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# Chapter 3

## Organisation Culture

### From Systems Theory of Organisation Perspective

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#### **ABSTRACT**

*The article deals with organisation culture from the viewpoint of systems theory of organisation. Organisations are presented as autopoietic systems, relations between organisation and individual are discussed as well. The author attempts to define to what extent values and rules characteristic for a given culture can and should be changed.*

#### **INTRODUCTION**

Different organisation culture issues have been discussed extensively for years. Nevertheless, in spite of deep interest to this phenomenon, it is still not explored completely. Organisation culture is a complex subject that extends over the whole environment of individuals who make up organisations. The core of this culture consists of values and rules that precondition all decision-making in organisation. These are hard to define, however, it is them that shape and form the entire organisation.

These values and rules are often a “tabooed” topic to discuss in organisation, as they are hard to manage – they are too “soft” and cannot be measured (Landau, 2007, p.18). Nevertheless, this social phenomenon - organisation culture - is generally considered (together with strategy and structure of organisation) to have a decisive impact on its operation, development or failure. Thus, knowledge of organisation culture nature, basics and functioning becomes very important (Balz & Arlinghaus, 2007, p.165).

The aim of this chapter is to present the essence of organisation culture from systems theory of organisation viewpoint. Steady grounds (core) are an important condition that has to be fulfilled to allow organisation to develop and succeed, as this core would help it in keeping balance under difficult circumstances. Hence, the article attempts to answer the question of the role played by culture-related factors in organisation and to what extent values and rules, accepted in a given culture, can and should be changed.

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## **BACKGROUND**

There is a great variety of theories of organisations. These theories are part of the huge area of social sciences that cover all aspects of private and collective life of human beings (Kieser & Ebers, 2014, p. 26). Particular topics, subjects and scientific specialisations that can be singled out within this area usually do not have clearly set boundaries – they overlap and interlace. What they all do have in common is their interest to relationship of organisation as a social entity with its members. And systems theory of organisation is focused exactly on interrelations between social system and its participants. Models of organisations produced with the help of system approach enable better understanding of logic behind any organisation's operation. On this basis it is possible to draw important conclusions and make valuable recommendations that could be applied in practice. The function of theory of organisation in relation to roles of other concepts and fields of research is often secondary. Nevertheless, taking into consideration the central role played by organisations in society, the importance of this function should not be underestimated. More and more often organisations replace family structures, tribal or ethnic links and local communities. And, whatever happens – good or bad, organisations are almost always part of this. Today they play a crucial role in the context of changes caused by increase of complexity.

Bearing that in mind, researchers, inter alia, G. Probst, P. Gomez (1997, p. 45), F. Malik (2014, pp. 21-27), J. Honegger (2008, pp. 27-28), F. Vester, (2008, pp.16-20), J. O'Connor and I. McDermott (1998, p. 34), W. Sitte and H. Wohlschlaegl (2006, p. 508), D. Meadows (2010, pp.17-18), point to the need of a broader view – the system approach to theory of organisation and the phenomenon of organisation culture.

W. Sitte and H. Wohlschlaegl at the same time note that system approach is not a priori better than other concepts, though it enables a fresh look, better understanding of processes and may lead to new conclusions (Sitte & Wohlschlaegl, 2006, p.510).

System analysis makes possible to control variability and complexity thanks to knowledge and understanding of interdependencies and links existing between different elements. Thus, it is easier to notice interrelated links and influences, which is particularly important since modern organisations are tied with their environment with an infinite number of such linkages (Schiepek et al., 1998, p. 9). Organisations are becoming more and more self-regulating, unpredictable and complex systems (Malik, 2014, p. 21). For this reason, to understand the essence and functioning of these complex systems, besides “cause and effect” thinking, a broader, all-embracing approach to research of the world is needed. According to the principles of system analysis, an organisation can be viewed as a system, a network, to be precise, within which flow and exchange of information and resources take place (von Bertalanffy, 1969, p.36). Particular parts of systems are closely related (Probst & Gomez, 1997, p.26). The main principle of the system approach is: even a minor, insignificant change within one of the smallest subsystems may have a substantial impact on the entire system in the long-term prospective, as a number of various factors exert their influence on it simultaneously (Vester, 2008, p.18). These factors are not isolated, they interact and influence each other across all boundaries set by sciences, and they are feedback links between factors of qualitative and quantitative character (Wilms, 2012, p.21). System analysis is centered on multidimensional research of essential aspects of organisation as a system and its functioning (Verster, 2008, p. 19).

