

# Firms Producing the Culture of Meaning and Meaninglessness

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Organizations are cultures with a sense of meaning. But the meaning may be seen as a variable — organizations may produce the culture of meaning and meaninglessness. In this article we show, how a process of cultural impoverishment happens within a business enterprise. The assumption of a bureaucracy as a determined destiny of an entrepreneurial firm is criticised.

## 1 INTRODUCTION

The studies about cultural change processes of organizations have emphasized either the pragmatic or the puristic view (Martin, 1985, 95—98, Alvesson, 1990, 40). The pragmatists think that culture is a phenomenon that is due to change and that research should even support the efforts to change the culture (this might be called the social engineering view, as Ray, 1986). Typically, the search for mechanisms of change are seen as the primary task of research. The purists might argue that the culture of organization is not due to change, or, if it were, there are ethical questions as to why it should not be changed and manipulated.

Beyond these questions lie even more fundamental questions about the quality of culture in relation to cultural change phenomenon. For example, would it be ethically "wrong" to change the quality of an organization's culture that seems to cause damage to its carriers (about this paradoxical nature of ethics in decision making situations, Gustafsson, 1988)? "Change" is a universal concept and, to understand it, we have to know from what to where the change actually goes. The phenomenon of change is bound to aims and norms of the changer. It is stated here that **it is important to evaluate quality questions in organizational culture change processes.**

The cultural atmosphere of our age is characterized as being fragmentary and chaotic with pluralistic world-views (for example Rosaldo, 1989, 25—46). There is a great deal of discussion about how organizational ways of thinking have an impact on modern consciousness and how earlier strong socialization agencies, e.g. Church, have lost ground and the space for new socialization agencies, like for organizations, has increased. There is an overall tendency of people to lose touch with life as a meaningful and valuable entity (Frankl, 1977).

The fragmentarism of today's world-views is seen as one obvious reason for interests to study organizations as cultures. But culture of firms is studied from the standpoint of strong cultures, "thick" stories (Geertz, 1973).

In this paper the quality of culture is seen as a variable, which might vary from "thick" to "thin". **Organizations are based on shared meaning (which is the basic argument of organization culture studies), but they may also be based on shared meaninglessness.**

In organizational studies there is an overall tendency to study success stories of organizations and pass over the questions of failure and death as organizational ecologists have argued (for example Hannan and Freeman, 1982). In cultural studies the emphasis has also been on strong cultures, maybe because strong cultures are thought to be related to good performance (like Williams and Ouchi, 1983, Peters and Watermann, 1982). The fact that cultures might be weak and a large amount of the business culture stories might be thin instead of thick, is largely forgotten.

## 2 STRONG CULTURES AND THE SUBJECTIVE MEANING WORLD OF CULTURAL CARRIERS

A "well-defined community" is one that, according to ethnographers (Conklin, 1968, 172),

has existed for some period of time and has employed relatively stable enculturation mechanisms (Redfield, 1952). People of the community begin to share a rather complex understanding of their world, which is largely taken for granted and which they label with a special language. The language and activities of such a community are "thick" with meaning (Geertz, 1973, 3—30), and the meaning begins to reveal to an outsider in a slow process.

Strong cultures are related to a high productivity. Peters and Watermann (1982, 76—77) stated that "the excellent companies are marked by very strong cultures, so strong that you either buy into their norms or get out . . . most excellent companies have rigidly shared values". The culture of a firm may work as an ideology, giving very little space for life outside the organization. Soeters (1986, 299—312) states that there is some comparability with successful companies and social movements and shows, how Peters and Watermann in fact developed an implicit sociological theory about success stories of organizations as social movements.

Elementary mechanisms of strong cultures may be seen in the high commitment (as Kanter, 1972) of the organization's members to the values of the organization. Strong, individual business cultures serve for the commitment of the organizational members (Deal and Kennedy, 1982, Pfeffer, 1981).

In some cases strong cultures are called clan cultures. The clan denotes common views and social relations within a collective, involving trust and confidence. The clan may serve as a control mechanism. In clans, control is exercised by means of common beliefs and values and on the basis of mutual trust between the parties (Alvesson and Lindqvist, 1990, 3). When there is a close identity of interests between the parties, formal contracts may be much less complete. This is the clantype management style (Williamson and Ouchi, 1981, 361).

