

Lindenwood University

Digital Commons@Lindenwood University

Theses

Theses & Dissertations

1997

The Effects of Organizational Culture on Employee Motivation

Vickie R. Newman

Follow this and additional works at: <https://digitalcommons.lindenwood.edu/theses>



Part of the Business Commons

THE EFFECTS OF ORGANIZATIONAL
CULTURE ON EMPLOYEE MOTIVATION

Vickie R. Newman, B.A.

An Abstract Presented to the Faculty of the
Graduate School of Lindenwood College in Partial
Fulfillment of the Requirements for the Degree of
Master of Science, Human Resource Administration

1997

COMMITTEE IN CHARGE OF CANDIDACY:

Professor Gareth Gardiner, Ph.D.
Chairperson and Advisor

Professor Betty LeMasters, Ph.D.

Peggy Shaw, M.S.

TABLE OF CONTENTS

List of tables.....	iii
I. Introduction.....	1
Origin.....	1
Social Information Processing.....	2
Theories.....	4
Statement of Purpose.....	8
Statement of Hypothesis.....	9
II. Literature Review.....	10
Summary.....	47
III. Method.....	49
Overview.....	49
Background Information.....	49
Participants.....	49
Survey Instrument.....	51
Measures.....	53
Summary.....	55
IV. Results.....	56
Summary.....	62
V. Discussion of Results.....	64
VI. Limitations.....	72
Summary.....	77

LIST OF TABLES

Table 3-1 Human Resource Attitude Survey.....50
Table 4-1 Means.....63

ABSTRACT

This thesis will focus on the study of organizational culture and the effect of the organization's beliefs and value systems on employee behavior. Current research has focused on the organization as the unit of analysis, rather than on the individual. Measuring individual behavior at the organizational level is a challenging endeavor. However, the measurement of organizational behavior, in its individual components, must be assessed for each individual within the organization.

The purpose of this study is to investigate the internalization of organizational culture by individuals and the resultant outcome behaviors. It is hypothesized that organizational culture, like societal culture, has a direct impact on individual behaviors.

Chapter I

INTRODUCTION

Origin

Organizational culture permeates organizational life in such a way as to influence every aspect of the organization (Saffold 546). There are many examples of recognizable organizational cultures in the United States. Microsoft, IBM, General Motors, and Worthington Steel are just a few of the organizations that communicate a strong sense of culture, not only to their members, but to outsiders as well. These organizations and others like them, maintain a strong identity that is communicated to the organization's members (Peters 3).

It has been suggested that organizational culture affects such outcomes as productivity, performance, commitment, self-confidence, and ethical behavior. Only within the last decade however, has this influence been seriously studied (Posner 293).

Organizational culture is defined as:

(a) a pattern of basic assumptions, (b) invented, discovered, or developed by a given, (c) group, as it learns to cope with its problems of external adaptation and internal integration, (d) that has worked well enough to be considered valid and therefore, (e) is taught to new members as the, (f) correct way to perceive, think, and feel in relation to those problems" (Schein 111, 1990).

Culture is not genetic, it must be learned. As individuals move along a cultural learning continuum, they pass through many different stages, shedding old beliefs and values, learning new ones as they continue from stage to stage. The process of teaching culture within an organization is similar to that of teaching societal culture (Pettigrew 570).

The term organizational culture was not used prior to 1979. However, the concept of organizations producing separate "cultures" came to the forefront as the idea of group norms was used in explaining the Hawthorne studies' results of the 1920s (Schein 113, 1990).

Through social information processing, derived from implicit goals suggested by the organization culture, individuals will experience an influence on their position in the organization. This leads to three states involving cultural influence: 1) acceptance, 2) non-acceptance and, 3) internalization.

Acceptance occurs when the individual understands and adheres to the norms and behaviors suggested by the organization. While not integrating the organization's values and beliefs with their own, individuals adhere

to the cultural suggestions in order to survive within the organization. Non-acceptance is defined as rejection of the culture, its values, beliefs, and norms. Internalization is the integration of the organization's values, beliefs, and norms with those of the individual's (Caldwell 248).

Early research into how an organization's culture impacts the performance of the organization suggests that organizational culture tends to manifest itself in "strong vs. weak" cultures. The relationship of strong/productive and weak/non-productive cultures implies that an organization's culture can be manipulated in order to elicit specific, desired behaviors, such as higher productivity (Vaill 85).

Peters and Waterman suggest that organizations maintaining strong cultures would exhibit more positive behaviors, such as profitability and increase in net worth, than those organizations maintaining weak cultures (Peters 8). A positive relationship between a strong culture and productivity has also been suggested (Vaill 87). A strong culture was believed to empower employees to exert more of themselves within the organization and create an energy within which

employees performed. However, the strong/weak relationship does not explain the way in which organizational culture influences the individual (Pascale 26, 1985).

Due to a void in the area of organizational culture research, Schein suggested a theory that integrated the theories of sociodynamics, leadership, and learning. Schein's work addressed culture within the framework of the individual's interaction with their environment. In recent years, organization culture has been considered within the context of cognitive processes through which the individual interprets his/her environment (Harris 201) and the individual's dependence on psychological aspects, such as involvement, consistency, adaptability, and mission (Denison 23, 1990).

Katz and Kahn emphasized the use of "systems theory" and based their study of organization around this approach. Systems theory suggested that organizations and their members are constantly influenced by their environment. Katz and Kahn did not use the specific term "culture" in describing this

theory, but suggested many of the relationships that are currently being studied (Katz 14, 1978).

Schein explored the interaction of the individual with the group, although the group is not defined in terms of size, complexity, or position. Shared problems and solutions are created through organizational culture, but Schein was unclear as to where the culture's influence was focused (Schein 109, 1990). The need for individuals to be included and accepted is suggested to bring about a desired and shared sense of identity. Schein also considered individual coping methods, personal and group growth, group conflict, and critical events in presenting the first component of his theory.

Schein assumed that individuals naturally become a part of the group; their behavior being driven by virtue of membership in the group. Therefore, group theory has some value in explaining the influence organizations maintain over the individual's behavior, but does not fully explain employee acceptance or integration of organizational norms (Schein 110, 1990).

Leadership theory has also been used to explain the effect of organization culture. Leadership helps create, shape, and maintain organizational culture. However, leadership does little to explain the internal workings of the cognitive effect. Interaction with the leader, both formally and informally, influences an individual's interpretation of information influenced by the culture. Leadership theory fails to explain the ways in which individuals are influenced by their surrounding environment (Schein 118, 1990).

Organizational culture is learned. However, learning theory is considered only in the context of reinforcement, with behavior being influenced by positive or negative consequences, while learning theory's effect on social information is ignored. Reinforcement is an integral part of the organizational culture's influence over the cognitive process. Organizational culture acts as a reinforcing agent not only in terms of behavior, but also in the way individuals receive and interpret information (Schein 118, 1990).

The effect of organizational culture has more recently been considered within a cognitive framework.

The cognitive theory focuses on the shared interpretation of objective and subjective information and the interaction of this information on individuals (Denison 5, 1984).

The cultural model Denison uses suggests that organizational culture maintains its influence through the individual's need for: 1) adaptability, 2) consistency, 3) involvement, and 4) mission. These needs are addressed from a cognitive perspective, with involvement and consistency representing internal dynamics and adaptability and mission representing the external dynamics of the organization. Denison explains behavior as a function of the organization's success (Denison 119, 1989).

Most research on organizational culture measures behavior on an organizational level. However, organizational culture is created, enhanced, and continued at the individual level. The degree of cultural acceptance or internalization of organizational culture must be assessed for each individual within the organization. Ultimately, individual measurement may be related to specific

outcome behaviors such as performance, job atisfaction, and job commitment.

Through self-regulation, individuals attempt to decrease the discrepancies between their actual behavior and the behavior expected by the organization (Dennison 25, 1990).

