Cultural Complexity in Large Organisations

Nick G. Chandler

Abstract This chapter presents the key concepts and perspectives involving cultural diversity in large organisations. The concept of a large homogenous organisations culture is questioned using the case study of a large Higher Educational Institution and arguments are made for adopting a differentiation perspective. With this new perspective, employee subcultures are viewed in terms of diversity and uniformity. The nature of diversity in the long term is considered through the findings of a longitudinal study of the Higher Educational Institution. The diversity in the organisation is considered in terms of intergenerational diversity through a study the student's values and perception. Finally, the strategic effect of complexity in organisations is considered in terms of the evolutionary nature of strategy.

Diversity in Organisational Culture

Basic Terms and Definitions

The **values** are the general criteria, standards or guiding principles that people have and use to determine which types of behaviour, events, situations and outcomes are desirable or undesirable. An individual's values may not be the same as those of the organisation that management maintain, referred to as **espoused values**. Espoused values are seen as a desired state as put forward by management as part of the image of the organisation rather than the values held by all members of the organisation. When a company indicates their core values on their company profile, these are the espoused values which management hopes that the employees also uphold. These espoused values may include **terminal values**, which are the desired end states or outcomes, such as high quality, strong culture, and can often be found in an organisation's mission and/or vision statement. **Instrumental values** refer to the desired modes of behaviour, such as working hard, keeping to deadlines, etc.) and

N.G. Chandler (✉)
Budapest Business School, Budapest Buzogany Utca 10-12, 1149, Hungary
e-mail: chandler.nicholas@uni-bge.hu

can be found in company policy with topics such as time-keeping, ethics and anti-discrimination.

The **organisational culture** refers to "a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that 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 these problems" [1]. Culture may refer to the 'real culture', which concerns the characteristics of the organisation or the 'constructed culture', which concerns people's perceptions of themselves and others as members of the organisation. An organisational culture may be divided in large complex organisations into groups of subcultures. A **subculture** is a subset of an organisation's members who interact regularly with one another, identify themselves as a distinct group within the organisation, share a set of problems and routinely take action on the basis of collective understandings unique to the group [2]. Within each group of subcultures there may be a **dominant culture**, which means that the subculture contains a majority of the members of the organisation or that the subculture is significantly larger when compared to the other subcultures. The **dominant** culture is often associated with a management subculture since management is often seen as 'in charge' and therefore dominant.

The Importance of Organisational Culture

Every organisation has its own way of doing things. Even within the same industry, companies have their own style of working. The beliefs, ideologies, principles and values of an organisation constitute the organisational culture. It can be seen in the architecture, the uniform (or lack of it), social events and even the way employees choose to celebrate. Consider an organisation with an open place office compared to one with closed cubicles or one where a uniform is compulsory to one where jeans and t-shirts are acceptable and employees lounge on bean bags with their lap taps. The organisational culture is more than just the way things are done or the way things look. The organisational culture affects the organisation in the following ways:

- *The culture decides the way employees interact with management.*

When employees have the same way of doing things as management then it is often referred to as a **healthy culture**. The interaction is positive and supportive to both management and employees, resulting in continuous motivation and loyalty.

- *The culture of an organization gives employees a sense of direction at the workplace.*

One of the keys to strategic management is ensuring that all employees understand the values and direction of the organisation so that strategic decisions can be passed clearly and effectively to lowers levels for implementation. The espoused values of management give a basis for all employees to understand not only what the

organisation stands for but also how to accomplish daily tasks. In this way, organisational culture is seen as the **glue** that holds employees together with a set of shared values and common direction.

- *The organisational culture is part of the image of the organization.*

Every organisation has its own way of doing things that make it different from all the others, like an **organisational fingerprint**. It gives an identity to the organisation. In this way the organisational culture enables employees to be aware of and understand what the reason is for the organisation's existence and what values and norms are upheld in the organisation.

- *The organisational culture protects itself, like an immune system.*

Employees that behave against the norms and values of the culture will be seen as not fitting in. In many cases organisations ensure that potential employees have the 'correct' values and behaviour at the interview stage and those that do not are not given positions in the organisation. On the other side of the coin, this also means that if change is needed, there may be **resistance to change** if it involves a change in existing values and behaviours.

- *Organisational culture is something organic.*

The values and behaviours of an organisational culture may change in the face of internal and external changes. Organisational culture change is a slow process. It is said that after a merger, it takes at least 7 years for the two cultures to fully merge [3]. However, organisational culture evolve in the face of environmental changes, be they internal or external.

- *The organisational culture indicates the way things are done.*

The culture dictates the way of working that is preferred in a particular organisation. For example, whether collaboration is preferred over competition, an internal focus is preferred over an external focus or if stability and control is preferred over flexibility and creative freedom.

Given the importance of organisational culture, small business owners need to consider the type of culture they wish to develop in the early stages of establishing a business. Then as the company grows and expands, the top management need to build and reinforce the values and norms held in the organisation so that the culture can become a strong culture. A strong culture is a valuable asset and has additional benefits to the ones already listed in this section:

(1) Attracting the best employees

When an organisational culture is strong, employees are motivated and engaged. This makes the organisation attractive to other workers in the industry who perhaps do not have such a strong culture. In industries where talent is in short supply and many organisations offer similar compensation packages, the organisational culture

may be the deciding factor for talented workers to apply for a job. After all, a strong culture means that employees enjoy working at the organisation and believe in the direction in which the company is heading.