## **ORGANISATION AS AUTOPOIETIC SYSTEM**

The word (and hence, the notion) “system” originates in old Greek and means an entity composed of parts (Simon, 2013, p.16). This is why systems theory of organisation basically tries to answer two questions: what elements make up system (or could make it up) and who or what distinguishes (defines) organisation as an entity from the rest of the world (Simon, 2013, p.16).

Controversial viewpoints might appear already at this stage. Indeed, according to the most common point of view, besides buildings, machinery, devices and other means, all organisations consist of people. It might seem to be convincing, as it fits into experience of the majority of those who have dealt with organisations. Obviously, people do not interact with an abstract system - they meet particular persons, who act in a particular way, as whatever organisations do is performed by individuals in real life. K. Weick warns, however, against treating organisations as persons (Weick, 1985, p. 52). He postulates that any activity of organisation can be split into a sequence of interactions between particular individuals and it is people who define a given set of interlocking and interrelated actions. Without them, organisations would not be able to complete their tasks.

At the same time, K. Weick stresses that organisations keep to a certain model of operation, because their particular activities are properly organised and harmonized (Weick, 1979, p. 52). This allows organisations to “live” longer than their originators, and thanks to formally accepted rules operative in organisation, it is also possible to “change” personnel. This possibility of “personnel change” is a characteristic feature of organisation. Thus, formalised rules enable organisation to admit new members (i.e. individuals) without the need of changes in its functions. However, it would be interesting to know more about the way organisations adopt rules, which are kept to for a long time. In other words, what mechanisms allow for making connection and coupling actions of many individuals in organisation so that a coordinated system of action appears? And how does the process of “reproduction” of these mechanisms and rules develop with the course of time, taking into account the option of changing some members of organisation?

One might look for answers to these questions in Niklas Luhman’s societal systems theory. He argues that communication is a rudimentary element of all social systems. Boundaries of communication are defined differently, not like those of actions, as an action can be attributed to a certain person, whereas it is impossible to do so with communication, because it links two or more persons. To understand it better, one could use the description of system’s operation by K. Weick. In his view, the elementary unit of any organisation is the so-called “double contingency” comprising action - reaction – adaptation. Thus, an individual performs a certain action, to which another person reacts, meanwhile, initiating the interaction person also reacts to the response (reaction) of the “addressee” (Weick, 1979, p. 53). Actions of both individuals can be explained by supposition that participants of interaction attribute some meaning to both their own and the other party’s actions and react to each other accordingly. Therefore, the “double contingency” gets its “cyclic” characteristics, as actions of one person can be interpreted as sending information, whereas actions of the other one as a sign of understanding. Such combination of “information”, “sending/communication” and “understanding” is defined by N. Luhman as an emergent unit of communication (Luhmann, 1984, p. 193). It means that thanks to communication, a “double contingency” takes place accompanied by “interlocking” of actions. However, communication is not understood in its usual sense as an action, but as an event. It is not about communicating information in the form of signals - in the process of communication autonomous “observers” interact, their reactions to a given message can differ and cannot be predicted.

Thus, the function of human communication is not just “delivering” message, but coordination of persons and their actions. In the context of organisation it means that patterns of behavior (and action) observed there can be explained as the result of communication (though they are recognised and registered as actions). Therefore, it can be said that it is communication that turns individually acting entities (persons) into participants of a social system and only communication creates social systems. Hence, individual communications are basic elements of social systems – events that take place in the present and at the very same moment they happen, they become the past. So, to keep social systems “alive” for a long time, communication process has to be continued. The “trick” that allows organisations to live longer is: organisations with the help of their own procedures (e.g. recruitment of staff) look for possibilities to change their employees (thanks to communication) and to “reproduce” their communication patterns. This way organisation ensures the continuation of communication process, which defines it as an autonomous entity and distinguishes it from the rest of the world.

Not all social systems are “meant” to last. As they are made up of communications, there is a high probability of their decline before they become “strong”. Let us imagine - a man meets another man in the street, asks him the way to the nearest library, the stranger responds, then thanks follow and the event ends – this social system has already its future “behind”.