A clan will emerge only if there is a strong social memory (Ouchi, 1984, 27—28). The conditions that encourage the development of clans are:

1. Long history and stable membership.

The group should have common experiences and a strong social memory of these experiences. They have succeeded together, maybe fought through organizational life struggles together and there is an established heroism. They have a long history with interaction among

the members in stable forms that makes it possible.

2. Locality.

In local circumstances, when the members of the community are near to each other, there are possibilities to communicate and form shared understanding in a group during the course of daily life. In this way a clan with a strong social memory is established. By communication we mean verbal and non-verbal communication (like gestures, facial expressions, symbolic behaviour etc.). Also traditions and norms, expressed for example in dressing, are created this way.

Culture is a societal attribute. The cultural carriers are common norms, attitudes, traditions, values and so on, and culture becomes somewhat independent of individuals as cultural carriers. Some of the members of a clan might be changed and the culture might still go on.

Thick culture stories are created in groups. It is also important to see that culture has roots in the subjective meaning world of the individual carriers. Not only that the members of the culture share the same kind of assumptions, beliefs and values, but their subjective meaning worlds are thick with meaning that comes from the organization. This means that the organization culture might be more or less meaningful in the mind of cultural carriers. The quality of organization culture may vary in this aspect.

The meaning world might be deep in strong, "thick" cultures or on the surface in weak, "thin" cultures. The phenomenological examinations of Berger (1967, 4—15) it is describe the relationship between the individual and the culture in the sense, how subjective life worlds become meaningful and how they might be objectified without a strong meaning when institutionalization takes place.

The mechanisms of how deep, rich meaning worlds (strong cultures) of individuals are created lie also on the organizational and institutional levels (Berger, 1967, gives illustrations how this happens). In this way organizations may produce the culture of meaning but also the culture of meaninglessness in their special settings.

"The culture of meaninglessness" is a culture where subjective meaning worlds of the members are weak, and the ground for shared values, beliefs and norms is weak in the organization. Weak cultures of organizations might be labeled by alienation, depression and byocrati-

zation in their emotional contexts. These might be seen as opposites to strong cultures or clans that are labeled with commitment, enthusiasm and high involvement as an emotional context of the individual experience world.

In this paper there is a case study which shows how a cultural change process of an organization from a clan (a thick culture) to a bureaucracy (a thin culture) goes on. Here the process is here called an impoverishment of the culture of an organization, a change from a "thick" to a "thin" life story of an organization.

### 3 LIFE-CYCLES OF FIRMS AS DEVELOPMENTAL PATHS

Entrepreneurial firms establish one type of firms among business organizations. They typically exist during the phase of creation (about life-cycles of business organizations, Schein, 1983, 1985, Lievegoed, 1972, Greiner, 1982). They are entrepreneurial in the sense that the entrepreneur has an effect on the whole organization and its way to act. Entrepreneurial firms are supposed to have special entrepreneurial features, for example innovativeness, flexibility, informality and unspecialized organizational structures.

From a dynamic perspective, examining the firms from the perspective that they may follow the path of a life-cycle, the entrepreneurial firm is the first step on the path. Firms have a tendency to grow larger, structurally more complex and organized and end up as bureaucracy and mature cultures (like Schein, 1985).

But firms do not necessarily follow this path of a life-cycle. There are many ways to establish new firms: big companies, state or local authorities may establish them. In such cases entrepreneurship becomes faceless from the very beginning.

When the firm is a classic entrepreneurial firm with an easily identified person as an owner-manager, its possibilities to grow and go further on the life cycle are manifold. To go to the phase of "middle-age" and after that to the phase of "mature age" (for example Schein, 1985) is one possibility. But there are other possibilities, too. First of all:

1) They may stay as pioneer firms. Some entrepreneurs even avoid the possibility that their firms grow larger than they are able to have control over. Entrepreneurs may have "craftman" motives instead of managerial motives (for ex-

ample Smith, 1967, Marjosola, 1979). Even if they have an outside pressure to grow larger they might not want to take the step.

The life-cycle might also come to an end:

2) Entrepreneurial firms might either fail and after going bankrupt be scattered and simply disappear, or

3) they might be sold to other companies and stay alive as merged parts of them.

