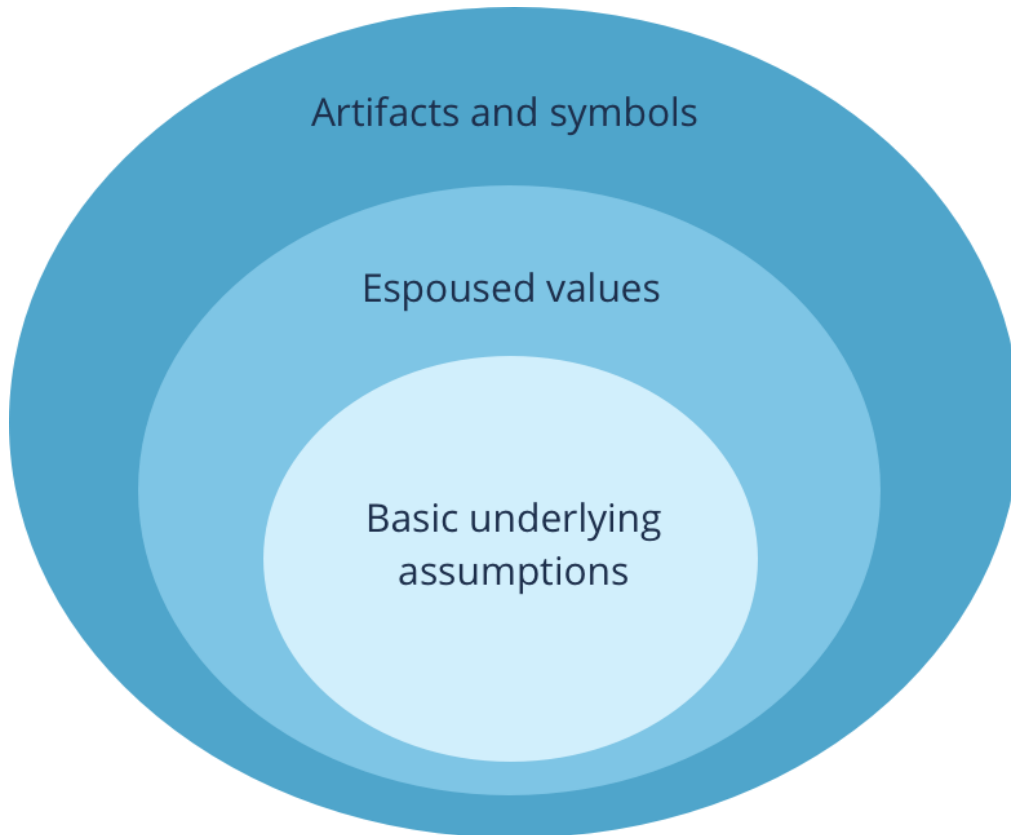# Edgar Schein's three levels of organizational culture

Abstract: Culture is a strong element of people's lives. It pedals their views, their values, their humor, their hopes, their loyalties, and their worries and doubts. So when you are working with people and building relationships with them, it helps to have some perspective and understanding of their cultures. Like in a family or in a society, even in organizations, individuals and groups interact on different matters for harmony and prosperity. The combined behaviours create a company climate that can reinforce or depress an organization's success. This article covers Edgar Schein's model of organizational culture which originated in the 1980s. He identified three distinct levels in organizational cultures: artifacts and behaviors, espoused values and assumptions.

KEYWORDS: Edgar Henry Schein, three levels of culture, artifacts, espoused values, assumptions and beliefs, Zappos.com, organizational culture.

Organizational culture is a system of shared traditions, values, and beliefs, which have a great effect on how people behave in organizations. Values are lasting beliefs which have a strong

influence on the people in the organization. It dictates how the organization appears in public eyes. Organization comprises of people from different culture, economical class, religion, countries, gender, age etc. In organizations, individuals and groups interact on different matters for the harmony and prosperity. The combined behaviors create a company climate that can reinforce or depress an organization's success. Each individual and his behavior matters because business processes are interdependent. Therefore, while working from within a company's structure, both management and staff might have difficulty in recognizing patterns of behavior and also how intensely those patterns can influence a company's performance. The leadership is extremely important to create positive influence and positive atmosphere by helping the employees to grasp and work on achieving mission, vision and goals of the organization; this is where OB is important. Every person working in an organization from the gate keeper, sweeper to the CEO is involved in the company's future. If the internal atmosphere is good in an organization, it projects a strong external manifestation.

Edgar Henry Schein (born March 5, 1928), a former Professor at the MIT Sloan School of Management, is known for his work in the field of organizational development, more so in areas such as career development, talent management, group dynamics and cultural developments. Edgar Schein's model of organizational culture was originated in the 1980. He identified three distinct levels in organizational cultures: artifacts and behaviors, espoused values and assumptions.

