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Chapter 2.

THE THREE LEVELS OF CULTURE

The purpose of this chapter is to show that culture can be analyzed at several different levels, with the term level meaning the degree to which the cultural phenomenon is visible to the observer. Some of the confusion surrounding the definition of what culture really is results from not differentiating the levels at which it manifests itself. These levels range from the very tangible overt manifestations that you can see and feel to the deeply embedded, unconscious, basic assumptions that I am defining as the essence of culture. In between these layers are various espoused beliefs, values, norms, and rules of behavior that members of the culture use as a way of depicting the culture to themselves and others.

Many other culture researchers prefer the term basic values to describe the deepest levels. I prefer basic assumptions because these tend to be taken for granted by group members and are treated as nonnegotiable. Values are open to discussion, and people can agree to disagree about them. Basic assumptions are so taken for granted that someone who does not hold them is viewed as a "foreigner" or as "crazy" and is automatically dismissed.

2.1. Artifacts

At the surface is the level of artifacts, which includes all the phenomena that you would see, hear, and feel when you encounter a new group with an unfamiliar culture. Artifacts include the visible products of the group, such as the architecture of its physical environment; its language; its technology and products; its artistic creations; its style, as embodied in clothing, manners of address, and emotional displays; its myths and stories told about the organization; its published lists of values; and its observable rituals and ceremonies.

Among these artifacts is the "climate" of the group. Some culture analysts see climate as the equivalent to culture, but it is better thought of as the product of some of the underlying assumptions and is, therefore, a manifestation of the culture. Observed behavior is also an artifact as are the organizational processes by which such behavior is made routine. Structural elements such as charters, formal descriptions of how the organization works, and organization charts also fall into the artifact level.

The most important point to be made about this level of the culture is that it is both easy to observe and very difficult to decipher. The Egyptians and the Mayans both built highly visible pyramids, but the meaning of pyramids in each culture was very different—tombs in one, temples as well as tombs in the other. In other words, observers can describe what they see and feel but cannot reconstruct from that alone what those things mean in the given group. Some culture analysts argue that among the artifacts, you find important symbols that reflect deep assumptions of the culture, but symbols are ambiguous, and you can only test a person's insight into what something may mean if the person has also experienced the culture at the deeper level of assumptions (Gagliardi, 1990, 1999).

It is especially dangerous to try to infer the deeper assumptions from artifacts alone because a person's interpretations will inevitably be projections of his or her own feelings and reactions. For example, when you see a very informal, loose organization, you may interpret that as "inefficient" if your own background is based on the assumption that informality means playing around and not working. Or, alternatively, if you see a very formal organization, you may interpret that to be a sign of "lack of innovative capacity" if your own experience is based on the assumption that formality means bureaucracy and standardization.

If the observer lives in the group long enough, the meanings of artifacts gradually become clear. If, however, you want to achieve this level of understanding more quickly, you must talk to insiders to analyze the espoused values, norms, and rules that provide the day-to-day operating principles by which the members of the group guide their behavior. This kind of inquiry takes you to the next level of cultural analysis.

2.2. Espoused Beliefs and Values

All group learning ultimately reflects someone's original beliefs and values, his or her sense of what ought to be, as distinct from what is. When a group is first created or when it faces a new task, issue, or problem, the first solution proposed to deal with it reflects some individual's own assumptions about what is right or wrong, what will work or not work. Those individuals who prevail, who can influence the group to adopt a certain approach to the problem, will later be identified as leaders or founders, but the group does not yet have any shared knowledge as a group because it has not yet taken a common action in reference to whatever it is supposed to do. Whatever is proposed will only be perceived as what the leader wants. Until the group has taken some joint action and together observed the outcome of that action, there is not as yet a shared basis for determining whether what the leader wants will turn out to be valid.

For example, if sales begin to decline in a young business, a manager may say, "We must increase advertising" because of her belief that advertising always increases sales. The group, never having experienced this situation before, will hear that assertion as a statement of that manager's beliefs and values: "She believes that when one is in trouble it is a good thing to increase advertising." What the leader initially proposes, therefore, cannot have any status other than a value to be questioned, debated, challenged, and tested.

If the manager convinces the group to act on her belief, the solution works, and the group has a shared perception of that success, then the perceived value that "advertising is good" gradually becomes transformed: first into a shared value or belief and ultimately into a shared assumption (if actions based on it continue to be successful). If this transformation process occurs, group members will tend to forget that originally they were not sure and that the proposed course of action was at an earlier time just a proposal to be debated and confronted.