(2) Holding onto the best employees

If employees are motivated, engaged and believe in the core values and the desired direction or **vision** of the organisation, then they are less likely to look for a job somewhere else. As mentioned earlier, organisational culture is the glue that hold employees together the stronger the culture, the stronger the glue holding them together.

(3) No more daily chore

When a strong culture exists and people are engaged and motivated, then the job is no longer seen as a daily list of chores that have to be done so that a salary is paid. People no longer toil to get through the day but comes to work because they enjoy it. Organisations with strong cultures are likely to have lower absentee rates through sickness and other causes, as well as a lower number of staff leaving the organisation, i.e. a lower **staff turnover**.

Building a strong culture requires some investment in time and money, but the results significantly outweigh the costs. The culture needs to be considered from day one and continuously built upon. However, as the organisation becomes large and increasingly complex, top management need to consider the likelihood that the organisational culture is no longer a single homogenous culture but may be fragmented into smaller cultural groups or subcultures. The following section considers the organisational culture of large organisations.

Complexity in Organisations

When we look at society we see a wide range of values, ages, behaviours and attitudes. If we consider large complex organisations then we can assume that such organisations reflect a similar complexity as the society in which they operate [4]. This means that in large organisations there are likely to be a diverse range of values, behaviours, attitudes and perceptions.

If we see large organisations as complex organisms, then this also means the only way to fully understand them is to find the differences across the organisation and analyse each diverse part, in other words: "it is only by understanding the parts …we can understand the whole" [5]. Accepting diversity and complexity in this context seems relatively straightforward. However, this acceptance only works if we consider all the members of the organisation—not only the management but all levels of the organisational structure. The greater size of an organisation means the greater the likelihood of it splitting into subcultures. An example of the diversity of subcultures can be seen in the following table:

Table 1 Subcultures' characteristics in a large organisation

	Return culture	Market culture	Profession culture	Small labourers
Members	Product managers [top managers (to some extent); potentially: finance]	Sales (potentially: customer care)	Technicians (to some extent: the lawyer)	Invoicing, MIRA, lawyer, customer care, finance
Self portrait	The conducting midfielders	The magic forwards delivering goals	Libero, defender serving the others	Secret talents on the bench
Perception of others	Skillful gamblers	Over occupied little star alike	Overloaded geniuses somewhere in the building	Ambitious ballasts
Internal—external focus	Intermediate internal	Strong external (customers)	Intermediate external (suppliers)	Miscellaneous (potentially internal)
Attitude towards risk	Intermediate	Risk taker	Risk avoider	Risk avoider
Time orientation	Intermediate	Shorter	Longer	Intermediate–longer
Professional—task orientation	Task orientation	Task orientation	Professional orientation	Task orientation (some professional)
Professional—business orientation	Business	More business than professional	Professional	Professional

Source Bokor [6]

Table 1 shows that an organisation does not have to be an international organisation to experience diversity. Through subcultures, employees see themselves and others very differently. They have varying attitudes to risk, time and whether they focus on internal operations or the external environment. However, it cannot be assumed that a large organisation means a large number of subcultures. The view taken of an organisation's culture is referred to as the cultural perspective and the different perspectives will be shown in the following section.

Cultural Perspectives

Not all experts agree on the extent of diversity in organisations. Perspectives on organisational culture vary from the one end of the scale where all employees have the same or similar values and beliefs, to the other end of the scale where none of

the employees share the same belief and values. The way we see or chose to see organisational culture in terms of the level of diversity is referred to as the **cultural perspective**. There are three perspectives:

The first is called the unitarist or **integration** perspective. In this view, we believe that there is unity throughout the organisation. This means that we can classify each organisational culture as a particular type, as with Handy [7] and the four culture types: task, power, people and role-oriented cultures, or Hofstede [8] with an organisation having a role, achievement, power or support culture. There are a number of assumptions that we also have to accept if we adopt this perspective. First, leadership is top-down, with members unified and conforming to the directives of top management. There is a high degree of homogeneity in terms of values, attitudes and behaviours, which is why this perspective is also often referred to as the 'integration perspective' [9]. The shared values and beliefs are seen by members as 'the way we do things round here' [10], rather than 'the way some of us…' or 'the way most of us do things around here'. It seems reasonable for managers to assume the integration/unitarist perspective as this reinforces their desire for all staff to 'tow the line' and ties in with the concepts of vision and mission as an integrative force encouraging improved staff performance and increased unity of direction.

The second option is referred to as the pluralist or **differentiation** perspective. In this case, diversity is accepted to some extent and is reflected in the existence of diverse subcultures in organisations. The culture is no longer homogenous, but rather 'heterogeneous'. Even in smaller organisations such as supermarkets, subcultures have been found to exist [11]. Conformity towards a single monolithic organisational culture is replaced by cultural diversity and the potential conflict between these subcultures is tolerated as management takes a 'multicultural view' of their organisation.

The final perspective sees the organisation and its members in an even greater state of diversity. The organisation consists of individuals with their own values and norms and as such neither a single dominant culture nor any subcultures are said to exist. In such organisations managing cultural change is impossible on an individual basis and the focus shifts towards communication and diversity management. This perspective is referred to as the **fragmentation** perspective with fragmented groups being issue-specific and no shared meaning between members of the organisation or members of part of the organisation. The organisation appears as a series of contradictions and confusion on the part of the members with a lack of consistency, consensus and ambiguity.[1]

Whichever perspective is adopted, the caveat remains that this perspective only serves when taking a snapshot of the organisation at one particular moment in time as values are neither completely stable nor unstable but rather change according to the environment of individuals and groups [12].