While research in the area of organizational culture has made progress over the last decade, current research remains primarily involved with measuring individual behavior on an organizational level. If the effects of organizational culture on the individual's motivation as a participant within the organization is to be studied within a cognitive framework, the individual must become the primary focus. The degree of cultural acceptance or internalization must be assessed for each individual.

This study will attempt to measure the organization's cultural influence on the individual and relate these measures to specific outcome behaviors such as, performance, job satisfaction, job commitment, and role ambiguity. The participants in this study are derived from several national and multinational organizations based in St. Louis, Missouri. The

organizations used in this study are a mix of service and production corporations and an employee-held partnership. Hopefully this study will enhance the understanding of organizational culture on individual behaviors, as these behaviors relate to employee motivation.

It is hypothesized that organizational culture, like societal culture has a direct impact on individual behavior. Further, that organizational culture, through the internalization process, will positively affect employee motivation, suggesting a positive relationship between internalization of the organization's values and resultant outcome behaviors.

Chapter II

LITERATURE REVIEW

The purpose of this chapter is to provide a brief history of organizational culture research and to review literature relating to the process by which culture influences the individual employee.

To understand the individual's perception of culture, behavior patterns are reviewed, focusing primarily on individual behavior patterns and their interaction with cultural information. The development and influence of categories, which are an integral part of patterns, are also reviewed.

Social information processes are reviewed as a reference to the social environment's influence on the individual, in the context of the social information received. The function of the work role in creating and maintaining organizational culture will be reviewed.

An examination of individual compliance to social norms, values, and beliefs will be reviewed to evaluate consistency theory, reinforcement theory, and extrinsic and intrinsic motivational factors. By examining these motivational factors, the result of organizational

culture on employee motivation can be studied. A review of self-regulation will examine individual employee's attempts to integrate their behavior with the behavior suggested by the organization's culture.

Organizational culture has been defined as the "normative glue" that holds an organization together. Culture is the set of characteristics that describe an organization and distinguish it from others. Schein defines culture as:

(a) a pattern of basic assumptions, (b) invented, discovered, or developed by a given group, (c) as it learns to cope with its problems of external adaptation and internal integration, (d) that has worked well enough to be considered valid and, therefore (e) is to be taught to new members as the (f) correct way to perceive, think, and feel in relation to those problems. (Schein, 1985)

The use of myths, symbols, artifacts, and stories is critical to the continuation of societal culture.

Lewis describes myth and story as a sacred prehistory, a time before time, in which nothing seems too difficult or impossible. The process of enculturation within an organization is also similar to societal culture (Pettigrew 570).

Culture is not genetic, it must be learned. As individuals move along a cultural learning continuum, they pass through many different stages, shedding beliefs and values and learning new ones as they continue from stage to stage (Pettigrew 570).

While there are similarities between societal and organizational culture, there exists functional differences which restrict the transfer of theory and methodology from one to the other. While both draw on the use of artifacts, myths, and stories in developing theories of consistent behavior, little else appears consistent between the two (Pettigrew 572).

Schein provided a concise history of organizational culture research. While the term organizational culture was not used prior to 1979, the concept of organizations producing separate "cultures" came to the forefront as the idea of group norms was used in explaining the Hawthorne studies' results of the 1920s (Schein 111, 1985). Katz and Kahn emphasized the use of "systems theory" and based their study of organizations around these systems approach (89).

Systems theory suggested that organizations and their members were constantly influenced by their environments. Katz and Kahn did not use the term "culture" in describing this theory, but suggested many of the relationships that are currently being studied (14).

Socialization theory developed during the 1970s. Socialization theory explores the interaction between the individual and a new work environment. The mixture of values, norms, and parameters of behavior is key to the concepts of both socialization and organizational culture.

Socialization can be viewed as the initial phase of the enculturation process. During an individual's organizational life, the socialization process will continue to reemphasize the organization's norms and values, serving as a monitoring device. This self-monitoring allows individuals to assess their relationships with the organization (Feldman 442).

The earlier studies on group norms and systems theory focused on the effect of culture on the organization or on the different subgroups within the

organization. Socialization theory was the first to examine the individual as the unit of analysis. However, socialization was not seen as an extension of organizational culture research. Studies into the area of the organization's impact were not extended as organizational culture research continued (Schein 109).

The early 1980s brought a renewed interest in organizational culture, motivated by the observance of an increase in Japanese productivity. It was believed that this increase was the direct result of the Japanese system of management, which was heavily influenced by the culture of loyalty, dedication, and unity (Pascalle 101).

During this same period, researchers began focusing on the concept of "strong culture" as the determining factor in organizational productivity. The "strong culture hypothesis" suggests that for an organization's culture to contribute to enhanced performance, it must possess distinctive "traits" (Peters 8).

It was suggested by Deal and Kennedy that a strong culture lends itself to improved performance and

success (Vaill 85). A strong culture is also suggested to create strong forces within the organization and to empower employees with the ability to improve the organization (Pascale 26).

The emphasis placed on strong culture seemed logical, although the measurement of strong culture was problematic. In most instances, the researcher spent time within the organization, interviewing, observing, and sometimes participating to determine and qualify the strength of the culture. There was little consistency in the methodologies used in these studies; the only common thread was the use of the organization as the unit of analysis (Pascale 26).

In more recent years, Harris suggested a cognitive approach to the study of organizational culture, wherein specific patterns of behavior can be identified. Harris' research suggests that individuals combine their personal patterns with their subjective reality of the environment. Harris suggests this interaction influences the individual's subsequent behavior. This explanation breaks from the traditional view of organizational culture, since the theory

considers the cognitive process as a key variable in understanding the culture's influence (Harris 201).

Progression within the area of organizational culture has been difficult. However, Schein's work in this area resulted in an agreement to the definition of culture.

In addition to defining culture, Schein also suggested three dimensions in which organizational culture is displayed: 1) Artifacts, 2) Values, and 3) Underlying Assumptions. Organizational culture can be identified and measured along each of these dimensions (Schein 108).

Schein categories artifacts as:

everything from the physical layout, the dress code, the manner in which people address each other, the smell and feel of the place, its emotional intensity, and other phenomena, to the more permanent archival manifestations such as company records, products, statements of philosophy, and annual reports. (111, 1985)

Schein suggests that artifacts are problematic, in that while they are palpable, they are not reliable indicators of the members' reaction to them. Further, artifacts do not explain the "why" or meaning to organizational members.

This study focuses on organizational culture's influence on the individual, resulting in behavior that is acceptable to the organization and motivational to the employee. The influence of the organization's culture begins with the organization's norms, values, and the desired behaviors becoming integrated as part of the individual's belief system.

Upon entering an organization, individuals bring pre-existing expectations and beliefs with them. These expectations and beliefs will immediately be challenged by information about the organization, changing most dramatically during the initial interaction with the organization.

As individuals continue their tenure with an organization, their belief and value structures grow and become more complex, leading to behavior that is influenced by the surrounding culture. Taylor and Crocker suggest that three types of patterns exist: 1) person patterns, 2) role patterns, 3) social or event patterns. Each of these patterns play an important role in the organizational culture's influence over the individual (Schank 154).

Role patterns and social patterns address the interaction between the individual and the environment. Role patterns suggest that individuals maintain conceptions of different occupations, such as policeman or banker, or specific social groups, such as, Blacks or Asians. Organizational culture's influence over role patterns shape the individual's perception of internal and external social roles, creating a consistent perception of these roles (Schank 154).

Social patterns outline acceptable behavior in social settings or events. Known as scripts, this awareness by the individual is influenced by organizational culture through the constant reminder of previous reward systems maintained by the organization. This behavior reinforcement, continued through organizational culture, sets the parameters for acceptable behavior (Schank 154).

Individuals are aware of recurring behaviors and this awareness allows them to identify appropriate modes of behavior in situations that provide ambiguous information. Self-awareness allows the individual to go beyond the existing information and make predictions about one's self and one's role (Markus 300).

