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LEADER COMMUNICATION AND ORGANIZATIONAL CULTURE:

A FIELD STUDY

by

Shay Sayre

A dissertation submitted in partial fulfillment  
of the requirements for the degree of  
Doctor of Education

University of San Diego

1986

Dissertation Committee

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Shay Sayre

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DEDICATED TO TONY, RYAN AND AUBYN  
FOR ENDLESS HOURS OF INDULGENCE AND SUPPORT

## PREFACE AND ACKNOWLEDGEMENT

Long fascinated by the impact of advertising on the public, I began this study with the conviction that a similarly directed message by executives could empower corporate listeners and motivate them to accomplish great feats. I felt certain that the an understanding of the relationship which existed between perception, image, vision and reality had the potential for providing leaders with valuable clues about uniting and moving their organizations. Armed with curiosity and a book on corporate culture, I set out to find an organization to investigate. Through a fluke, I was introduced to Lost Arrow, a company which not only supported my contentions but provided the impetus for further study in areas which have since captured my interest and enthusiasm, namely organizational gender and demography.

I graciously thank Lost Arrow/Patagonia for granting me the opportunity to explore and experience their unique culture. A special thank you must also be extended to the woman who changed my thinking about corporations and about gender, Kris McDivitt.

And for the encouragement and direction needed to begin and complete the project which catapulted me from the world of advertising into the world of academics, I thank my director and friend, Joseph Rost. Special appreciation is extended to William Foster, William Pickett, and Dean Edward DeRoche for granting me the opportunity to share in the very special community of the University of San Diego.

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ABSTRACT

LEADER COMMUNINCATION AND ORGANIZATIONAL CULTURE:

A FIELD STUDY

SAYRE, SHAY, ED.D. University of San Diego, 1986. 192pp.

Director: Joseph C. Rost

Corporate culture, the object of considerable media attention since 1980, has been identified as an important consideration for improving performance. While the literature points to vision as a key element for building a productive culture, it does not sufficiently address the communication process used by leaders to transmit their vision.

This research looks at the leadership and communication aspects of culture, exploring the extent to which the leader's ideology influences the behaviors of organization members. Conducted in a \$30 million Southern California company of 225 employees, the study focuses on a female general manager who, in the founder's absence, has been in charge since 1981.

The study employed a dual method, three stage design. During stage one, the culture was studied ethnographically at the company site during two visits within a six month period. Observations were made of daily organizational activities, publications were evaluated, and interviews were conducted with the leader, management council and key employees from every department. In stage two, a survey instrument was developed from the data collected in the

first phase. This questionnaire was designed to measure the degree to which organizational members shared the values stated by the leader, and to validate observational data.

One third of the employees responded to the survey; results from this third stage were used to objectively verify the subjective material gathered by the observer. The survey demonstrated that organization members at all levels shared the ideology communicated by the leader. Both quantitative and qualitative data confirm an assumption that the leader's communication profoundly influenced member behavior. Collected evidence indicates that leader-controlled elements of organizational gender and demography are significant factors in the company's operation and performance.

Results of this study suggest that vision, effectively communicated in the form of leader ideology, affects both member behavior and organizational performance. This research, which dramatizes the relationship between a company and its general manager, has implications for those leaders of organizations who give high priority to excellence.

CHAPTER ONE  
THE ORGANIZATIONAL FIELD STUDY:  
INTRODUCING THE SUBJECT

This field study is a cultural perspective which presented the researcher with an opportunity to combine the disciplines of organizational behavior and communication to investigate the relationship between leadership and performance. The study was designed to answer questions about how a leader's communication impacted an organization's behavior. In the process of answering those questions through ethnographic methods, an unexpected surprise emerged: a leader with an ideology so profound that it influenced both work related and personal behaviors of the organization's members.

Purpose of the Study

Based on a grounded theory of organizational culture (Wilkoff, 1982), this study has as its purpose undertaken to verify the assumption that an organization's culture is created, reinforced and modified by its founder and subsequent chief executive officer. It also serves to reinforce three other aspects of the theory: (1) as the organization grows, its behavior is determined by the values and norms communicated by the leader's ideology; (2) goodness of fit between organizational goals and culture are

crucial for the organization's performance; and (3) when the organization's culture and purpose are congruent, the culture enhances the organization and focuses its attention of positive performance.

In addition to measuring the impact of leader communication upon behavior, this study details how leaders' communication shapes culture and the degree to which their language manipulates culture.

Because culture is codified in language, symbols, dress, physical layout, values, myths and stories, it is important for the researcher to understand the leader's role in determining how those aspects are communicated. Five types of leader communication were studied: (1) formal verbal and written messages containing company philosophy, (2) informal communications between leader and followers, (3) nonverbal behaviors such as body language and clothing which communicate symbolic messages, (4) rites and rituals used to transmit values and purposes, and (5) organizational symbols such as slogans, logos and positioning statements.

One method of viewing organizational communication is to dissect the organizational ideology for an internal view of its bonding and perpetuating functions. By slicing into the body of the organization, a researcher may achieve a better understanding of the relationship between its moral fiber and its output.

Other researchers have viewed organizational communication via its founder. Founders have been well studied and documented as setting visions for their

organizations and having a major impact on how their organizations are defined and understood. Schein (1985, p. 210) described four steps usually characteristic of culture formation by an entrepreneur (founder): (1) formation of an idea, (2) creation of a core group that shares his/her vision, (3) the actions of that group which constitute the formation of an organization, and (4) bringing in others to begin building a common history.

As the organization matures, the founder may be removed, or move on to the next company, as in the case of Apple's Steve Jobs. Founders' replacements have a different task--they must retain the mission and spirit of the enterprise while monitoring profitability. Second generation managers are often captives of the will of the culture, for as the founder creates the culture, so the culture creates the next leaders. Maintenance is not the task at hand--second generation leadership means rededication to values, revitalization of purpose, and renewed infusion of commitment to the organization's mission.

It is not the intention of this study to replicate cases of entrepreneurs or founders who shaped their cultures by bringing together members with similar philosophies and by structuring the organization to respond to their leadership style. It is intended that the study examine a second-generation leader to add to the literature of leadership which advocates transformation of followers through value transmission and caring, and to provide answer



to questions asked by leaders entering cultures which were created by former founders.

A secondary purpose of this research is to further verify the link between strong culture and high performance, a topic which has been the thrust of three recent bestsellers. Peters and Waterman (1982), Deal and Kennedy (1982), and Ouchi (1981) dealt with performance as the interface between idea and action. The high performing companies they studied shared what they defined as "strong cultures." The authors suggested that a unifying element in strong cultures is the presence of a definitive ideology.

Ouchi stated that "the behavior of any Z company is its philosophy" (p. 131) which purports commitment and trust and results in "better functioning." Deal and Kennedy concluded that a "strong culture enables people to feel better about what they do, so they are more likely to work harder (p. 16). Peters and Waterman also linked strong culture with excellence but only imply a psychological need on the part of most organizational members to be motivated. High performance, according to these authors, suggests the presence of an effectively communicated ideology. This study adds evidence in support of their claim.

#### Research Implications

Results of this research are significant for leaders in all types of organizations. They demonstrate that an understanding of the nature of an organization will enable a leader to "tap into its cultural network" (Deal & Kennedy,

1982) by becoming a part of its myths, reinforcing its values with stories, and implanting new rituals and ceremonies.

For purposes of applicability and relevance, it was important to locate an organization small enough to provide a pervasive culture for study yet large enough to be truly representative of a successful enterprise. Equally crucial was the identification of a culture in which the leader was not the founder but who had been in his/her position long enough to impact that culture significantly. The company and leader studied met the above criteria and provided an exemplary window for observation. By studying the ideology and communication of the Lost Arrow Corporation's leader, other leaders may better understand how to improve organizational satisfaction and performance.

A realization by practitioners of the impact of properly communicated ideology will enable them to better construct and use ideology to impart values, transmit purpose and infuse commitment. The success of leadership has long been a fascination of management studies, yet those studies are inherently guilty of substituting management for leadership. This study further dramatizes the difference between one who manages by mandate and one who leads by example and through transformation.

And as the world becomes mechanized as a result of advanced technology, the need for humanized, caring leaders brings attention to those persons who depart from the tactics of charisma and power in order to elevate others and

bring satisfaction to the business of work and life. Leadership of departure from the norm will be examined here to demonstrate its compatibility with commerce and revenue generation.

#### Limitations of Previous Studies

The researcher has identified problems in the literature from two areas which address corporate/cultural performance in the context of communication and/or leadership. Executive/ management studies and popular culture of the past ten years approach the topic under discussion here, but most studies reveal some degree of confusion and misinterpretation.

#### Executive/Management Studies

Lorsch (1983) studied twelve company leaders and determined that their psychology was dominated by monetary motivations, drive to excel, and corporate survival. The author predicted success for those leaders who could reshape the corporate direction by reshaping the value system. While the advice seemed sound, the corporate objectives here are bottom line, not a healthy culture.

Rush and Goodman (1983) identified the main problem faced by corporate leaders as communicating company needs and values to its various publics. Research conducted by the authors revealed that employee attitudes toward top management's poor communication had the greatest impact on worker attitudes of all factors studied. The authors advocated a crash course on effective communication to

remedy this situation. Rush and Goodman as well as Lorsch typify the direction of recent executive success literature which does not take cultural aspects into consideration.

The relationship between communication and leadership was evaluated in a description of the communication behavior associated with leadership behavior between superiors and subordinates by Penley, Hawkins and Peterson (1984). The problem with their study lies in the interchange of the terms manager and leader; what this study really measured was managerial, not leader, communication. In a similar study which investigated the transmission of organizational culture (Siehl & Martin, 1984), managers were the focus of study rather than leaders, reducing the impact of the results for leadership situations.

#### Popularized Culture

Because In Search of Excellence and Corporate Culture have been reviewed extensively in the literatures of organizational behavior and business, they will not be examined in depth here. However, mention of their treatment of culture is needed for background to this discussion of the subject.

Peters (1978), who approached culture from the arena of managerial routine, focused on the manager's control of message formation rather than on interaction that might create new meaning. He and Waterman later (1982) showed a relationship between excellence and strong culture, but not between communication or leadership and culture.

Other organizational practitioners (Deal & Kennedy, 1982) exemplify the type of direction offered to business as a prescription for change. They failed, however, to reflect the interpretive paradigm used by organizational communication researchers to explore organizational culture. While both books (Peters & Waterman, 1982; Deal & Kennedy, 1982) contain elements of culture such as myth, language, stories and heroes, their cultural change models assume a bureaucratic, top-down mode rather than the circular or bottom-up mode characteristic of communications models of change.

Silverberg & Allen (1976) provided a cultural change package for consultants which includes survey instruments for assessing corporate norms. While the consultants may be able to make some positive determinations from the tools of assessment, actual change may be more easily prescribed than accomplished.

A detailed cultural planning model was Miller's (1984) answer to how American leaders might develop a culture of quality in their organizations. Levering, Moskowitz and Katz (1984) found twelve culturally implicating reasons why employees enjoyed working at their respective corporations. The former work is prescriptive yet ignores the role of communication in leadership; the latter ignores leadership all together as a criteria for measuring excellence.

Much of the popular literature deals primarily with the artifacts of change rather than the interaction necessary for the creation and maintenance of a deeply felt culture.

For instance, companies are lauded by some authors for instituting change with extrinsic rewards rather than by intrinsic motivation. These writers' preoccupations with results may preclude a non-acceptance of change by organizational members.

Also, confusion exists in the literature between leadership and management. While all leaders must be good managers, not all managers are leaders, a fact that is not acknowledged by most authors. Inappropriate leader/manager designations and a substitution of cultural objects for values have created a genre of prescriptive, quick-fix and magic-formula literature which has not advanced the study of the relationship between effective leader communication and organizational performance.

#### Key Definitions

Throughout this report, the following key terms provide a framework for the research:

Leader/Leadership: This study subscribes to a transformational concept of leadership as suggested by Burns (1978). However, because of the context of an organizational structure, the leader is not entirely free to compete for followers from the open market as suggested in criteria established by Rost (1985) which elaborates on Burns' definition. The leader is distinguished from a manager by Rost's three essential features: mutual purpose, transformational motives, and intended, real change (p. 12). These terms serve as standards by which the general manager

is analyzed for leadership abilities.

Leader Communication: The verbal, non-verbal and written processes by which the general manager transmits implicit and explicit messages, beliefs and values to organizational members is leader communication. Implicit communication includes rituals, stories, language, dress and other symbolic forms as detailed by Pondy, Morgan and Dandridge (1983). Explicit communication is expression through forms such as announcements, pronouncements and mission statements.

Espoused Values, Values-in-Use: Terms originated by Argyris (1974) used to point up potential discrepancies between those values articulated and values demonstrated by behaviors (or more simply stated, between what is said and what is done).

Organizational Culture: Chapter Two provides a comprehensive discussion of how researchers have defined culture. For the purposes of this research, organizational culture is a system of shared meanings which are sustained through symbolic and behavioral processes within the context and structure of a corporation.

Ideology: This phenomenon is defined as an explanation of organizational reality which results from a symbolic system of beliefs and values. This reality strengthens the social order and stimulates members into collective goal achievement. Ideology is closely linked to the articulation of organizational purposes and values which results in high performance.

## Thesis Organization

Chapter Two contains a review of the literature which documents cultural investigations, communications perspectives, leadership studies and performance relationships pertinent to this study of culture. communications perspectives for studying culture. In an effort to provide a platform from which to begin this study, recent research results are presented in more depth than older, less relevant studies.

