifically to operate fiddles and had to be tolerated—if not nurtured' (Mars, 1982, p.30). Thus, although hidden, the *tolkach*'s individualistic patterns were crucial for the viability of the system. It is obvious that a thorough and systematic measurement of these 'hidden' patterns is very difficult, but at the same time essential to acquire a realistic view of the relative intensity for the four types.

Second, management rules can be very different in practice from how they appeared on the drawing board. A personnel appraisal system that looks very individualistic and competitive on paper might be implemented very differently in a concrete organization. In empirical research on three public-sector organizations in Belgium (see below), I found that the introduction of a personnel appraisal system not only introduced individualism but also reinforced existing interaction types, including egalitarianism (for instance, when supervisors gave a bonus to people with financial difficulties) and fatalism (e.g. when bonus allocation was perceived to be based on nepotism). Hence, a thorough empirical measurement that goes beyond the superficial observation of the presence of a particular management instrument is crucial.

Third, the measurement of the interaction patterns can also be rendered difficult because documents and interviewees typically emphasize new, high-profile management instruments. Yet new and salient instruments of a particular type are often introduced to compensate for the (perceived) dominance of another type. It would thus be very misleading to focus on those new instruments in order to describe an organization. If an organization has recently introduced a high-profile, individualistic personnel appraisal system, it may have done so to compensate for existing hierarchical interaction patterns. In that case, it would be dangerous to conclude that this organization has a strong individualistic bias.

Finally, and most importantly, however important such a thorough measurement of the four types within an organization might be, it is extremely time consuming and would therefore seem largely limited to single case studies. This would of course be rather limiting, as one of the main strengths of cultural theory is exactly that its general typology allows for broad comparative research in strongly differing cases. This article therefore proposes a compromise between these two conflicting demands of depth and breadth. This way out is to focus on only one specific area of interest where the relative intensity of the interaction types in an organization is to be assessed, but to study this thoroughly. The area of interest that I will focus on is 'organizational ethics'.

The next section shows what it means to measure the interaction patterns relating to one such aspect (in this case, organizational ethics), and the section thereafter applies this measurement approach in a specific case study. The article concludes with some reflections about the use of cultural theory in the study of organizations.

Specifying Interaction Patterns in the Field of Organizational Ethics

The starting point for my interpretation of cultural theory is Thompson *et al.* (1990). I therefore consider cultural theory as both a fourfold typology (hierarchy, egalitarianism, individualism and fatalism)¹ that is derived from two dimensions (grid and group), and a theory with causal claims. As for the typology, the types of cultural theory have been identified as 'cultural biases', 'ways life', 'ways of organizing', 'myths of nature', etc. Given

TABLE 1

Factors shaping the interaction patterns which impinge on ethical behaviour within organizations

Intra-organizational factors

Formal organizational structure
 Management as referents
 Instruments of human resources management
 Instruments of ethics management
 Peers as referents

Extra-organizational factors

Regulatory task environment
 Political context
 Members of other governmental organizations as referents
 Members of organized interest groups and professional organizations as referents
 Public service users as referents

Job-related factors

Degree of formal discretion
 Degree of autonomy
 Degree of direct interaction with citizens

my focus on organizations, I conceptualize the four categories as interaction types. These include intra-organizational interaction patterns (among organizational members), as well as extra-organizational interaction patterns (between organizational members and outsiders).

In order to keep the task of measuring the relative intensity of the four types of interaction within an organization manageable, I will restrict myself to the field of 'organizational ethics' (a general label that unites both business ethics and administrative ethics). Cultural theory allows one to formulate hypotheses that link different kinds of unethical behaviour (such as 'rule- and law-fetishism', or 'selfishness') to the different interaction types within organizations. For instance, it enables one to predict that the frequency of occurrence of 'rule- and law-fetishism' (in comparison with other types of unethical behaviour) within a particular organization is proportional to the intensity of hierarchy (as compared to the other interaction types) within that organization. Hence, if hierarchy is the strongest interaction type in an organization, then rule- and law-fetishism is expected to be the predominant type of unethical behaviour in that organization (Maesschalck 2004a). However, before this hypothesis, and others like it, can be tested, one needs to determine *how* interaction patterns can be measured, as well as *which* interaction patterns should be measured. The extensive literature on the aetiology of organizational ethics is a useful resource for this purpose. Table 1 presents the results of a review of this literature (see Maesschalck 2004b: 18–26). It lists the factors that the literature on organizational ethics and on regulatory organizations has identified as having a significant impact upon the ethics of the members of an organization. They encompass intra- and extra-organizational factors. 'Job characteristics' are identified as a separate category of factors, as they combine both intra- and extra-organizational factors.²

I will not describe the factors in Table 1 in detail, but attempt to describe how they shape interaction patterns. Figure 1 represents this graphically. On the left-hand side are the factors. Because they combine intra- and extra-organizational factors, job characteristics are not mentioned as a separate category here. On the right-hand side are the interaction patterns. As mentioned above, the latter can be among the organizational

FIGURE 1

The variable 'interaction patterns' in graphical format

members (intra-organizational) as well as between organizational members and outsiders (extra-organizational).

