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# Paradigm lost: Reinvigorating the study of organizational culture\*

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#### ABSTRACT

In spite of the importance of organizational culture, scholarly advances in our understanding of the construct appear to have stagnated. We review the state of culture research and argue that the ongoing academic debates about what culture is and how to study it have resulted in a lack of unity and precision in defining and measuring culture. This ambiguity has constrained progress in both developing a coherent theory of organizational culture and accreting replicable and valid findings. To make progress we argue that future research should focus on conceptualizing and assessing organizational culture as the norms that characterize a group or organization that if widely shared and strongly held, act as a social control system to shape members' attitudes and behaviors. We further argue that to accomplish this, researchers need to recognize that norms can be parsed into three distinct dimensions: (1) the content or what is deemed important (e.g., teamwork, accountability, innovation), (2) the consensus or how widely shared norms are held across people, and (3) the intensity of feelings about the importance of the norm (e.g., are people willing to sanction others). From this perspective we suggest how future research might be able to clarify some of the current conflicts and confusion that characterize the current state of the field.

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Organizational researchers have been interested in the role of culture in organizational life and by some estimates have generated more than 4600 articles on the topic (Hartnell, Ou, & Kinicki, 2011). Managers have also recognized the importance of culture because of the presumed relationship between certain types of organizational cultures and effective organizational performance (e.g., Alvesson & Sveningsson, 2015; Katzenbach, Steffen, & Kronley, 2012; Lorsch & McTague, 2016). In fact, a recent survey showed that 78% of Fortune 1000 CEO's and CFO's view culture as one of the top three factors affecting their firm's value (Graham, Harvey, Popadak, & Rajgopal, 2016). Despite both academic and practitioner interest, however, we lack a unified approach to understanding organizational culture, one that identifies the sources of cultural variation in groups and organizations, its psychological basis, and the impact it has on people and organizations. We suggest that this gap in theoretical clarity has arisen for two reasons. First, managerial interest in organizational culture has generated lucrative consulting opportunities that may have stunted attempts in the academic arena to develop a precise, comprehensive, and robust theory of organizational culture. Second, debates about how to define and study culture have ceased to be generative and instead, are constraining our ability to accumulate and advance an integrative and comprehensive theory of culture.

Twenty years after our first chapter on organizational culture appeared in this series (O'Reilly & Chatman, 1996), we take stock of the organizational culture research domain. We begin by offering a brief history of the evolution of organizational culture as a research area. We then consider the impact that an early interest among practicing managers has had on the evolution of the culture construct. We review theoretical and empirical models of culture and the most salient debates, including distinctions between culture and organizational climate, whether culture is appropriately studied qualitatively or quantitatively, and how culture is measured. We argue that ongoing debates that are no longer fruitful be retired so that theoretical progress can resume. We also suggest that prior work has often been ill suited to isolate and measure culture precisely, leading to a widespread lack of construct validity. We recommend that culture be defined in terms of its underlying psychological mechanism, which we identify as social norms that operate through informational and normative social influence. Then, to advance a theory of organizational culture, we parse three components of organizational culture: norm content, norm consensus, and norm intensity, and argue that prior research has confounded these components and clouded our understanding of how culture works, particularly the relationship between culture and organizational performance. Armed with a robust theory of the mechanisms underlying culture and linking it to individual and organizational behavior, we identify several promising future directions for the domain; some of which involve connecting with adjacent fields, and others that benefit from advances in computing capabilities enabling us to consider larger samples and more dynamic analytical approaches to assessing culture and its impact on people and organizations. Our chapter, thus, aspires to reinvigorate an academic focus on organizational culture, one that identifies and unlocks key mechanisms, antecedents, and consequences.

### 1. A brief history of the early focus on organizational culture

In the late 1970s and early 1980s managers and scholars became interested in the topic of "organizational culture." A series of poplar books (e.g., Davis, 1984; Deal & Kennedy, 1982), academic conferences, and special issues of scholarly journals (*Administrative Science Quarterly*, 1979, 1983; *Journal of Management*, 1985; *Journal of Management Studies*, 1982) highlighted the promise of organizational culture as a way to understand how people within organizations interact and how organizations operate to achieve their stated and unstated goals.

We trace the study of organizational culture back to a pioneering paper by Andrew Pettigrew in 1979, published in *Administrative Science Quarterly*. Cultural anthropologists had already developed a productive paradigm, typically derived from case studies devoted to understanding norms and beliefs within different

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