---

[1]Martin [9], ibid.

Levels of Cultural Diversity

Subcultures are often understood to be countercultures in organisations and often seen in a negative light. However, subcultures do not automatically translate to 'countercultures', rebelling against the organisation's top management. Subcultures may exist alongside a dominant culture [13] as each subculture has members with a combination of pivotal and peripheral values. **Pivotal** values are the core values of an organisation as espoused by top management. Members are expected to uphold these values, with those that do not being rejected, or ejected, from the organisation [14]. **Peripheral** values refer to those values not considered as core values but the organisation may encourage members to adopt them. Failure to take on the peripheral values, however, does not result in rejection in the same way as when failing to uphold the pivotal values. When members of a subculture have the same pivotal and peripheral values as the overarching organisational culture (i.e. the dominant culture), then it is called an **enhancing** subculture. When the subculture and dominant culture shares the pivotal but both the peripheral values, then it is referred to as an **orthogonal** culture. Finally, when the subculture does not share the pivotal or the peripheral values of the dominant culture, then it is called a **counterculture** [15]. Even this breakdown of complex cultures into subcultures with a combination of pivotal and peripheral values is further complicated by the view that subculture types may be seen on a scale of increasing diversification rather than as three concrete types, as can be seen in Fig. 1 [16].

As can be seen in the figure, a unitary culture refers to the integration or unitarist perspective with a single monolithic organisational culture. An integrated organisational culture is when the enhancing subcultures are a part of the overall dominant organisational culture which may be seen as a combination of the integration and differentiation perspectives. The slightly differentiated organisational culture refers to a collection of both enhancing and orthogonal subcultures, with varying combination of peripheral and pivotal values and still takes a combination of the integration and differentiation perspectives. A significantly differentiated culture refers to no enhancing subcultures and only orthogonal or counter subcultures. The subcultures may be heterogeneous (a differentiation perspective), but there is still the existence of a dominant culture as well. In the disorganised form of organisation, there is no dominant culture and subcultures have no common values, which takes the fragmentation perspective. It now seems that a fourth perspective has emerged: the **multi-perspective approach** where the cultural composition of an organisation could be one of a number of possible combinations with varying degrees of common peripheral and pivotal values for enhancing and orthogonal subcultures, countercultures, a dominant culture and fragmented sections of ambiguity and uncertainty.

It has been argued that in some organisations, such as prisons, pivotal values are so widely adopted that they restrict the emergence of peripheral values and thereby, the emergence of subcultures.[2] However, this is unlikely in strong culture
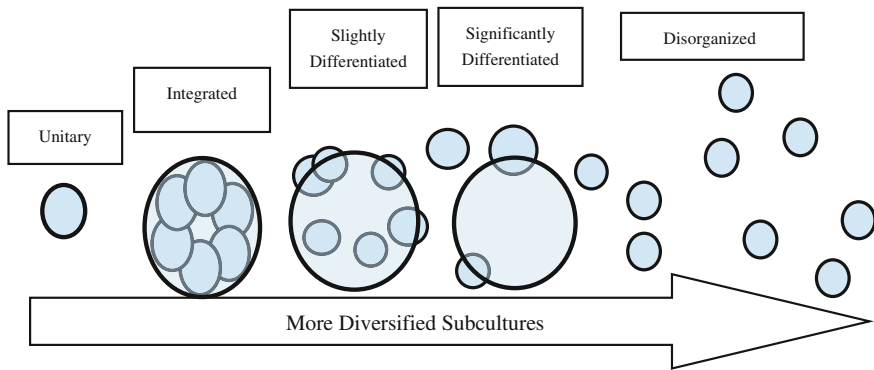
---

[2]Schein [13], ibid.

Fig. 1 The diversification of subcultures. *Source* Hatch [16]

organisations. The extent that employees have pivotal or peripheral values in line with the organisation not only indicates if the employee (or subculture) are enhancing the values and beliefs of the organisation, but also the way the employees (or subcultures) view the organisation and the world around them. This is referred to as cultural lenses. In a large organisation made up of people from different nationalities, employees learn to see things through the eyes of others as they learn and appreciate cultural differences. However, in organisational culture can still be diverse without national differences and the way employees perceive the organisation, its management and the world around them can impact upon their individual motivation and effectiveness.

Let us take an example of subcultures in a large organisation. A national company with little diversity on an international level. However, employees have grouped to form subcultures identified as certain types, such as a market (externally focussed with stability and control) subculture, a hierarchy (formal procedures, bureaucracy, internal focus with stability and control) and clan (family and group centred with an internal focus as well as flexibility and a sense of freedom). These subcultures exist with some harmony in the organisation and have common pivotal values, as the clan and hierarchy subcultures have a common internal focus and integration and the dominant market culture and hierarchy culture have common values of stability and control. Thus management need to understand that, like links in a chain, the hierarchy subculture has pivotal values in line with the dominant culture, and that although the clan subcultures had no pivotal values in line with the market culture, this subculture was not entirely isolated in the organisation as it has pivotal values in line with the hierarchy subculture, as seen in Fig. 2.