In the third case the firm might partly preserve its independence partly. A merger is a special case of a structural and cultural change process for a firm that becomes merged with another company. In a merger, according to the life-cycle way of thinking, firms that might stay at different phases of the life-cycle, become structurally and culturally connected with each other. For an entrepreneurial firm this might mean that it becomes part of a non-entrepreneurial firm, and meets cultural requirements that are formed in another organizational culture contexts.

Successful entrepreneurial firms are often labeled as clan cultures (for example Lievegoed, 1974). When an entrepreneurial firm is merged with a non-entrepreneurial one, what happens to the clan culture? In life-cycle studies the second organizational stage after the pioneer one could be called a bureaucracy. Is a bureaucracy based on a weak subjective meaning-world and a "thin culture"? Is this path from a clan to a bureaucracy a determined one? These are the questions of the last part of this paper.

### 4 STAGES AT THE ORGANIZATIONAL LIFE OF "FENIX"

The case of "FENIX" (the name is intended) serves as a case study, which shows the life-cycle of one firm from an independent firm to a merged part of another company. It also shows the cultural change process that is characterized by the impoverishment of the culture.

#### Entrepreneurial phase

FENIX was an entrepreneurial firm. It had been created and managed for forty years by BB, an engineer and researcher in the area of composites. The entrepreneurial culture of FENIX could be described by many features which are typical of clans: static structure, low stage

of changability among the personnel, the same experience world, heroism, and even a strong connection with the Finnish national culture (the main product was pools, used in skiing, which is the national sport of Finland). The culture was innovative, spontaneous, solidarity in the organization was high and individual initiatives were appreciated.

BB was the one who kept all the strings together. There were many tales and anecdotes told about him and he was the one who made the basic innovations. But his creativeness was not only in technics: he seemed to be one who could create feelings of trust, solidarity, initiative and entrepreneurship and could be described as a socially creative person. BB, with some other key people, established two factories which applied the technology (and developed it at the same time) for producing pools and became the leader in the world market.

The culture of FENIX was characterized by features that are typical of clans: high involvement, strong norms without formal control systems, low hierarchical structure and a strong social memory with rich stories about past times.

### The merger

The merger took place at the time when the firm met with financial difficulties. The reasons for this are manifold. Roughly described, it could be seen that the pools had now such a big share in the world market that it was not possible to increase it any more. The firm did not find new products, which could have started a strong new expansion and it was committed to high expenses without enough income.

The firm worked as a collection of small enterprises. There were many new projects going on and the composite technology was applied to many kind of new products, which were good in a technological sense but did not produce enough money, because the advantages of mass-production could not be used.

As the entrepreneur told himself, they should have established a relationship with other industries to develop new products for mass-production. "We just did not have this kind of knowhow", BB said. Anyway, this kind of cooperation would have lasted for years before bearing fruit, and there was not anything like that going on.

The only possibility was to sell the firm. A big state-owned company, which was interested in developing this production area as part of its strategy in composite-industry, bought it. The merger could be understood as a starting point for this kind of new co-operation with the new owner firm. The information about the merger was told in one line of their annual report, which describes well the size of the new owner.

The new owner, with the help of a consultancy firm, began a development program. The structure of the firm was formalized, the firm made a hierarchical organization chart with strict individual responsibilities; the budgeting system was established, the control system was planned and the manager team started its work. The firm turned to the "second stage" in an organizational life-cycle (about life-cycles in organization cultures, see Schein, 1985). The entrepreneurial phase was definitely over now.

### The impoverishment of the culture

After the merger the clan culture soon began to vanish. The special, individual culture of the organization with a strong social memory was weakened. There are many remarks which show it:

- Social networks were broken because many old "fenixians" moved away. BB was gone and the heroism with him. Old success stories and mythology did not work and there were no new ones.
- The feeling "being something special" seemed to belong to old times. People said that now they behave as in a "real firm", "this is how it has to be" and "work is not play", "this is something we have to pay for because of the old freedom". There was seen depression, cynicism and compulsiveness as organizational feelings instead of the old enthusiasm and thrust. Strong and predictable organization culture became to a weak, nonindividual culture, which was labeled by institutionalized, metacultural beliefs, norms and values about "what a firm has to be", what is "real work" and what is "a good employee or manager".

The new culture was unstable and with no real visions of the future. In two years about one half of the staff moved away and the social memory began to vanish. It was more an institutionalized firm: there was a culture, but com-

pared to the earlier unique nature of it, characterized by the sense of meaning and deepness of the experience world of the culture carriers, it was an impoverished cultural world. The locality vanished and the "thick" culture turned to "thin".