The same idea can also be presented in a table, as is shown in Table 2. The rows in the table refer to the factors that are listed in the organizational ethics literature, and the columns of that table describe the loci of interaction: intra- or extra-organizational. Thus, the intra- or extra-organizational factors shape the intra- or extra-organizational interaction patterns in a hierarchical, egalitarian, individualistic or fatalistic way, or in a combination of these four types.

In sum, the variable 'interaction patterns' describes the patterns of interaction, as they are shaped by the intra- and extra-organizational factors that are relevant for organizational ethics.³ This specification reduces the measurement of the interaction patterns to a manageable task, while still ensuring that this method is as thorough as is necessary for a fair assessment of relative intensity of the types within the organization.

TABLE 2

The variable 'interaction patterns'

	Intra-organizational interaction types	Extra-organizational interaction types
Intra-organizational factors	Hierarchist, egalitarian, individualist or fatalist (or a combination)	Hierarchist, egalitarian, individualist or fatalist (or a combination)
Extra-organizational factors	Hierarchist, egalitarian, individualist or fatalist (or a combination)	Hierarchist, egalitarian, individualist or fatalist (or a combination)
Total	Relative intensity of the intra-organizational interaction type(s)	Relative intensity of the extra-organizational interaction type(s)

Interestingly, this method also has added value in comparison with more traditional ways of assessing and explaining ethical and unethical behaviour in organizations. Traditionally, theory and research in organizational ethics lists a number of intra- and extra-organizational factors that have proven to have an impact on the ethics of organizational members. These explanatory factors then become the independent variables in propositions such as '[f]requent communication within an organisation will positively affect that organisation's ethical climate' (Verbeke *et al.*, 1996, p. 1178); or '[t]he existence of corporate codes of conduct will positively increase an individual's ethical beliefs and decision behaviour' (Ford & Richardson, 1994, p. 216). Recent years have seen the emergence of theoretical frameworks that specify such propositions, and of empirical research that tests these and assesses their relative importance. This approach has two important problems, which the operationalization that I proposed above is meant to solve.

The first problem concerns the intra-organizational factors, and in particular the difference between the intra-organizational factors as intended by management and the ways in which these are implemented on the shop floor. My definition of interaction patterns considers only organizational factors (e.g. explicit policies, such as ethics management or the reinforcement system) to the extent that they genuinely shape interaction patterns. This is to avoid the possibility that the variable 'interaction patterns' would contain only managerial intentions, without considering the actual implementation of those factors in daily work life. A second problem hindering the dominant approach concerns the strong conceptual difference between the independent variables that it tends to come up with. Some of these refer to organizational policies and instruments (for instance, ethics management), others refer to behaviour or expressed opinions of individuals (e.g. top management or peers), yet others to rules, etc. These factors are then operationalized in very different and often fairly ad hoc ways. Some are dichotomized (e.g. 'the ethics code is present or not'), others are put on a continuum (e.g. from few internal communications to much internal communication) and still others are put in typologies (e.g. management styles). By operationalizing these factors as interaction patterns, and by specifying the latter in terms of cultural theory, we are able to incorporate all these different concepts into one framework.

A Case Study of Organization X

I applied the approach described above in a study of three Belgian public-sector organizations (Maesschalck, 2004b). All three were regulatory organizations, whose inspectors had to enforce social or environmental legislation in day-to-day interaction with regulatees. On the basis of interview transcripts and documents, I determined how each salient factor shaped the intra- and extra-organizational interaction patterns of each organization. I will illustrate this procedure for one organization ('organization X') and for 2 of the 13 factors listed in Table 1, namely for 'degree of autonomy' and 'management at head office as referents'.