Chapter Three, Methodology, overviews the cultural, communication and leadership research strategies previously used to study and define culture. The research approach and research questions are presented, and the chapter documents the precedents for using ethnography and details the techniques used by a variety of researchers to form the hybrid design in this study. It discusses the integration of qualitative and quantitative methods, the rationale behind the decision to use them, and their limitations. An explanation of the research design provides an overview of the site selection and the researcher's posture. Details on the pilot study are followed by an explanation of the research method components, including observations and interviews, document study, instrument preparation and distribution and data analysis. The problems encountered in the study completes this chapter.

Chapter Four has two sections. The first is a thick description of Lost Arrow, its culture, and the leader's ability to influence that culture by her communications.



Details observed about the organizational structure, its members, and its leader are presented. A discussion of the observed manifestations of artifacts and creations, technology, behavior patterns, operational policies, power and politics, and enculturation is included. Aspects of the organization's communication including language, sociality, rituals, and stories are followed by an analysis of the written communication which consists of member and public publications. The leader's nonverbal, verbal and written communication as well as her communication style, purpose and audiences are discussed and detailed in this chapter.

The second section is an analysis of the qualitative data. Further disclosures about the culture are presented in a discussion of the values in use, shared organizational assumptions, and leadership and value transmission. This chapter looks at the values and assumptions contained in the qualitative data in an attempt to expand the reader's knowledge about the company's culture.

Chapter Five presents an overview of the survey response profiles and an examination of the sections on company jargon, corporate projections, priorities, strengths and weaknesses, and goals and objectives is followed by a summary of the survey results. The researcher adds to the understanding of the culture in two ways: (1) reporting and summarizing the data received from the survey by section and (2) by question within each sections; analyzing the findings of that data by looking at how effectively the leader

communicated company values and to what degree the membership imbibes those values.

In Chapter Six, the researcher presents conclusions from the research analysis, responds to the research questions, provides additional implications of the findings, outlines the study's contributions to leadership and communication research, and makes suggestions for future study on organizations.

CHAPTER TWO  
AN ORGANIZATIONAL FIELD STUDY:  
REVIEWING THE LITERATURE

Culture and its parts are abstractions, but are also tools that man grasps in dealing with his life and times. Therefore, it embodies a strong reality principle that endows whatever passes for truth with the incandescence of significance and legitimacy. (Nieburn, 1973, p. 38)

This review focuses on four relevant questions concerning the theoretical nature of corporate culture and its contribution to the study of organizations:

1. How is corporate culture being defined?
2. What contribution does communication make to the study of culture?
3. What role does leadership play in determining culture?
4. How does performance relate to culture, communication and leadership?

In order to respond to these questions, literature from behavioral sciences, communication, education and business is presented here.

### Defining Corporate Culture

The evolution of cultural examinations has taken researchers from anthropologically based theories to studies of the more informal, social side of corporate life which is often referred to as pop culture. This evolution can best be demonstrated by comparing reviews of the literature (Bhagat and McQuaid, 1982; Kroeber and Kluckhohn, 1952) with recent newspaper and magazine articles (Lawrence, 1985; Salmans, 1983; Uttal, 1983).

Anthropologically based culture study is derived from works on social structures (Firth, 1951), language (Levi-Strauss, 1963), ideology (Spiro, 1968), and personality (Tyler, 1969). Culture was first described as the traditional way things are done (Jaques, 1952), and ways of thinking and feeling (Turner, 1971). Both definitions seem to imply a shared system of symbols and meanings which is described by Pettigrew (1979) in a thesis that has been widely accepted by researchers of culture.

The close association of culture with organizations is illustrated in a survey of culture's roots which identifies research themes that represent intersections of culture theory and organizational analysis (Smircich, 1983c).

Organizations are currently being analyzed through cultural investigations which study behavioral regularities (Van Maanen, 1979), norms and dominant values (Deal and Kennedy, 1982), philosophy (Ouchi, 1981) and rules (Van Maanen, 1979). One of the most comprehensive culture examinations is presented in Schein's (1985) text which

summarizes past views and yields his own definition.

Culture, he wrote, is

a pattern of basic assumptions--invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration--that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (p. 9).

Schein's definition facilitates cultural investigation which is specific to organizations. His methodology enables the researcher to identify and focus on patterns which provide clues to the basic assumptions of an organization's culture.

Other writers on culture orient their culture investigations differently; Kroeber and Kluckhohn (1952) cited more than 150 definitions of culture classified under such categories as descriptive, historical, normative, psychological, structural and genetic. When discussing the culture of corporate organizations, a definition of culture from the business perspective is helpful.

Margulies' (1969) distinction between observable culture (the way in which work was organized) and inferable culture (values, attitudes and norms) came from a business school perspective. A similar focus is found in the normative dimension of culture which has been explained as

A cultural group's characteristic way of perceiving the man-made part of his environment. The perception of

rules and the group's norms, roles and values are aspects of subjective culture. (Triandis, 1972, p. 4). A normative systems approach is used by Silverberg and Allen (1976) for culture change. They defined culture as "a set of expected behaviors that are generally supported by the group which affect every aspect of organizational functioning" (p.33).

#### Cultural Classifications

Because not all constructions of social reality are alike, cultures have been classified in a variety of ways. One of the most useful for this research was discussed in a paper by Cameron (1985) who suggested that a Jungian framework (Jung, 1973) appears to be the best for organizing the shared underlying assumptions and interpretations used by individuals that become manifest as organizational cultures. Four culture ideals are proposed which can be explained by a framework which categorizes culture types on two dimensional ranges: feeling--thinking, an information evaluation continuum; and sensing--intuiting, an information gathering continuum. Four culture types were labeled as clan, hierarchy, adhocracy and market.

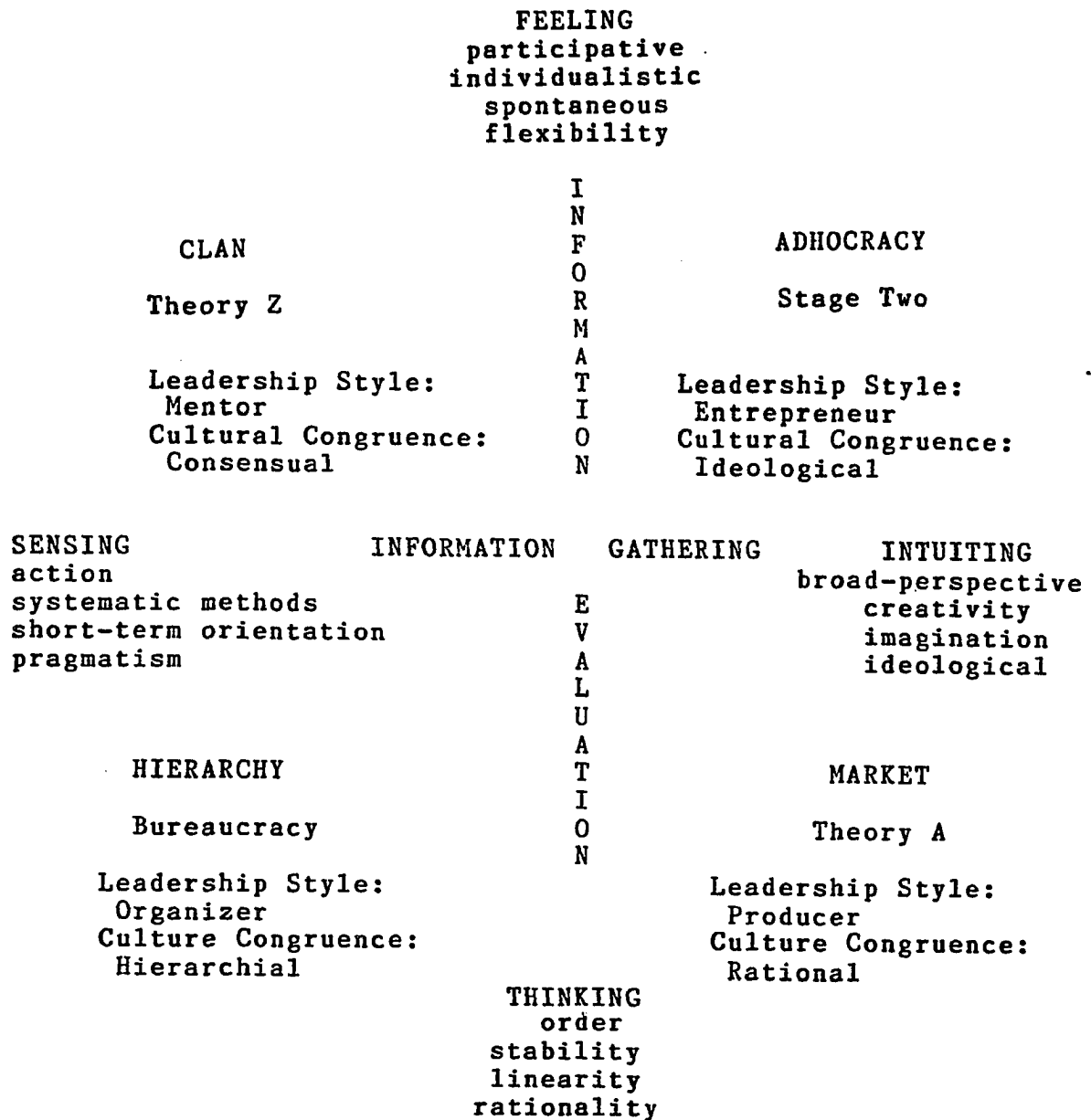
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Insert figure 1 here

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Mitroff and Kilman (1975) labeled the quadrants to be consistent with type definitions by Williamson (1975), Ouchi (1980), Mintzberg (1979) and others. Consensus allows that the lower left quadrant, hierarchy, emphasizes order, rules,

**Figure 1.** Jungian dimensions and four ideal types of organizational cultures.



Note. This figure was adapted from Cultural Consequences, strength and type: Relationships to effectiveness, an unpublished manuscript by K. S. Cameron (1985), University of Michigan, Ann Arbor, MI, p. 6.

and clear lines of authority. The lower right quadrant, a market culture, emphasizes competition, production and customer orientation. In a clan culture, the upper left quadrant, shared values and goals, participation and family predominate. Characteristic of the upper right quadrant, adhocracy, are entrepreneurship, creativity, adaptability and dynamism. Although not acknowledged by Ouchi, the term adhocracy is used by Bennis (1973), Toffler (1980) and Mintzberg (1979).

This typography is useful because it provides an ability to determine the extent to which cultures are congruent in their elements. Theories of congruence have been espoused by authors such as Quinn (1984), Wilkins and Ouchi (1983) and Smircich (1983b) who associate each theory with a particular style of leadership that best reinforces and shares its values.

During the last decade, organizational culture has been examined through the corporate rubric in a variety of studies: in the engineering division of a large company (Wilkof, 1982), in a problem solving application (Bate, 1982), in models of discourse (Circourel, 1978), in an artistic organization (Vaughan, 1984), through an automotive company's counter-culture (Martin and Siehl, 1983), in an insurance company (Smircich, 1983b), and in an anthropological study of a Japanese bank (Rohlen, 1974).

United States executives looked for the answer to poor employee performance in the philosophy of Japanese management. When Japanese management style was imported in



America, businessmen thought that the missing link to high productivity was the oriental secret--culture--and were preoccupied with emulating Japanese techniques. "Culture implies a company's values--values that set a pattern for activities, opinions and actions. Managers instill that pattern in employees by their example and pass it down to succeeding generations of workers" (Ouchi, 1981, p. 165).

The "passing it down" aspect of culture is one which turns the attention of this review on the key to studying culture in terms of how it is created. Concepts dealing with the language of social process have recently been integrated into the theoretical language of organizational behavior (Pettigrew, 1979, p. 580).

#### Culture and Communication:

##### A Symbiosis

Culture literature from a communications perspective can be traced to the systems tradition which advocates the use of guiding metaphors "of such nature that they address and bring into correspondence our thinking about both organizations and communication" (Pacanowsky and O'Donnell-Trujillo, 1983, p. 127). The authors adopted Geertz's (1973) metaphor of culture as a web to emphasize the notion of organizational culture as structure and process. They claimed that the task of the communications researcher is to be the "linking of communication variables to organizational outcomes, variables such as productivity, survival or effectiveness" (1982, p. 117)

Three streams of focus in organizational communication research have emerged as significant for measuring culture.

Information flow through network systems and grapevine studies. Walton's (1969) magnetic theory of communication concludes that an organization is a communication network with a magnetic center that draws messages to it. Wickenburg's (1969) study on networks found that the extent of total communication networks is great and that managerial roles extend position boundaries. He categorized communication into five categories: information received or disseminated, instructions given or received, approval given or received, problem solving activities and non-business related communication or scuttlebutt. Davis' (1977) grapevine study showed how information travels through organizations, both formal and informal. He identified fast, selective and discriminatory traits of grapevine communication and typed communication chains as single, gossip, probability and cluster. Information flow is useful for determining the patterns and effectiveness of communication.

Message content in its written form and as a tactic of ambiguity. Cheney (1983) analyzed organizational publications in ten corporations for their association with employee concerns. Eisenberg (1984) reviewed the literature defining ambiguity and clan messages and found that ambiguity promotes a unified diversity and fosters multiple values of the organization. He stressed the management of disagreement and idiosyncrasy and the strategic use of

symbols to facilitate an operational social order (p. 239).

Climate studies. This aspect of organization study, most completely reviewed by James and Jones (1974) is often confused with culture. Organizational climate is not pertinent to this study.

Reviews of communication in organizations (Goodall, 1984; Monge, Edwards and Kriste, 1978) dramatize the link between culture and communication; they cite research on imagery and language (Kaufman, 1980) and on symbolic forms of communication which use culture as a milieu and dominant area of focus.