Were this social system an organisation, the event would look totally different – the communication would be continued: the message would be followed by another one, then the next one, and the communication process would continue. Thus, communication contributes to longevity of social system (in this case, organisation) and organisations make efforts to have enough “fuel” to keep it going on.

Humberto Maturana calls this type of processes “autopoietic” (Maturana, 1982, p. 280). According to his theory, autopoietic processes are the characteristic feature of living organisms. They are a specific form of self-regulation. Then, autopoietic systems are self-sufficient - they appear and reproduce themselves using only their own elements and as a result of internal processes. Thus, it is the ability of self-creation and self-regeneration which enables system to survive and develop.

## **INDIVIDUAL VS. ORGANISATION**

F. Boos and G. Mitterer point out that modern organisation needs to distinct itself from persons (Boss & Mitterer, 2014, p. 15). It happens despite the increase of man’s importance in organisation due to growing complexity. These authors also emphasise the fact that organisations want to ensure for themselves the ability to survive being able to avoid any dependencies of their structures and processes going on within them from particular individuals at the same time. They give the example of Apple Inc., a company that has been growing fast since 2000, despite untimely death of Steve Jobs, the charismatic head of the firm, in 2011. To understand well what organisation is, Boos and Mitterer suggest leaving its employees “outside”, as according to the principles of system approach, organisations do not consist of their personnel (Boss & Mitterer, 2014, p. 15).

This, once radical, idea of Chester J. Barnard, an American theorist of organisation, was further developed by Niklas Luhmann, a German sociologist, in his new systems theory where he perceives people as the environment of organisation. N. Luhmann argues that it is communication patterns, not employees, which make up an organization (Luhmann, 1984, p. 42). The idea that employees are not part of organisation might make one feel uncomfortable. First, it seems to be weird and difficult to grasp,

however, it is just a “side-effect” that appears only because people strongly self-identify themselves with organisations. They also often “need” organisation to feel they are part of something large.

Nonetheless, the view that people are part of organisation could not be defended, if we inspect it closer. No organisation needs a “whole man” (Boss & Mitterer, 2014, p. 17; Simon, 2013, pp.17-18), it does not need all his or her wishes, health problems, interests or personal qualities. Under such a load, any organisation would slip into chaos. It can be said that more often organisations avoid being on “too human side” (Boss & Mitterer, 2014, p. 17). Some organisations prohibit any celebrations (e.g. birthdays of their employees) on their premises or block access to some web-sites. Members of staff want their private life to be separated from work as well.

F. Boos and G. Mitterer also note that if organisations consisted of their staff, then those employing the most intelligent people would be the most intelligent. Thus, universities and companies that employ people with the highest IQ, would be the most intelligent organisations. As one can see, it is not like this in reality (Boss & Mitterer, 2014, p. 18).

Yet, all the above mentioned does not mean that organisations can operate without people – just the opposite – organisations need people. But relations between an individual and an organisation differ from the generally accepted idea of it (Boss & Mitterer 2014, p. 18; Simon, 2013, pp.17-18; Luhmann, 1984, p. 289). People offer to organisations their beliefs, views, actions, their memory. Organisations are not able to think, smell, taste or watch themselves. They are tightly bonded with their employees – in a way similar to the one they are tied with their clients (Boss & Mitterer 2014, p. 18). Thus, system and its environment make a whole and thanks to it, together they can co-develop.

Positioning persons outside organisation (or any social system) is the fundamental principle of systems theory of organisation. Though it is often criticised as “diminishing” value of man, adepts of the system approach argue that it is right the opposite - as according to this school of thought, human being and organisation are equal. System exists only within its environment, and therefore, organisation needs people as part of its environment. People perform certain functions in organisation, so, there is neither a system without an environment nor an organisation without people.

F. Boos and G. Mitterer remark that focusing on decisions (or communications) instead of people means significant “relief” for organisation’s staff. Thanks to this, other solutions are looked for, without focusing their attention on failures (in the first place) or successes attributed to particular employees, their qualities and style of action (Boss & Mitterer, 2014, p. 19).

Thus, organisation can be understood only when its environment is taken into consideration, as any organisation (any social system) is integrated into its environment. It exists only in relation to its environment and in separation from it at the same time. As the environment is constantly changing, the boundary between organisation and its environment has to be defined again and again continuously. This boundary is not stable, it does not stay the same long.