A first, important factor is the *degree of autonomy* of the inspectors. This factor refers to independence from direct supervision in the daily execution and organization of the job. It does not refer to discretion in the policy decisions made by individual inspectors. The inspectors in our organization X enjoy a considerable degree of autonomy in their day-to-day work practices. Most importantly, they spend the largest chunk of their

TABLE 3

The impact of 'degree of autonomy' on the interaction patterns of the inspectors in organization X

	Intra-organizational interaction patterns	Extra-organizational interaction patterns
Autonomy	Individualism: + + + Hierarchy: + +	– (4)

time on the road. Direct managerial supervision is therefore limited to infrequent meetings at the field office, and supervision of the written files that are completed by the inspector. The inspectors also have much freedom in organizing and planning their work. On an average inspection day, they in fact depend more upon their inspectees, with whom they have appointments, than upon management. All these elements shape the intra-organizational interaction patterns in a low-grid, low-group, and hence individualistic, direction. Yet there are some attempts by management to constrain this autonomy by shaping the inspectors' interaction patterns in a hierarchical way. For example, the inspectors are required to do their paperwork in the office (rather than at home, as often occurs in other inspectorates), thus allowing for some supervision at least during these hours of the day. The inspectors are also required to indicate, on a list, when they leave the office and where they go.

In sum, although the organization attempts to limit the inspectors' autonomy somewhat through some degree of hierarchy, the degree of autonomy, which is so intrinsic to the job, remains sufficient enough to shape the interaction patterns in a largely individualistic way in all three organizations. This information is summarized in Table 3. This table provides two pieces of information. The ' + ' signs indicate the relative intensity of each interaction type, in relation to the other types within the same cell. A maximum of five ' + ' signs can be distributed over the interaction types. The degree of autonomy of the inspectors in organization X shapes the intra-organizational interaction patterns mostly in an individualistic way (hence three ' + ' signs) and to a lesser degree in a hierarchical way (hence two ' + ' signs). Because the degree of autonomy only shapes the interactions within the organization, and not the interactions between inspectors and inspectees, the right-hand column is empty. Furthermore, the figure in parentheses in the bottom-right corner of each cell indicates the relative importance of a factor (in this case 'degree of autonomy'). This figure can vary from 1 to 5. Because the interviews showed that the degree of autonomy has an important impact upon the inspectors' interaction patterns, it is assigned a high relative weight (4).

The second factor is *management at head office as referents*. In organization X, the inspectors are based in field offices countrywide, but many decisions are taken at the head office, and are then imposed on the inspectors, through such mechanisms as procedural handbooks or planned inspection campaigns. These mechanisms have an impact on both the extra-organizational interaction patterns (i.e. the interactions with inspectees), and the intra-organizational interaction patterns. In relation to the former, the head office clearly intends to shape the interactions with inspectees in a hierarchical way. The interviews revealed that this rather unnerves the inspectors, as the latter tend to have a more egalitarian approach towards the inspectees. In fact, management has brought in

TABLE 4
The impact of ‘management at head office as referents’ on the interaction patterns of the inspectors in organization X

	Intra-organizational interaction patterns	Extra-organizational interaction patterns
Management at head office	Hierarchy: + + + Fatalism: + Egalitarianism: + (5)	Hierarchy: + + + + + (5)

this hierarchical element so as to counterbalance the inspectors’ significantly egalitarian bias in their interactions with inspectees.

The impact of the head office on the interaction patterns within the organization is somewhat more complex. This can be illustrated with a discussion of the two most important mechanisms through which management at the head office shapes the inspectors’ intra-organizational interaction patterns. First, the head office has developed handbooks with regulations and procedures that prescribe in considerable detail how the inspectors should do their work. This obviously shapes the intra-organizational interaction patterns in a high-grid way. Most of the time, this high-grid aspect takes on a hierarchical form: the inspectors’ work is constrained by rules and procedures, but they also know that, if they follow the procedures, they will be ‘covered’ by their management. Yet, there are also a few indications that the high-grid constraints sometimes end up in fatalistic interaction patterns for the inspectors. Some interviewed inspectors reported that they were not sure whether management would always support them, even when they followed the rules. This is typically fatalistic, as it is a situation where people are bound by rules (high-grid), but have no guarantee that they will be supported (low-group) when something goes wrong and their decision, for instance, leads to a financial claim by an inspectee.

Second, the organization also has a well-developed planning cycle, which specifies inspection campaigns that are focused on particular sectors or even particular inspectees. The process through which these plans are developed has an egalitarian touch, because a number of street-level inspectors can directly participate through a system of working groups. Yet the plans that result from this are highly constraining and thus shape the intra-organizational interaction patterns in a high-grid way. Again this mostly takes the form of hierarchy, but there are some reports of fatalistic effects. Interviewed inspectors explained how they arrived as freshmen in the organization with a strong commitment towards its mission, but how they now feel that they are constrained in their implementation of this mission, because detailed inspection plans prevent them from doing those inspections they perceive to be really urgent in their own district. I would identify this as fatalistic, as this is not only high-grid but also low-group, since it weakens the social bond between management and employees. This type of management disrupts the initially agreed contract, and thereby the social bond and trust on which it was based, thus alienating employees.