As individuals continue their tenure with an organization, they can become experts in terms of organizational patterns. Through constant exposure to the organization's culture, these experts can develop a deep and complex pattern that can influence the interpretation of information and future individual behaviors.

Individuals who become organizational experts will spend most of their time looking for consistent information about the organization. However, complex individual patterns may contain information that is not consistent with the organization's culture.

Individuals may become aware of information that allows them to circumvent organizational directives while still appearing compliant. Complex individual patterns contain information that allows the individual to understand the range of behaviors acceptable to the organization (Schank 156).

The concept of organizational culture's influence on patterns is not new. Harris presented a cognitive theory regarding the effect of culture on the organizational member. This model suggests that the internalized patterns of organizational members

interacts with their subjective experience, leading to subsequent behavior. This behavior is shared by other members of the organization and becomes reality within the organization. In this way, culture gives meaning to the organizational members. This theory addresses the individual as the key variable in the organization's culture. Individuals use their representations of the culture to direct future behavior. This behavior reinforces the culture (Harris 201).

By following a fixed set of rules common to all members, culture is generated by individuals. The establishment of norms and values, or shared cognitions, sets the organization apart from other such entities. By creating norms and values, organizational culture develops specific frames of reference that allow individuals to interpret events and respond in acceptable ways (Rossi 40).

Denison suggests that organizational culture projects "existing normative structures" which allow the organization's members to adapt to ambiguous situations. These structures are: 1) involvement, 2) consistency, 3) adaptability, and 4) mission. Denison

also suggests specific concepts in which organizational culture influences individual behavior. These concepts allow individuals to receive, interpret, and preserve cultural information (28).

As individuals continue their tenure with an organization, they receive information that suggests standards of acceptable behavior. However, their capacity to receive, encode, and retain this information is limited (Newell 72).

By categorizing information, individuals are able to manage this onslaught of information, allowing a pattern to emerge that provides the individual an ability to assimilate large amounts of information. Individuals then use this information to interact with the organization, co-workers, and environment.

Categorization allows the individual to readily recognize specific information and to quickly place that information into the proper category (Newell 74).

Individuals rely heavily on their ability to categorize information. In order to accomplish categorization, individuals must be able to classify social objects into their specific categories and know the attributes of that particular category.

Information concerning the central tendency of the category is stored in memory. Individuals will sometimes distort their perception of information in order for that information to be more consistent with an existing category.

Existing patterns and categories operate within the context of social information processing. The retrieval, storage, and recall of information is influenced by this process (Phillips 486).

Social Information Processing

Social information processing is the interaction of facts and social information that jointly determine individual perceptions. As individuals enter the work setting, they bring with them preconceived ideas about the organization. These pre-entry concepts are created through information received by the individual concerning the organization.

Once the individual has entered the organization, any new information received will be evaluated based on prior information. This concept, known as social information processing, suggests that individuals perceive and react to characteristics of their environment based on prior information and their

subsequent behavior is influenced by this information (Schank 154).

These social cues play an important function in determining the perception of individual attitudes about one's environment. Caldwell suggests that the social environment produces two general effects. The first suggests that cultural characteristics make certain information more important, thus influencing perception and interpretation. The second proposes that there may exist a creation of meaning through exposure to the attitudes of others (Caldwell 250).

Storage and Processing

Prior attitudes, stereotypes, expectations, and goals are often ignored within the social information processing framework. Social information processing is an interrelated system of both storage and processing units. The operation of this system of information processing is monitored to control the flow of information from one individual to another.

The flow of information is determined by recognition of information, as well as the individual's prior knowledge and reference points. The cultural

meaning contained in words, behaviors, and events is of importance. These communications give the organization a sense of identity and help distinguish it from others (Caldwell 254).

The goal orientation of the individual is a key element in the flow of information. The individual's orientation contains the tactics that determine the pattern of activity needed to reach the perceived goal, bringing together both storage and processing in explaining how individuals exchange information within a social context (254).

Formal and Informal Rules and Group Norms

As individuals enter an organization for the first time, they are bombarded with many different types of information. This information includes formal rules and directives, informal rules indicated by social cues which suggest behaviors acceptable to the organization, and subgroup norms and values. Each of these types of information are supported and continued by the organizational culture (Van Maanen 287).

Formal rules and directives often dictate a minimal level of expected behavior. These rules are well publicized and often dictate work roles, which

make up the organization. Individuals will evaluate these formal work rules, clarifying their tasks and appropriate behaviors. The content of the formal rules will be influenced by the organizational culture.

Organizations also maintain informal, unwritten rules of behavior; which individuals may more closely follow than formal rules. Adherence to these informal rules is often vital to survival within the organization (Peters 8).

Organizational culture affects individual behaviors through the information passed down by rites, rituals, ceremonies, values, and stories. In a day-to-day exposure to the organization, individuals are constantly reminded of these cultural components.

Individuals construe meaning through exposure to the expressed attitudes of others within the environment. Caldwell suggests that individuals are adaptive and often adjust their behaviors to their social surroundings. These surroundings may make certain information more important. Exposure to the organization also highlights the consequences of non-adherence to the suggested behaviors (Caldwell 258).

Subcultures may arise within the organization as well. These subgroups create their own agendas and cultures by filtering information to subgroup members.

Subgroup cultures are not always in agreement with the organization's culture. However, with time, these subgroups are often able to coexist and maintain their own identity (Katz 82).

Importance of Past Behavior

The processing of cultural information highlights the effects of past behaviors. In effect, social information processing allows certain past behavior to become more important than other behaviors, which do not support the information being received.

It is through the act of information processing that individuals interpret new events within the context of previously received information. New information is compared with existing information in an effort to validate the new information. New arrivals to the organization seek out information concerning the organization in order to ease anxiety created by the newness of their surroundings. This new information will become the basis of their behavior patterns within the organization (Katz 180).

Information Filtering

Organizational members seek out and use information as the basis for their organizational patterns. However, individuals do not use all of the information received. Individuals often only notice those characteristics within their surroundings which are of importance to them. This selective information processing suggests that individuals filter out undesirable or inconsistent information, leaving that which is consistent with the individual's existing beliefs. This filtering process leads to reinforcement of the individual's existing beliefs and enhances the effort to seek out information which supports the characteristics of the organizational culture which are desirable (Lewicki 1177).

Individuals must perceive the existence of the culture and its values and norms if they are to be influenced by the information provided. As information is received, it is constantly validated by organizational members for its conformity with the existing organizational pattern. This pattern supplies

assumptions concerning social behavior, which may affect the processing and recall of information. Organizations are themselves culture producing entities and this process is responsible for the consensus of acceptable behavior often found within organizations (Martin 54).

Social information processing is the method by which individuals interact with cultural information. The effects of formal, informal, and subgroup norms often takes place within the context of the individual's work role.

Information is often supplied by and through the work role. The work role's influence adds to the understanding of social information processing within an organizational culture context.

Work Roles

Katz and Kahn describe work roles as "...the summation of requirements which the system confronts the individual member" (84, 1978). Upon entering a work role, individuals are faced with new expectations for their behavior. These expectations are generated by the organization, peer group, and subordinates. In some cases, this individual/role interaction results in

conflict created by ambiguous information regarding role expectations or value systems which are incompatible with the role. A strong organizational culture will not only influence the creation of these roles, but also the expected behaviors of role incumbents (Katz 186).

Toffler presents a developmental model suggesting how roles are created and maintained. Behavioral outcomes are a result of role task, role ambiguity and person/role conflict. Toffler's research suggests that the interaction of role ambiguity and person/role conflict is key to understanding the influence of organizational culture (394).

Roles at the management level often require a higher degree of responsibility and loyalty than non-management roles. These higher expectations can influence the manner in which individuals seek out information supporting their beliefs. As these roles require more responsibility and loyalty, individuals might seek out information supporting these requirements. Organizational culture can provide this information by continuing stories and myths supporting such behavior and reduce role ambiguity (Toffler 398).

Managerial work roles often take on a professional nature. Individuals can become comfortable with the professional work role, even though their organizational work role remains ambiguous.

