

# **Course 06:** **Other Models of Culture**

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Lectures for first-year Master's students in Business Management.

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# 1. Introduction:

## Definition:

- Organizational culture is *“the system of shared values, beliefs, assumptions, and norms that shape how people behave within an organization.”*

## Models of culture:

- **Edgar Schein – *Organizational Culture and Leadership* (1985)**
- **Deal & Kennedy – *Corporate Cultures* (1982)**
- **Hofstede’s *Organizational vs National Culture* (1980)**
- **Peters & Waterman – *Traits of Excellent Companies* (1982)**

# 2.Theoretical Models

## 1-Edgar Schein – *Organizational Culture and Leadership* (1985)

**Contribution:** The most influential theorist. He defined culture as:

- “A pattern of shared basic assumptions learned by a group as it solves its problems.”

### Three levels of culture

- **Artifacts** (visible)
- **Espoused values** (what people say)
- **Basic assumptions** (unconscious beliefs)

### Why Schein is foundational

- He explained **how cultures form**, especially through founders.
- He showed **how culture is learned and transmitted**.
- He connected **leadership and culture** strongly.

### Impact

- Schein’s model remains the **standard framework** taught in universities worldwide.

## 2-Model of Deal & Kennedy – *Corporate Cultures* (1982)

**Contribution:** They argued that organizational culture is a **social system** shaped by:

- Risk level
- Speed of feedback
- Heroes
- Rituals
- Values and norms

### **Four culture types**

- Work Hard/Play Hard
- Tough-Guy/Macho
- Process Culture
- Bet-Your-Company

### **Significance**

- This was the first popular model showing that organizations have **distinct cultural personalities**.

# Deal & Kennedy (1982): Four Types of Corporate Culture –Follow-up

Deal & Kennedy argue that corporate culture is shaped mainly by two factors:

- **Degree of risk in the business environment** (low vs. high)
- **Speed of feedback or reward** (quick vs. slow)

Combining both dimensions creates **four distinct culture types**:

## 1. Work Hard / Play Hard Culture (Low risk – Rapid feedback)

### Characteristics

- Focus on **sales**, customer service, and high energy.
- Employees receive **immediate feedback** on performance (daily numbers, customer responses).
- Encourages **teamwork**, motivation, celebrations, and fun.
- Low individual risk → employees feel safe trying new ideas.

### Typical Industries

- Retail
- Hospitality
- Sales organizations
- Call centers
- Fast-food chains

### Typical Behaviors

- High levels of enthusiasm.
- Constant activity and communication.
- Strong focus on meeting targets.

# Deal & Kennedy (1982): Four Types of Corporate Culture –Follow-up

## 2. Tough-Guy / Macho Culture (High risk – Rapid feedback)

### Characteristics

- Very **competitive**, individualistic, and high pressure.
- Employees take **big personal risks**, and results come quickly.
- High rewards for success, but failures are very visible.
- Direct communication, sometimes aggressive.

### Typical Industries

- Investment banking
- Advertising
- Entertainment & media
- Surgery (medical)
- Sports teams

### Typical Behaviors

- “Star performers” dominate the environment.
- Bold decision-making; high attrition.
- Stressful but exciting environment.

## Deal & Kennedy (1982): Four Types of Corporate Culture –Follow-up

### 3. Process Culture (Low risk – Slow feedback)

#### Characteristics

- Stability and procedures matter more than results.
- Bureaucracy dominates: **rules, regulations, documentation.**
- Employees avoid mistakes rather than take risks.
- Success is measured by **how** things are done, not how fast.

#### Typical Industries

- Public administration/government
- Insurance companies
- Large utilities
- Banks (traditional departments)

#### Typical Behaviors

- Predictable work routines.
- Focus on consistency, reliability, and control.
- Innovation tends to be slow.

## Deal & Kennedy (1982): Four Types of Corporate Culture –Follow-up

### 4. Bet-Your-Company Culture (High risk – Slow feedback)

#### Characteristics

- Big, strategic decisions with **long-term consequences**.
- Feedback comes years later → high uncertainty.
- Employees must analyze carefully, avoid mistakes, and think long-term.
- Culture values planning, research, and cautious action.

#### Typical Industries

- Oil and gas
- Aerospace
- Pharmaceuticals (R&D)
- Large engineering projects

#### Typical Behaviors

- Long-term planning.
- Collective decision-making.
- High responsibility and patience.

### 3. Model of Hofstede's Organizational vs National Culture

- Shows how national values influence the workplace.

Organizations are embedded in societies. National culture influences:

- Power distance → hierarchy
- Individualism vs collectivism → teamwork, autonomy
- Uncertainty avoidance → risk-taking
- Masculinity/Femininity → competition vs cooperation

#### **Example:**

- Japanese companies: lifetime employment, harmony
- US companies: individual performance, innovation
- Germany: precision, planning
- Algeria: respect for hierarchy, relationship-based work

# Hofstede's-Follow-up

## Hofstede's Contribution to Organizational Culture

- Although Geert Hofstede is best known for his **national culture dimensions**, he also made an important and distinct contribution to **organizational culture**.

His central message is that:

- → **National culture is about values, while organizational culture is about practices.**  
→ **Employees bring their values from their society, but organizations shape daily practices.**

# Hofstede's-Follow-up

## 1. From National Culture to Organizational Culture

- **National Culture (1980 onwards)**
- Hofstede's first major work, *Culture's Consequences* (1980), introduced **four national culture dimensions** (later expanded to six). This made culture measurable and comparable across countries.
- This national culture research set the foundation for his later work on **organizational culture**.

