

# **The Cultural Ecology of the Corporation: Explaining Diversity in Work Group Responses to Organizational Transformation**

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*The concepts of human and cultural ecology are extended to explain divergent work group responses to a transformational change program in a Fortune 100 manufacturing corporation. The internal environment of the corporation, specifically the product development process (PDP), is conceptualized as an ecological system containing a diverse population of distinctive work group subcultures. Different ecological zones within the PDP harbor populations that may be distinguished on the basis of work niche and effective environment (including relationships with other work groups and the availability of computing resources). Although work groups in different ecological zones are found to be virtually identical with respect to demographic characteristics, they displayed highly divergent responses to the transformation initiative (a change program aimed at the commonization of tools and methods involved in the PDP). Differences in work group responses to change are explained as a logical outgrowth of complex interactions among communities of work groups and their environments.*

The cultural diversity of American work organizations is a fact that is recognized increasingly in the literatures of organizational and management science. Where organizations once were portrayed as cultural monoliths (e.g., Peters & Waterman, 1982; Schein, 1985), there is a growing appreciation for the multiplicity of cultures

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that coexist within a single corporate entity (Gregory, 1983; Trice & Beyer, 1993). Cultural diversity within the corporation reflects the diversity of social groups that exist on the inside—social groups that may be viewed as *subcultures*.<sup>1</sup> The literature has identified a wide range of social groups that give rise to subcultures within corporations including occupational communities (Van Maanen & Barley, 1984), functional units (Briody & Baba, 1991), geographical locations (Hamada & Sibley, 1994), and countercultures that form around personalities (Martin and Siehl, 1983). The cultural complexity of American corporations is exacerbated by the fact that myriad internal subcultures exist in relation to a larger cultural context that is itself diverse—the culture(s) of American society. The most fundamental source of cultural diversity in corporations is the heterogeneity of American society.<sup>2</sup>

A variety of interrelationships exist among the diverse subcultures of the corporation including various types of relationships between professional or occupational subcultures and managerial elites (e.g., accommodative and assimilative relations; see Trice, 1993), power hierarchies and/or egalitarian networks connecting nonmanagerial occupations, and bonds of cultural identity linking internal subcultures with cultural communities *external* to the corporation (e.g., ethnic or racial groups, occupational or labor communities, or transnational elites; see Applebaum, 1984; Trice, 1993). Managerial elites play an especially important role in such relationships because their policies and practices shape the internal environment of other corporate subcultures.<sup>3</sup>

The complex relationships among diverse subcultures in the American corporation are not simple or easy to conceptualize theoretically, particularly given the theoretical limits of the culture concept (Baba, 1989). In a complex society, the classical concept of culture—developed initially to explain differences between small-scale, relatively homogeneous societies—is challenged by a profusion of competing, conflicting, and collaborating social groups whose boundaries are permeable and whose memberships may overlap, with allegiances shifting contingent on the situation at hand (Hamada & Jordan, 1990).

Several potential models of multilevel cultural interaction have been proposed, but each has inherent limitations. One intuitively appealing approach views cultures at different levels of analysis—national, organizational, and/or internal subcultures—as hierarchically related, with cultures of smaller scope and scale (e.g., organizational or occupational subcultures) nested inside those of larger proportions (e.g., national culture; see Baba, Hill, & Falkenburg, in press). Elegant in its simplicity and useful in certain ways, this model is perhaps overly deterministic and fails to consider that many subcultural forms cannot be explained simply as subsidiary derivatives of a single larger culture. Another approach, captured by the metaphor of organizations as holograms (Morgan, 1986), suggests that each subculture is a miniature replica or microcosm of its larger host. In reality, however, no subculture (by definition, and especially in a heterogeneous society such as the United States) is ever a perfect

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*recognizing the balanced reciprocity phenomenon in Case 1. I am most thankful to anonymous managers and workers at MDC (fictitious company name) who provided access to their organization, spent hours helping us to understand what was going on and correcting our misconceptions, and supplied ample funding that enabled us to continue our research for 4 years. Any errors or omissions in this article are strictly the author's responsibility.*

reflection of the larger cultural body. Theoretical models that rely on historical analyses of power and hierarchy to explain intercultural relations (e.g., critical theory) certainly are relevant because interactions between cultural levels and subcultures often involve implicit or explicit struggles for domination and control of resources. There are some phenomena, however, that such models neglect (e.g., balanced reciprocity between peer-level subcultures). Finally, the notion of an ego-centered, shifting web of cultural orientations (Frost, Moore, Louis, Lundberg, & Martin, 1991) provides an intriguing mechanism for relationships between cultures. If each individual is capable of living in several subcultures simultaneously, then multiple subcultures should not be viewed as "colliding billiard balls" (Wolf, 1982) but rather as fluid, interpenetrating pools of influence whose relative strengths are contingent on a variety of emergent contextual factors (Brannen, 1992). A limitation of this latter model is that it seems to assume that all forms of culture hold equal influence in the mind of the autonomous individual actor, a dubious assumption if the classical concept of culture is to be taken seriously.

An alternative theoretical framework—one drawn from human and cultural ecology (Hawley, 1986; Steward, 1955)—provides a robust conceptual schema for organizing ideas about complex relationships among diverse populations. Cultural ecology conceptualizes the culture of a human social group as a response to that group's environment including influences emanating from other cultures in that environment. Within a corporation, a subunit's environment is composed primarily of other human groups (rather than the flora, fauna, and climatic features that are emphasized in classical studies of cultural ecology). From this perspective, cultural diversity within a corporation not only would be a function of demographic differences between subgroups (e.g., occupational or ethnic differences) but also would reflect the subtle interplay and complex relationships that form among the subgroups. This approach has the potential to accommodate the simultaneous coexistence of hierarchical, egalitarian, shifting networks and other kinds of relationships among subgroups. Complex interrelationships among subgroups could be a powerful, generative source of cultural differentiation, a source yielding greater diversity than would be expected solely on the basis of demographic differences. Indeed, the cultural ecology approach predicts important differences between groups that, on the basis of demographic characteristics alone, would appear to be quite similar.

In this article, a cultural ecology framework is employed to describe and explain differences between the subcultures of work groups within and around a Fortune 100 American manufacturing corporation. This approach emerged from a 4-year study of work group responses to a major corporate transformation initiative. The company, Multi-Divisional Corporation (MDC, a fictitious name), in the late 1980s launched a massive effort to *integrate its product development process* (or PDP, a sequence of operations through which new products are designed, developed, and manufactured in prototype form). Integration meant the achievement of closer cooperation and coordination among different functions and units involved in the PDP, thereby enabling faster times to market for new products (an important competitive priority). A key aspect of the integration program was the replacement of MDC's many different and incompatible technologies and work processes with a single, strategic CAD/CAM<sup>4</sup> system that would enable all work groups to access a common product database and