Organizational culture can create a professional atmosphere through the information it carries. This information defines the parameters through which behavior is established and the degree of boundary spanning which is allowable. Work roles provide a consistent manner by which they pass along organizational information. By maintaining a consistent source of information, work roles give the individual a standard to evaluate their own beliefs (Toffler 403).

Values

Cultural learning begins with the imitation of someone's original values. When faced with a new situation, key members of the organization will make decisions based on their personal value systems. If the member makes the right choice, the values used in the decision are transformed into beliefs and eventually into assumptions (Schein 112).

Values are enduring beliefs regarding specific manners of behavior or states of existence. These values are conceptions that are personally or socially desired. Values could be changed through life experiences. Ravlin and Meglino defined values as "...beliefs about the way an individual ought to behave" (155).

Within social exchange, shared values allow individuals to predict the behavior of other. Organizational culture creates this shared sense of experiences or beliefs. However, for organizational culture to exist, the organization's members must share a long history or important experiences. It is from these shared experiences or history that feelings, attitudes, espoused values and overt behavior converge to form the organization's culture (Schein 111).

Through rewards and restrictions, organizations maintain behaviors that represent their values and continue the existence of and adherence to the desired values. Adherence to these values can result in individual values that become more similar with those of the organization over time (Caldwell 254).

Consistency Theory

Consistency theory plays an important part in the individual's reception and interpretation of social information. It is suggested that certain types of information or emotional experiences are more suited to individuals, based on their predisposition's, and that these individuals will seek out information and situations that support these elements. Any inconsistency in information or environment will lead to emotional states that will elicit behaviors that attempt to reduce the uncomfortable situation.

Consistency theory supports the information processing theory by suggesting the manner in which individuals seek out, retain, and use information provided by the environment. It is through this process that individuals evaluate and then consciously or unconsciously decide to continue culturally influenced behavior (Feldman 438).

Behavior is based on self-concept. Individuals vary their performance to be more similar with their self-evaluation. Several motivational influences drive

behavior toward consistency. These influences include the pressure to produce, the type of reward system, the and effects of personality, such as self-esteem.

Individuals strive for consistent balance, driven both by intrinsic and extrinsic forces. The interaction of this need for consistency and the expectations of others affects individual behavior (Korman 51).

Reinforcement Theory

Culturally accepted behaviors also influence the way that information is perceived and evaluated by individuals. Cultural information indicates acceptable behaviors and outcomes. This information acts as reinforcement for the continuation of certain behaviors. Thompson and Luthans suggest that there are multiple reinforcing agents found in an organizational setting. Through myths and stories, individuals learn of the reward systems used by the organization. By consistently reinforcing behavior, not only with myth and story, but also with day-to-day practice, the organization creates an environment that is influenced by the existing culture (Thompson 88).

Reinforcement theory creates responses that influence the evaluative process. These evaluations often lead to a feeling of attraction or aversion for the responding individual. Through expectations, attractiveness, and similarities, individual behavior is reinforced. Changes in an individual's opinions are reactions to incentives or reinforcements. Reinforcement theory not only affects behavior, but opinions and attitudes as well (Schein 94).

Intrinsic and Extrinsic Motivation

Extrinsic rewards such as pay, promotion, and fringe benefits initially satisfy an individual's needs. An individual's organizational survival is imperative for the continuation of these extrinsic rewards and subsequent satisfaction of these needs.

Compliance with behavioral parameters suggested by the organizational culture should increase the probability of an individual's organizational survival. Extrinsic rewards reinforce culturally accepted behaviors and increase the likelihood that these behaviors will be repeated. Individuals should be more likely to accept the culturally suggested behavior if

they perceive the availability of extrinsic rewards sufficient to meet their needs (Deci 217).

However, organizational culture should have more influence over the creation of an intrinsic reward system. There are two key antecedents for intrinsic motivation: 1) personal control and 2) feelings of competence. Personal control can be conceived as perceived freedom to behave without the suggestions of others (217).

Organizational culture creates both antecedents of intrinsic motivation. As individuals first encounter culture, certain behaviors are suggested. To survive within the organization, it is essential that these behaviors are followed and repeated. If over time, the individual begins to accept and internalize the culture and suggested behaviors, the motivation for adherence to these behaviors may be perceived as being internally generated. In an attempt to produce these behaviors, individuals may comply with culturally suggested behaviors because they perceive them as being the right thing to do; with no anticipation of external reward (Deci 217).

Organizational culture influences both extrinsic and intrinsic motivational factors. As extrinsic factors are consistently met, the individual may view the organization within the context of positive and "good".

Intrinsic motivational forces may instill a sense of cultural ownership within the individual. Individuals will have a stake in the continuation of the culture, and their behavior will be directed toward this continuation. This behavior will be construed to have an internal focus; as the individual has now accepted the culture and cannot separate the intrinsic influence from their own internal motivational forces (Deci 219).

The consistency of individuals' values and those with whom they have close contact often result in positive organizational outcomes such as higher job satisfaction and commitment. Organizational culture reinforces existing value systems that are consistent with the organizational values, or helps restructure individual value systems that are inconsistent with those of the organization. A fit of these values upon entry predicts organizational success. Culture

however, only communicates to its participants what they are supposed to do and creates an image of punishment when these behaviors are not followed (Beals 141).

Self Regulation

Bandura suggests that future behaviors are guided by personal cognitive processes. These cognitive processes help the individual become more determined in obtaining these future behaviors, as they become internal goals.

Bandura's cognitive process includes: 1) self-observation, 2) self-judgment, and 3) self-reaction. Self-observation allows the individual to gather information necessary for evaluation of behavior and performance. Self-judgment allows the individual to judge performance against internal standards such as, morals, values, and culture. Self-reaction is a result of self-observation and self-judgment: leading to behavioral responses that increase positive behavior and decrease negative behavior (90).

Through self-regulation, behavior is influenced by the comparison of actual behavior and desired expectations. This study will focus on the three

dimensions of characteristics believed to be the desired typical organizational member. These dimensions are an accurate perception of co-worker characteristics, an understanding of organizational complexity, and the perception of an effort/performance/reward contingency. It is proposed that these dimensions may influence the individual to perceive their values and those of the organization as in agreement.

Individuals maintain what Markus has described as self-schemas or characteristics. These self-schemas include not only person values and beliefs, but also suggestions for behavior in situations of ambiguous information (Markus 63).

Self-schemas allow the individual to make predictions concerning behavior. Individuals experience and evaluate their environment in terms of their self-schema, with the accompanying norms, beliefs, and permissible behaviors (Markus 63).

Whether new to the organization or a long-standing member, the individual maintains perceptions of the organization's values, beliefs, and norms. The

distance between the personal and organizational values, beliefs, and norms may influence the way that individuals receive, interpret, and pass along organizational information.

There also exists objective organizational characteristics with which the individual interacts. This research suggests that a large proportion of individuals will recognize and use this information to enhance their existing organizational schema. However, it is possible that some individuals may impart information which is incorrect or not sanctioned by the organization. As more information becomes available, the ability of these individuals to evaluate their behavior in terms of the organization's behavior parameters may be compromised.

Essential to the organization's culture are the concepts of acceptance and internalization. These components are influential in the individual's behavioral outcomes. Acceptance and internalization define the degree to which individuals accept the norms, values, and behaviors suggested by the organization.

Acceptance of an organization's culture suggests that individuals are aware of behavioral requirements that will facilitate their organizational survival. By reinforcing behavior that satisfies individual needs, culture influences the acceptance of the organization's values and beliefs. While the individual is continually aware of the need to meet these requirements, there may still be resistance to accept these values and beliefs into the self-schema.

Many characteristics of the organization's preferred typical member may already be similar to those of the individual. Most individuals will be quick to observe organizational attitudes and behaviors which are already a part of their makeup. However, each individual will have a slightly different view of this preferred typical member due to the influence of the self.