Not all beliefs and values undergo such transformation. First of all, the solution based on a given value may not work reliably. Only those beliefs and values that can be empirically tested and that continue to work reliably in solving the group's problems will become transformed into assumptions. Second, certain value domains—those dealing with the less controllable elements of the environment or with aesthetic or moral matters—may not be testable at all. In such cases, consensus through social validation is still possible, but it is not automatic. Third, the strategy/goals of the organization may fall into this category of espoused

beliefs in that there may be no way of testing it except through consensus because the link between performance and strategy may be hard to prove.

Social validation means that certain beliefs and values are confirmed only by the shared social experience of a group. For example, any given culture cannot prove that its religion and moral system are superior to another culture's religion and moral system, but if the members reinforce each others' beliefs and values, they come to be taken for granted. Those who fail to accept such beliefs and values run the risk of "excommunication"—of being thrown out of the group. The test of whether they work or not is how comfortable and anxiety free members are when they abide by them.

In these realms, the group learns that certain beliefs and values, as initially promulgated by prophets, founders, and leaders, "work" in the sense of reducing uncertainty in critical areas of the group's functioning. And, as they continue to provide meaning and comfort to group members, they also become transformed into nondiscussible assumptions even though they may not be correlated to actual performance. The espoused beliefs and moral/ethical rules remain conscious and are explicitly articulated because they serve the normative or moral function of guiding members of the group in how to deal with certain key situations, and in training new members how to behave. Such beliefs and values often become embodied in an ideology or organizational philosophy, which then serves as a guide to dealing with the uncertainty of intrinsically uncontrollable or difficult events.

If the beliefs and values that provide meaning and comfort to the group are not congruent with the beliefs and values that correlate with effective performance, we will observe in many organizations espoused values that reflect the desired behavior but are not reflected in observed behavior (Argyris and Schon, 1978, 1996). For example, a company's ideology may say that it values people and that it has high quality standards for its products, but its actual record in that regard may contradict what it says. In U.S. organizations, it is common to espouse teamwork while actually rewarding individual competitiveness. Hewlett-Packard's highly touted "The HP Way" espoused consensus management and teamwork, but in its computer division, engineers discovered that to get ahead they had to be competitive and political (Packard, 1995).

So in analyzing espoused beliefs and values, you must discriminate carefully among those that are congruent with the underlying assumptions that guide performance, those that are part of the ideology or philosophy of the organization, and those that are rationalizations or only aspirations for the future. Often espoused beliefs and values are so abstract that they can be mutually contradictory, as when a company claims to be equally concerned about stockholders, employees, and customers, or when it claims both highest quality and lowest cost. Espoused beliefs and values often leave large areas of behavior unexplained, leaving us with a feeling that we understand a piece of the culture but still do not have the culture as such in hand. To get at that deeper level of understanding, to decipher the pattern, and to predict future behavior correctly, we have to understand more fully the category of basic assumptions.

2.3. Basic Underlying Assumptions

When a solution to a problem works repeatedly, it comes to be taken for granted. What was once a hypothesis, supported only by a hunch or a value, gradually comes to be treated as a reality. We come to believe that nature really works this way. Basic assumptions, in this

sense, are different from what some anthropologists called "dominant value orientations" in that such dominant orientations reflect the preferred solution among several basic alternatives, but all the alternatives are still visible in the culture, and any given member of the culture could, from time to time, behave according to variant as well as dominant orientations (Kluckhohn and Strodtbeck, 1961).

Basic assumptions, in the sense defined here, have become so taken for granted that you find little variation within a social unit. This degree of consensus results from repeated success in implementing certain beliefs and values, as previously described. In fact, if a basic assumption comes to be strongly held in a group, members will find behavior based on any other premise inconceivable. For example, in a group whose basic assumption is that the individual's rights supersede those of the group, members find it inconceivable to commit suicide or in some other way sacrifice themselves to the group even if they had dishonored the group. In a capitalist country, it is inconceivable that someone might design a business organization to operate consistently at a financial loss or that it does not matter whether or not a product works. In an occupation such as engineering, it is inconceivable to deliberately design something that is unsafe; it is a taken-for-granted assumption that things should be safe. Basic assumptions, in this sense, are similar to what Argyris and Schon identified as "theories-in-use"—the implicit assumptions that actually guide behavior, that tell group members how to perceive, think about, and feel about things (Argyris and Schon, 1974, 1996).

