



DISTINGUISHING INDUSTRY MINDSET AND ORGANISATIONAL CULTURE.

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Abstract

A review of the organizational theory literature indicates the presence of a number of concepts such as industry culture, organisational culture, industry mindset etc. This paper attempts to examine the varied conceptualizations to see the similarities and distinctions attributable to the different nomenclatures. It may be that the different labels actually mean the same albeit with variations at levels but not necessarily in concept. However, it is postulated that the profession would be better off, if one may conceptualise industry mindset as what (of the shared values, beliefs and practices) is common across organizations in the industry and organizational culture as more indicative of what is different across organisations (within an industry). This would remove the complications emanating from the usage of the terms in multiple ways though indicating same or similar abstractions.

Key words: *Industry Mindjet, Organisational Culture, Industry Assumptions, Occupational Psychosis, Industry Recipe.*

Introduction- Behaviour as a group mindset

An analysis of the organizational literature discloses the related variables, industry culture (Rooke et al, 2004, Gordon, 1991), industry assumptions (Gordon, 1991), industry mindset (Brazee & Lopp, 2012) and industry recipe (Matthyssens et al 2006). In calling attention to the fact that a people's way of gaining sustenance promotes certain specific patterns of thought which assist them in their productive and distributive operations, philosopher John Dewey suggested the concept of occupational psychosis (Dewey, 1998). Citing psychosis in history, the one of the times in which he wrote is described by technological psychosis characterized by experimentalism, laboratory method and a secular morality centering around the occupation. Meadows (1946) comments that a psychosis in this sense is a 'pronounced mindset'. Further it is also contended that the occupational morality of modern technology was fashioned by certain religious developments, notably Protestantism that unqualifiedly demanded that the 'occupation become a preoccupation' (Whyte, 1956). The same idea is reflected by Burke (1964) in saying that work both reflects our interests and forms them. Another instance of the idea is the suggestion of Parsons (1977) that it is the differing situations under which business and the professions work in the most general sense, that account for the apparent differences in motive and not the other way around. In other words, it is an instance of the work determining and shaping behaviour around it. Sutherland (1937) exposes the professional thieves with their group way of life and as a social institution with techniques, codes, status, traditions, consensus and organisation. He noted that that the profession is more than isolated acts frequently and skilfully performed, points to the idea of the profession determining some of the behaviour and group norms. The phenomena point out certain social psychological orientations and institutional patterns of a group with certain shared values stemming out of the work they are engaged in.

Industry Characteristics as influencing organizational culture

One level upwards, a similar line of argument is taken on the relationship between industry characteristics and organizational culture that while there may be meaningful cultural variations across firms in the same industry, less variation may occur among firms working on the same tasks, using



similar procedures and experiencing similar opportunities to grow than across industries. Gordon (1991) suggests that in order for an organization to be successful, industry driven assumptions must be widely shared and widespread disagreement with basic assumptions is unlikely. Though there may be differences in values they may not be undermining of the basic assumptions on which the industry depends. However, within the context of the industry assumptions various compatible strategies, structures or processes are available. These are defined by the assumptions about the specific mission of the organization that is mentioned by Drucker (1994), given the environment including the industry environment and the enabling competencies. The link between organizational culture and the (industry level) environment are loosely coupled which implies flexibility to avoid over-determinism, however, it is also suggested that if the organization is to survive it will be built on certain assumptions required by the industry and it is from these assumptions that certain values (at the organizational level) emerge. Industry driven assumptions are stable, shared by management and labour alike and productive because they insulate a company from taking inappropriate actions as a reaction to short term crisis situations (Gordon, 1991). Thus, industry predisposes all members within it to develop cultures that encourage certain assumptions and values stemming from the nature of what the industry does or produces. Further, the assumptions that determine mindset in a particular industry centre around the competitive environment, customer expectations and societal expectations which are obviously shared across the organizations within the same industry.

Significantly, though his elaboration is on culture at the national level, Hofstede (1980) in his explication of culture places industry as one level between the occupational and the national levels of culture having its own influence.

Industry mindsets delineated

Phillips (1994) speaks more directly on the industry level using the term industry and traces the recognition of culture as a set of assumptions shared by a group of people. One reading the foregoing with the psychoses mentioned in the earlier part and also the idea that, less variation may occur among firms working on the same tasks, may immediately recognize an industry level culture. The set of cultural assumptions is an ideational order, more colloquially a dynamic shared mindset. Phillips engages the word mindset interchangeably with culture. Multiple mindsets exist within and around organizations and the identification of the same is now well entrenched and accepted within the organisational theory literature. The recognition and support for the existence of industry-based mindsets has come from institutional theorists (Romanelli 1991, Johanson & Mattsson, 1987) in the form of industry systems, societal sectors and homogeneity in form and behaviour among organisations within the same organisational field. Also, there is evidence of industrial-economics based rationale for notion of evolutionary industry cultures (Phillips, 1994). Marketing theory argues that global commonalities in mission perception exist within certain industries and are developed and maintained through shared experiences (Gummeson, 1987). From the organisational behaviour theory point of view, industry is one of the trans organisational loci (Howard, 1998) of culture. Strategy theorists also propose that commonly held mindsets exist across firms within industries and drive strategic decision making by individuals (Phillips, 1994). The term industry recipe appears in the strategic management literature and is described by Spender (1989) as the business specific world view of a definable tribe of industry experts much like a local culture. The common strain in each of these conceptualizations is the externally (external to the organization) oriented forces that influence lower levels such as organisational culture.



Conclusion

From the above, it may be derived that the varied expressions organizational culture and industry mindset mean the same phenomena however, one at the organizational level and the other at the industry level. Finally, for ease of conceptual clarity it is suggested that the research community may semantically assign industry mindset as more indicative of what is common across organizations in the industry AND organisational culture as more indicative of what is different across organisations (within an industry). Such a differential conception may do well for meaningful professional usage of the terms organizational culture and industry mindset.

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