If individuals evaluate the organization's values as similar to their own, internalization occurs. Eventually, individuals may be unable to separate their self-characteristics from their organizational characteristics.

Individual values suggest the way individuals ought to behave, just as organizational values suggest the way organizations expect members to behave (Schein 110). As these two value systems become similar, what organizations perceive as desirable behavior becomes the same as the individuals perception of correct behavior. Individuals who maintain value systems close to those of the organization are more likely to view the organization's value system as their own, and support these values.

As it provides for the extrinsic needs of the individual, organizational culture creates an acceptance within the individual. The continuation of this acceptance and the satisfaction of extrinsic needs will create a state of confidence within the individual.

Intrinsic needs such as confidence, self-esteem, and self-respect, created by cultural acceptance, will be reinforced by adherence to the culture. As these needs are met, the individual will begin to view the values and beliefs that helped meet these needs as correct. This correctness will lead to an internalization of the organizational values. At some

point, individuals may be unable to discern their values from those of the organization.

The members degree of acceptance and internalization of the organization's values and beliefs is influenced by three key dimensions. These dimensions are: 1) accuracy in the perception of organizational characteristics, 2) complexity of the organizational characteristics, 3) perception of an effort/performance/reward contingency.

Accuracy of Co-Worker Characteristics and Attributes

The attributes of an organization consist of culturally influenced characteristics (Schein 58). The messages transmitted by these attributes are intended to convey the culture's characteristics.

An understanding of the accepted norms, values, and behaviors will allow individuals to evaluate their behavior against these characteristics. The result should be positive, both in the attainment of organizational rewards and organizational survival. Inaccurate information could possibly lead to undesired behaviors, resulting in organizational sanctions and possible termination.

The accuracy of the perceived values and behaviors of an individual's work role is also essential if individuals are to internalize the culture, or begin viewing the organization's values as their own. An accurate perception of organizational reality will allow for a more effective evaluation of association between individual and organizational values and norms.

Work Role

Upon entering an organization, individuals are usually assigned to a specific work role (Katz 32). Formal rules and specific duties, prescribing desired behavior, rewards, and sanctions, accompany these work roles.

Informal rules and norms are also part of the work role, although not always readily understood by the veteran employee. However, these informal rules and norms will become apparent as the individual interacts with the work role on a day-to-day basis (Van Maanen 287). An understanding of these guidelines will allow individuals to evaluate their values and behaviors in context of the acceptable organizational parameters.

The information affixed to the work role has been created or influenced by the organization's culture.

The work role is the initial medium through which the organization imparts culturally oriented information. An accurate perception of this information allows individuals to begin a meaningful evaluation between their own values and beliefs and those of the organization.

Work roles may also influence the feeling of similarity between the individual's values and those of the organization. If there is little agreement between the values and behaviors of individuals and their work roles, it is unlikely that the individual would be successful in that role.

Cultural Information

Organizations maintaining strong cultures often convey information in a positive sense that encourage the suggested behavior (Peters 40). Through myths, stories, and artifacts, organizations can communicate with their members in a positive and reinforcing manner. Without accurate information, individuals have no common ground with which to evaluate and regulate their behavior.

Rewards

The perception of an effort/performance/reward relationship is also an important element in development of the preferred typical member. The reward systems communicated by the organization's culture become part of the individual's organizational identity and affects decisions concerning behavioral choices.

If organizational culture is to have a lasting effect on the individual, it must be consistent in rewarding and sanctioning behavior that has been deemed desirable/undesirable.

It has been suggested that when expectations are not met, individuals report lower job satisfaction and commitment, two dimensions that are directly affected by organizational culture (Wanous 53). By suggesting and reinforcing desired behaviors, organizational culture influences decisions related to behavior, and tends to make the behaviors of organizational members more similar.

Job Satisfaction

Research in the area of job satisfaction has taken many different approaches such as, dispositional,

situational, task design, and social information processing. While the debate continues among different camps, Locke (1307) suggests that job satisfaction is predicated by an internal evaluation of values and beliefs.

Organizational culture suggest values that are considered desirable by the organization. Individuals who have internalized the values of the organization should find it difficult to differentiate their values from those of the organization. The fulfillment of important values should result in the perception of increased satisfaction (Locke 1307).

Commitment

The internalization of organizational values should create a strong belief in the belief in these values, and subsequently create a perception of individual commitment to the organization. Internalization also influences behaviors that support the values of the organization and the individual.

Commitment is an important outcome of internalization, as it helps to ensure a employee base that is likely to maintain and continue the culture.

Organizational commitment is negatively related to turnover (Mobley 493). It has been suggested that the length of time organizational members have been together and their stability are functions of the degree of consistency maintained by the culture (Schein 109).

Commitment has yet to be explicitly studied in the context of organizational culture. Through culture's influence on values and beliefs, individuals should experience a feeling of commitment to the ideals and goals of the organization.

Summary

Research in the area of organizational culture has concentrated primarily on the organization. Present research ignores the individual and assumes much about the behavior of organizational members in response to the organizational culture. The purpose of this research is to explore the effect of organizational culture on the individual and examine the process which leads to this effect.

For organizational culture to influence the individual, the cognitive process must include the content, values, and norms of the culture. This is

accomplished through the interaction of existing organization characteristics and societal information. This interaction is assisted by social information processing, resulting in a change in existing organizational characteristics. Within the organizational plan, an organizational member is developed that embodies the norms, values, and acceptable behaviors of the organization.

Social information processing transmits the organization's culture that directs the individual's behavior. Interacting with social information processing are the motivational factors suggested by consistency and reinforcement theory, and the effects of intrinsic and extrinsic motivation.

Chapter III METHOD

Overview

This research consists of a field study that examines the effect of organizational culture on the individual. The setting for the study was a service organization. The organization used in the study is a multi-national firm, headquartered in the St. Louis metropolitan area.

Background Information

The organization used in the study was an investment firm. Various work groups were represented. Individuals representing management and non-management employees participated in the study. The number of personnel varies from group to group. This organization offers a variety of services and maintains a dominant presence within the community.

Participants

One hundred surveys were distributed. The sample consisted of 80 employees who participated voluntarily. The sample represents a diverse workforce, comprised of individuals of varying educational and socio-economic situations. Education levels ranged from

completion of the twelfth grade to graduate degrees in administration, finance, accounting, and economics. The average educational level of the sample population was 13.56 years.

The sample population had the following composition: ninety-four percent female, seventy-five percent Caucasian, twenty-five percent African-American. The average age of respondents was 36.4 years. The average length of employment with the company was 10.97 years, while the average length of employment in the current position was 4.43 years. Eleven percent of the sample population held a managerial position.

The research consisted of the administration of the survey (table 3-1). It was not possible to use individuals from the sample population for pre-testing of the measures. The survey questions were intended to be representative of a typical organization and not idiosyncratic to a specific organization. Respondents were asked to respond to statements using a 5-point Likert type scale ranging from "Disagree strongly" to "Agree strongly."

The survey instrument used was intended to capture the individual's level of job satisfaction, role clarity, performance and organizational culture.

Table 3-1

HUMAN RESOURCE ATTITUDE SURVEY

This questionnaire is designed to explore a number of questions about the reactions of people in work situations. This study is being conducted using randomly selected groups of employees from your organization. It is completely confidential and is meant only for research purposes. It will not be shared with your employer.

Age: _____ Race: _____ Sex: _____

Current job title: management _____ non-management _____

How long have you worked for this company _____

How long have you been in your current position _____

Education: What is the highest grade you have completed _____

I am satisfied with...

	Disagree Strongly	Disagree Generally	Neutral	Agree Generally	Agree Strongly
1. This job, generally	1	2	3	4	5
2. The amount of pay and fringe benefits I receive	1	2	3	4	5

3. The amount of personal growth and development I get in doing my job	1	2	3	4	5
4. The feeling of worthwhile accomplishment I get from doing my job	1	2	3	4	5
5. The amount of independent thought and action I can exercise on my job	1	2	3	4	5

With regard to my company...