Artifacts include any tangible, evident or verbally identifiable elements in an organization. These include the architecture, beautification of workplace, careful design, layout, fitting and maintenance, built-in space for movement (space, sound, and acoustics), functionality, attractive visuals, elegance, furniture etc. Artifacts include dress codes too: explicit dress codes speak a lot about workplace culture. They are varied as workplaces are. It differs as per the nature of the workplace: it is the starting point of defining and determining a dress code. Wearing I-Card and clean dress, well-groomed employees speak a lot about organizations. All artifacts send a value statement, they give a message about what an organization values.

A clean and tidy work environment looks appealing and more importantly it is convivial to any potential clients, suppliers, anybody. It instills confidence and creates trust from the very beginning and gives an image of efficiency and detailing. Dirty floors or smudgy conference room tables, on the other hand, talk the mentality of people working in the organizations. It shows lack of efficiency and professionalism. Right from entering the gate till the exit gate an organization speaks volume about its culture.

Take a physical office environment for example—imagine walking into a company with an open floor environment, glass walls, ping pong tables, and a golden retriever. Each of those physical items is artifacts which send a message: this company values openness, creativity, fun, and friendship. Or consider the letter from a chairman who, in response to an employee's terribly nonsensical and harmful behavior, praises his employees for "following protocol and

regulation." That memorable letter from United Airlines is an artifact that sent a clear statement—we value protocol over common sense and company values here.

The employees are organization's first brand ambassadors. Law firms are different from IT firms, hospitals are different from hospitality, manufacturing is different from retail and back office work is different from client-facing work. Dress code, languages selection of courteous language, office jokes, all exemplify organizational artifacts. Artifacts are the visible elements in a culture and they make the first impression on outsiders. Lazy, shabbily dressed, sloppy employees mar the image of the organization. When we meet gossiping, paying no heed to customers and lost in their old world employees, we lose interest in transacting with the organization. Don't we?

Dress code and appearance have developed into more than just spoken policies and practices made and used by managers and supervisors. Dress and appearance policies now require organizations to develop strategies that align with employer goals and culture while protecting the employer from discrimination claims and protecting employees' rights. HR, which is frequently responsible for policy development, must work with other parts of the organization to ensure that dress codes are managed consistently and fairly.

Espoused values are the organization's stated values and rules of behavior. It is how the members represent the organization both in terms of their behavior and the shared values. Their interpersonal behaviors and their behaviors with outsiders speak volumes. This is expressed in mission, vision, philosophies and values of the organization. The mission, vision, goals, values need to be displayed nicely in framed posters in strategic locations in organizations. They are official philosophies and statements of identity for the public. A company's mission statement is essentially its statement of purpose. Organizational values are inbuilt in its members regarding the means and ends that they all ought to identify. The most basic level of commonality that provides a common identity and shared sense of purpose is reflected in the company's vision. When employees share organizational values they feel more loyal, committed, identify more strongly with the organization, and are more likely to stay with the organization. Espoused values that are expressed on behalf of the organization or attributed to an organization by its senior managers in public statements may be distinct from practiced values. While the relationship between espoused values and organizational practices can differ to some extent and, this where the organization is tested by its external environment. Espousing socially relevant values and corporate social responsibility (CSR) is gaining huge importance today.

It serves as a guide for all of the company's decision-making. Shareholders, leaders and employees and customers are generally the target of the mission. It projects the future, of what the organizations hopes to become. Likewise, vision statements help to describe the organization's purpose. Vision statements also include the organization values. Vision statements give direction for employee behavior and helps provide inspiration. They help in

organizational analysis which is the process of reviewing the development, work environment, personnel and operation of a business or another type of association. In professional organizations you will see that espoused values are shared by employees at all levels. Trouble may arise if espoused values by leaders are not in line with the deeper implied assumptions of the culture.

Behavioral studies examine communication patterns between individuals and groups, as well as the structure and culture of organizations. Many culturally and financially weak individuals have blossomed and grown after joining good workplaces. A detailed look at workplace behavior, business culture, and organizational practices generates greater insights about communication patterns and conflicts. People can make work place an exciting, fun-filled, and productive place to be, or they can make it a routine, boring, and ineffective place where everyone is apprehensive and tense. Steve Jobs, co-founder, Chairman, and CEO of Apple Inc. attributed the innovations at Apple, which includes the iPod, Mac Book, and iPhone to people noting "Innovation has nothing to do with how many R&D dollars you have….It's not about money. It's about the people you have, how you're led, and how much you get it."