Basic assumptions, like theories-in-use, tend to be nonconfrontable and nondebatable, and hence are extremely difficult to change. To learn something new in this realm requires us to resurrect, reexamine, and possibly change some of the more stable portions of our cognitive structure—a process that Argyris and others have called "double-loop learning," or "frame breaking" (Argyris, Putnam, and Smith, 1985; Bartunek, 1984). Such learning is intrinsically difficult because the reexamination of basic assumptions temporarily destabilizes our cognitive and interpersonal world, releasing large quantities of basic anxiety.

Rather than tolerating such anxiety levels, we tend to want to perceive the events around us as congruent with our assumptions, even if that means distorting, denying, projecting, or in other ways falsifying to ourselves what may be going on around us. It is in this psychological process that culture has its ultimate power. Culture as a set of basic assumptions defines for us what to pay attention to, what things mean, how to react emotionally to what is going on, and what actions to take in various kinds of situations. After we have developed an integrated set of such assumptions—a "thought world" or "mental map"—we will be maximally comfortable with others who share the same set of assumptions and very uncomfortable and vulnerable in situations where different assumptions operate because either we will not understand what is going on, or, worse, we will misperceive and misinterpret the actions of others (Douglas, 1986; Bushe, 2009).

The human mind needs cognitive stability. Therefore, any challenge or questioning of a basic assumption will release anxiety and defensiveness. In this sense, the shared basic assumptions that make up the culture of a group can be thought of both at the individual and group level as psychological cognitive defense mechanisms that permit the group to continue to function. At the same time, culture at this level provides its members with a basic sense of identity and defines the values that provide self-esteem (Hatch and Schultz, 2004). Cultures tell their members who they are, how to behave toward each other, and how to feel good about

themselves. Recognizing these critical functions makes us aware why "changing" culture is so anxiety provoking.

To illustrate how unconscious assumptions can distort data, consider the following example. If we assume, on the basis of past experience or education, that other people will take advantage of us whenever they have an opportunity, we expect to be taken advantage of, and we then interpret the behavior of others in a way that coincides with those expectations. We observe people sitting in a seemingly idle posture at their desk and interpret their behavior as "loafing" rather than "thinking out an important problem." We perceive absence from work as "shirking" rather than "doing work at home."

If this is not only a personal assumption but also one that is shared and thus part of the culture of an organization, we will discuss with others what to do about our "lazy" workforce and institute tight controls to ensure that people are at their desks and busy. If employees suggest that they do some of their work at home, we will be uncomfortable and probably deny the request because we will figure that at home they would loaf (Bailyn, 1992; Perin, 1991).

In contrast, if we assume that everyone is highly motivated and competent, we will act in accordance with that assumption by encouraging people to work at their own pace and in their own way. If we see someone sitting quietly at their desk, we will assume that they are thinking or planning. If someone is discovered to be unproductive in such an organization, we will make the assumption that there is a mismatch between the person and the job assignment, not that the person is lazy or incompetent. If employees want to work at home, we will perceive that as evidence of their wanting to be productive.

In both cases, there is the potential for distortion, in that the cynical manager will not perceive how highly motivated some of the subordinates really are, and the idealistic manager will not perceive that there are subordinates who are lazy and are taking advantage of the situation. As McGregor noted many decades ago, such assumptions about "human nature" become the basis of management and control systems that perpetuate themselves because if people are treated consistently in terms of certain basic assumptions, they come eventually to behave according to those assumptions to make their world stable and predictable (1960).

Unconscious assumptions sometimes lead to ridiculously tragic situations, as illustrated by a common problem experienced by U.S. supervisors in some Asian countries. A manager who comes from a U.S. pragmatic tradition assumes and takes it for granted that solving a problem always has the highest priority. When that manager encounters a subordinate who comes from a cultural tradition in which good relationships and protecting the superior's "face" are assumed to have top priority, the following scenario has often resulted.

The manager proposes a solution to a given problem. The subordinate knows that the solution will not work, but his unconscious assumption requires that he remain silent because to tell the boss that the proposed solution is wrong is a threat to the boss's face. It would not even occur to the subordinate to do anything other than remain silent or, if the boss were to inquire what the subordinate thought, to even reassure the boss to go ahead and take the action.