	Disagree Strongly	Disagree Generally	Neutral	Agree Generally	Agree Strongly
6. I am proud to tell others that I am a part of this organization	1	2	3	4	5
7. I am willing to put in a great deal of effort beyond that which is expected to help this organization	1	2	3	4	5
8. I find that my values and the values of this organization are similar	1	2	3	4	5
9. This organization inspires the very best in the way of job performance	1	2	3	4	5
10. For me, this is the best of all possible organizations for which to work	1	2	3	4	5

I do what I am asked on this job...

	Disagree Strongly	Disagree Generally	Neutral	Agree Generally	Agree Strongly
11. Because that is the only way to get ahead in this organization	1	2	3	4	5
12. Because I believe it to be the right thing to do	1	2	3	4	5
13. Because my beliefs are similar to those of this company	1	2	3	4	5
14. Because it is the only way to keep my job	1	2	3	4	5
15. Because it is the only way to get along with my supervisor	1	2	3	4	5

My typical co-worker is:

	Disagree Strongly	Disagree Generally	Neutral	Agree Generally	Agree Strongly
16. Conservative in their personal beliefs and values	1	2	3	4	5
17. Dependable and someone I can count on for support	1	2	3	4	5
18. Concerned about the continuation of their career advancement	1	2	3	4	5
19. Someone who exemplifies honesty and integrity	1	2	3	4	5
20. Someone who is very interested in personal and professional achievement	1	2	3	4	5

Measures

Job satisfaction was measured using five questions (items 1 through 5), i.e.; "I am satisfied with the feeling of worthwhile accomplishment I get from doing my job." A five point Likert type scale was used to score these items.

Job commitment was assessed using five items (6 through 10), i.e.; "With regard to my company, I find that my values and the values of this organization are similar." This group of questions captures the strength of the individual's involvement in the organization. A five point Likert type scale was used to score these items.

Job performance was measured by (items 11 through 15). This section assesses the individual's acceptance of the organization's culture and motivation in performance of job responsibilities, i.e.; "I do what I am asked on this job because it is the only way to keep my job." A five point Likert type scale was used to score these items.

Organizational culture perception accuracy was measured using items 16 through 20). These items assess the individual's perception of the organization's culture and the individual's perception of role clarity within the organizational framework. A five-point Likert type scale was used to score these items.

Participants were asked demographic and experience information. Information concerning age, sex, job title, length of service in the organization, and education was collected on the survey instrument. This information was used to determine if a correlation exists between individual's acceptance and internalization and the aforementioned variables.

Summary

The preceding chapter describes the participants of this research, as well as the procedures used to develop constructs specific to this study. The following chapter presents the results of the statistical analysis performed on this data.

Chapter IV

RESULTS

Means and standard deviations (Table 4-1) were calculated for all variables measured in the study. The following section will discuss the process used to examine the measures of internalization and acceptance.

It has been suggested that internalization and acceptance represent two separate cognitive states regarding the values and behavioral parameters of an organization. In order to determine this, a simple mean was calculated on subjects' responses to each item.

From the survey instrument, items 12 and 13 were used to develop the mean for internalization. The mean for internalization was 3.06 with a standard deviation of .63. The range was 3.40.

Acceptance characteristics were calculated on items 11, 14, and 15 resulting in a mean of 3.01, with a standard deviation of .95 and a range of 4.00. Using regression analysis, there was no interaction effect seen between internalization and acceptance on any of the variables.

Items 11 through 15 were also used to assess individual performance. The global calculated mean of these items indicates a result of 3.03, with a standard deviation of .76 and a range of 2.70. Through regression analysis, a positive relationship between the degree of internalization and the individual's performance was not supported. It is possible that the performance measure did not fully indicate the individual's performance.

Performance is often considered as an aspect of the work experience which can be objectively measured. The search for objective data to support the idea of performance may be another reason for the lack of association between internalization and performance.

Job satisfaction was calculated on items 1 through 5, resulting in a mean of 3.59 with a standard deviation of .75 and a range of 3.33. Regression analysis indicates a relationship between internalization and job satisfaction ($r=.27$). There was a significant, but negative relationship between acceptance and job satisfaction, ($r=-.39$). Further analysis revealed that the correlation between internalization and job satisfaction was significantly

higher than the correlation reported between acceptance and job satisfaction, ($r=.41$).

The correlation of internalization and job satisfaction implies that as individuals internalize the organization's values as their own, they see their job in a more positive and satisfying light. Also, intrinsic satisfaction may arise from the perception of performing a job which is viewed as "correct or proper." As individual values become one with those of the organization, adherence to those rules takes on a meaningful and fulfilling implication. Following the rules, maintaining or increasing production, striving for the most efficient and effective organizational behavior, may become rewards unto themselves. By increasing intrinsic rewards through the internalization process and combining those with extrinsic rewards already in place, internalization increases the amount of satisfaction associated with the organization. Schein (112) suggests that job satisfaction is the degree to which an individual's job fulfills his criteria. By implanting the organization's values into the value system of the

individual, organizational culture creates an atmosphere in which the fulfillment of the organization's important values becomes the fulfillment of the individual's values, thereby increasing job satisfaction.

Items 6 through 10 were used to measure job commitment. The mean of these items was 3.22, with a standard deviation of .61 and a range of 3.00. Regression analysis suggests a significant relationship exists between internalization and commitment, ($r=.56$). In addition, the correlation between internalization and commitment was significantly higher than the correlation between acceptance and commitment ($r=.62$).

The process of instilling the values of the organization into the individual's own appears to have a binding effect, pulling the individual closer to the norms suggested by the organization. By internalizing organizational values, individuals may feel a sense of personal attachment to the values.

The merger of individual and organizational values appears to give the individual a feeling of ownership in the organization. As the values of the organization are internalized, the individual may find it difficult

to separate from the organization or to deny the closeness of these value systems. This process of inseparability is suggested to lead to a greater degree of commitment.

Exploratory analysis examined relationships that could be of interest to this study, but were not a priority. This exploration focused on the variables of age and work experience.

An examination of age in relation to the internalization process revealed a marginally significant relationship, ($r=.19$). This suggests that older individuals tend to perceive a merger between their personal values and those of the organization. One possible explanation of this relationship could be reward based. As individuals continue to gain work experience, either in this organization or another, they may realize that those who are rewarded consistently and appear more satisfied on the job are those who agree with the organizational culture. Individuals may consider the internalization process as a long-term strategy by which they can make the most out of a lifetime of required labor.

Regression analysis on work experience suggests that the length of tenure within an individual's current position was negatively correlated with organizational complexity ($r=.32$). This would support the idea that culture simplifies the evaluation process by reducing behavior into correct and incorrect classifications. Organizational culture may influence individuals into evaluating their behaviors in either a good or bad context of the organization.

There was a significant relationship between the performance/outcome relationship and internalization. A positive, yet marginal, relationship was also found between the performance relationship and job satisfaction ($r=.19$). This suggests that those individuals who perceive that effort leads to acceptable performance also perceive themselves as more satisfied with their work environment. An examination of the performance/outcome relationship also showed a strong correlation with job satisfaction ($r=.40$) indicating that those individuals who perceived performance leading to actual rewards also are more satisfied. The awareness of effort leading to performance, leading to rewards, is a main component of

the effect of organizational culture on the internalization process.

Regression analysis results support that those individuals reporting higher degrees of internalization would also report higher levels of satisfaction. Examination revealed a significant relationship between satisfaction and performance ($r=.24$). While this relationship has been proposed in many studies, it has been an elusive result. It is possible that an increased level of satisfaction would motivate individuals toward increased production. Another possibility is that individuals who have internalized the values of the organization may view performance as a source of satisfaction. A third possibility is that managers may be equating the individual's exhibition of certain normal behavior, i.e., dress or speech, with increased performance. It could be that the managers' evaluations are biased by these behaviors rather than that of actual production or performance criteria.