Assumptions: The third level is assumptions which are shared basic assumptions. These are deeply embedded, taken-for-granted behaviors which are usually unconscious, but constitute the deep essence of culture. These assumptions are well integrated in the work culture, that they are easily recognized in actions of the employees and management. The inner aspects of human nature constitute the third level of organization culture. The inner values of individual employees can make or break an organization. Being honest to work, being a well-wisher of the organization, putting in the extra bit matters a lot. Sometimes when employees need to put in late hours, and they refuse, or when female employees are dominated by male employees, or when females employees are harassed by their bosses it portrays the culture. The organizations follow certain practices, which are not discussed often but understood on their own. Such behaviors form the third level of the organization culture.

Assumptions are also an important part of daily life in organizations. They are the invisible, taken-for-granted beliefs and values that form the culture of an organization and impact how the organization performs. Shared basic assumptions are the bedrock of organizational culture. They are the beliefs and behaviors so deeply embedded that they can sometimes go unnoticed. But basic assumptions are the essence of culture, and the plumb line that espoused values and artifacts square themselves against.

The three levels refer to the degree to which the different cultural phenomena are visible to the observer.

Why aligning the three layers of artifacts, espoused values and assumptions are important?
Inside organizations different subcultures exist. Subculture exists because of different groups within the organization. These groups are formed because of different situations, different problems in which a group of people come together. People within a group

share same philosophies based on their experience. Areas of differentiation that cause subcultures to form in organizations include geographical separation, departmental designations, functional specialty, tenure, and identity.

Edgar Schein believes that the alignment between subcultures is critical for growth. Many problems that are attributed to bureaucracy, environmental factors or personality conflicts among managers are in fact the result of the lack of alignment between these factors of culture.

Organizations must use a broad-spectrum yet strict approach to educate its members of the organization's values. Remember, values are important only when the organizations' members have accepted them. Organizations need to publicize them widely internally, so that it goes down well externally. For example, if an organization gives importance to educational qualifications of employees, the values should be explained in detail to the members as they pass through the organization's education system.

The values must be demonstrated to the employees through the senior managers. They say 'practice before your preach' the seniors play a vital role in practicing the values of the organization. Douglas Macgregor states that highly successful organizations do not simply proclaim a set of values; rather they immerse their managers as well as their employees in the ideology to an obsessive degree. It is a certainty, that any disconnect between the behavior of the senior leaders and the values of the organization strongly undermine the commitment of the organization to those values in the minds of its members. And the adherence of the members to the organization's values is the core of discipline. Whatever that undermines values also undermines organizational discipline.

Also, when new employees enter the organization, they learn the values of the organization through their initial socialization processes with other members of the organization. Though, this fact is considered as informal method, it is quite powerful. The new employees can be molded in the system within first two weeks. Finally, all organizations are socio-technical systems in which the manner of external adaptation and the solution of internal integration problems are interdependent: employees, managers, investors, suppliers, the community, government and the customers shape an organization. The internal adaptation of an organization shapes the external adaptation.

When the three levels are aligned in organization the organizational culture changes for good; culture can be described and assessed at the levels of artifacts, espoused values, and shared tacit assumptions. The importance of getting to the assumption level derives from the insight that unless you understand the shared inferred assumptions, you cannot explain the differences that almost always surface between espoused values and observed behavioral artifacts. When any undercurrent exists in organization, the behavioral artifacts tell them first.

Look at this great example. Zappos.com is an online shoe and clothing shop currently based in Las Vegas, Nevada. In July 2009, the company announced it would be acquired by

Amazon.com in an all-stock deal worth about $1.2 billion. Since its founding in 1999, it has become one of the world's largest online shoe stores. Zappos has become almost as well known for its culture as it is for the shoes that it sells online. How does Zappos culture look like? It believes in delivering an experience of 'WOW' through service. The company believes in embracing change constantly. It believes in creating fun and weirdness among the employees. Weirdness is necessary for creating innovation. It encourages its employees to be adventurous, creative and open-minded and pursue learning. The organization believes in building honest relationship with its employees with transparent communication. In true sense Zappos behaves like a close-knit family.

When it comes to hiring employees, it starts with a cultural fit interview, which carries half the weight of hiring the candidate. New employees are offered $2,000 to quit after the first week of training if they decide the job isn't for them. Ten core values of the company are instilled in every team member. Employee raises come from workers who pass skills tests and exhibit increased capability, not from office politics. Portions of the budget are dedicated to employee team building and culture promotion. The organization passes on great benefits and a workplace that is fun and dedicated to making customers happy all fit in with the Zappos approach to company culture, where one gets the company culture right, great customer service and a great brand will happen on its own. Zappos has established what the company culture is, and fitting into that culture is the most important thing managers look before hiring.

Conclusion: A culture assessment is of little value unless it is tied to some organizational problem or issue. Identifying a culture for the sake of it is not only too huge a problem but also may be viewed as boring and useless. The process should first identify cultural assumptions and then assess them in terms of whether they are strengths or constraints on what the organization is trying to accomplish.

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