According to N. Luhmann, systems should be understood as identity maintained in over-complex and ever-changing environment by balancing their (systems’) interior and the exterior (their environment) (Luhmann, 1973, p.175). Hence, this identity defines both internal structures with the sense of organisation’s being and its relations and cooperation with the environment. Since no organisation is able to span its attention over everything that is happening in its environment, it has to make choices. How these choices are made depends on the sense, constituted by views, values, norms, objectives etc. The sense is always specific for a particular organisation (Boss & Mitterer, 2014, p. 21); it is a necessary resource to differentiate between the communications which belong to the system and those which do not. Thus,

identity of an organisation arises from relations between and cooperation of its internal structures, the sense and the environment.

But then, if organisation does not consist of its employees, what does it consist of? It is constituted by its own patterns of communication - in other words, by endless flow of decisions. Even if particular persons may come and leave, as long as organisation makes decisions, it exists. As soon as it stops making decisions, it is dead (Luhmann, 1984, p. 193). So, any living organisation must make decisions, since it re-establishes boundaries between organisation and its environment in real time, which is necessary for any system. If the boundary disappears, organisation ceases to exist and dissolves. It can be illustrated on the example of a company overtaken by another firm. Once autonomous decisions are not possible to make, the boundary disappears and this entity becomes part of another system. Thus, bankruptcy of a company (and appointment of the official receiver) can be compared to the state of coma. Therefore, organisations are intended to act and make decisions, especially in critical situations. When unexpectedly, a key person is absent, organisation must prove it is able to act, at least symbolically.

A single decision is a basic element of organisation. A decision made has to be followed by the next one. Organisations consist of a never-ending chain of decisions (even those impossible to grasp and register). J. Boss and G. Mitterer offer this example: if we imagine that any time, a decision is made in organisation, a light (immense or minor, depending on the decision's importance) is lit, an observer could enjoy a spectacular diversity of pulsing lights (Boss & Mitterer, 2014, p. 23). Yet, it would be impossible to understand, tell or predict neither what light is on at this moment and why, nor the order of their appearance.

Now, it is the right time to consider, what decisions are. Decisions are arrangements that organisation keeps to (for some time), which make a basis for further decisions. If a company makes a decision to invest in China, it makes arrangements that influence further decisions. In this example many things depend on who will work, where construction will take place and if any dotation by the state is possible. Decisions are a specific type of communication that coordinates actions. Hence, decisions define the reality rather than leave spaces for alternatives – for instance, instead in China, the company could invest in India or set up a financial reserve. This is the main difference between an act of communication in the form of decision and the rest of communications. Decisions provide certainty, whereas communication can lead to uncertainty as well (Baecker, 2003, p.35).

Organisation makes a context within which processes of management go on. This is why understanding of the essence of organisation is so important. K. Weick suggested that instead of organisation, we should speak about process of organisation. According to his views, the word “organisation” is a noun and a myth (Weick, 1985, p. 129). If you are looking for organisation you will not find it - only inter-related events and a continuous flow of decisions will be there. And as one cannot enter the same river twice, it is not possible to work twice for the same organisation.

## **CULTURE AS CHARACTERISTIC FEATURE OF “LIVING” SYSTEMS**

Social system is made up of acts of communication (communications), whereas organisation is composed from decisions (a stream of decisions to be precise). In the context of organisation, something that is not a decision is not relevant (as background noise). Decisions are being made constantly in any organisation; they are of different meaning and importance. At the same time, it is hard to believe that in almost absolutely non-transparent stream of decisions it is possible for them to “take each other into

consideration”. How can it be possible that they are not in conflict with each other? There are obvious decisions, which supersede previously-made decisions and others, which are ignored. It might seem implausible, but “in spite of such diversity” it all works. It means that somehow, in one or another way, these decisions have to be “coordinated”.

J. Boos and G. Mitterer postulate, that here the so-called unsolved decision premises (Boss & Mitterer, 2014, p. 51). According to N. Luhmann, these decisions make prerequisites for infinite number of other decisions (Luhmann, 2000). Therefore, they make grounds for future decisions and could be called meta-decisions, as they influence other decisions. They are essential for the whole stream and all diversity of future decisions since they are operative for a long time. Following N. Luhmann’s idea, three kinds of decision premises can be distinguished and should be considered by theory of management (Luhmann, 2000, p. 222):

- Programmes,
- Structures/Processes,
- Persons.

