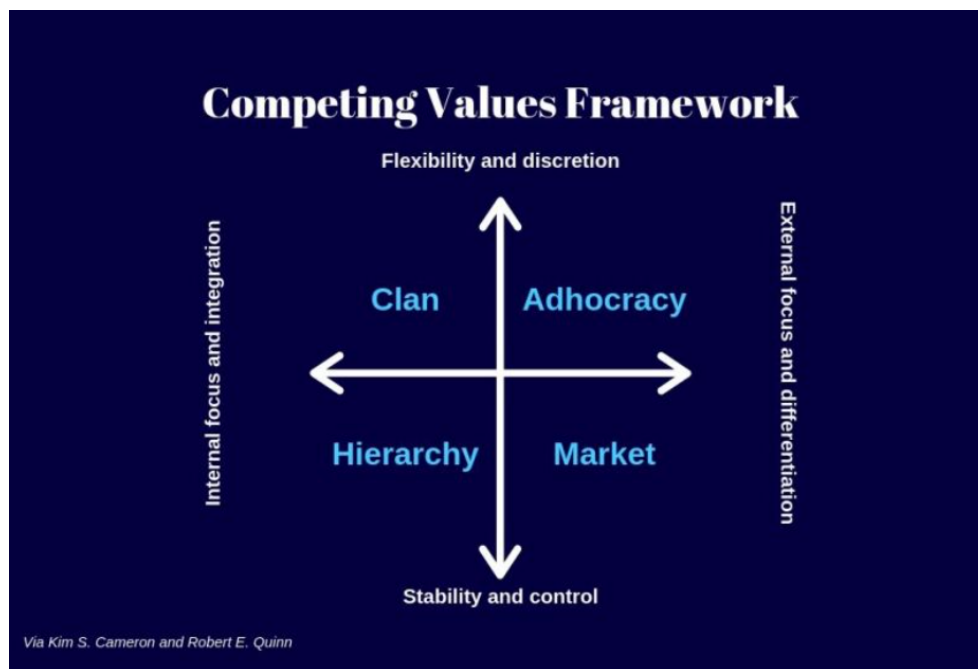


4 Types of Organization Culture

ROBERT E. QUINN AND KIM S. CAMERON OF THE UNIVERSITY OF MICHIGAN AT ANN ARBOR INVESTIGATED THE QUALITIES THAT MAKE BUSINESSES EFFECTIVE. FROM A LIST OF 39 ATTRIBUTES, THE RESEARCHERS IDENTIFIED TWO KEY POLARITIES: (1) INTERNAL FOCUS AND INTEGRATION VS. EXTERNAL FOCUS AND DIFFERENTIATION, AND (2) FLEXIBILITY AND DISCRETION VS. STABILITY AND CONTROL.

THESE QUALITIES ARE VISUALLY REPRESENTED WITHIN THE COMPETING VALUES FRAMEWORK, WHICH IS PART OF THE VALIDATED AND WIDELY-USED ORGANIZATIONAL CULTURAL ASSESSMENT INSTRUMENT. A QUICK GOOGLE SEARCH MIGHT PULL UP ARTICLES THAT MENTION ANYWHERE FROM FIVE TO EIGHT TYPES OF CORPORATE CULTURES. HOWEVER, QUINN AND CAMERON'S FOUR TYPES ARE GENERALLY ACCEPTED AND APPEAR TO INFLUENCE ANY VARIATIONS.



4 Types of Organization Culture

TYPE 1: CLAN CULTURE

Primary Focus: Mentorship and teamwork

Defining Qualities: Flexibility and discretion; internal focus and integration

Motto: "We're all in this together."

About Clan Culture: A clan culture is people-focused in the sense that the company feels family-like. This is a highly collaborative work environment where every individual is valued and communication is a top priority. Clan culture is often paired with a horizontal structure, which helps to break down barriers between the C-suite and employees, and it encourages mentorship opportunities. These companies are action-oriented and embrace change, a testament to their highly flexible nature.

Benefits: Clan cultures boast high rates of employee engagement, and happy employees make for happy customers. Because of its highly adaptable environment, there's a great possibility for market growth within a clan culture.

Drawbacks: A family-style corporate culture is difficult to maintain as the company grows. Plus, with a horizontal leadership structure, day-to-day operations can seem cluttered and lacking direction.

Where You'll Find Clan Culture: Adaptable, team-oriented with a horizontal structure? It's no surprise that clan cultures are often seen in startups and smaller companies. Young organizations that are just starting out put a heavy emphasis on collaboration and communication, leadership looks to employees for feedback and ideas and companies prioritize team-building.

For companies with a large percentage of employees working remotely like HR tech provider Hireology, creating an empathetic and communicative organizational culture is key to success. "When you have a blended team, your local staff can help bridge gaps and build empathy," said Joel Schlundt, vice president of engineering at Hireology. The team coordinated job swaps to help employees better understand and appreciate their peers' roles.

How to Create This Culture Within Your Organization: To cultivate a clan culture within your company, your first step is to turn to your employees. Communication is vital to a successful clan culture, so let your team know that you're open to feedback. Find out what they value, what they'd like to see change, what ideas they have to help push the company further. Step two: take their thoughts into account and put them into action.