#### Frameworks

Metaphor. Because of its clues to the nature of the organization's culture, many studies use metaphor as a framework for investigating communication. Axley (1984) reviewed the machine metaphor which has been traditionally used for discussions of organization, and proposed instead the use of conduit metaphors for that purpose. Koch and Deetz (1981, p. 137) stated that perception and knowing are linked in an interpretive process that is metaphorically structured, allowing us to understand one domain of experience in terms of another. Lackoff and Johnson (1980), who believe that people come to know the world through metaphor, examined all types of metaphorical language for its relationship to meaning and shaping thought. Ortony (1979) answers the questions, "What are metaphors?" and "What are metaphors for?" in his discussion of how metaphors function as scientific language, learning and

decision making. Edelman (1971) suggested that metaphorical modes of viewing organizations are central to the shaping of organizational values, attitudes and perceptions. These and other theorists conclude that metaphorical language can structure and change thought and culture in organizations, and that by looking at the metaphors in use in an organization, a researcher may gain insight about its basic assumptions.

The relationship of extended metaphors to organizations and organizational change has been treated extensively by Pondy (1983). Pondy argued that metaphors help couple the organization by tying its parts together and making it whole. Myth, he says, is an extended metaphor which belongs to the level of symbolic reality. He argues that the use of metaphor in organizations facilitates change and reinforces traditional values (p. 164).

Symbol. Dandridge, Mitroff and Joyce (1980) have discussed the use of symbols to expand organizational analysis, which led them to a cultural investigation of communication. Organizational symbolism has become an area of interest in a variety of fields concerned with understanding human activity, and remains central to an understanding of corporate culture.

The study of symbols in an organizational communications framework also allows researchers to gain knowledge about culture. Frost and Morgan (1983) traced the sensemaking process which occurs in a group situation by

analyzing the organizational symbols used in meetings. Daft (1983) proposed a framework which organizes corporate symbols for systematic investigation into those with primarily expressive content (meeting the emotional need of members or publics) and those with primarily instrumental content (helping the organization do its work). His continuum of symbol functions (p. 203) is supported by hypotheses about organizational symbols and their potential for being a rich source of new knowledge about higher level properties of organizations. Eoyang (1983) found that the essential characteristic of symbols is their consistency and compatibility with established beliefs and values. This fact, he believes, has implications for the practice of leadership because it points out how the transformational process may help leaders influence the belief systems of others.

By looking at organizations as patterns of symbolic discourse, a researcher can visualize organizational cultures as systems of shared meanings and symbols. Organizational symbolism has been studied for its relationship to power (Pfeffer, 1981) and has been categorized according to types and functions (Dandridge, 1983). Other researchers have dealt with a variety of symbol types such as stories and myths (Mitroff and Kilman, 1976), legends (Wilkins and Martin, 1979), puzzles (Morgan, 1983), rites and ceremonials (Trice and Beyer, 1984) and sagas (Borman, 1983). There is a consensus among these researchers that a strong culture evidences the presence of established

types of symbols, and they suggest that strong cultures may help produce effective organizations.

### Treatments

Viewing culture from a communication context is viewing "the sum total of ways of living, organizing and communion built up in a group of persons and transmitted to newcomers by means of verbal and nonverbal communication" (Borman, 1983, p. 100). In addition to outlining a cultural approach to communication studies, Pacanowsky and O'Donnell-Trujello (1982, 1983) demonstrated how communication brings culture into being.

Cultural perspectives of communication in organizations have been treated by a number of researchers. Smircich (1983) saw culture as something the organization has. Silverberg and Allen (1976) viewed culture as something to shape up. Neiburn (1973) felt that culture and its parts are abstractions. Bugbee and Blakeslee (1981) provided a model to demonstrate the union of culture, climate and communication, thus legitimizing organizational culture as a field of study.

Communication in organizations was the subject of six doctoral dissertations between 1981 and 1983 which add to the literature about culture. Franz (1981) measured goodness of fit to indicate that communication is the strongest predictor of satisfactory socialization. Werber (1982) demonstrated a relationship between communication studies to organizational structure. Ruschinkas (1982) examined the

time spent on communication activities and developed a model to explain the use of organizational communication channels. Taiani (1982) detailed the role and function of organizational communication as establishing a network of interpersonal relationships, identifying and monitoring attitudes, and disseminating information. Wilkof (1982) provided a grounded theory of organizational culture, and Schall (1983) focused on a communication rules approach to articulating organizational cultures.

Two studies by students of culture show a relationship between communication and management. Bangs (1983) developed a paradigm for superior-subordinate communication, and Frieberg's culture study of power messages communicated by CEOs (1984) found that communication is the main task of executives. Management studies evolved into studies of leadership; leadership's relation to culture has been explored in depth by other theorists and is worthy of attention.

#### Culture and Leadership:

##### A Marriage

An important area of agreement in the literature is that leaders influence the behaviors of the led through effective communication. In a cultural sense, the leader has both executive and symbolic roles. Bringing special resources to the group, structuring group behavior and helping define reality for others are functions of those roles (Morley, 1984). Leaders are said to provide pictures (Weick, 1977) and to create symbols and myths (Pettigrew,

1979) in their executive roles.

By studying leadership, one can better understand organizational culture. Illustrations of how intricately the problems of leadership and organizational culture are basically intertwined have been presented in depth by Schein (1985). Smircich and Morgan (1982, p. 258) claimed that leadership is responsible for generating a point of reference against which a feeling of organization and direction can emerge.

#### Approaches to Research

Quinn's (1984) review of the literature elaborates on the fit between leadership style and cultural type. He demonstrated that successful corporate leaders provide image patterns of thinking that have meaning for organizational members. Penley and Hawkins (1985) categorized two levels of communication for leaders, content and relational, in their research on communication as the observable behavior of leadership. Busson, Larson and Vicars (1983) descriptive framework viewed leaders' interpersonal contacts as patterns or content; the authors suggested a holistic approach to studying leaders. Kanter (1983), who said that "leaders of change deal in symbols and visions and shared understandings as well as techniques and trappings of their own specialties" (p. 305), approached leadership from a communication/ cultural perspective. In the above examples, authors credited the leader with controlling meaning to create, sustain and change the organizational culture.



Smircich and Morgan (1982, p.261) elaborated upon the importance of the leader's control by arguing that the actions and utterances of the leader guide attention and shape the meaning of situations. If this is true, then effective leadership depends upon the extent to which the leader's definition serves as a basis for the actions of others.

Entrepreneurs establish their companies with their own definitions, rules and roles. Pettigrew (1979, p. 574) characterized entrepreneurs, founders and/or CEOs as leaders. He attributes the aspects of the more "cultural and expressive components of organizational life" to the entrepreneur. Weick (1977) said that a founder lays the groundwork, creates the image and imposes a structure upon the organization which gives it meaning. Turner (1971, p. 197) characterized the CEO as the "person who has the peculiar responsibility of setting the style of the organization." Ouchi and Price (1978) attributed the creation of an organizational philosophy to a single leader or group of managers with charisma. These and other studies conclude that leaders are, in fact, responsible for creating the organization's culture by establishing its content (Wilkof, 1982).

#### Leadership and Language

If one thinks of leadership synonymously with the use of language, one can begin to understand how important language is in determining organizational effectiveness. While language is one of the least visible influences on our

behavior (Pondy, 1978, p. 92), it can be one of the most powerful of all tools for controlling the behavior of others (Morris, 1949, p. 214). Bennis (1982, p. 55) argued that vision, empowers people because it provides a sense of direction and goals and can be intrinsically motivating. Research of leader communication is limited; in spite of a plea for research on how leaders communicate to their followers (Stech, 1983), studies measuring communication effectiveness of leaders to followers are few (Penley, Hawkins and Peterson, 1984; Siehl and Martin, 1984).

Several authors in a collection edited by Collins (1983) have looked at the transmission of values in the written and oral communications of executives. They conclude that leaders shape the values of the led One way leaders can effectively shape values is to reform the corporate belief system. Lorsch and Donaldson (1983) reported that company members cite ineffective leadership as a direct result of CEOs' inability or unwillingness to transmit their values and goals.

Advice on effective communication for organizational leaders has been offered in several forms: communication models (Sayles, 1979), tips for reducing ambiguity (Vance, 1978), how-tos for creating an ideology (Lewis, 1980), discussions of vision (Levinson and Rosenthal, 1984), communication codes (Hutchinson, 1983), and recipes for playfulness (Bennis, 1984). The relationship between leaders and followers is changing (Burns, 1978; Maccoby, 1983).

Heller and Van Tel (1982) said that leaders are now thinking of followers as potential leaders rather than only as subordinates. Some change has been brought about by organizational members who have demanded more collective communication (Lippett, 1982),

#### A New Look at Leadership

Follower considerations and an egalitarian approach to management are currently being taught by business professors who recognize the need to revise traditional managerial dogma. Yet scholars of business leadership, while advocating more humanism in their management courses, wonder if Burns' (1978) transformational leadership is applicable to corporate situations (Boss, 1982). Other business scholars, who accept transformation in business leadership, believe strongly that leadership is not the private reserve of a few charismatic men and women (Kouzes and Posner, 1985) and that the cultural rubric will facilitate leadership study under the paradigm of effectiveness rather than charisma (Tosi, 1982).

Shapiro (1984) and Smith (1984) found that effective leaders communicate a sensitivity to follower needs and to the organization as a human entity. Most important, said House (1977) is that effective leaders articulate the corporate ideal to evoke the collective will of followers. If a leader articulates and plays the language game (Pondy, 1978) effectively as the culturalists suggest, the organization will reflect those efforts in its united purpose and strength. And in the search for a measure of

cultural strength, good leadership and effective communication--and for an understanding of the relationships which exist between all three elements--one must eventually turn some attention to productivity and performance.

#### Culture and Performance:

##### An Arrangement

Synthesizing the literature is difficult when considering performance; however, performance, effectiveness and excellence are legitimate concerns to consumers of the literature on corporate culture.

In answer to the question, Why study cultures?, social scientists and psychologists might reply that the concept is important for understanding human behavior. A more pragmatic approach is often voiced by business people who listen to discussions of culture for what they might contribute to the overall efficiency or productivity of their company--the bottom line. The first group of theorists is concerned with investigating the process of culture, i.e. the way its members construct reality within the organization; and the second group cares about determining output of the culture, i.e. what is produced by or flows from the organization.

Either motive brings up a relationship which has been explored with only limited success because of its complexity and difficulty to measure--the relationship between culture and performance. Some researchers have attempted to directly equate culture and performance: "A Company's Culture Shapes Performance" headlined a Los Angeles Times article

(Lawrence, 1985); "Culture provides the social energy that moves a company to productive action or destruction" stated a Psychology Today article (Kilman, 1985). In verification of cultural productivity, a variety of questionnaires have been prepared: to measure cultural excellence with an organizational beliefs questionnaire (OBQ) (Sashkin and Folmer, 1984); to measure cultural strength by computing a socialization score (Pascale, 1985); and to measure organizational culture through a consultant-administered survey of employee perceptions (Barry, 1984). Much of this survey activity seems irrelevant to any meaningful discussion of a performance relationship to culture because of a confusion about the term culture. If one accepts culture to mean a state of being, then the procedure of measuring the performance of a culture is impossible; so-called measurers of culture incorrectly presume it to mean an action.

If cultural performance cannot be measured, then one must look to various elements of culture which have measurable action orientations, such as strength/ congruence, communication, values, leadership and ideology for performance evaluations. Measuring the relationship of these elements of culture to performance and to each other may be a more appropriate activity for researchers.

#### Performance Components

Strength. Authors have hypothesized that goodness of fit (congruence) and strength of culture often lead to high effectiveness (Deal and Kennedy, 1982; Peters and Waterman,

1982; Sathe, 1983). Yet a study of 334 higher education institutions revealed that cultural strength had no significant impact on organizational effectiveness; it did, however, show a relationship between culture type--clan, adhocracy, hierarchy and market--and effectiveness (Cameron, 1985). Ouchi and Wilkins (1985, p. 475) suggested that certain conditions must exist in a culture for a performance relationship. They stated that a company's culture must be a clan structure which has developed shared social knowledge in two areas--a paradigm which helps participants determine what is in the best interests of the collective, and develop a perception of goal congruence. Cultural strength is often associated with performance, and strength is considered in this study for its impact upon productivity.

Communication. Connections are often made between communication and productivity as evidenced in a review of that literature by Downs and Hain (1982) which suggested five levels of productivity study: (1) occupational, (2) organizational, (3) work unit, (4) individual employee, and (5) across organizations. The review lists studies and instruments for investigating communication, including the ICA Communications Audit (Goldhaber and Rogers, 1979) which is the most comprehensive instrument for evaluating the communication of a total organization. A framework for analyzing the communication performance relationship between message types, communication formats and interaction participants, provided by Goldhaber and Rogers in their audit handbook, is used in this study.

Values and Leadership. Kanter (1983) showed a relationship between a company's investment in people and its profitability, and advocated a culture of pride for positive change. She also stated that opinion leaders are innovative only if their organizational norms favor change (p. 149), a reason why leaders' values are important for culture and performance. The results of a nationwide survey completed by 1500 American managers show that "clearly articulated organizational values do make a significant difference in the organization's performance" (Posner, Kouzes and Schmidt, 1985). In another survey of 34 companies, 43,000 respondents demonstrated that cultural and behavioral characteristics of an organization have a measurable effect on the company's performance (Denison, 1984). A further demonstration of the impact of leadership on performance is found in a longitudinal study which associates effective leadership with improved organizational performance (Smith, Carson and Alexander, 1984). The impact of both values and leadership factors on performance is important to this cultural study.

Ideology. According to Allaire and Firsirotu (1984), ideology is:

a united and symbolic system of beliefs which provides encompassing, compelling, often mythical explanations of social reality; it legitimizes present social order or proposes radically different goals and urgently impels to collective action (p. 213).