By changing any of them, it is possible to stimulate changes in organisation. Therefore, they provide grounds for managerial actions and can serve as a “lever” of development. Organisation culture, however, plays an important role too - as the 4th element that cannot be influenced directly.

In Luhmann’s terms, organisation culture is a complex, a collection of unsolved decision premises (Luhmann, 2000, pp. 241-243). In his view, this type of culture appears in self-made manner - it produces itself from itself (and anonymously). Anthropologists and sociologists discover its unknown functions – such as fulfilment of human need of feeling of belonging to a community and articulation of established values and norms.

F. B. Simon stresses the fact that rules accepted in a given culture do not appear already aimed at achievement of a set rational objective, but they develop in evolutionary way (Simon, 2013, p. 96). There is no one who could decide what rules are operative; nonetheless, those who feel members of a given culture (also organisation culture) have to meet some expectations. To belong to this culture, they have to respect and follow rules that often come into being by chance – such as some rules of communication and behaviour (i.e. descriptive and normative rules) – no one could say how and when they appeared. The fact they exist depends neither on decisions made by groups nor on those made by individuals. These rules arise in emergent, evolutionary way, however, they are in force and for this reason, they cannot be changed as a result of consciously and deliberately made decisions.

Organisation culture is interrelated with the three above mentioned types of decision premises - it can influence them but at the same time, they can have impact on this culture too. Yet, organisation culture is not predisposed to a direct influence and it is not possible to choose its form. Thus, a directive “from tomorrow our company has culture promoting innovative solutions” would make no sense. In contrast to persons, programmes and strategies, culture cannot be shaped or stimulated by making decisions (Luhmann, 2000, p. 242). Culture works differently and can be influenced only in other ways.

Every decision premise makes some options to be taken into consideration, while some others not to be. Thanks to this, decision premises serve as system of communications and decisions control. Hence, they help reduce complexity, which otherwise would be so incapacitating that organisation’s activities could be stalled.

Luhmann's concept of decision premises can be presented as a "four-angled" triangle, to show interrelations between them. This "four-angled" triangle consists of programmes, processes/structures, persons and organisation culture, which is placed in the middle, because it cannot be influenced directly. Programmes are in other words strategies, visions and objectives. Processes and structures control the flow of communications in organisation. Particular values, points of view and attitude are brought into organisation by and thanks to people. Decisions made by person A would be certainly different from those made by person B. Programmes, processes/structures, persons are meta-decisions that have impact on further decisions. Particular meaning is attributed to organisation culture since, as it has been mentioned already, it is impossible to influence it directly.

E. Schein, one of the most prominent researchers of organisation culture used the image of iceberg to describe it (Schein, 2003, p.31). Huge part of what creates culture, i.e. values, norms, approach, image of human being is hidden below the waterline - it is invisible. Nevertheless, culture manifests itself in all that is visible above the waterline: such as strategies, a manner of shaping processes and structures, as well as people employed. Organisation culture requires particular attention. More and more companies discover the great importance of culture and understand how difficult it is to influence it. J. Boos and G. Mitterer remark that sometimes anything, which hides from the direct influence of management, might seem to be culture (Boss & Mitterer, 2014, p. 57). N. Luhmann calls culture an unsolved premise for decisions (Luhmann, 2000, p.242). It means it is not possible to make decision to adopt a certain culture and introduce it as the motto "from tomorrow we have a client-friendly culture". It is not possible to install it like a new piece of software. In other words, culture is not a controllable variable in organisation, as it (organisation) creates its culture and is this culture itself at the same time. From its onset, any organisation is forming its own culture. This culture lives and develops according to principles of evolution (Luhmann, 2000, p. 248).

Organisation culture comes into being as a result of multiple interactions and interdependent factors; it is visible in all dimensions of the "four-angled" triangle. This culture is often shaped by principles that proved useful in the initial stage of system's operation or helped survive a crisis. Culture is like weather – there is always some, there is no state "without" weather and neither is there environment without any culture (Boos & Mitterer, 2014, p. 58). It is impossible to imagine an organisation without any culture and for its personnel this culture is something obvious - it can be compared to a smell of a particular room – one can realise it is there only when he/she enters the room, while those who stay in the room for some time, do not notice it.