The action is taken, the results are negative, and the boss, somewhat surprised and puzzled, asks the subordinate what he would have done or would he have done something different. This question puts the subordinate into an impossible double bind because the answer itself is a threat to the boss's face. He cannot possibly explain his behavior without committing the

very sin he was trying to avoid in the first place—namely, embarrassing the boss. He may even lie at this point and argue that what the boss did was right and only "bad luck" or uncontrollable circumstances prevented it from succeeding.

From the point of view of the subordinate, the boss's behavior is incomprehensible because to ask the subordinate what he would have done shows lack of self-pride, possibly causing the subordinate to lose respect for that boss. To the boss, the subordinate's behavior is equally incomprehensible. He cannot develop any sensible explanation of his subordinate's behavior that is not cynically colored by the assumption that the subordinate at some level just does not care about effective performance and therefore must be gotten rid of. It never occurs to the boss that another assumption—such as "you never embarrass a superior"—is operating, and that, to the subordinate, that assumption is even more powerful than "you get the job done."

If assumptions such as these operate only in an individual and represent her idiosyncratic experience, they can be corrected more easily because the person will detect that she is alone in holding a given assumption. The power of culture comes about through the fact that the assumptions are shared and, therefore, mutually reinforced. In these instances, probably only a third party or some cross-cultural experiences could help to find common ground whereby both parties could bring their implicit assumptions to the surface. And even after they have surfaced, such assumptions would still operate, forcing the boss and the subordinate to invent a whole new communication mechanism that would permit each to remain congruent with his or her culture—for example, agreeing that, before any decision is made and before the boss has stuck his neck out, the subordinate will be asked for suggestions and for factual data that would not be face threatening. Note that the solution has to keep each cultural assumption intact. We cannot, in these instances, simply declare one or the other cultural assumption "wrong." We have to find a third assumption to allow them both to retain their integrity.

I have dwelled on this long example to illustrate the potency of implicit, unconscious assumptions and to show that such assumptions often deal with fundamental aspects of life— the nature of time and space; human nature and human activities; the nature of truth and how we discover it; the correct way for the individual and the group to relate to each other; the relative importance of work, family, and self-development; the proper role of men and women; and the nature of the family.

These kinds of assumptions form the core of macrocultures and will be discussed in detail in Part II, The Dimensions of Culture. We do not develop new assumptions about each of these areas in every group or organization we join. Members of any new group will bring their own cultural learning from prior groups, from their education, and from their socialization into occupational communities, but as the new group develops its own shared history, it will develop modified or new assumptions in critical areas of its experience. It is those new assumptions that then make up the culture of that particular group.

2.4. Summary and Conclusions

Any group's culture can be studied at three levels—the level of its artifacts, the level of its espoused beliefs and values, and the level of its basic underlying assumptions. If you do not decipher the pattern of basic assumptions that may be operating, you will not know how to interpret the artifacts correctly or how much credence to give to the espoused values. In other words, the essence of a culture lies in the pattern of basic underlying assumptions, and after

you understand those, you can easily understand the other more surface levels and deal appropriately with them.

Though the essence of a group's culture is its pattern of shared, basic taken-for-granted assumptions, the culture will manifest itself at the level of observable artifacts and shared espoused values, norms, and rules of behavior. In analyzing cultures, it is important to recognize that artifacts are easy to observe but difficult to decipher and that espoused beliefs and values may only reflect rationalizations or aspirations. To understand a group's culture, you must attempt to get at its shared basic assumptions and understand the learning process by which such basic assumptions evolve.

Leadership is originally the source of the beliefs and values that get a group moving in dealing with its internal and external problems. If what leaders propose works and continues to work, what once were only the leader's assumptions gradually come to be shared assumptions. When a set of shared basic assumptions is formed by this process, it defines the character and identity of the group and can function as a cognitive defense mechanism both for the individual members and for the group as a whole. In other words, individuals and groups seek stability and meaning. Once achieved, it is easier to distort new data by denial, projection, rationalization, or various other defense mechanisms than to change the basic assumption. As we will see, culture change, in the sense of changing basic assumptions, is difficult, time-consuming, and highly anxiety-provoking—a point that is especially relevant for the leader who sets out to change the culture of an organization.

The most central issue for leaders is to understand the deeper levels of a culture, to assess the functionality of the assumptions made at that level, and to deal with the anxiety that is unleashed when those assumptions are challenged.