Summary

The present chapter has described the results of the analysis of the data collected from the study. In the following chapter, these results will be discussed.

Table 4-1

MEANS			
	<u>Mean</u>	<u>s.d.</u>	<u>Range</u>
1. Internalization (Calculated on items 12 and 13)	3.06	.63	3.40
2. Acceptance (Calculated on items 11, 14, and 15)	3.01	.95	4.00
3. Job Satisfaction (Calculated on items 1 through 5)	3.59	.75	3.33
4. Job Commitment (Calculated on items 6 through 10)	3.22	.61	3.00
5. Performance (Calculated on items 11 through 15)	3.96	.41	1.80
6. Age	36.40	8.92	39.007.
7. Company Tenure	10.97	7.80	35.00
8. Position Tenure	4.43	4.08	19.00
9. Education	13.56	1.50	5.00

Chapter V

DISCUSSION OF RESULTS

The author feels that the present study makes a significant contribution to the study of organizational culture in three areas. First, this analysis was conducted at the individual level. Previous research has consistently observed the effects of organizational culture at the organizational level, de-emphasizing effects on individual behavior. It is the individual who reacts to the culture, and the sum of individual outcomes becomes the driving force for the organizational outcomes that have been studied in the past.

The second contribution made by this study lies in the empiricism of the research. The area of organizational culture has typically been examined using case analysis, interview, and financial analysis (Peters 5). This research gathered data using measures designed for this study that attempted to capture individual attitudes concerning several areas of organizational life.

Finally, this study has attempted to study both the content and structure of cultural beliefs. These components are important in the understanding of organizational culture, both in its development and influence within the organization.

As indicated by the hypothesis, the relationship between an organization's culture and employee motivation expressed in positive outcome behaviors was supported. Over time, it is important for individuals to have an accurate picture of the normative characteristics of the organization if they are to internalize the values which drive these characteristics.

Individuals must accurately perceive the behavioral parameters that exist before any type of effective evaluation can take place. It is possible for an individual to perceive organizational characteristics, yet be totally inaccurate in these perceptions.

The belief that one is accurately receiving the characteristics of an organization, when in fact these perceptions are inaccurate, may possibly result in a positive short-term increase in the outcome variables.

However, it is doubtful that individuals will be rewarded for behavior that is not within the prescribed guidelines of the organization. Thus, internalization is unlikely to occur.

By accurately understanding what the organization expects and rewards, the individual can enact these behaviors and receive the extrinsic rewards that should result. Accuracy will also allow the individual to evaluate these behaviors more effectively. The individual may then evaluate the accompanying values in terms of their personal value system.

If the subsequent rewards for adherence to acceptable behaviors are received, and if the behaviors and implied values are not totally inconsistent with those of the individual, individuals may begin to consider these behaviors and values as similar to their own.

The individual is able to instruct others, by example, in the behaviors that are acceptable to the organization. This process may increase the consistency through which individuals accurately learn the characteristics and behaviors that are acceptable

to the organization. An accurate depiction of desired characteristics defines behavioral parameters that result in rewards and ensures adherence to these parameters through individual example.

The research does not support the idea of a relationship between the complexity of the organizational schema and the degree of internalization. It appears that a simple organizational schema may influence a "right" or "wrong" perception of environmental characteristics.

When dealing with a more simple schema the individual may make quick decisions concerning new behaviors and values. Those that are similar to the organization are accepted as "good" or "proper", while those that are dissimilar are seen as "wrong".

Organizational culture appears to be used by internalized individuals as a resource in their evaluation of behaviors and norms within the organizational context. This allows for quick evaluation of new behaviors based on the suggested characteristic of these resources. As this bias comes to be shared by the members of the organization,

accepted parameters of behavior soon become obvious. This simplification represents continued analysis of new characteristics. This new analysis could lead to differing opinions as to the appropriateness of the new behaviors.

The final dimension examined by this study is the individual perception of effort/performance/reward relationship. The reward system must adequately meet and satisfy the basic needs of individual survival.

Findings supported a relationship between the perception that rewards are real and obtainable and internalization. Those individuals who perceived that acceptable effort resulted in acceptable performance also reported higher levels of internalization. Likewise, those who perceived that acceptable performance resulted in actual rewards also reported higher degrees of internalization.

If an effort/performance/reward perception is reinforced with actual rewards, the degree of individual internalization should become stronger. It appears that it is essential that individuals believe that their effort will eventually lead to rewards if they are to begin the internalization process.

The results indicate that accuracy and effort/performance/reward contingencies are main effects in the prediction of internalization. It should be noted that accuracy and internalization were not related.

Internalization was significantly related to the outcome variables of job satisfaction and job commitment. However, there was no relationship between internalization and performance. There was no significant relationship reported between acceptance and these two outcome variables.

A relationship between internalization and satisfaction was strongly supported. It appears that those individuals who have internalized the values of the organization, are those who feel a greater sense of satisfaction from their association with the organization. It may be that by creating intrinsic rewards, in addition to the extrinsic rewards associated with organizational membership, internalization increases the total state of job satisfaction experienced by the individual (Calder 600).

Individuals who have internalized the values of the organization, and who share these values with their group may, find it easier to predict future behavior (Jones 99). The perception of the ability to predict behavior may give individuals a feeling of security which aids their ability to function smoothly and increases their level of job satisfaction.

A less complex organizational schema may influence satisfaction by reducing the effort of evaluation. "Ignorance is bliss" may certainly apply here. The evaluation process becomes clean and neat within a simple organizational schema. This simplicity summarizes the details of the environment and allows the evaluation to be made within a right/wrong context.

The perception of an effort/performance/reward contingency and its relationship to job satisfaction is a key element in the influence maintained by organizational cultures. As individuals perceive the benefits of this relationship, they begin to view the behaviors and values that caused these outcomes as positive characteristics of their culture. This process will bring the individual extrinsic rewards as well as intrinsic rewards, generated from the feeling that they

have done the right thing. By creating the perception of intrinsic as well as extrinsic rewards, internalization appears to positively affect the degree of an individual's job satisfaction.

There is yet another possible explanation regarding the relationship between internalization and job satisfaction. It has been suggested that those individuals reporting a higher degree of internalization will make quick and simple evaluations of their work environment. These evaluations are based on analysis and used by the organization's members.

It is also possible that, in the absence of "right or wrong" behaviors and values, individuals may default to a norm satisfaction created by the culture. The belief that everything is all right unless something really bad happens may possibly be the intangible influence of organizational culture.

A relationship between internalization and commitment is supported by the research. Individuals may become committed to the organization because they believe that the organization is attempting to fulfill their values. This perception may lead to a sense of attraction. By adhering to the behavioral norms of the

organization, they also demonstrate their approval of these organizational parameters.

Chapter VI

LIMITATIONS

This research took a different approach, diverging from the usual methods of organizational culture research. By selecting the individual as the unit of analysis, this study broke with tradition, and suggested new directions of explorations in this area. This break with tradition made several limitations of the study apparent. These limitations are generated from three areas: problems associated with field studies, problems associated with measurement bias, and problems associated with operationalization of key constructs.

An inherent problem with any field study is the lack of control maintained by the researcher. This limitation was evident in this research. Since causal research methods, performed in a laboratory setting, were not used in obtaining the data, it is difficult to account for the effect of unknown external variables. Further, there is no assurance that subjects did not receive cues from each other, since it is not known if

subjects from the same work area collaborated on answers.

Measurement error also limited this study. All of the instrument items were attitudes measured on a five-point Likert type scale. Schermerhorn has suggested that effects can often be the result of shared method variance associated with this commonality of measure (150). It is possible that the significance of several other of these items could be the result of inflated shared variance. It should be noted, however, that the acceptance measure, despite its similar format, related to very few other variables in the study.