It can also be seen from the above figure, there is a combination of perspectives in play. We have integration (a dominant culture), differentiation (competing subcultures) and fragmentation (residuals that do not fit any category). Thus diversity is in fact represented in large organisation with a combination of these perspectives or levels rather than a choice of one out of the three. There are examples of enhancing (hierarchy subcultures) and orthogonal (clan and market subcultures) in relation to the organisation's hierarchy culture.
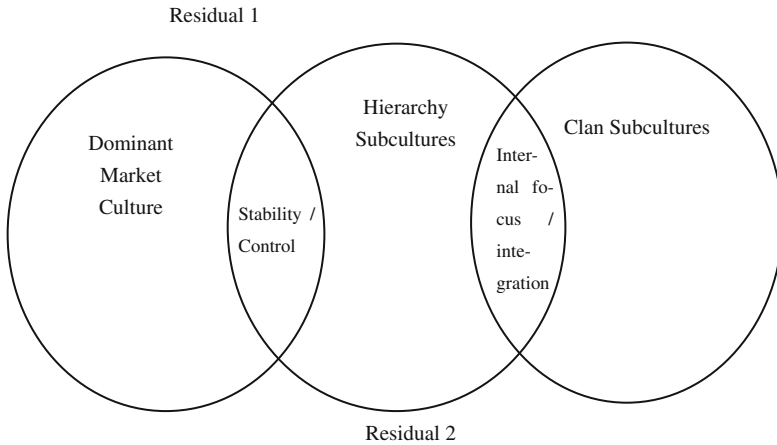
Residual 1

Dominant
Market
Culture

Hierarchy
Subcultures

Clan Subcultures

Stability /
Control

Inter-
nal fo-
cus   /
inte-
gration

Residual 2

Fig. 2 The composition of culture in the organisation

The Implications

To consider the implications of the potential cultural and intergenerational diversity in large organisations, a specific case may serve as an example of the distinct complexity: the complexity of culture in higher education has been covered for almost half a century. The organisational culture in higher educational institutions (HEIs) has been described as 'tribes and territories'.[3] The potential for diversity is high, with teaching staff experiencing high autonomy, indicating a lower likelihood of shared values and yet a high respect for traditions and rituals which may indicate a strong culture. The question arises: is the culture in higher education split by profession, with teaching and non-teaching staff, are teaching staff split by topics taught? Is there a difference in culture for teachers of soft or hard subjects? The following section will consider the case of diversity in organisations in higher education.

Cultural Diversity in Higher Education

A number of studies of organisational culture in higher education have uncovered the potential for accepting two of the three perspectives mentioned earlier in this chapter: integration and differentiation [17] and this is referred to as the multi-perspective approach. The unitarist perspective seems plausible when we think of faculty members all sharing a common world view and the same approaches to learning and the academic world in general. Likewise, attitudes to

---

[3]Becher [5], ibid.

research and development may also indicate the existence of shared values and a common desired direction for the organisation. However, the majority of studies indicate that cultures of HEIs are complex and rarely homogenous [18] and that in these institutions subcultures will emerge. In the example mentioned earlier, if faculty share similar values towards research, learning and the academic world in general, then rather than being an argument in favour of homogeneity in cultures, it is in fact an indicator of the existence of **occupational subcultures**. Higher education organisational cultures are differentiated from others because of greater complexity [19]. Beyond occupational subcultures, departments are often split according to the discipline. These departments may also be separated according to location and may feel the need to compete with other departments for funding for the yearly budgets, numbers of students enrolled on courses, number of publications or quality of research by staff. These competing aspects all serve to form **cultural boundaries**. The resulting effect is that subcultures form based on the discipline or specialisation of staff. Universities are often made up of a collection of institutes or Faculties that may exist in different locations and may be seen as separate units developing their own cultures. Furthermore, in higher education there is also a student culture which may challenge and even change the values of the organisational culture, and vice versa. This cultural complexity can be seen in Fig. 3, which is referred to as a **cultural web**.

Subcultures are also more likely to develop in bureaucratic, larger or more complex organisations with a wide range of functions and technologies [20]. There are a variety of types of organisational subcultures, not all of which are based on expressing opposing views,[4] as in the case of orthogonal and enhancing organisational subcultures where some values and norms may differ from those of the dominant culture, but there is still adherence to the core or pivotal values. Thus, these subcultures do not impede organisational performance through conflict and resistance to organisational values and norms. In an organisation with heterogeneous subcultures, competing subcultures may cause conflict but the competition between the subcultures may enhance members' roles in the organisation, as, for example, they strive to acquire more skills than the members of other subcultures [21]. In a higher education setting, this competitive aspect could be seen in the number of papers produced per department or rivalries based upon prestige or reputation.

When considering the potential impact of occupational subcultures, conflicts are often seen as the likely outcome. Conflicts have arisen between managerial subcultures which aim to control work within the organisation and other occupational subcultures that seek autonomy [23]. Subcultures are often characterised as 'containing seeds of conflict' as conflict may emerge when members of differing subcultures confront one another [24] due to differences in values, attitudes and behaviours. However, subcultures may also perceive themselves and other subcultures and members in the organisation differently. By subcultures seeing events

---

[4]Trice and Beyer [20], ibid.