Paraphrased, ideology is a set of beliefs about the social world and how it operates.

Ideologies are most often associated with leaders who use these beliefs to change behavior. Siehl and Martin (1984) argued that the management of ideology is absolutely central to organizational effectiveness.

A more thorough and persuasive argument for ideology as a performance determinant has been presented by Jaeger and Westley (1985). Drawing from articles containing references to culture and/or ideology which were retrieved from a computer search of 29 professional business journals since 1972 and the bibliography of Deal and Kennedy (1982), the authors identified two broadly defined groups. The first group contained articles which reflected anthropological perspectives on organizational culture, and the second group placed emphasis on prescriptive and practical applications of culture. The authors claimed that the first group, whose intention was to provide insight into the cultural phenomenon, shares a common descriptive or theoretical limitation in that they cannot (by virtue of their definition) address the relationship between performance and culture. It is the leadership literature which approaches the subject of culture from an ideological perspective, relating performance to culture as a sub-form.

The interface between idea and action characterizes ideology for authors in the second group. "Ideology is reality defined in its most fundamental sense and strategic in the sense that it is tied to the articulation of



overarching and fundamental system purposes and values" (Jaeger and Westley, 1985, p. 6). It is ideology, not culture, which leaders can formulate and shape, and which is often tied to their goals and purposes. Some organizational culture literature, they stated, has mistaken the sub-system (ideology) for the whole system (culture), thus sidestepping the dilemma of the need to change and the unchangeable.

The concept of ideology is undergoing radical revision. Prescriptive managerial literature presented ideology as a tool for manipulating behaviors (Pettigrew, 1973); to the contrary, value-oriented literature treats ideology as a cultural variable with transformative and galvanizing powers which can be used by leaders to motivate their followers.

A non-political connotation was suggested by Geertz (1973) who urged theorists to abandon the old meanings of ideology--thought divorced from reality; propaganda--and accept a more neutral definition from the independent and emerging science of symbolic action. In this view,

ideology names the structures of situations in such a way that the attitude contained in them is one of commitment. Its style is ornate, vivid, deliberately suggestive. By objectifying moral sentiments through the same devices that science shuns, it seeks to motivate action (Geertz, 1973, p. 71).

Deal and Kennedy (1982) are said to be concerned with philosophy clarification and articulation by leaders as

change agents rather than with heroes, myths and legends one might expect. That preoccupation is proof that they are dealing with changing ideologies, not culture, "for it is ideology, as a cultural sub-system, which is the transformative link between leaders and followers, transforming the values, aims and philosophies of the one into the motivation for action of the other" (Jaeger and Westley, 1985, p. 12).

Deal and Kennedy identify the importance of distinguishing the ideological subsystem from the cultural system of organizations as suggested by the following statements by Jaeger and Westley (1985, pp. 13-14).

Ideology is directly concerned with the construction and communication of symbols, the symbolic properties of language, of social interaction, the articulation of philosophies and the effect of these on employees; ideology is the mechanism for enabling leaders and members in high performing companies to unite in an effort to actualize the goals of the leaders for high performance.

#### Summary

Leader communication is an essential element for understanding and evaluating both the process and the output phases of organizational culture. Volumes of literature are available of the subject of culture and its implications for corporations; this review presented only those works which have a direct relationship to this study. Hoping to build upon that literature, this study addresses the leadership

and communication variables of culture through field research in a unique and successful corporate culture by answering questions about the relationships between the person in charge of the company, the behavior of the company's employees, and the company's productivity which have not been satisfactorily addressed by existing literature.

## CHAPTER THREE

### AN ORGANIZATIONAL FIELD STUDY: METHODOLOGY AND RESEARCH DESIGN

Those who have defined culture agree that it is a complex phenomenon. Because capturing the essence and uniqueness of an organization's culture from the insider's point of view is not simple task, measuring culture becomes even more difficult than defining it. In order to accomplish the purposes of this study, cultural measurements were undertaken in three areas: culture, leadership and communication. This chapter deals with the methods and strategies used to measure those areas, and with the specific design employed in this study.

#### Cultural Research Strategies

Morgan (1983, p. 21) stated that research requires the development of a strategy for engagement which can bridge the gap between "the image of the phenomenon and the phenomenon itself." Interpretive research appears to offer an effective strategy for cultural inquiry through engagement. An important aspect of interpretive research is its emic perspective (Morey & Luthans, 1984) and its ethnographic quality. In ethnography, humans in social groups are the focus unit of analysis. Objective reality

gives way to the construction of social reality and is context specific. What distinguishes ethnography from positivism is its avoidance of determinism and its incompatibility with generalization and prediction. The participant observer of ethnography interprets the culture by making judgments in an attempt to understand actions from cultural patterns and individual reasoning (Foster, 1985).

Smircich (1983, p. 16) advocated a strategy to accomplish the study cultures by viewing organizations as "networks of meaning." It is through these meanings, expressed in symbolic forms such as language, ideology, rituals and myths (Pondy, 1983), that an organization's character is revealed. The task of the researcher is to detail and analyze those meanings in the most effective and reliable manner available.

Anthropologists have studied cultures through shared meanings that provide models for understanding context and patterns of behavior in cultures (Geertz, 1973). Smircich (1983, p. 165) suggested that for learning and articulating a culture, investigators must be close to the social interactions where meanings are rooted and elaborated. She advocated an iterative approach to the analysis of data by focusing attention on symbols.

Schein (1985, p. 113) proposed a ten step method for revealing culture through iterative interviewing which includes locating a motivated insider, revealing surprises, and systematic observing, checking and consolidation. In an iterative approach, the researcher assesses multiple sources

of data to build key themes which get at the heart of an organization's culture.

Spradley (1979) detailed the technique of how a researcher might conduct effective interviews that facilitate organizational themes to emerge naturally. He recommended three types of ethnographic questions--descriptive, structural and contrast--as well as procedures for getting at all aspects of language through an informant's explanations of company jargon. Spradley and McCurdy (1975) classified cultural paradigms into three dimensions of contrast: (1) holistic--particulate, (2) explanatory--interpretive, and (3) external view--native view (Gregory, 1983) which are valuable for structuring field studies.

A field study is an appropriate method for looking at organizational culture because it enables researchers to explore relationships among the parts of the system from the members' viewpoints (Louis, 1980), and to see that social system as a working whole from within. Perrow (1972) argued that only the field study can adequately deal with systems phenomena.

By developing a total picture of the organization, a holistic sense of the organization and how it operates is possible thorough a combination of data collection techniques such as interviews, participant observations, review of written materials and surveying. Brown (1960, p. 24)) suggested four concepts of the organizational

situations: (1) manifest, as formally described in an organizational chart; (2) assumed, as assumed by an individual; (3) extant, as revealed by analysis; and (4) requisite, as it would have to be to be in accord with real properties of the field in which it exists. The ideal situation, he argued, is that in which all four aspects of the organization are in line with one another. An exploration of an organizational culture using Brown's model enables the researcher to identify areas of congruence and conflict, and the model helps to explain behavior that cannot be explained through a traditional/rational framework which associates behavior with task rather than with meaning.

#### Communication Research Strategies

The interpretive approach, as suggested above, is a generic category characterized by the centrality of meaning in social action (Putnam, 1983). Of two research traditions associated with an interpretive approach, the naturalistic rather critical technique's, the former has been advocated for a communications study which seeks to explain and understand culture (Bantz, 1983). One branch of naturalistic research is ethnomethodology, simply defined as the sociology of everyday life (Filmer, 1972, p. 217). Researchers thus oriented follow a conversational approach focusing on the verbal discourse used to make the organizational culture. Concern with social order is crucial in communication study since it is maintained and restored

through message exchange and the meanings created in these exchanges (Bantz, 1983).

Bantz describes four methods used in naturalistic research: (1) the participant observer who strives to depict the organization's reality, (2) an evaluation of the organizational outputs or messages used for image building, (3) transcription of interviews for understanding vocabulary, and (4) analysis of internal and external organizational documents (p. 66). Naturalistic research using these methods should reflect, according to Bantz, an understanding of the organization's messages and meanings and its social reality; the interpretation should be recognizable to organization members and make the organization accessible to nonmembers. His methods are valuable to practitioners of field study.

In a less scientific manner than Bantz, Goldhaber and Rogers (1979) suggest using a communication audit to gather information which can evaluate the organization's effectiveness, the value of its activities and the achievement of its goals. Useful in this study, the ICA audit provides guidelines for evaluating written documents and organizational outputs. Results of audits used at their client companies suggest that organizational tenure is strongly related to communication behavior, and that age is one of the strongest correlates of communication behavior (p. 16). Their research demonstrated that employees under thirty needed to send and receive more information than those over thirty but only from selected sources. It showed



a significant three-way interaction among age, sex and organizational type.

A cultural analysis of an organization requires the researcher to focus on communication as performance (Pacanowsky & O'Donnell-Trujillo, 1983). Performance can be approached through the analysis of such content as ritual (personal, task, social and organizational types) and sociality (such as courtesies, pleasantries, and sociabilities), and form such as politics (one aspect is power) and enculturation (learning/teaching the ropes and the roles). These performance analysis techniques are important for uncovering the culture of the organization in this field study.

#### Leadership Research Strategies

Leadership style is one of the predominant areas of research in organizational behavior and communication, typically falling into categories of trait (Stogdill, 1978), task (Blake & Mouton, 1964) and situation (Fiedler, 1967). None of these approaches, however, fits the interpretive paradigm described above. A naturalistic researcher focuses on the method of communication and the message contained within it.

Viewed through leadership concepts, the interpretive view sees the leader as a framer of contexts, maker and shaper of interpretive schemes and dealer with multiple realities (Smircich, 1983, p. 226). By concentrating on the means by which people make sense of their situation,

leadership lies in accomplishing the management of meaning to shape the social reality of the organization. Because the leader is attributed with having the power to influence behavior thorough communication, it is important to examine how the leader controls assumptions. Schein (1985, p. 225) suggested looking at five primary mechanisms used by leaders for culture embedding and reinforcement which are: (1) what the leader pays attention to, measures and controls; (2) leader reactions to critical incidents and organizational crises; (3) deliberate role modeling, teaching and coaching; (4) criteria for allocation of reward and status; and (5) criteria for recruitment, selection, and promotion. Secondary articulation and reinforcement mechanisms, said Schein are: (1) the organization's design and structure; (2) organizational systems and procedures; (3) design of physical space; (4) stories, legends, myths about events and people; and (5) formal statements of organizational philosophy (p. 237). Schein's schema provides the structure for this cultural investigation.

For the purpose of this study, Luthans' (1981) use of natural settings for observing leadership and Gregory's (1983) native view paradigm (which presents the culture from the perspective of one of its inhabitants) shed light on the technique of observing leaders within the context of their organizations. And, as suggested by Mintzberg (1982) who advocates content rather than method, no constructs, variables, or instruments were used to study the leader in this study. Rather, the leader was analyzed through

organizational language using an affirmation technique, explained as "a commitment to belief and gathering evidence in support of it" (Weick, 1982, p. 234).

#### Research Approach To Field Study

Because capturing the essence and uniqueness of an organizational culture from the insider's point of view is a difficult task, and because consensus, intensity and relevant context are often difficult to assess (Jackson, 1975), method is an especially critical component of this research.

This researcher believes that detailed observation and a heightened sensitivity to meanings and contents are important aspects of capturing the culture. As suggested by Van Maanen, Dabbs and Faulkner (1982), the methodology for such research is dependent upon verbal and non-verbal expressions observed and recorded during open-ended interviews, meetings and social interaction. Such methods are often referred to as qualitative because they rely so heavily on the subjectivity and beliefs of the researcher.

Information which is expressed in terms of amounts or counts is termed quantitative because it relies on statistics, categorizations and analytical mathematics (Daft, 1980). The objectivity of numbers does not eliminate subjectivity from this method, as it is the belief of this student that all research involves subjective elements. The solidity of research on culture depends upon how well the organization's social reality is understood and

presented, and how well the process of inquiry fits the phenomenon being studied (Smircich, 1981). In order to accomplish solidity, the strengths of both qualitative and quantitative methods are warranted (Pacanowsky & O'Donnell-Trujello, 1982). In one study typifying such a hybrid methodology, Siehl & Martin (1983) utilize materials from a qualitative observational study of culture to create a standardized survey designed to assess knowledge of and commitment to aspects of the organization's culture throughout all levels of the institution. With some adaptations, their multimethod approach was selected for this study because of its ability to provide the most solid results for holistic research that focuses on meanings, symbols and contexts.

The differences between this study and previous organizational culture investigations lie in two elements of purpose: (1) the amount of emphasis placed upon the importance of leader communication and its relationship to member behaviors is greater here than in previous studies, and (2) the intention to learn the culture is the primary focus of this research rather than a desire to prove a hypothesis about organizational culture as is characteristic of most studies.

#### Limitations of Hybrid Methodology

Martin (1981, p. 22) suggested that it is possible to take an existential approach to methodological choices by admitting that no alternative is free of flaws or superior to others. She also stated that it is the obligation of the

researcher to chose a design which is believed to be superior to others for the purposes of the study, and to be faithful to the rules and procedures of that design. Having pledged an allegiance to a combination of qualitative and quantitative techniques, this researcher recognizes the problems inherent in both methods.

One of the problems of using quantitative methods extensively for culture research is that such methods are not suited to the study of a complex topic because of the tendency to oversimplify the culture through hypothesis proving (Daft, 1980). Smircich (1980, p. 9) found that networks of shared meaning did not lend themselves to study by methods of detachment and objectivity. Because research on culture is still in its infancy, quantitative methods may be inappropriate for addressing questions that might arise during the information gathering process. If one is to study the cultural phenomena in context as suggested by Geertz (1973), quantitative methods are unsuitable for getting at the nuances of socially constructed meanings.