The measure of accuracy was developed by gathering information to describe characteristics that were felt to be common to organizational members. It is certainly possible that social desirability may have had an effect on the results of the measure. Individuals who are basically satisfied with their situation may endorse these positive, and socially desirable, accuracy items. This would suggest relationships that are influenced by the effect of social desirability. The effect may have created a

bias on the part of the individuals that led them to respond that they had indeed witnessed these behaviors, most of which contained positive connotations.

A possible distrust of the study could have also influenced individuals to respond in a safe and secure manner. While care was taken to present these items in a neutral manner, it is possible that social desirability did affect the results.

The manipulation of constructs essential to this study presented several problems. This study sought to identify behaviors motivated by intrinsic and extrinsic rewards and association of individual/organizational values. The values of the organization were manipulated by having subjects respond to the value items in a manner they believed described their co-workers.

The relationship between the individual's values and their perception of their typical co-worker's values became one of the methods used to assess the individual's degree of internalization. This was obviously not an actual measure of value. However, this study focused on the behavioral aspects of

organizational life and the perception of a typical co-worker was considered an embodiment of these culturally influenced behaviors.

It is also possible that satisfied individuals are more likely to internalize the values, norms, and behaviors of the organization. A satisfied state could act as a catalyst of organizational culture. Without concepts suggesting culture's influence on the cognitive process, the study of organizational culture will remain incomplete. As indicated by the results found here, the study of organizational complexity should examine effects of this variable on perception and behavior.

Organizations should be aware that they possess and maintain the organizational culture. These cultures can be understood and actively perpetuated, or they may be subtle and latent in their existence. In either case, this research suggests that organizations maintain a significant influence over the individual's evaluation of the organizational environment. Individuals who internalize the culture should have higher levels of organizational satisfaction and

commitment than those who do not internalize the culture.

Organizations can enhance the internalization process through communication and consistent reinforcement of the effort/performance/reward contingency. Training of organizational members can include histories, myths, and stories that should impart the values and expected behaviors of the organization. By including the communication of these organizational stories into the formal training process, organizations can enhance the accurate perception of their message.

Organizations must also be consistent in rewarding the behaviors that they have suggested as appropriate. By reinforcing behavior, organizations will create an environment that supports adherence to the culture. The combination of effective cultural communication and consistent reinforcement of acceptable behavior should provide an environment in which internalization will flourish.

Summary

This study offers a new direction in the area of organizational culture. It differentiates itself by

examining culture's effect on the individual cognitive process and by focusing on the individual as the unit of analysis.

This research supports the idea that organizational culture influences the individual through the process of internalization. Thereby, the organizational values and norms meld into the value system of the individual.

Finally, this study examined organizational culture in context of its cognitive effect on the organizational member. This emphasis on the cognitive process suggests a new direction for future research into this area.

Works Cited

- Bandura, A., Social foundations of thought and action: A social cognitive theory. New Jersey: Prentice-Hall, 1986. 99.
- Beals, A.R., G. Spindler, and L. Spindler, Culture in Process. New York: Holt, Rinehart and Winston, Inc., 1973. 141.
- Calder, B.J., Staw, B.M., "Self-perception of intrinsic and extrinsic motivation." Journal of Personality and Social Psychology, 1975: 599-605.
- Caldwell, D.F., J.A., and C.A. O'Reilly, "Building Organizational Commitment: A multifirm study." Journal of Occupational Psychology, 1990: 245-261.
- Deci, E.L., "The effects of contingent and non-contingent reward and controls on intrinsic motivation." Organizational Behavior and Human Performance, 1972: 217-229.
- Denison, D.R., "Bringing Corporate Culture to the Bottom Line." Organizational Dynamics, 1984: 5-12.
- Denison, D.R., Corporate Culture and Organizational Effectiveness. New York: John Wiley & Sons, 1990. 25-28.
- Denison, D. R., and A.K. Mishra, "Organizational culture and organizational effectiveness: A Theory and some preliminary empirical evidence." In F. Hoy (Ed.), Proceedings of the 49th Academy of Management Meeting: Washington, D.C., 119-203.
- Feldman, D.C., "The multiple socialization of organizational members." Academy of Management Review, 1981: 433-452.

- Harris, S.G., "A schema-based perception on organizational culture." In F Hoy (Ed), Proceedings of the 49th Academy of Management Meeting: Washington, D. C., 119-203.
- Jones, E.E., and Gerard, H.B., Foundations of Social Psychology. New York: Wiley, 1967. 99.
- Katz, R.L., "The effects of group longevity on project communication and performance." Administrative Science Quarterly, 1978: 81-104.
- Katz, D., and R.L. Kahn, The Social Psychology of Organizations. New York: Wiley, 1978. 14-186.
- Korman, A.K., "Hypothesis of work behavior revisited and an extension." Academy of Management Review, 1976: 50-63.
- Lewicki, P., "Self-schema and Social Information Processing." Journal of Personality and Social Psychology, 1984: 1177-1190.
- Locke, E.A., The Nature and Causes of Job Satisfaction. Handbook of Industrial and Organizational Psychology. Chicago: Rand McNally, 1976. 1307.
- Markus, H., and E. Wurf, "The dynamic self-concept: A social psychological perspective." Annual Review of Psychology, 1987: 63-300.
- Martin, J., and C. Siehl, "Organizational culture and counterculture: An uneasy symbiosis." Organizational Dynamics, 1983: 52-64.
- Mobley, W. H., Griffeth, R.W., Hand, H.H., & Meglino, B.M., "Review and conceptual analysis of the employee turnover process." Psychological Bulletin, 1979: 493-522.
- Newell, A., and H.A. Simon, Human Problem Solving. New Jersey: Prentice-Hall, 1972. 72-74.
- Pascale, R., "The Paradox of "corporate culture": Reconciling Ourselves to Socialization." California Management Review, 1985: 26-41.

- Pascale, R.T. & Athos, A.G., The Art of Japanese Management: Applications for American executives. New York: 1981. Simon & Schuster. 101.
- Peters, T., and R. Waterman, In Search of Excellence. New York: Harper & Row, 1982. 3-40.
- Pettigrew, A.M. "On Studying Organizational Cultures." Administrative Science Quarterly. 1979: 570-581.
- Phillips, J.S., and R.G. Lord, "Schematic information processing and perceptions of leadership in problem-solving groups." Journal of Applied Psychology. 1982: 486-492.
- Posner, B., and J. Kouzes, and W. Schmidt, "Shared values make a difference: An empirical test of corporate culture." Human Resource Management, 1985: 293-309.
- Ravlin, E.C., and B.M. Meglino, "Issues in work values measurement." In W.C. Frederick (ed), Research in Corporate Social Performance and Policy. Greenwich, Ct.: JAI Press, Inc. 1987. 155.
- Rossi, I., People in Culture. New York: Praeger. 1980. 40.
- Saffold, G.S., "Culture traits, strength, and organizational performance: Moving beyond "strong" culture." Academy of Management Review, 1988: 546-558.
- Schank, R., and R. Abelson, Scripts, plans, goals and understanding: An inquiry into human knowledge structures. North London: Earlbaum. 1977. 154-156.
- Schermerhorn, J.R., "Information sharing as an interorganizational activity." Academy of Management Journal, 1977: 148-153.
- Schein, E.H., Organizational culture and leadership. San Francisco: Jossey-Bass. 1985. 94-115.
- Schein, E.H., "Organizational Culture." American Psychologist, 1990: 108-119.

- Thompson, K.R., and F. Luthans, "Organizational culture: A behavioral perspective." Organizational Dynamics, 1982: 62-88.
- Toffler, Barbara, L., "Occupational role development: The changing determinants of outcomes for the individual." Administrative Science Quarterly, 1981: 394-418.
- Vaill, P. "The purposing of high-performing systems." Leadership and Organizational Culture, 1984: 85-104.
- Van Maanen, J., "Police socialization: A longitudinal examination of job attitudes in an urban police department." Administrative Science Quarterly, 1975: 207-287.
- Wanous, J.P., Organizational entry: Recruitment, selection, and socialization of newcomers. Reading, MA: 1980. Addison-Wesley. 53.