Table 4 summarizes these observations. The five ‘+’ signs for hierarchy in the right-hand column reflect the fact that management at head office unambiguously

TABLE 5

The relative intensity of all interaction patterns in organization X

	Intra-organizational interaction patterns	Extra-organizational interaction patterns
Total	Hierarchy: 52.5 Fatalism: 30 Individualism: 22 Egalitarianism: 20.5	Hierarchy: 59 Egalitarianism: 24.5 Fatalism: 11 Individualism: 7.5

shapes the extra-organizational (inspector–inspectee) interactions in a hierarchical way. The intra-organizational interaction patterns are also shaped to a significant extent in a hierarchical way. Yet there were some instances of fatalism, and Table 4 also marks one ‘+’ sign for egalitarianism, because of the inspectors’ participation in the planning procedure.

Tables 3 and 4 are merely examples. A similar analysis could be made for all 13 factors and this would result in a large table, of which Tables 3 and 4 would be two rows. At the bottom of this table would be a summation row. The sums in this row would be determined as follows. First, the score for each type (e.g. score ‘three’ (+ + +) for hierarchy in the left column in Table 4) in a cell is multiplied with the weighting factor that is indicated in the bottom-right corner of that cell (e.g. ‘five’ in Table 4). Then, all these weighted scores would be added up to a weighted sum for each type. This would give an impression of the relative intensity of the four types in both the intra- and extra-organizational interaction patterns of organization X. Table 5, in fact, presents this summation row for organization X. It is very important to emphasize that although a quantitative procedure (summation) is used to reach this overall image, the apparent ‘exactness’ of these figures should not mislead. Table 5 should still be considered a qualitative measure, and be interpreted with great caution. What matters, in fact, is the relative intensity of the types within each organization, not the exact figures, as these ultimately depend upon rough and tentative assessments.

Table 5 can now be used as a basis for comparing organization X with other organizations. It can also be used to test predictions concerning the effects of the interaction patterns found within organization X. For example, on the basis of cultural theory, it is possible to predict that the relative frequency of rule- and law-fetishism is proportional to the relative intensity of hierarchy (see above). This is corroborated by the data available for organization X. Table 5 shows that hierarchy is the strongest interaction type in this organization. At the same time, a survey scale⁴ showed that rule- and law-fetishism was the most prevalent type of unethical behaviour in organization X. I found similar corroborations for a number of other propositions linking particular interaction types to particular kinds of unethical behaviour. Some other propositions were falsified, and adaptations were proposed for them (Maesschalck, 2004b).

Conclusion

The requisite variety-theorem of cultural theory (Thompson *et al.*, 1990) essentially implies that the four ways of life depend upon each other for survival: for one way of life

to exist, there must be at least three other ways of life. Yet one might wonder about the analytic power of a typology that claims that all four types are present in any given organization. How discriminating is a typology that assumes that all its types are present in a relevant unit of analysis? Yet, whatever the analytic implications, the empirical research did show that all four types are present in our organization X. It would do injustice to empirical reality if we looked for only one or two types in a social unit, simply for the sake of analytic power. This article has attempted to show that, even if we assume and find that all types are present in an organization, the cultural theory-typology keeps its analytic strength. By focusing on the relative intensity of the four types, rather than on the mere presence of a single type or hybrid of two types, it not only remains possible to observe, and explain, significant differences between organizations but it also becomes possible to make meaningful predictions about individual organizations.

NOTES

1. This article does not take into consideration the fifth way of organizing and perceiving social life: 'the hermit' or 'recluse'. For an interesting analysis that focuses on the role of hermits within organizations, see Mitleton-Kelly in this issue
2. The 'degree of discretion' of the organizational members, for example, depends both on the legislation (extra-organizational) and on the policy of management (intra-organizational)
3. It is important to emphasize that the contention that intra- and extra-organizational factors shape the interactions in an organization is not a *hypothesis* that is to be tested in the case study. Instead, it is rather a definitional assumption that acts as the basis for the measurement of the variable 'interaction patterns', given its definition: *types of interaction, as shaped by the intra- and extra-organizational factors*
4. This scale consists of two survey items: '*Colleagues persist in strictly following the rules and procedures of X, also when they are manifestly useless or even harmful*' and '*Colleagues persist in strictly following general legal prescriptions and principles, also when they are manifestly useless or even harmful.*'

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