Qualitative methods also have limitations. The most significant is the difficulty encountered in demonstrating the existence and direction of causality using qualitative data. Relationships between variables are also difficult to establish by quantitative methods. The most commonly stated objection to this type of research is its lack of generalizability. Because of the time and effort necessary to investigate a culture, large numbers of investigations

are impossible for a single researcher. Results of a single study are questionable for application to other situations.

One crucial aspect of qualitative methodology, participant observation, can be time consuming and is often selective. Reliable data depends upon a long-run, reasonably intimate contact with an organization on a regular basis. This contact may result in immersion by the observer to the extent that the data being recorded is biased, or result in a Hawthorne Effect upon organizational members whose behavior is altered because of the scrutiny by an outsider.

Using any single method is restrictive because it assumes the superiority of that method over other methods. If one agrees that all methods have both limitations and strengths, then one would agree that combining methods should enable the researcher to compensate for the limitations of one with the strengths of another.

#### Research Questions

According to Siehl and Martin (1983), multiple methods greatly enhance the credibility of research results. With that strategy in mind, this research design combines a descriptive case study and ethnographic/interpretive inquiry using a hybrid of qualitative and quantitative techniques. In keeping with that framework, the research was designed to respond to research questions formulated to reflect the study's purpose: to investigate the impact of leader communication upon an organization's culture. The questions developed to measure this impact are:

1. In what ways does communication determine the

structure of the organization?

2. How does that structure affect member behavior?

3. What forms of communication are most effective for organizational performance?

4. How does the leader communicate company ideology to the organization?

5. What is the relationship between organizational behavior and the ideology of its leader?

#### The Research Design

The focus of this study is to learn the values of the leader and the organization and how they are communicated. In order to best learn those aspects of the culture, a design in three stages was used. An abbreviated immersion into the culture was accomplished in the first stage through a combination of observation and in-depth interviews. The second and third stages provided comparative data which determined the extent to which members shared the values and assumptions of the leader.

#### Site Selection

In an effort to find a company which would enable the researcher to best answer the research questions, several organizations recommended by corporate executives and business writers of local publications were considered.

A large utility company was suggested for its leader who had received an award for his outstanding administrative abilities. Because of a pending lawsuit by consumers for

rate fraud, the company was disqualified.

A regional airline was also disqualified because of the presence of six distinctive sub-cultures rather than a single, unified culture, and because of the impending departure of its CEO. Several small companies were identified as excellent, but were not considered because they were either too small or had its founder in place as CEO.

The organization selected for study was chosen for several reasons; its reputation for having a dominant rather than splintered culture, its profitability, and its highly regarded female leader.

#### Researcher Posture

The researcher had no difficulty assuming the role of learner for this study because the culture of the company was so different from cultures of other corporations of similar profitability. Occasionally, the nature of the organization would invite actual participation by the researcher in the decision making process. At these times, the researcher would withdraw from involvement and resume her task of learning, describing and discovering, but with some reluctance. The culture was so nurturing and friendly that the researcher experienced some difficulty maintaining strict objectivity. Time constraints and the research goals, however, put the researcher quickly back on track and prevented further involvement at a personal level.

After an initial tour of the physical plants and introductions to the directors and other personnel, the



researcher was given free access to meetings, employees and records. Employees and directors shared perceptions, assisted with jargon definitions and provided in-depth explanations of activities as they unfolded. The researcher arrived at the administrative offices at 7:30 each morning, attended meetings, ate lunch in the employee cafeteria, toured facilities, spent time in specific operations, had interviews, and left the offices at approximately 8:00 p.m., or whenever most of the employees had departed. On two occasions, the researcher shared informal evening activities with the general manager and her brother.

The first visit to Lost Arrow was in August; the researcher returned to the company in February for another two days of observations, meetings, interviews and questions. In February, the founder and his wife were present, enabling the researcher to gain a more complete understanding of the relationship which exists between them and the general manager. Several issues which arose during the data analysis stage were addressed during the second visitation, clarify and reinforcing the August findings.

### Research Method Components

#### Pilot Study

An abbreviated study, executed prior to the research reported here, was conducted in a school of education at a small private university in California. That study reported the observations and survey results of faculty, staff, students and dean of the school.

The pilot study tested several aspects of ethnographic methodology discussed earlier in this chapter. The results of the pilot study revealed that the interview techniques and questionnaire structure used were not appropriate measures for the organization studied. The results also indicated that the expectations of the researcher regarding the willingness of organizational members to participate in research were unrealistic. Therefore, modification of the research design for the present study was undertaken as a result of the pilot study in the following ways:

1. In an attempt to avoid being overcome by the amount of data available for collection on the culture of an organization, the research focused only on those aspects of the culture which were directly related to measuring the effect of leader communication. The focus was on the values stated by the leader and demonstrated by the members of the organization.

2. The questionnaire was constructed as a multiple choice instrument, forcing the respondent to make definitive choices among alternatives. This was done to avoid the vagueness and misinterpretation which resulted from the open-ended questions in the pilot study survey.

3. The researcher conducted unstructured interviews to facilitate respondent-initiated topics of discussion rather than structured interviews as was done in the pilot study. Pre-determined questions and areas of investigation which limited the scope of the information gathered and the nature

of the subjects discussed were eliminated from the methodology.

4. The study was preceded by an orientation meeting with the leader and organizational members prior to the visitation for the purpose of addressing concerns about confidentiality, criticism and/or sanctions which might result from the research and its publication. No orientation preceded the pilot study.

5. The researcher verified definitions and assumptions made about the organization with an informant before developing the survey. This safety measure was introduced to avoid the invalidation of the instrument. During the pilot study, some of the conclusions and perceptions used to produce the survey were inaccurate, causing serious problems for the respondents in their replies and for the researcher in her data analysis.

#### Stage One

During a five day period, the author conducted a short-term ethnographic study of the organization. She began with a tour of the four company locations and introductions to key employees. The first two days were spent observing employees and the leader in and around company facilities. During the next three days, interviews were conducted and observations continued.

Observations and Interviews. A typical day saw the researcher arriving before most employees and spending the first half hour socializing in the dining area. The leader would outline the day's activities and provide a meeting

schedule. Informal dialogue between leader and researcher usually took place before and after official company hours.

At least three daily meetings were observed and recorded with electronic devices and sociograms. Between five and fifteen members participated in these meeting activities. Frequent one-on-one interchanges were observed between the leader and a manager or the leader and an employee. The researcher participated in lunchtime meals with employees in the dining area, talking both informally and formally. Interviews were schedule before and after lunch with managers and members.

The meanings of jargon and language heard was verified daily by an informant and other employees. The sales manager and design manager explained clothing business technology as was necessary. Other organizational members verified interpretations of specific behaviors at the end of each day. Interviews continued after working hours, and on two occasions the researcher spent the evening interviewing the leader. Once the researcher was away from the field setting, notes were fleshed out, tapes were transcribed, and documents were reviewed.

Document Study. Many written documents were studied. These included brochures, company newsletters, correspondence, speech transcripts, memoranda, personnel records, employee handbooks, weekly reports, catalogues and financial reports. By the end of the first stage, the researcher was familiar with the shared interpretations of

the culture and with the ideology of the leader and founder of the organization.

### Stage Two

In preparation for this stage, the researcher performed an analysis of the data collected from the observations and interviews. This analysis provided the basis for the development of a survey instrument.

Instrument Preparation. After departing from the company, tape transcriptions and notes were organized in an attempt to prepare a survey which would measure the degree of commitment to the values which the general manager had espoused both verbally and in the corporate publications. In accordance with the methodology explained earlier, the Employee Questionnaire (Appendix A) was constructed to reflect information gathered from and verified by members of the company.

Much of the content of the survey contained projections and figures having to do with growth and image. While the leader stressed the importance of maintaining the image which the founder had projected, she also gave equal weight to expansion of facilities and number of employees. In several instances, policy regarding the image of a small and caring company seemed to be in direct contradiction to stated goals for increasing staff and projection. By contrasting members' declaration of importance of a policy with their perceptions of the importance given to the policy by the company, the researcher hoped to gain some insight on the solidarity of member commitment to the company as it was

presented in the survey. She also hoped to measure any differences in commitment by corporate group and by member seniority.

A preliminary survey was sent to the informant and was approved jointly by him and by the general manager. There were no changes, but one inaccuracy was discovered and corrected.

Questionnaire Construction. The questionnaire has five sections which are explained below.

Section 1, Corporate Jargon, is a vocabulary test of ten words and phrases of particular relevance to organizational members. Respondents are asked to select the correct definition from one of two alternatives. Correct responses indicate the ability of the leader to transmit underlying values of the culture to its members.

Section 2 presents corporate projections from the five year plan developed by the leader and the management council. In each of the five projections, a key numerical fact is left blank. Since neither of the two alternative answers is correct, respondents are forced chose between an answer that is greater or smaller than the actual corporate projection. Preference of the respondent indicates a bias toward or away from favorable growth for the company. Respondents show their ideological commitment to the company by a preference for the positively biased, pro-company alternatives; they show ideological separation by choosing negatively biased alternatives.

Section 3 draws from the values espoused by the leader during Stage One of the research. Most of these values were also mentioned in company publications. The survey asks respondents to rate the importance of each of seven goals to the organization and to them personally. They choose from four degrees of importance: Very Important, Important, Somewhat Important, and Not Important. This task provides a measure of accuracy with which respondents perceive the company's values and a measure of the respondent's personal ideological commitment to those values.

Section 4 lists eight items which were identified by the leader as either a strength or a weakness of the organization. Respondents indicate how they perceive each item, as a strength or weakness, and thus reveal their degree of agreement with the assessment of the leader.

Section 5 presents extracts from the company founder's philosophy statement contained in the employee handbook. Fourteen words are left blank, and two alternative words are provided as a choice. One is the correct word and the other is philosophically opposed to the original term. Accuracy in this task indicates knowledge of the subtleties of language used to communicate the company's objectives and philosophy.

Biographical provided two variables, (1) length of time with the organization and (2) organizational affiliation. These data allow the researcher to compare the results of the questionnaire.

### Stage Three

Survey Distribution. One month after the August visit,

surveys were mailed to the company informant who distributed them to each member of the company. Some were placed in mailboxes, and others were distributed to members by directors in other locations. Within three weeks, the completed surveys were returned. Several came independently shortly thereafter from members who had missed the deadline for collection. After analysis, four more surveys were received but are not included in the results. The surveys were tabulated by the researcher, and the results were sent to the general manager for her private use.

#### Data Analysis

The researcher organized the collected data to analyze the patterns in both form and content, the informal and formal structures, and the implicit and explicit meanings which were important to the culture's participants. Observations and survey data were used to develop a conceptual schema. Tabulated survey data were used to modify or reject conceptualization, and gathered data were used to readjust the modified scheme. Events, interactions and participation of groups were evaluated with a focus on linkages, communication channels and blockages. Structure, function, theme and content analyses were made to enable the researcher to make comparisons and form conclusions.

In order to make sense of the culture, the analysis was structured according to Schein's (1985) two dimensions, the organization's assumptions about itself and its assumptions about reality.



The aspect of deciphering a culture which infers its content through shared assumptions was accomplished with a procedure originated by Sathe (1985). To get at those assumptions, the three questions he posed to infer the content of culture from its manifestations were considered. They include an understanding of the background of the founder and leader, a focus on the organization's responses to crisis, and the organization's treatment of cultural deviants (p. 558).

The leader's communication process was analyzed by evaluating the following elements: nonverbal language, spoken language, written language, communication style, various purposes of the communications, and audiences.

#### Problems Encountered

##### Skill of Investigation

The experience of this researcher is limited, therefore impacting upon the investigation of the culture at Lost Arrow. On several occasions, the observer veered from her role of outsider to participant, tending to limit objectivity and increase immersion in the culture which may have resulted in some observer bias. Maintaining the balance between participant and researcher was difficult at times and may lend a bias to the reporting phase. The researcher's status was one of an outsider, yet by necessity she had to decipher the content of that culture from information gathered from insiders. During several interviews, the researcher felt a reluctance of the member to be completely

candid with her as outsider. Deficiencies may occur as a result of the inexperience of the researcher.

#### Time

Although the essence of ethnography is immersion, this ethnographic study claims only limited immersion because of the abbreviated time spent in the field. Employee schedules and research deadlines sometimes curtailed opportunities for candid and in-depth discussions which may have increased the researcher's knowledge about the company. Securing time for a valid immersion period was the biggest problem encountered in this study.

#### Company Posture on Academics

The most significant difficulty encountered was with the attitude of the company managers, the general manager, and the founder toward academic investigation. Suspicion about the nature of the study and dissemination of the results caused member resistance to answering questions on several occasions. At one point, the survey was in jeopardy of not being distributed because the directors felt uncomfortable about its probing questions. (As a result of this study, the company actually originated a policy regarding future research.) Upon completion, each survey was recorded by the founder's assistant before they were returned to me (this fact was learned from an internal communication found among the returned instruments).

During my second visit, the founder agreed to disclosure of the company identity, a privilege which was not granted by the general manager. During the second visit,

members were more trusting; still, a corporate self-consciousness about being examined persisted among company members.

Although the research methodology was not problem-free, it was generally accomplished cooperatively and harmoniously and produced mass amounts of information for use in this research. The majority of that data is assembled in the next chapter which attempts to recreate the social and physical reality of the Lost Arrow Corporation of Ventura, California.