Organisation's own culture can be grasped and understood only by contrast to another culture (Luhmann, 2000, p. 246). Culture of an organisation consists of commonly shared views, beliefs and interpretations that are considered grounds for cooperation and influence social events (Simon, 2004, p. 231). It is supported by patterns of behaviour that proved useful and are forwarded to new employees as a rational and emotionally correct way of dealing with issues. This way, culture helps reduce complexity, as expected behaviour is more probable.

Organisation culture is always exceptional. Its importance and influence is the most noticeable when rules are broken. Someone, who does not know the principles of culture established in a given organisation, will find it difficult to cooperate with other members of staff. Culture always gives some sense and separates organisation from environment. Fully-fledged organisation culture facilitates its management due to higher probability of expected behaviour. However, it makes any initiatives of "external management" much more difficult to succeed. Among all four dimensions of the triangle, culture is the hardest

one to change. On the other hand, to make a change lasting, it has to be deep-rooted in the culture. To be effective, management has to be successful in dealing with this paradox – the necessity to consider culture or change it without a possibility to influence it directly.

## **RULES AND GRAMMAR STRUCTURES**

Anthropologists have been studying cultures much longer than researchers of organisations. Interesting, as it may seem, they also see cultures as communication systems. Due to this fact, some tools of analysis they use, can be useful for theory of organisation as well. According to F. B. Simon, the concept of Edward T. Hall seems to be the most compatible one in this respect (Simon, 2013, p. 97). Hall sees culture as a means of communication, similar to one's native language, and on this basis, three types of rules existing in cultures can be distinguished: technical, informal and grammar rules. Anthropologist researching an unfamiliar culture has to analyse all observed patterns of behaviour with the help of supposed rules. The ideas of rules defined by Hall as technical were adopted by theory of organisation as programmes, communication channels, formal communication, whereas informal rules are the equivalent of informal structures within organisation. The rest of the rules – grammar - can be considered as the core of organisation culture.

Whether or not a person belongs to a society, which uses a particular language, can be found out only when he/she is heard speaking (Simon, 2013, p. 98). One who did not master the rules is immediately recognised as a “stranger”. Therefore, a proof of a good command of grammar rules sets boundaries between those who belong to a particular community and those who do not. Following the rules of a given organisation culture is perceived as something obvious and is taken without questions about their (rules) sense or purpose. Behaviour of this kind is expected and accepted (hence, directions and prohibitions) it is communicated within community already during the “pre-verbal” phase by communication of positive and negative emotions of respected people. Though patterns of behaviour and norms apprehended this way are learnt subconsciously, they can be re-learnt on the conscious level (as with the grammar of one's native language). Thus, thanks to this, everyone knows who belongs to this particular culture, what patterns of behavior are accepted or prohibited. Those, whose behaviour is not in accord with rules and norms, receives a negative reaction, which points to a mistake.

The same can be applied to organisation culture and its “grammar” rules (Simon, 2013, p. 99). Someone, who breaks them systematically, is either an “outsider” or does not want to be an “insider”. It causes stress and emotional consequences for all members of organisation, since it becomes difficult to be sure who belongs to it and disorientation grows. To avoid this, organisation chooses a particular way of staff selection. Only persons who fit the organisation culture are employed. As organisation cannot influence primary socialisation of its employees, it needs a proper mechanism of selection. Thus, a possibility to dismiss a worker hired for a trial period helps protect the organisation culture from “unsuitable” individuals and the reasons for this may not be objective.

Grammar rules of a particular culture system cannot ensure organisation achievement of objectives. Yet, it is possible thanks to “technical” rules, i.e. organisation structures, formal communication and programmes as well as informal rules and structures. Organisations select among potential participants (i.e. candidates) persons who fit their organisation culture (obviously, not in the case, when the objective of personnel policy is to change this culture). At this moment teaching and learning of grammar rules begins similar to patterns working on the level of national cultures – i.e. breaking rules and norms

causes a negative response. Thus, expressing this type of negative feelings, one communicates indirectly a threat of expulsion from the community. At the same time, positive emotions can be a signal, that one is accepted. Hence, grammar rules ensure higher level of probability of meeting expectations of the organisation as well as protection of culture system from those who do not belong to it. Therefore, these rules create and protect internal rules and the boundary with the environment (Simon, 2013, pp. 99-100).