Fig. 3 Cultural complexity
in higher education. *Source*
Adapted from Valimaa [22]
and Becher [5]
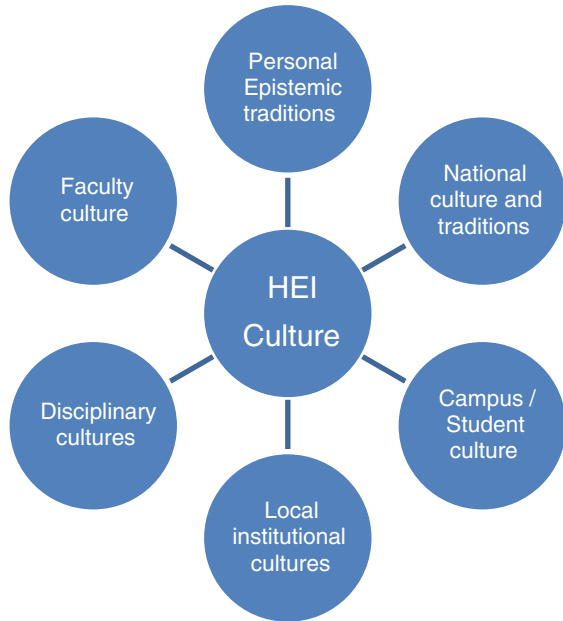
through their own 'subcultural lenses' may also be a cause of conflict[5] noted that in
multicultural organisations; members of subcultures perceived things only from
their cultural perspective (ethnocentrism), also perpetuating conflict.

The cultural diversity found in organisations in the form of subcultures does not
instantly mean that the organisation's member are set for conflict and poorer per-
formance. In fact subcultures may have a positive effect upon strong culture
organisations in relation to an organisation's desire to become 'agile' [25]. **Agility**
is achieved through subcultures providing the flexibility and responsiveness that a
unitary culture may limit. A prerequisite of this is that top management adopt a
multiculturalist view in that they allow the emergence and co-existence of
heterogeneous subcultures in the organisation. There are a number of other reasons
why subcultures may not have a negative impact upon the organisation. First,
subcultures may consist of smaller groups that are strategically weak and, therefore,
not threatening [26]. Second, subcultures often emerge in response to changing
demands and can serve as an outlet for members to express conflict and dissent
arising during turbulent times. These emerging subcultures are seen as a mechanism
for changing less central values as well as a means by which members can express
themselves. Furthermore, subcultures may have a particular focus that makes them
specialist in certain business activities [27]. If organisations turn their attention
towards examining and understanding subcultures, then this act and the attention
given to the organisation will aid the organisation in understanding the heretofore

---

[5]Gregory [4], ibid.

hidden complexities, reasons for conflict and more generally heighten the management's sensitivity to the cultural implications of business operations in general and change processes in particular. Finally, subcultures may strengthen rather than harm organisational cultures: a contrary point of view can strengthen beliefs, values or behaviour as they are then put to the test and any challenge to existing beliefs is thus a tool for reinforcement of values, beliefs and behaviour. As mentioned earlier, subcultures contain a combination of both pivotal and peripheral values and so subcultures could be orthogonal, enhancing or counter cultures [1]. This is an important distinction: some subcultures could be destructive to the organisation (countercultures), but some may not.

In spite of this list of potential benefits from subcultures, this does not discount the fact the subcultures may in turn develop into countercultures that hinder business operations, damage performance and cause conflict. In today's environment of continuous change, instability and uncertainty, a destabilising element like a subculture could be seen as potentially causing failure of the organisation, especially in cases where the leadership is going through a period of transition and the strategic direction is vague or unspecific, as in the case of organisations undergoing a merger, for example.

In higher education, subcultures can act as "containers of creativity in which ideas can formulate relatively independently of the constraints or influences of the (strong) culture" [28]. The phenomenon of subcultures working alongside a dominant culture has been observed in multiple cultures within organisations and indicated a potential positive effect of these subcultures due to the variations between them, hence coining the term 'ambidextrous organisations' [29]. Earlier it was said that common pivotal values are the key to subcultures existing harmoniously with the dominant culture; however, it would be incorrect to assume that large multi-faculty universities (referred to as a 'multiversity') or even small institutions have something in common or some shared characteristic [30]. In the 1981 funding crisis in the UK this conflict of pivotal values in the professional culture of HEIs was seen when power of veto was held by the faculties and departments and in some cases departments and faculties vetoed against the interests and concerns of their own institutions [31]. In a college or university, this antagonism between subgroups may result in member conflict and so they stop talking resulting in the formation of two distinct subcultures [32], and thereby increasing the complexity and the potential for more conflict further down the line.

Employees may try to modify those values of other employees which seem inappropriate to achieving their own goals or the success of the organisation and this line of thought could be extended to an employee disagreeing with the organisations values whilst continuing to work. This is a severe hindrance to the efficiency of the employee and at the very least would result in the development of **cognitive dissonance**, which a person holding two opposing views at the same time. Such views not only stress the dynamic nature of subcultures but also that there is a tendency to reduce the cultural distance between the subculture and the dominant culture [33]. This is another indication that the impact may not necessarily be a negative one.

Finally, a subculture in any organisation may judge the others behaviour as 'abnormal' as they fail to live up to subcultural norms. The resulting effect is alienation, a higher potential for misunderstandings, lack of appreciation of others and conflict.