CHAPTER FOUR  
AN ORGANIZATIONAL FIELD STUDY:  
DESCRIBING AND DISCUSSING THE CULTURE

This chapter contains two elements, a description and a discussion. A report of the field study conducted according to the three-stage design methodology previously described, the first section is an extensive description "thick" with meaning (Geertz, 1973) of the organization, its members and its leader. The organization's social reality is learned through intimate contact by the researcher as inside observer, and is presented here from a point of view which may be relatively hidden to outsiders. An overview of the company publications and official documents is also included. The second section presents a discussion of the qualitative material described in the first part of chapter four.

Understanding the Culture:

A Description of the Qualitative Data

Organizational History

The study was conducted at the headquarters of a small, 18 year old corporation which designs and sells (the manufacturing is jobbed out) outdoor clothing and which designs, produces and sells sporting equipment. Located in a small coastal community of southern California, Lost Arrow

Corporation has approximately 225 employees and has an annual revenue of \$30 million. After enjoying continued success marketing sporting equipment, the company extended its production to include soft goods (clothing), and is expanding its sales from catalogue and specialty shops to include retail outlets of its own.

The corporation, wholly owned by a family trust established by the founder, is the umbrella for five divisions: (a) Patagonia Clothing Division, the largest of the five, which includes mail order, wholesale, international and production services; (b) Great Pacific Iron Works Retail Division which includes retail outlets and equipment mailorder; (c) Chouinard Equipment Division which designs and produces climbing and ski gear; (d) Rincon Machine Division which forges specialized tools and apparatus for climbing and skiing; and (e) Travel Foods Division which distributes and sells dried foods to retail outlets.

Lost Arrow operates out of several structures; a headquarters where the administrative offices and most of the clothing division are located; a retail outlet which is housed in a newer building adjacent to the company's original structure; attached buildings (to the original structure) which are being renovated to serve as the catalog operations for Great Pacific Iron Works; attached structures where tools are manufactured; Real Cheap Sports, a seconds outlet a few blocks away; a new warehouse located about seven miles south in an industrial area.

Lost Arrow was conceived out of a climber's need for sporting equipment not available on the open market. An enthusiast with such a need, the founder, Yvon Chouinard began the company in 1957 using money borrowed from his parents. He forged the equipment in a shop built in his parent's yard; his distribution center was his car 's trunk, and his market was other sportsmen with similar needs. By 1965, he and several partners moved to a tin shed and in 1971 they opened a retail shop. They incorporated a year later, and in 1975 began making "software," or clothing. The existing corporation was formed in 1984.

The founder and president, frequently absent from the company for long periods of time because of his involvement with sports and family, chose a female veteran to run the company. The management style of both Yvon Chouinard and Kris McDivitt, the general manager, has as its basic premise continuing communication, spontaneous and constant change, and mentoring. Having doubled its employees since 1984, the company is faced with decisions regarding its management style, the impact of its growth and the importance of its philosophy during periods of growth. While management has been pro-growth, it has not been willing to compromise either its management style or its product development methodology. Discussions about growth as it relates to company ideology took place during my August visit and have been redirected as of the February return visit.

Company success has previously been and is currently attributed to product quality that results from remaining

faithful to performance tests. These tests require the form of the product to follow its function. By diversifying into more popular clothing, the company faces the challenge of providing greater quantities of its products without losing quality control, and the challenge of expanding personnel needs without sacrificing effectiveness.

This corporation is ideal for research because it not only evidences a unique culture but is directed by a woman. Because of its proximity to a significant change of direction and because it has a history of maintaining its uniqueness, the company was not eager to allow a close cultural examination. However, Kris and her assistant permitted the study to take place within established guidelines. Steve the Director of Human Services, acted as liaison for the organization-at-large.

#### Members of the Organization

Each employee, pictured and biographed in the employee roster, stated that they had come to Lost Arrow for a multitude of reasons. Belief in the product and quality of work life are given as the two main reasons people joined the company. Advertising is not needed to recruit new employees because Lost Arrow relies upon referrals and its reputation to instigate employment inquiries. As a result, many employees are related to each other or tied together by friendships. Sixty five percent of the employees are female. Twenty members, selected at random from all areas and levels of the company, provided personal input for this study

through interviews and informal conversations.

Ten directors, functioning as a general management council, oversee the operations of the corporation; they provided the basis of information gathered for this study through personal interviews, informal conversations, and from direct observations. While only one director had been with the company since its inception in 1957, five females have seniority over the more recently hired male directors.

#### The CEO/General Manager

Kris, who began working at the company in 1969 as a part time shipper, is a 33 year old female who has been in charge of all corporate operations for five years. She assumed the position of vice president and general manager when her brother, Roger, left the company in 1980; he has since returned to manage a foreign office. Kris' experience and expertise were obtained through personal involvement in all aspects of the corporation, self education, a close affiliation with Yvon and Malinda Chouinard, a commitment to the philosophy of the corporation, and a belief in the potential of individual persons. As general manager she has final authority for most decisions and is personally involved in the decision making process at all levels of the corporation. She is separated from her husband, has no children, and is an avid participant in outdoor sports.



## Observations

### Artifacts and Creations

Upon driving up to the pink structure adjacent to a railroad track, a visitor is immediately struck by the lack of typical corporate character in this company headquarters. Lost Arrow's identity is revealed only by a small logo placed seemingly at random on the building's left edge. A playground is the most dominating element of the company's exterior, causing a newcomer to wonder whether or not the edifice is a school.

Once inside, one is greeted by a young person seated at a desk which is situated beneath a suspended staircase. The lower level of this unassuming building houses the child care center, cafeteria, clothing and materials development center, and the computer facilities. Upstairs, management, personnel, accounting, advertising and graphics, and customer service share a single loft. A warehouse in design, the building's ceiling looms 20 feet above the partitions which separate a bullpen of desks for the management council from the other operations. The walls are white, and the decor is a conglomeration of plants, photographs of climbers, hikers, skiers, etc., and posters depicting events or causes such as the Sierra Club Marathon. The sparceness of partitioned rooms within a room seems to be a deliberate action by its occupants. No personal memorabilia are visible on desks or walls, although one can see articles of clothing and shoes poking out from beneath desks and chairs. The adjacent restrooms are equipped with showers and evidence

constant activity by the damp towels, bottles of shampoo, and toiletry items housed within. Lockers adorn walls, and a plentiful inventory of equipment protrudes from out of open locker units.

As employees file in from a parking lot which wraps itself around three buildings and spills out into the street, they stop in the cafeteria for herb tea, Postum, or coffee and freshly made bakery. At times, the bicycle rack has a larger population of vehicles than the parking lot, and roller skates are a third mode of transportation by which workers come to Lost Arrow. Ski racks, bike racks and children's car seats adorn almost every vehicle parked, and it is obvious by the auto inventory that there is no status in the kind of the cars the people drove. Trucks and jeeps are popular modes of transport.

Attire is completely informal; men and women wear shorts and polo shirts, and many the company's brand. Others sport tee shirts which advertise a running event held during the past year or a mountain which is known for its challenge. Conversation is casual and usually centers around a distance someone has run or an upcoming adventure which another is about to undertake. A Japanese businessman, seen oggling the building and its occupants, is visibly disturbed, perhaps because no one is attired in the manner he expected: perhaps because no obvious "boss" is identifiable. "Some of our foreign distributors have trouble taking us seriously because of our dress, especially when we visit them,"

reports a 22 year old design director who had recently returned from Hong Kong.

The morning pace is relaxed. People arrive in small clusters, some coming very early, and others arriving several hours later. There is a high level of energy and enthusiasm and an abundance of personal interactions. There is no evidence of title or position within the company by organization members who all look to be between 25 and 35 years old and in visibly good health.

Within a half hour of my arrival, the first meeting was underway. Meetings, which are the main vehicle of communication and the primary duty of everyone in the company, are held in work sections, in a circles of chairs, and in the conference room. The conference room is distinguished by its absence of furniture; a table occupies one end of the room, but the only chairs available are blue canvas types used to sit directly on the beach. Participants grab a beach chair, rest against the walls, or sit upon the table for meetings held in this setting. At eye level, one can see plaques for personal and corporate achievements and photographs commemorating the beginnings of the company and its original employees. One plaque, a birthday commemoration, states, "To Yvon, the best boss any of us could ever have. Because you have believed in us we know who we are and who we can be."

The corporate logo, stylized crossed quills, is simple and representative of the company's image of itself--the environment. Trademarks fashioned for each division's

products are characterized by the same natural motifs. Mountains, palm trees, and great waves provide the basis for design elements used in graphics and identifying marks. These marks are simple, classic, and identifiable even when stylized; and they have been created by organization members, not an advertising agency. (See Appendix D.)

Graphics on company publications, those which have external distribution especially, are of high quality and represent what the company says its stands for. A quality of lifestyle is depicted in photographs of every type of outdoor activity--not the fashionable kind like downhill skiing and figure skating--the rugged kind like kayaking, mountaineering, cross country skiing, and climbing. Rather than stage shots of models in company clothing, Lost Arrow accepts slides taken by professionals of persons in the activity of sport who may or may not be wearing the product. The most highly prized shots are of men and women in worn out Patagonia products actively engaged in a strenuous activity without regard to glamour or pose. Catalogues and quarterly newsletters, the two primary publications for distribution, suggest rugged individualism, camaraderie, competition, rigor, and living life to its fullest. Image projection is accomplished thorough production quality and excellence in graphic design.

#### Technology

Although computers have been integrated into the routine and financial system of the company for several

years, technology is used primarily for accounting purposes rather than for communication. Customer service workers, order takers and accounting personnel are equipped with computer terminals. While the use of paper is minimal, its absence is not a result of advanced technology; personal interactions and meetings, not electronics, dominate the corporate communication system.

The warehouse conveyor system, designed by a worker who had an idea about improving her job, includes state-of-the-art order-filling equipment. The machine shop which produces all the tools and climbing equipment is operated as it was in the beginning and as it probably will be always--by hand. No other technology is present. Human beings carefully handle the products, the customers and fellow workers.

#### Behavior Patterns

Behaviors of employees and managers in the workplace are almost identical to those manifested in nonwork activities apart from the corporate setting. Informal, demonstrative behaviors are most evident in the interaction of everyone with the children who spend the day at Lost Arrow where their parents work. Children are almost a natural element of the company; they come and go without disruption during most phases of business activity and are warmly welcomed by all. One can see a seamstress nurse her child as she completes her work on a new garment sample. No one seems to mind, especially the baby.

The company, while composed of individualists, evidences a special collectivity of group activity in almost

every phase of operation. Decisions are made collegially, projects are developed by teams, quotas are given to units, and activities are planned for the staff as a whole. People in the company spend time with other people in the company because, as one woman puts it, "friends and family are all here, so who else is left to see socially?"

There are few boundaries or barriers either physical or conceptual. Rites of entry are determined by levels of enthusiasm and commitment; rites of passage mandate performance and determinism. Members are included if they share philosophies on lifestyles, excluded if they feign superiority. A belief exists that it is only after a person spends considerable time in the job of another that the person shares in decisions related to that task. And only after spending time in a particular job with recognized success can one transfer into it, or be promoted into it, or be promoted at all.

#### Operational Policies

Company operational procedures can be gleaned from the employee handbook; the following policies were easily observed at Lost Arrow:

1. Hiring. Hiring is a group process in the form of impromptu interviews with almost everyone on the staff. During any visit to the company, one might see the personnel director come to Kris' desk with a potential employee. Kris listens while the person talks about her/his life, goals, and what s/he might do for the company. Then the newcomer

talks to Peter, a manager with the desk next to Kris. Policy states that if persons pass the test of social acceptance, they move on to the department of choice and begin by doing something, anything, which might prove to the department and to Kris that they are worthy of company status. Hiring is finalized only after the potential employee spends a few successful weeks on the job. An evaluation is made of his/her effort, ideas, willingness to begin at the bottom and ability to add a new dimension to a department. No one is hired on the basis of prior experience or academic degrees. In fact, degrees work against a prospective employee. A belief exists that people with MBAs only know theories, not practice, and that expertise gives consultants permission to be experts on everything. Formal education is suspect and a negative for employees at Lost Arrow. The single advanced degree holder at Lost Arrow has a Ph.D. in recreational planning, and was hired because he has spent years working with Outward Bound and the Sierra Club and can provide coordination for company excursions and events. Salaries are determined by competitive pay for similar jobs in the local area, plus compensation for personal worth as determined by Kris. She says, "if the job traditionally demands between \$25 and \$30 thousand, we evaluate the area and the person and add accordingly. If it is in a financial area and the person is top-notch, we may add up to \$10,000 because finance is a weak area here and we put value on an individual for what s/he brings to the company." Hiring is key at Lost Arrow.

2. References. Replacing academic credentials, references are used as formalized documents in the hiring process at Lost Arrow. Well referred adolescents and senior citizens who can demonstrate enthusiasm and ingenuity are hired. Val said, "I came to Lost Arrow because my cousin said it was great. When I came in they asked me what I wanted to do for the company, and I said I wanted to make clothes. Who else would have hired a person unfamiliar with scissors to cut out clothing patterns? They let me learn and I am giving them my best." That story is typical of the dozens like it which were collected on site, pointing out how critical references are to the hiring process.

3. Promotions. Steps up, tradition has it, are made on the basis of length of time with the company, mentoring, risk taking, skill and personal worth as determined by the supervisor. One worker said she was promoted after six months because she had demonstrated her job abilities by streamlining a packing/mailing procedure. A supervisor said she had requested a change of jobs, and that the company had given her permission if she would agree to start at the bottom. There are stories of people who were denied promotion because they had not taken risks or the initiative to advance themselves. "The company puts a premium on energy;" said one worker, "the louder you cheer for Lost Arrow the more they believe that you are producing." Testimonies from hourly workers in the warehouse differs in specifics from those in the corporate offices, but they



carries the same message: they came because they couldn't get jobs anywhere else without education and experience. Frank came because his friend told him that the job changed enough that he would never get bored. Warehouse folks, hourly workers mostly, do not usually have the time nor the money it takes to participate in what most workers call "rustic sports." Robin said that while most warehouse workers were not climbers, they did other things to keep healthy and sane. Motorcycling and surfing were listed among the activities she mentioned. Paul claims that he joined the company because he can wear shorts and slip-ons, and because he has a great chance for advancement. When asked just what advancement meant, Paul said it was the chance to be promoted, to get ahead and to make more money. Unlike many companies, Lost Arrow promotes laterally as well as vertically. Many members tell how the organization allows workers to set limits for the job and for mobility within the company. Promotions are earned at Lost Arrow.