Focus on keeping patterns and norms of behaviour and communication (directives) as well as on prevention of breaking them (prohibitions) causes them to become conservative. Norms and rules of cultures can change, but rather slowly, as there are not many objective reasons for both keeping them in their present form and changing them at the same time. Since they are accepted and “practiced” as something obvious, nobody doubts their sense. Tempo of changes in social structures and their rules depends basically on how tightly they are coupled with feelings of members of this culture. The stronger this tie is the slower and less prominent this spontaneous change. Another factor to be considered is directing organisation culture towards achievement of goals. If it takes place, it can be measured and assessed. And the more precisely it is assessed, the easier and faster this organisation’s culture can be changed. Yet, self-identification of an entity/ individual changes very seldom, this is why people feel bonded with organisation - it can be a kind of protection of their identity. Thus, securing culture-based rules of organisation is a way to keep unique identity of its members. For this reason people react emotionally, when their tradition (identity) is threatened. Any actions to force organisation culture change encounter resistance, which can be expected. It is easier for members of organisations to accept changes of technical rules, i.e. programmes, structures and strategies on concrete level than changes in the realm of their own identity. Therefore, it is impossible to make decisions concerning rules of organisation culture – unsolved/ uncertain /unsettled / undefined / premises for decisions. These rules can change spontaneously as a result of self-regulating processes. F. B. Simon stresses that there is a serious risk of unexpected side-effects which can be caused by initiatives aimed at changes in organisation culture (Simon, 2013, p. 101).

## **ORGANISATIONAL CULTURE IN NETWORK ANALYSIS**

Organisation culture can be also presented with the help of network analysis. This method was developed by P. Gomez, G. Probst and H. Ulrich professors from St. Gallen University in Switzerland (Gomez & Probst, 1995). The central idea of the method is broad, all-embracing vision and research of the world (Honneger, 2008, p.29), which essentially comes down to research of numerous factors that influence development of “a problematic situation”. These factors are interrelated and interlaced like a network. To understand what organisation culture is and peculiarities of expected and accepted behaviour development process in organization, we should probably begin with defining the most important links between key-elements that have impact on this complex phenomenon.

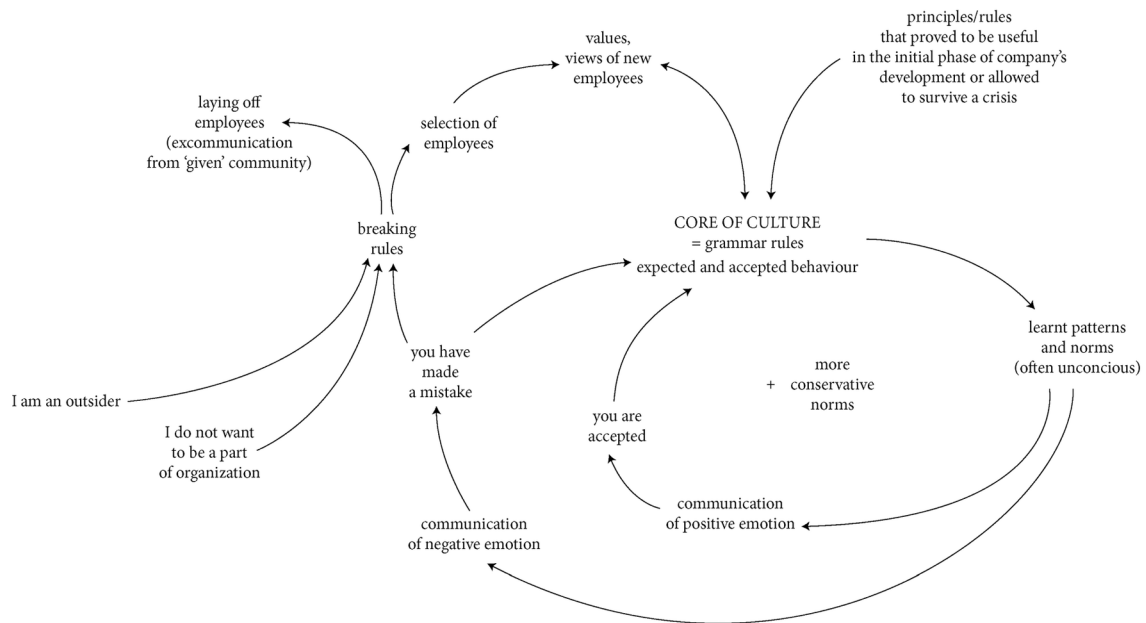
Organisation culture can be presented as a network of interrelated factors and a dynamic network can be created, which will allow for understanding of the development of this phenomenon. The result is a clear and comprehensive picture of interrelations and interdependencies. Figure 1 shows a simplified view of development of expected and accepted patterns of behaviour in organisation.