It happened something that Feyerabend (1985) and Sarmela (1981) call a tendency in all throughout society: a shift in the culture from locality to delocality; from special, local based norms, knowledge and experience worlds of cultural carriers to institutionalized, loose meaning worlds with a weak social memory. Sarmela calls this "a cultural imperialism", where technological and economic world order takes the place of local, meaningful experience-worlds of the cultural carriers. The case of "FENIX" could be seen as a micro-level example of this kind of cultural impoverishment process.

## 5 THE CULTURE OF MEANINGLESSNESS — A DESTINY OR FREE CHOICE

The question has been asked as to whether this kind of development process is a determined one in the life-cycle of a business organization. First, is it a destiny of an entrepreneurial firm to end up as a bureaucracy (in picture, from A to B or D)? And secondly, is a bureaucracy seen as a culture of meaninglessness (from A to D)?

*Table 1. The cultural change alternatives of an entrepreneurial firm.*

	entrepreneurial firm	a bureaucracy
strong culture (clan)	A	B
weak culture	C	D

In the mind of the cultural carriers and changers, the development was a determined one. The ideal type of a firm was seen as a bureaucracy with "modern" management technics. The entrepreneurial culture with spontaneity and innovativeness was seen as old-fashioned and as one big reason for the losses of the firm.

It was stated that the old, entrepreneurial culture run without control and that it was based

on individual freedom of the members of the organization. The implicit attitude of the culture changers was that people seek freedom and hate rules, but because of the productivity, they just have to obey them. This is paradoxical compared to the nature of the clan culture that was full of inside norms and did not make people really free at all, behaving without rules. The control was established by inside norms and traditions and it created a strong, inside control system that told people how to behave and act.

Clan rules are rules with a social memory, they are "named" rules and born in the real social world with rich experiences, maybe heroism and emotions. The new rules of the bureaucracy were more abstract, meta-cultural rules with no local social memory and emotional bounds. But they suited very well to the images of what is a "real firm" in the mind of the cultural carriers and changers. These images come from metacultural levels of consciousness and are based on institutionalized norms. For example schools, mass media of communication etc. may create them.

We may now look at the implications for the questions of change as a determined path for a small, entrepreneurial firm as a summary.

1. When a firm grows and the entrepreneur/founder leaves the firm it might be administratively necessary to find other control technics instead of the clan culture's inside norms. This case study supports the general idea of a life-cycle path of a firm, because the entrepreneurial administrative technics did not work any more and the firm seemed to need other administrative tools.

2. The tendency that a new phase of the organization becomes a bureaucracy with a sense of meaninglessness might not be necessary. If the firm may reserve its strong social memory and other stable relationships between organization members it might even develop a bureaucracy with a sense of strong meaning. The features of a clan culture show that when organizational members are committed to the inside norms of the organization, they obey the rules. The nature of the rules in a bureaucracy may have the same quality as in an entrepreneurial culture, and the firm does not have to lose its uniqueness and sense of shared strong meaning. There is no need that a bureaucracy have to be the world of "cultural meaninglessness" because "people hate rules and want to be free". The question is, how the bureaucra-

cy works in the subjective meaning world of cultural carriers.

3) Implicit beliefs about a man's nature to be one who seeks for freedom instead of commitment and obey rules only because people feel they have to ("this is dull but we have to do this") act themselves as a mechanism for producing a culture of bureaucracy with a shared sense of meaninglessness. The determinism itself might makes the real world act according to its nature, but when the causality in the belief system is revealed, the world might behave another way.

4) Organizational culture change programs may fight against the attitudinal mechanisms, which create a shared meaninglessness of cultural carriers at the second stage in a firm's life-cycle. Administrative tools (structure, control systems) should not be seen apart from the culture but they should be socialized at the firm organization so that they do not grow apart from the meaning world of the cultural carriers. The clan culture could serve as a supportive system, which carries on the principles of a beaucracy and makes them grow as a socialized part of it. In these circumstances there is no brake in the social memory of the organization.

Technics established for example in Bartunek's study (Bartunek, 1988), which pay attention to the emotional process of the cultural carriers in a cultural change process of an organization and allow for their initiatives during the change process should be developed and studied further.

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