4. Consumer advocacy. When asked, members will give numerous examples of how much value the company places on consumer input to product. Carol said one lady called to complain that her shorts were cut too high in the crotch for comfort. A decision made by Patagonia to extend the leg length of the shorts was a direct result of the customer's input. One designer said that a distributor sent swatches of new colors for outerwear which were suggested to him by a psychologist; Patagonia made them part of the next year's line. "People told us that our synthetic material balled

up, so we worked for months to develop a new material that would not ball," reported Roger. When dissatisfied customers send items back to Patagonia they are sent replacements with no questions asked. Boxes of returned items end up in the conference room where employees may pick and choose--the returns are known as "dogs." At Lost Arrow, the consumer is valued.

5. Discounts. Employees from the founder through the hourly workers can purchase all merchandise at wholesale, but no one ever receives any new merchandise for free. Likewise, promotional endorsements are only permitted if the participants pay the wholesale rate for the garments. If a U.S. team wants climbing gear to test, they pay for it like everyone else. The theory is that the products have value and that the company does not have to give anything away to prove it or to stimulate purchases. This view is diametrically opposed to standard industry practice. Also, Lost Arrow has a reciprocal agreement with other companies which entitles employees of the participating firms to buy each other's products at wholesale prices.

6. Telephones. Instruments of convenience but not necessity at this company, phones are situated on key desks and in strategic positions within departments. Calls received during meeting hours are taken at the reception desk and messages are held for members until meetings are over. Only when calls come from a family member are workers/managers interrupted. Clients' calls are returned

between meetings or at the end of the day. Not everyone has a phone, and no phones ring--they send out a muffled buzz. In the warehouse, employees may use the phone as long as the privilege is not abused. Dave, the warehouse manager, says that most companies make employees use a pay phone, and they keep track of the time spent away from the line. "That doesn't happen here," says another worker. Phones are instruments of necessity, not modes of communication at Lost Arrow.

7. Decision making. This key process at Lost Arrow is unquestionably collegial. During meetings, consensus is achieved for each item brought up, from the price of a hat to the number of hats made. Input is received from everyone from worker to supervisor, and everyone has some say in the outcome. All outcomes must be approved, however, by Kris. Comments made at meetings encompass all levels of opinion and a wide range of metaphors. "If my grandmother were freezing to death I wouldn't buy her a pair of these gloves for \$10--lower the price," says one clothing person. "Kill the rugby shirts--raise the price and get them out. Just like taking the puppy into the yard and shooting it," asserts another. If no one objects, consensus is reached and the group moves on.

8. Interaction. At Lost Arrow, the process by which everyone conducts the daily business is personal interaction. The so-called formal, central information system is neither formal nor central; it is regular, constant, informal and divested among groups. Continuity and

enthusiasm are determined by Kris' presence. On days when she is sparkling, the meeting sparkles. When she is tired or impatient, the group reacts with sluggish plodding or hesitation through each item on the agenda. She attends every meeting her schedule permits. Those she does not attend are reported to her by a director at regular intervals. Meetings begin in the early morning and often last until closing time; personal communication is spontaneous and informal yet direct and honest. One-on-one communication provides the dominant vehicle for information dissemination and information gathering. No hierarchy prohibits the clerk from addressing Kris, and there is no specified structure authority through which one must go for permission or a response. There is, however, an assumed rule which implies that all matters are passed through Kris--she usually goes with the majority rule. Occasionally she asks for more discussion, and at other times she will check with Yvon for his input. But operational matters can most often be taken care of with a single statement of intention to Kris. Technology has not taken the spoken word out of the daily routine, and because there are no barriers, most people housed in the main offices are privy to all information which is circulated. Each manager is issued a daily planner in a three-ring notebook. Schedules are kept and meetings are logged so that communication is recorded on a daily basis. Weekly reports are kept, circulated, and used to delineate each department's progress and problems.

Observations reveal that the company runs itself according to the practiced guidelines of interactive consensus, both with and without Kris in attendance.

9. Integration of selves. The personal lives of the organizational members are integrated into their working lives. Almost everyone brings home to the office; many take the office home. The symbiosis of their work and play lives may account for the lack of photos and personal effects on people's desks. As Roger says, "No one feels a need to connect artificially with things in another place or other people because the comfort level inside is so high." Conversations naturally center around the health of families and the relationships which begin, continue and terminate among members of Lost Arrow. In the warehouse dining room which acts as a central gathering place, company members talk about weekend trips, their child's first tooth, and the latest movie. But mostly they talk about work. On the line in the warehouse, the conversations are similar to those engaged in during breaks. After work, many members get together socially. "No one can remove home from work and no one wants to," it is told. "Personal goals are reflected in company goals, and so naturally personal lives show up during company business," another member says. Fusion of their various work and personal roles creates a single identity for each Lost Arrow member.

10. Employee benefits. These are exemplary: equal maternity leave for men and women, day care, continuing education, discounts on merchandise, group life insurance,

pension plan, long-term disability, dental care, nursing care, birthing center care and subsidized meals are just a beginning. Trips, equipment use, travel discounts, vacations, and company vehicles are frosting on an already tasty cake.

### Power and Politics

Organizations are by their very nature political says Pfeffer (1982), and while this one is no exceptions, politicking as such is atypical. Kris often refer to information as power: "Information is power and the more everybody has information, the fewer bullets you have in your own hand. Where other companies withhold information, we mandate that it be shared." A manager says, "There is nothing on my desk or in my files that anyone in the company cannot see." "Politicking works in the short run here, but in the long run only performance is important to a person's success in the company. Since all information is shared, information is not used as extortion power," says a veteran financial director.

In the warehouse, power is territory; it is staked out by adjusting the volume on radios which are strategically placed in work stations. The larger the work station, the louder the music becomes. A supervisor reports: "When there is harmony in here, radios are kept at a level where the worker can hear it without interrupting another person's listening. When there is tension, radios blare and workers compete with battles of volume. "Sometimes we have to ban

radios for a week until the hostility dies down," says the manager.

This philosophy is not only voiced, it is manifested in a variety of ways such as: the posturing of discussions which take occur in the open, the placement of desks in a circle, and the public use of telephones which are located within earshot of everyone else. Only one room has a door that closes, and it is mostly of glass. There are virtually no secrets. There certainly are no secrets about jobs because every employee has to assume the jobs of other employees during a single year for a period of two weeks. And no one job level has more influence on the outcome of a decision than another. There are stories of how things work at Lost Arrow such as the one about a young surfer whose solution to a design problem was accepted over the solution of a veteran designer.

And stories are passed around which lead one to the conclusion that everyone shares the same belief about what it takes to be on the inside: If one is invited to spend an evening or an activity with Yvon, Malinda and Kris "at the beach," that person is special and accepted. Others often feel envy and hope for an opportunity to be included. Some feel that while no one is really on the outside, those who are more inside rub elbows with Yvon. A member says, "There may be an in circle, but certainly there is no outer circle, just concentric ones. Access is not power, because everyone has access to everyone else."

Bargaining and negotiating take place during every

meeting. Siding with Kris does not necessarily add clout to the position. Yet in the most instances, she has the last word. Negotiating takes place between the warehouse members and the main office members for consideration on certain issues pertaining to benefits and seniority. Hourly workers voice some envy of the health care available to salaried workers, and sub-cultures collide on several issues, each trying to influence the other with references to what Yvon might say because "he began the business as a blacksmith, at the bottom, like us." Conflict seems healthy and is not discouraged; problems seldom go unresolved. Often, power and politics at Lost Arrow are in the eyes of the beholder.

#### Enculturation

Newcomers to Lost Arrow quickly learn what is expected of them. There is no formal orientation; instead, a member of the company in a related division is assigned to introduce the new person, and to make certain that person receives written materials and verbal explanations of the operations and the company's philosophy. In most cases, the new employee has the desire and ability to relate to the culture before being hired; those who cannot relate are ultimately short timers.

Learning the ropes at Lost Arrow may be easier than learning the roles. Since stratification is so limited, uncertainty and ambiguity about who does what tends to confuse some newcomers to the company, but most of the company members are easily integrated the culture. This



assimilation process may be due to the accelerated enculturation made possible by the adoption of the newcomer by company members on a grand scale. Further identification with the company is facilitated by cross training which enables members to experience other positions in the organization, to meet other members, and even to change sub-cultures.

Initiation into Lost Arrow is facilitated through social participation. The obvious rites of acceptance are a love of sports, the use of colloquial jargon, and enthusiasm for the job and the company.

The absence of language which makes reference to sex, denigrates gender, or introduces off color jokes of a sexual nature is notable. Innuendos of this nature are usually commonplace in many group situations where formalities are relaxed, and where the nature of attire permits more of one's body to show than in most business situations. To the contrary, a Lost Arrow newcomer quickly learns that sexual innuendos are taboo, and that violators of this unwritten rule are ostracized. An outsider's acceptance is complete once the newcomer has been mimicked, sworn at, or been the target of a hurled object. Playfulness is a signal to everyone that s/he is part of the Lost Arrow culture.

#### Oral Organizational Communication

Because communication is the most significant behavior observed during a culture investigation, it warrants considerable attention in this report. Each of the four aspects of communication discussed here are integrally

related to the behaviors reported in the previous section.

### Language

While every culture has its jargon, this culture's colloquialisms create a language unto itself. Swear words seem to make their way into every sentence and every remark of Kris, the managers, and most workers. Conversations can be likened to those in a college fraternity house. When not swearing, members use outdoor metaphors in their conversation: "John would roll over in his kayak if he heard you say that." Phrases such as "in a box canyon," "come to a fork in the river," "take me down the road," "bite the bullet," and "shitty" seem to monopolize dialogue in meetings and in conversations. The language can be characterized as youthful and full of sports lingo, acronyms, surfer syllables and sewer words--and they are all highly descriptive. Kris' one-liners are a big hit and often quoted. A favorite is "money talks, bullshit walks."

### Sociality

This term used here is synonymous with etiquette; four types of sociality are relevant:

1. Courtesies. Lost Arrow people go out of their way to be of assistance to customers. A typical scene features a man who personally brings a jacket he had purchased from a retail store to the corporate offices because he believes the zipper was constructed improperly, and he wants to tell corporate executives in person. He is received by a director, taken into the design department, and listened to

attentively by the people involved with determining what kinds of zippers go where. These workers are more than polite, they are responsive. They give the man coffee and thank him for his time. Similar courtesies are extended to co-workers. People often substitute each's jobs other for a variety of personal reasons. Few questions are asked, many explanations are given. Courtesies are regularly extended.

2. Pleasantries. Smalltalk prevails at Lost Arrow. "Meetings are half business and half gossip," one director says. Regardless of overheard complaints, the process of smalltalk is necessary, most feel, because the company ritual mandates collegial problem solving. No meeting is considered a success unless politeness is extended to anyone who feels the need to bring up an unrelated piece of information, like a global political issue, or a body rash, or a new recipe.

3. Sociables. The most regular sociable performance observed in the organization is that of swearing. The favorite word is "shit," and it can be heard being used as an adjective, noun verb, adverb and gerund. There are endless jokes, poking fun, and laughter. Flinging any object from one's desk at another person is an accepted and frequent method for getting attention and showing affection, and being sociable at Lost Arrow.

4. Privacies. Things said in confidence, behind closed doors, do not differ significantly in content from things said in public. Occasionally one can hear a member voice dissatisfaction, because it is said in a room full of other

people. No one corners a visitor to disclose secret information or personal grievances. On one occasion, a worker asked this researcher's opinion on how to improve an uncomfortable situation--one in which a member is put in charge and does not really know how to take charge. "One problem with this place is the lack of structure . . . there is nothing anyone is supposed to do. I get confused that maybe what I want to do is wrong, but no one gives me guidance. They just say 'go ahead,' and sometimes I am afraid to do that," says Elsa. No one seems to have a problem discussing bad performance either. "We've had to let the spouses of people go, and even Yvon's relatives have been terminated. We all live and die by the same rules, professionally speaking," said one director. If one were to ask a manager, "If you were a fly on the wall in the lunch room, what would you hear?" the reply would most likely be, "Talk about how to make better product." This researcher can verify the truth of that statement, having assumed the position of "fly" on numerous occasions.

### Rituals

Established rituals are a reliable indicator of culture. Four types of rituals are discussed here:

Personal rituals. Each day, employees by the dozens change into their running shoes and shorts and set out for an extensive hour of physical activity. "I only had time to run six miles today--maybe we can catch a few after work?" says a female member to her male counterpart in the art

department. Body maintenance is given a high priority at Lost Arrow and serves as a main source of personal ritual.

Task rituals. The ritual of product testing is a regular and cherished event at headquarters. In the case of field testing the prototype for a new travel overcoat, Peter is grabbed by Sandy to act as model/guinea pig. She thinks the coat hangs funny, and asks Peter to raise his arms. She asks him how it feels, and he nods. "How can it feel OK when it looks so awful? Stand up straight. Now take it off, crumple it up, and put it back on. It still hangs funny," she says. The verdict--back to the drawing board. Every garment designed is tested in a routine that best determines whether or not it gets re-designed, a new fabric or a combination of both. In the warehouse, task rituals predominate. "Ring in the weight, pull out the postage, close all four flaps and tra la la, ready to go," is the melodious song of the line worker describing the packaging process which fills orders and sends them on their way.