A network, constructed in this manner can be changed and updated later and can serve as a starting point for further discussion.

## Organisation Culture From Systems Theory of Organisation Perspective

Figure 1. Development of expected and accepted patterns of behavior within an organization (a simplified view/diagram)

Source: own work



## CONCLUSION

E. Schein, who was one of the first to notice and understand the importance of organisation culture, saw it as a collection of shared values, in particular, a number of consistently aligned views and aspirations (Schein, 2003, p. 34). Taken alone, they are not aimed at achievement of set objectives; nevertheless, they must be considered as essential, very important variables of the context every time actions aimed at achievement of objective are to be taken. Organisation cultures are able to “fence from” other cultures and can also reproduce and regenerate themselves by keeping to their rules. In any case, they are taken as something so obvious, that they are noticed only when broken. Often only a close encounter with rules of another culture (e.g. another organisation, branch, industry, country etc.) gives rise to awareness of the rules of one’s own culture, which previously were unconscious reasons for action. Their function is separation from the exterior, joint demarcation of boundaries, in other words, “recognition” and differentiation between those who belong to the system/subsystem and those who do not. Rules and patterns of behavior that make this culture are essential for maintaining this organisation’s autopoiesis, as they influence motivation and bonds with members of staff (Simon, 2013, p. 27). However, these rules and patterns are not analysed consciously, as they do not contribute to achievement of officially set goals of organisation. Their significance becomes clear no sooner than these rules are broken, as a result of shocking behaviour or unexpected decision. And then, more and more loudly asked question can be heard: WTF - are we still dealing with our “old” organisation?

## **FUTURE RESEARCH DIRECTIONS**

The phenomenon of organisation culture has not been precisely researched in either theory or practice. It might be the consequence of lack of proper interest to it from researches.

It is still not known exactly what organisation culture characteristic functions are, what elements make it up and what kind of influence on it can be exerted and how it could be researched.

Difficulties in defining this notion could be explained, at least partly, by impossibility to program formally accepted patterns of thinking and “informal” norms of behavior.

Organisation culture grows itself from itself. This, obviously, does not mean that changes are impossible, however, “a change cannot be introduced as result of an issued directive or a decree”.

This leads to an interesting question: what are (if any) possibilities to influence/change organisation culture? It may seem a paradox, but the main tool to change organisation culture could be decisions made by formal structures. Organisation culture will not change due to announcement of changes in formal structures. Nevertheless, any change in formal communication channels, setting new objectives for organisation, employment, dismissal or moving members of staff to other units will have impact on the way (also informal one) the operations are coordinated both within teams of workers and particular units and departments.

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## KEY TERMS AND DEFINITIONS

**Autopoietic System:** According to Humberto Maturane theory, autopoietic processes are the characteristic feature of living organisms. They are a specific form of self-regulation. Then, autopoietic systems are self-sufficient - they appear and reproduce themselves using only their own elements and as a result of internal processes. Thus, it is the ability of self-creation and self-regeneration which enables system to survive and develop.

**Network Analysis:** The central idea of the method is broad, all-embracing vision and research of the world, which essentially comes down to research of numerous factors that influence development of “a problematic situation”. These factors are interrelated and interlaced like a network.

**System Analysis:** Makes possible to control variability and complexity thanks to knowledge and understanding of interdependencies and links existing between different elements. Thus, it is easier to notice interrelated links and influences, which is particularly important since modern organisations are tied with their environment with an infinite number of such linkages.

**Unsolved Decision Premises:** Luhmann’s concept of decision premises can be presented as a “four-angled” triangle, to show interrelations between them. This “four-angled” triangle consists of programmes, processes/structures, persons and organisation culture, which is placed in the middle, because it cannot be influenced directly. Programmes are in other words strategies, visions and objectives. Processes and structures control the flow of communications in organisation. Particular values, points of view and attitude are brought into organisation by and thanks to people.