## 2. Main Contribution: Organizational Culture Model (1990)

- **Date: 1990** – this is Hofstede's major academic publication on organizational culture.
- In the paper:  
**"Measuring Organizational Cultures: A Qualitative and Quantitative Study Across Twenty Cases" (1990)**  
Hofstede introduced a model of **6 organizational culture dimensions**, based on research across 20 organizations.

His key finding:

**Organizational cultures differ mainly in their *practices* (what people do), not their values (what people believe).**

This was a major shift from Schein, Peters & Waterman, or Deal & Kennedy.

### 3. The Six Organizational Culture Dimensions (Hofstede, 1990)

Hofstede identified **six dimensions** that explain differences in how organizations function:

**1. Process-Oriented vs. Results-Oriented**

- Bureaucratic, rule-driven vs. achievement-driven.

**2. Job-Oriented vs. Employee-Oriented**

- Focus on tasks vs. focus on people's well-being.

**3. Professional vs. Parochial**

- Identity based on profession vs. identity based on organization.

**4. Open vs. Closed System**

- Easy vs. difficult for newcomers to integrate.

**5. Tight vs. Loose Control**

- Strict rules, discipline vs. flexibility, informal systems.

**6. Pragmatic vs. Normative**

- Customer-oriented, market-driven vs. rule-oriented, code-driven.

## 4. Hofstede's Central Theoretical Contributions

### Contribution 1: Culture as Practices

- He argued that **organizational culture is visible in routines, rituals, communication, and daily behaviors**, not deep values.

### Contribution 2: Culture Can Be Measured

- He introduced a systematic **quantitative method** for comparing organizational cultures.

### Contribution 3: Clear Distinction Between Levels of Culture

- **National Culture = Values** (acquired in childhood)
- **Organizational Culture = Practices** (learned at work)
- This distinction clarified why multinational companies face internal cultural differences even when they “share the same values.”

### Contribution 4: Culture Impacts Management and Leadership

- His model shows how organizational cultural differences influence:
- Leadership styles
- Communication patterns
- Control systems
- Employee motivation
- Risk-taking and innovation

### Contribution 5: Integration with Other Models

His work provided a measurable framework that complements:

- Schein's deeper cultural layers
- Deal & Kennedy's typology
- Peters & Waterman's traits of excellence

## 5. Why Hofstede's Contribution Is Important

- He made **organizational culture measurable**, not just descriptive.
- He introduced an empirical basis to study culture scientifically.
- He distinguished culture at **different levels** (societal vs. organizational).
- His model is widely used in:
  - HR management
  - Organizational diagnostics
  - Cultural audits
  - Change management
  - International management research

## 4. Model of Peters & Waterman – Traits of Excellent Companies

In their landmark book “**In Search of Excellence**”, Peters & Waterman studied 43 successful American companies and identified **eight common cultural attributes**.

Their core message:

→ **Organizational excellence is largely a cultural phenomenon, not just strategy or structure.**

They argued that excellent companies share a **strong culture** built around simple values, customer focus, employee involvement, and continuous innovation.

**Key cultural characteristics of high-performing organizations:**

- Bias for action
- Customer closeness
- Productivity through people
- Simple structure
- Value-driven

## 4. Peters & Waterman – Traits of Excellent Companies –Follow-up

### The 8 Cultural Attributes

#### 1. Bias for Action

- Companies act quickly instead of getting stuck in analysis.
- “Do it, try it, fix it.”
- Encourages experimentation, initiative, and rapid problem-solving.

**Examples:** Prototyping, small pilot tests, empowered employees.

#### 2. Close to the Customer

- Excellent companies invest heavily in understanding customers.
- Continuous feedback loops
- Frontline employees given voice
- Culture of service and empathy

**Examples:** Regular customer feedback, direct interaction between managers and clients.

#### 3. Autonomy and Entrepreneurship

- Encourage employees to act like entrepreneurs inside the organization.
- Decentralization
- Small internal teams (“intrapreneurship”)
- Freedom to innovate

**Goal:** constant internal innovation and avoiding bureaucratic stagnation.

## 4. Peters & Waterman – Traits of Excellent Companies –Follow-up

### 4. Productivity Through People

- People are the main source of competitive advantage.
- Trust-based management
- Strong employee engagement
- Respect and empowerment
- Open communication

**Key idea:** Treat employees well → high productivity and innovation.

### 5. Hands-On, Value-Driven

- Leaders are visible and embody the company's core values.
- Management by walking around (MBWA)
- Culture centered on clear, shared values
- Leaders model behaviors rather than only giving instructions

**Result:** Employees believe in the mission and align with it.

### 6. Stick to the Knitting

- Companies perform best when they focus on what they know.
- Concentrate on core businesses
- Avoid diversifying into unfamiliar industries

**Message:** Master your domain; don't dilute expertise.

## 4. Peters & Waterman – Traits of Excellent Companies –Follow-up

### 7. Simple Form, Lean Staff

- Organizational structure should be simple.
- Minimal layers of hierarchy
- Small corporate staff
- Clear responsibilities

**Reason:** Bureaucracy slows decision-making.

### 8. Simultaneous Loose–Tight Properties

- One of the most original ideas:
- **Loose:** Employees have autonomy and flexibility
- **Tight:** Core values are non-negotiable
- This creates a balance between discipline and creativity.

**Example:** Innovate freely (loose) but always put the customer first (tight).

# Why the Model Peters & Waterman Is Important in Organizational Culture:

## 1. It shows culture as the key driver of excellence

- Peters & Waterman shifted the focus from structure to **values, behaviors, and shared meaning**.

## 2. It influenced modern management (Lean, Agile, customer-centricity)

- Many contemporary practices come directly from these ideas.

## 3. It highlights the importance of leadership behavior

- Leaders shape culture by *doing*, not just saying.

## 4. It emphasizes people as the central asset

- “Productivity through people” remains a core HR and organizational culture principle.