4 Types of Organization Culture

TYPE 2: ADHOCRACY CULTURE

Primary Focus: Risk-taking and innovation

Defining Qualities: Flexibility and discretion; external focus and differentiation

Motto: "Risk it to get the biscuit."

About Adhocracy Culture: Adhocracy cultures are rooted in innovation and adaptability. These are the companies that are on the cutting-edge of their industry — they're looking to develop the next big thing before anyone else has even started asking the right questions. To do so, they need to take risks. Adhocracy cultures value individuality in the sense that employees are encouraged to think creatively and bring their ideas to the table. Because this type of organizational culture falls within the external focus and differentiation category, new ideas need to be tied to market growth and company success.

Benefits: An adhocracy culture contributes to high profit margins and notoriety. Employees stay motivated with the goal of breaking the mold. Plus, with a focus on creativity and new ideas, professional development opportunities are easy to justify.

Drawbacks: Risk is risk, so there's always a chance that a new venture won't pan out and may even hurt your business. Adhocracy cultures can also foster competition between employees as the pressure to come up with new ideas mounts.

Where You'll Find Adhocracy Culture: Think of Google or Apple — these are companies that embody the external focus and risk-taking nature of adhocracy culture. They run on creative energy and doing what hasn't been done before. Adhocracy cultures are commonplace within the ever-changing tech industry where new products are being developed and released on a regular basis.

How to Create This Culture Within Your Organization: Depending on your industry, it may be hard to develop an authentic adhocracy culture that includes a high-risk business strategy. However, implementing strategy and brainstorming sessions provides employees with the opportunity to share big ideas that can help to propel the company further. Rewarding successful ideas encourages teams to think outside of the box, too.

4 Types of Organization Culture

TYPE 3: MARKET CULTURE

Primary Focus: Competition and growth

Defining Qualities: Stability and control; external focus and differentiation

Motto: "We're in it to win it."

About Market Culture: Market culture prioritizes profitability. Everything is evaluated with the bottom line in mind; each position has an objective that aligns with the company's larger goal, and there are often several degrees of separation between employees and leadership roles. These are results-oriented organizations that focus on external success rather than internal satisfaction. A market culture stresses the importance of meeting quotas, reaching targets and getting results.

Benefits: Companies that boast market cultures are profitable and successful. Because the entire organization is externally focused, there's a key objective employees can get behind and work toward. **Drawbacks:** On the other hand, because there's a number tied to every decision, project and position within the company, it can be difficult for employees to meaningfully engage with their work and live out their professional purpose. There is also risk for burnout in this aggressive and fast-paced environment.

Where You'll Find Market Culture: The goal of a market culture company is to be the best in its industry. Because of that, these are often larger companies that are already leaders of the pack. They're looking to compete and beat out anyone else that may compare.

For an industry leader like Bluecore, a retail marketing platform that utilizes AI technology, providing employees with clear objectives helps the team provide all-star customer service. "Our team is clear on its goals, and we are incentivized through compensation structure and recognition," said Kim Surko vice president of customer success. "With that foundation, we can apply our personality and values to define how we will accomplish those goals."

How to Create This Culture Within Your Organization: Because every aspect of a market culture is tied to the company's bottom line, start by evaluating each position within your organization. Calculate the ROI of every role and ascribe reasonable benchmarks for production. Consider rewarding top performers to encourage similar work.

4 Types of Organization Culture

TYPE 4: HIERARCHY CULTURE

Primary Focus: Structure and stability

Defining Qualities: Stability and control; internal focus and integration

Motto: "Get it done right."

About Hierarchy Culture: Companies with hierarchy cultures adhere to the traditional corporate structure. These are companies focused on internal organization by way of a clear chain of command and multiple management tiers that separate employees and leadership. In addition to a rigid structure, there's often a dress code for employees to follow. Hierarchy cultures have a set way of doing things, which makes them stable and risk-averse.

Benefits: With internal organization as a priority, hierarchy cultures have clear direction. There are well-defined processes that cater to the company's main objectives.

Drawbacks: The rigidity of hierarchy cultures leaves little room for creativity, making these companies relatively slow to adapt to the changing marketplace. The company takes precedence over the individual, which doesn't necessarily encourage employee feedback.

Where You'll Find Hierarchy Culture: Hierarchy cultures can be found at both ends of the corporate spectrum, from old-school organizations to those of the customer service industry, such as fast food restaurants. These are companies that are hyper-focused on how day-to-day operations are carried out and aren't interested in changing things up anytime soon.

How to Create This Culture Within Your Organization: The first step to establishing a hierarchy culture is to button up your processes. If the chain of command has some gaps, fill them. Consider every team and department to ensure they have clear long- and short-term goals.

Your organizational culture says a lot about your team and what you value, and job seekers can pick up on that almost immediately. Evaluate your existing organizational culture and take stock of what truly matters to your organization — where are you aligned, and what are your areas for improvement? While you can exert control over your organizational culture, keep in mind that the office dynamic will shift as you onboard new team members, so hire for culture add, not fit.