The Way Forward

Managing Subcultures

For large complex organisations, unitary cultures are actually the exception to the rule and multiple subcultures should be seen as the norm in organisations and not solely on a management level [34]. When organisations wish to develop a strong culture in large complex organisations with a high likelihood of subcultures, then subcultures may be aligned as a means of strengthening the culture. The following model shows a process by which organisations may seek to strengthen organisational culture through the alignment of subcultures, referred to as a **cultural audit** (Fig. 4).

In the figure, it can be seen that this is a continuous process as it is assumed that cultures and subcultures are dynamic in the organisation and that through
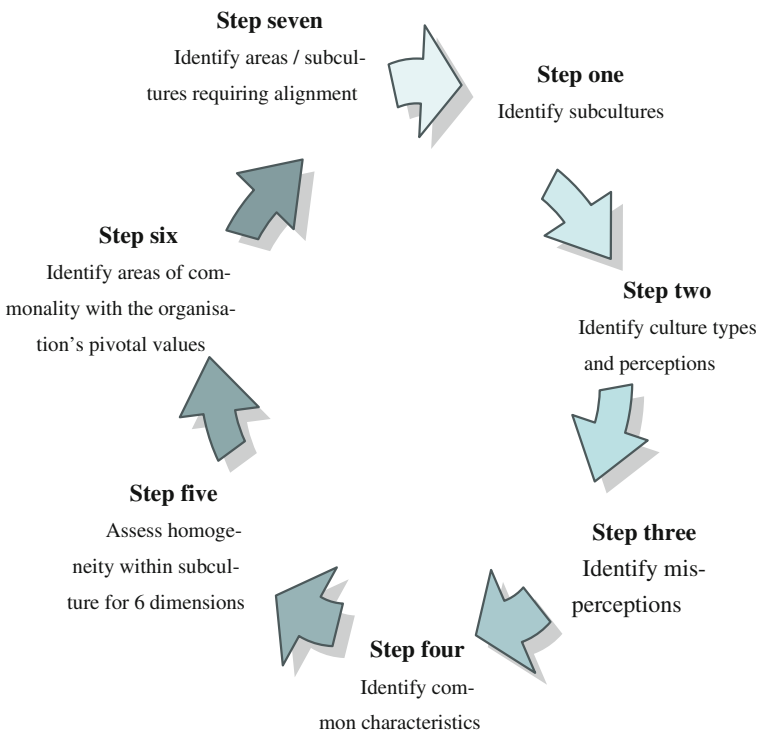
Step seven

Identify areas / subcultures requiring alignment

Step one

Identify subcultures

Step six

Identify areas of commonality with the organisation's pivotal values

Step two

Identify culture types and perceptions

Step five

Assess homogeneity within subculture for 6 dimensions

Step three

Identify misperceptions

Step four

Identify common characteristics

Fig. 4 The change management process for aligning organisational subcultures

interaction, as was suggested in the discussion part of this study, when one sub-culture changes another may respond in kind either following the new set of values, taking them on partially (as in this case when subculture three expected the leadership to take on a market-culture style of leadership despite being a hierarchy subculture type), or rejecting them partially or fully. Alternatively, this model could be applied in practice as a means of conducting a 'subculture' audit prior to the commencement of any change processes or when looking to implement a change in the direction of the organisation.

Change Over Time

Conducting a subculture audit in a large complex organisation seems a means by which the organisation can achieve a common direction shared through the whole organisation. This is the desired result from a strategic point of view. However, diversity has its benefits and the outcome of the cultural audit does not necessarily result in the alignment of all subcultures. A recent study of the Budapest Business School in 2011 [35] found that each subculture in an organisation may in fact have its own **specialisation**. The organisation was a higher education institution and each subculture had a different focus in terms of its market orientation. As can be seen in the following figure, subcultures with a hierarchy culture type had an internal focus and preference for stability. These subcultures were firmly oriented towards helping and supporting students. The subculture with a market culture type also had a preference for stability and control, but this was combined with an external focus. The market subcultures were oriented towards competition. The third type of subculture was the clan subculture and this group had an internal focus but also a preference for flexibility and freedom of action. The clan subcultures had a preference for integration and a strong cooperation orientation (Fig. 5).

Market orientation in higher education is made up of these three elements (co-operation, competition and student), and so the alignment of these subcultures means that all three subcultures may be pushed towards one particular culture type
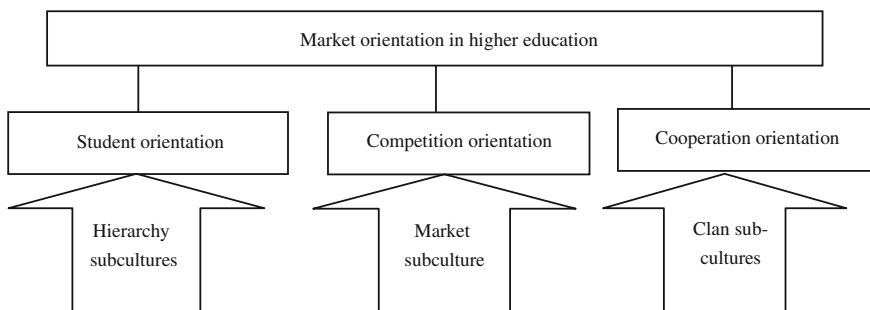

Fig. 5 The contributions of subcultures to market orientation

and one particular orientation. Thus, having a single culture type in the organisation, may lead to a lower overall market orientation and reduce the competitiveness of the organisation. Cultural audits are a means of understanding the values and perceptions of different subcultures in an organisation, but the need for mono- or multiculturalism depends very much on top management conducting a scenario analysis along the lines of asking: 'what if this subculture no longer existed?'
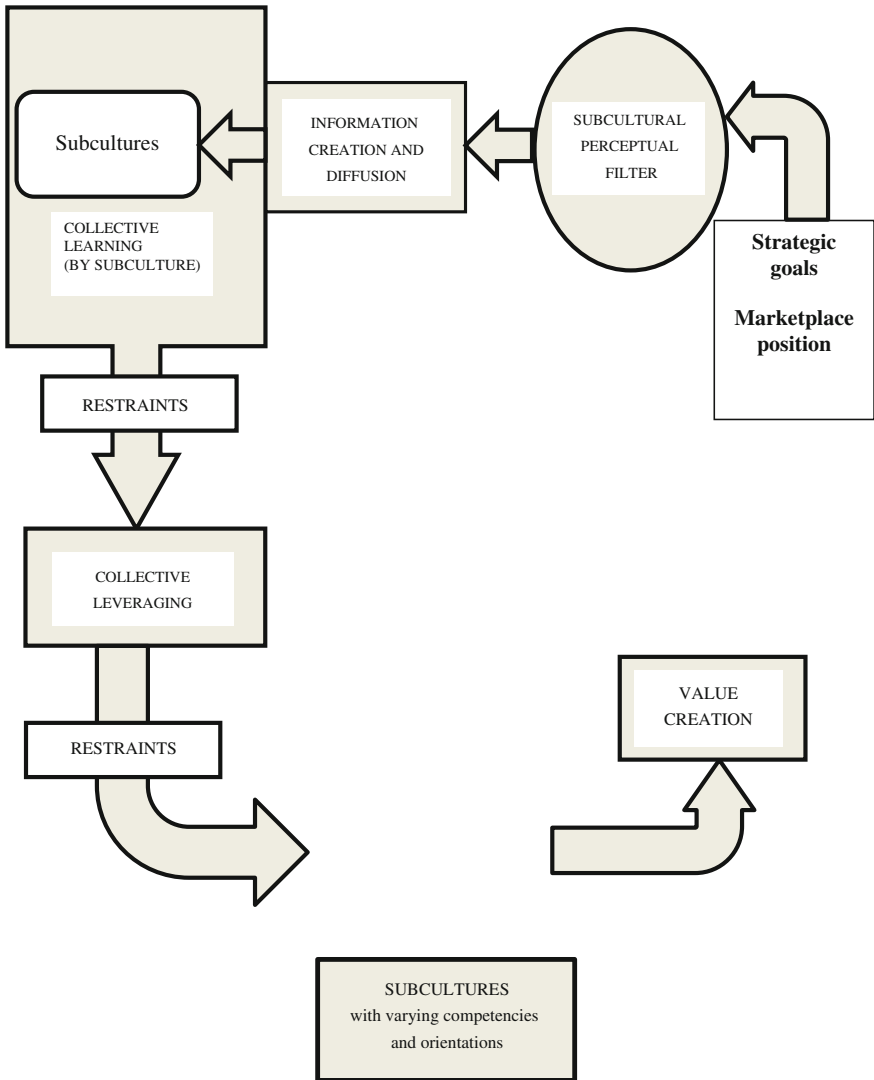

Fig. 6 How strategy unfolds in cultural diversity

Cultural Diversity and the Evolution of Strategy

The uppers tiers of management develop strategic goals based upon key considerations such as marketplace position and capabilities, whilst organisational subcultures evolve organisational competences relating to the information passed on to them concerning the organisation's orientation. However, the information received by top management on strategy is interpreted according to the subculture's view of themselves, others and the greater organisation, called the **cultural perceptual filter** [36] and is similar to the cultural lenses referred to earlier in this chapter. This process can be seen in Fig. 6.

It is through this model that management can appreciate the importance of implementation of strategy in a large organisation with great cultural diversity. Firstly, allowance needs to be made for how information is perceived and interpreted by subcultures. Second, management need to consider how information is diffused, i.e. although strategic plans and related information may be diffused through the hierarchy via top-down communication, information is diffused and interpreted within each subculture. Finally, value creation is specific to each subculture as **collective learning** will produce a range of different competences. Thus, value creation is seen in a range of orientations and associated competencies being covered by each subculture.

References

1. Schein, E. H. (1985). *Organizational Culture and Leadership. A Dynamic View*. San Francisco: Jossey-Bass.
2. Van Maanen, J., & Barley, S. (1985). Cultural organization: Fragments of a theory. In P. J. Frost, L. F. Moore, M. R. Louis, C. C. Lundberg & J. Martin (Eds.), *Organisational culture* (pp. 31–53). Beverly Hills, Sage.
3. Nahavandi, A., & Malekzadeh, M. (1993). *Organizational culture in the management of mergers*. Westport: Quorum Books.
4. Gregory, K. L. (1983). Native-view paradigms: Multiple cultures and culture conflicts in organizations. *Administrative Science Quarterly*, (28), 359–376.
5. Becher, T. (1987). The disciplinary shaping of the profession. In B. R. Clark (Ed.), *The academic profession*. Berkeley, University of California Press.
6. Bokor, A. (2000). Organizational culture and knowledge integration: The case of new product development. *PhD Thesis. Budapest University of Economics and Public Sciences.* Available at: http://phd.okm.gov.hu/disszertaciok/ (Accessed June 15, 2016).
7. Handy, C. (1993). *Understanding organizations* (4th ed.). London-UK: Penguin Books Ltd.
8. Hofstede, G. (1980). *Culture's consequences: International differences in Work-related values*. Beverly Hills, CA: Sage.
9. Martin, J. (1992). *Cultures in organizations: Three perspectives*. New York: Oxford University Press.
10. Deal, T. D., & Kennedy, A. A. (1982). *Corporate cultures: the rites and rituals of corporate life*. Reading, MA: Addison-Wesley.
11. Ogbonna, E., & Wilkinson, B. (1990). Corporate strategy and corporate culture: The view from the checkout. *Personnel Review, 19*(4), 9–15.

12. Seevers, B. S. (2000). Identifying and clarifying organizational values. *Journal of Agriculture Education* [On-line], *41*(3). Available at: http://pubs.aged.tamu.edu (Accessed May 04, 2016).
13. Schein, E. H. (1988). Organizational socialization and the profession of management. *Sloan Management Review*, (30), 53–65.
14. O'Reilly, C., & Chatman, J. (1996). Culture as social control: Corporations, cults and commitment. *Research in Organisational Behaviour*, (18), 157–200.
15. Schein, E. H. (1999). *The corporate culture survival guide*. San Franscisco: Jossey-Bass.
16. Hatch, M. J. (1997). *Organizational culture, organization theory*. New York: Oxford University Press.
17. Metzger, W. (1987). The academic profession in the United States. In B. Clark (Ed.), *The academic profession: National, disciplinary, and institutional settings* (pp. 123–208). Berkeley: University of California Press.
18. Fralinger, B., Olson, V., Pinto-Zipp, G., & DiCorcia, M. (2010). Organizational culture at the university level: A follow-up study using the OCAI instrument. *2010 EABR & ETLC Conference Proceedings*, Dublin, Ireland.
19. Dill, D. D. (1982). The management of academic culture: Notes on the management of meaning and social integration. *Higher Education*, (11), 303–320.
20. Trice, H. M., & Beyer, J. M. (1993). *The culture of work organizations*. Englewood Cliffs, N. J: Prentice-Hall.
21. Sackmann, S. (1992). Culture and subcultures: An analysis of organizational knowledge. *Administrative Science Quarterly, 1,* 140–161.
22. Valimaa, J. (1998). Culture and identity in higher Education research. *Higher Education, 36*, 119–138.
23. Trice, H. M. (1993). *Occupational subcultures in the workplace*. Ithaca, NY: ILR Press.
24. Van Maanen, J., & Barley, S. (1985). Cultural organization: fragments of a theory. In P. J. Frost, L. F. Moore, M. R. Louis, C. C. Lundberg & J. Martin. *Organisational culture* (pp. 31–53). Beverly Hills, Sage.
25. Boisnier, A., & Chatman, J. A. (2002). The role of subcultures in agile organizations. In R. S. Peterson & E. Mannix (Eds.), *Leading and managing people in dynamic organizations* (Chapter 6). Mahwah, NJ: Lawrence Earlbaum Associates.
26. Galunic, D. C., & Eisenhardt, K. M. (2001). Architectural innovation and modular corporate forms. *Academy of Management Journal*, (6), 1229–1249.
27. Heidrich, B., & Chandler, N. (October, 2011). The effect of market-oriented subcultures on post-merger higher education institutions. *US-China Education Review*, *1*(5).
28. Martin, J., & Siehl, C., (1983). Organizational culture and counterculture: An uneasy symbiosis. *Organizational Dynamics*, (122), 52–65.
29. Tushman, M. L., & O'Reilly, C. (1996). Ambidextrous organizations: Managing evolutionary and revolutionary change. *California Management Review, 38*(4), 8–29.
30. Barnett, R. (2000). *Realizing the university in an age of supercomplexity*. Buckingham: Open University Press.
31. Silver, H. (2003). Does university have a culture? *Studies in Higher Education*, *28*(2).
32. Kuh, G., & Whitt, E. (1988). *The invisible tapestry.* Culture in American Colleges and Universities. ASHE-ERIC Higher Education, Report No. 1.
33. Aronson, E. (1968). Dissonance theory: Progress and problems. In R. P. Abelson, E. Aronson, W. J. McGuire, T. M. Newcomb, M. J. Rosenberg, & P. H. Tannenbaum (Eds.), *Theories of cognitive consistency: A sourcebook* (pp. 5–27). Chicago: Rand McNally.
34. Palthe, J., & Kossek, E. (2002). Subcultures and employment modes: translating HR strategy into practice. *Journal of Organizational Change Management, 16*(3), 287–308.
35. Heidrich, B., & Chandler, N. (October, 2011). The effect of market-oriented subcultures on post-merger higher education institutions. *US-China Education Review*, 1(5).
36. Deneault, D., & Gatignon, H. (2000). *An evolutionary theory of firm orientation: from its behavioural to its strategic manifestations*, Fontainebleau, France: INSEAD. Available at: https://flora.insead.edu/fichiersti_wp/inseadwp2000/2000-09.pdf (Accessed July 13, 2016).