Social rituals. Every weekend, a group of Lost Arrow folks gets together with some equipment, piles into the company jeeps and heads out. "Tie on the bikes, stash the drinks, rope in the gear, secure the kayaks and make certain the chap stick is in the glove compartment" are sounds overheard during Friday afternoon preparations for an impending weekend trip.

Organizational rituals. Some formal rituals are indistinguishable from social rituals, but more often than

not they are interchangeable. Birthdays are celebrated almost daily, with the company providing cake and a song for the honored one. Dates of birth are recorded (without year) in the employee roster, and each department allocates a special person for the purpose of making certain that everyone is remembered. Meal rituals differ slightly at the warehouse where workers pass up the nutrition in the company cafeteria to gulp down fast food which come on wheels, in the "roach coach."

In all company locations, keeping a detailed appointment book is both the ritual and responsibility of each manager. Notes, duties, meetings and obligations are recorded with great care in the three-ring binder which can always be seen accompanying each manager. Weekly reports must be produced by about 40 supervisors and managers. The departmental accounts of personal and organizational proceedings are circulated to appropriate departments, managers or staff for mandatory reading, and are sent to the founder during his absence for careful scrutiny. Cross training is a ritual that serves the purpose of enculturation through humility and at the same time, insight through knowledge.

The most significant ritual is the meeting. Like a mating dance, the meeting has multiple levels of interpretation. The formation of the group, the postures of the participants, the degree of present and tones of voice all are significant elements of the meeting ritual. While meetings may look similar and somewhat static to an

outsider, insiders are cued into the subtleties of nods of heads and a pencil tap. Sociograms identify Kris as the focal point of meetings she attends. The charts also reveal that in her absence, no one spokesperson dominates, and conversation flows equally among participants (See Appendices B and C). Meetings have several purposes: General management council meetings are held three times each week as a forum for discussion, to massage mandated change, to disseminate information, to sound out ideas and to make decisions. Twice weekly manager meetings serve as opportunities to solve problems, and random departmental meetings handle operational problems and ideas for improvement.

### Stories

Each day that passes at Lost Arrow yields a plethora of of stories of three types: personal, collegial and corporate. Several stories serve as a capsule of the dialog which flows among and between members of the organization.

Personal stories. Lost Arrow members enjoy telling stories about themselves. "When we moved here, I was a high school counselor and my husband got a job at here as a picker. Over the Christmas holidays, the warehouse was short of people and they asked everyone to grab a friend to help. They said to Frank, 'Do you have a wife at home? Get her in here, all hands on deck.' I have been here ever since. Now I am in charge of cross training which we do to discourage 'the grass is greener' syndrome. After spending hours at the

job which may look better than their own, some employees find that their old job looks pretty good!" Another story states: "One day I looked at my life at work and it had no laughs. So I asked a friend to bring me here. He made me promise that if he did, I'd be on my best behavior. I promised, but here we get pay and play, so misbehavior is not on my agenda."

Collegial stories. Lost Arrow employees also tell stories about other members of the company. "When Bremer came here, she wanted to put computers into the company. Someone told here she couldn't install a computer system, but she went and did it anyway. Lost Arrow was transformed from a records system of four file cabinets and a bulletin board to a sophisticated, state-of-the-art computer operation, thanks to her. And she comes from a microbiology background, not from a Silicon Valley career." Another story told is: "An eastern college-type came here to be director of personnel. She was up tight and refused to relax. She tried to put rules into every aspect of her job. She wanted to hire on her own, do regular evaluations with some instrument they gave her in school, and she wanted to place people only in jobs where they had experience. She lasted a month. There have been other book types here, but they leave almost as fast when their rules don't work." Several members told a story about a computer operator who ridiculed the bankers who came to Lost Arrow for meetings in their three-piece suits by asking her boss, "Does this mean I have to put on shoes again?" Kris tells a related incident



which typifies how Lost Arrow's total sports image affects a new employee: "One worker was afraid she would be fired if she didn't learn how to kayak. Hell, I can't kayak, but I don't tell people that! Maybe that is why our image sticks-- everyone pretends."

Organizational stories. Stories about the organization are special because they have developed from stories into myths and epics. No one walks into Lost Arrow without hearing about the legendary beginnings of the company. Its history became a saga, and the founder is the hero of the epic tale. Heroic episodes recount Yvon's everyday bout with nature and his death-defying activities, keeping the company in awe of him and this family. Contained in the myth are stories of how the founder has challenged nature and won; how Yvon has spoken softly to new members of the organization and inspired them to greatness; how Yvon has created a company for people who share his zest for life. "Yvon has taken many excursions with world renown athletes, with movie stars, but he does not forget us. He always comes back and shares his adventures with the people of Lost Arrow." Many versions of this tale are restated to questioning visitors. One can overhear a machine worker tell a friend, "We are allowed to help make his tools, and he in turn helps us know how to use them, how to lead a better life and to be better people." Others are heard saying that Yvon does not compromise on quality because he knows he has to rely on the product when it counts. "He uses the product, we use it, so

we make what is best. The fact that the public also wants the product is a special feature." Stories proliferate about Yvon and his philosophy, about his generosity and his compassion, about the growth of his company from a tin shed operation to the worldwide distribution of his products.

Not a single day goes by that either Yvon or his wife Malinda are not mentioned in a conversation, referred to as examples, deferred to for expertise. Kris is on the phone with him regularly when he is not climbing or traveling, and she communicates trivia and major catastrophies in the same breath. She takes good news and bad news to the phone wires, and she hangs up feeling energized.

Yvon, referred to by Kris as "the cheese," receives homage in a variety of ways. Informal orientations are devoted to describing the struggle and success of this hero, and anecdotes of shared experiences circulate constantly throughout the company. The myth penetrates the entire industry, luring people to the company doors who want to share in the organizational notoriety. "I came here from a giant company in the East because I heard about this man and his group of followers. I am still impressed and still overwhelmed by his presence," says a recently hired manager.

Stories are also plentiful about the founder's wife. "Malinda cares about us. No one has put together the programs for a company like she has. We have paternity leaves, preventative care medicine, meal options and the use of all kinds of equipment on weekends," says a Patagonia worker.

The epic is complete with god, goddess and winged children. There are no enemies excepting nature itself, and no dissenters among the believers in the legend of the founder. The myth is perpetuated, and for Lost Arrow workers, the dream is realized. It is as if each disciple of the religion at Lost Arrow has pledged allegiance to Yvon, the holy one. While there is no shrine, one can feel his presence throughout the buildings and rooms.

A warehouse worker confides, "Once during his visits here, Yvon addressed me by name and shook my hand--I was very excited." The director of the warehouse, a veteran Patagonia member, says that the workers always perform better after one of Yvon's visits. "They know he cares, and it makes all the difference, especially to hourly workers who have no real stake in the outcome of the product."

It seems as if everyone does have a stake in the product. They mention pride of ownership of all the merchandise featured in the catalog, and claim to have had some input into the final product.

The greatest abundance of stories emerged during Kris' series of four talks on "getting ahead at Lost Arrow" given in February. During the second session with 40 workers in attendance, Kris perches on a counter, bare feet resting on a chair in front of her, and tells what it takes to make it in the company. She begins with the story of how she came to the company in the first place and how she was recruited for her current job. "I only knew how to tie a shoe when I

began, and I thought Yvon was crazy for putting his company in my hands. The first thing I did was call the retired president of a big bank in Los Angeles and ask him for advice--not money, not business, just advice. He said yes." Her anecdotes are humorous and to the point--she got where she is through initiative and self education. Members in the audience love it.

Also present in the audience, Yvon relates a story about how Kris was sent home from school for not wearing shoes. "She would wrap a leather strap around her foot and try attending school again, only to be returned home. Finally, a school official called Mrs. McDivitt and informed her that if she had any ambitions for Kris with regard to college, she could forget it." Everyone laughs, and then others in the group volunteer what they think it takes to get ahead at Lost Arrow.

Through stories, Kris illustrates that getting ahead means six things: (1) being self motivated, (2) knowing and being known by the right people, (3) being opinionated, (4) going after responsibility and power, (5) having an action rather than an analytical orientation to management, and (6) being flexible, adaptable and multi-directional. Her philosophy is to confess ignorance, learn as much as possible from others, and go for it. She relayed stories which suggest that her expectations of managers is to push their proteges and take responsibility for human development. She tells stories about consultants who were far off base, who were armed with models that did not

cover the rules at Lost Arrow. The moral of her tale is that "No one has carte blanche to know it all."

Yvon tells stories about his own beginnings and tribulations. He tells of how he and his partner Frost would personally inspect every piece of climbing equipment that came out of the shop--how he went home with buckets of carabiners, thousands to a bucket, and spent all night inspecting them for a morning shipment. He relays the story of his importation of the rugby shirt from Great Britain and redesigning it for climbing. People laugh at his tales of being how competitors ridiculed for making backpacks, asking him, "What does a blacksmith know about sewing?"

While hundreds of stories came to the researcher's attention during both visits, they all fit into three categories: stories of how Yvon began meagerly, worked hard and became successful; stories of how Kris began knowing nothing, taught herself, and now runs the company; stories of how employees come to Lost Arrow without credentials or experience, use their wit, take risks, and become successful in the company. All stories perpetuate the loyalty and commitment of the members for Lost Arrow, Yvon and Kris.

#### Written Communication: Company Publications

The fact that Lost Arrow places a high priority on its corporate publications is obvious from the number of staff members assigned to design and copywriting, from the number of dollars allocated to production, and from the degree of emphasis placed on image.

When examining any of the eight types of brochures one finds them professional, comprehensive and in character with the observed behaviors of organizational members. Four documents are provided for communication between the individual and the organization (e.c. member publications), and four for the organization and the environment (e.c. public publications). A brief report on their contents follows.

#### Member Publications

Employee Handbook. A 53 page document prepared January 15, 1985 for employees contains three major sections: an introduction, standard and special employee benefits, and rules and regulations. The handbook contains 11 sub-sections: Structure of corporations and affiliated companies, History of Lost Arrow, Statement of corporate objectives, Relationships, Employee selection procedure, Types of employees, Probation period, Compensation, Attendance, Performance appraisals and Disciplinary policy. The Handbook cites four target of corporate objectives:

Our People: To help employees share in the company's success, which they make possible, to recognize their individual achievements, to insure personal satisfaction, and to support each other in personal and company achievement. . . . We believe that 'management by objective' rather than directive offers opportunity for individual freedom and contribution.

Our Customers and Products: To provide products and services of the greatest possible value to our customers, thereby gaining and holding their respect and loyalty. Quality is the essence of all our operations.

Profit and Growth: To achieve sufficient profit to finance company growth and to provide the resources we need to achieve our other corporate objectives.

Environment and Citizenship: To honor our obligations to the natural environment and to society by being an economic, intellectual and social asset.

The handbook, revised every year or when needed, is clear, concise and written in the style of the verbal communication in evidence at Lost Arrow.

Employee Update. Intended as supplements to the Handbook and for the dissemination of news pertinent to employees, the Update is printed bi-monthly. The June-July, 1985 issue I examined contains stories and pictures such as HEROES FOR SAFETY SOUGHT, INSURANCE SAVY, news from each Division, reprints of cartoons and newspaper articles such as "War Rumors," want ads, opportunities, classes, and contest announcements.

Employee Roster. In a format similar to the Update, this 36 page document was prepared in May, 1985. It features a photo and a biography of every person employed at Lost Arrow. The introduction states: "Only by knowing each other and ourselves can we effectively keep our finger on the public pulse." This booklet provides biographies of all

coworkers and managers by division with appropriate family, personal and work information. An example: KATHY LARRAMENDY, born April 24, is the R&D director and has a passion for chocolate. She gained an industry-wide reputation for her color choosing genius during 11 years as softgoods buyer for the Ski Hut in Berkeley. Kathy lives with partner Peter Noone, his 17-yr. old son PK, and Saga, a labrador. She plays volleyball for the Patagoniacs, runs and skis voraciously, cooks perfect meals in 15 seconds. Ext. 187. An "Ironworker" since 4/1/83.

Weekly Reports. Produced by each individual in charge of a group, division or project, these reports are prepared weekly for Kris and Yvon. When appropriate, they are circulated in part or total to appropriate members for their records or information. These documents provide the only formal interoffice communication at Lost Arrow but are considered essential to the transmission of department business and very important by the absentee owner.

#### Public Publications

Quarterly Review. A slick, four-color 12 page document (approximately 10" x 13"), the Quarterly is mailed to customers, dealers, employees and friends. There are numerous feature articles in the March issue including a story about Yvon, complete with photographs of him with friends in the wilderness, by himself reclining, and by himself in action. Other features include one on Kris, one on the customer service department, several on new product



lines, and a cartoon.

The Summer, 1985 issue contains reprints of letters from happy customers, a "Dear Dealer" question/answer column, and a large back page drawing of the Lost Arrow rendition of its fully equipped Patagonia Bronco II-- everything an person would ever need or want for his/her weekend excursions.

Both issues I saw contained multiple family metaphors, such as: "If last year was the year to put our house in order, this year we're really going to be doing a clean sweep!" There were several quotes hyping the company's success, one of which said, "We are the hottest company in our industry because we just plain work harder than anyone else."

Backcountry Skiing Catalog. This glossy, black and white photographed, equipment brochure featuring photos of skiing gear, clothing and repair kits is sent to customers for mail or phone orders. It begins with an anecdotal statement by Yvon in which he introduces Jim Jones, the expert he hired to "Test and evaluate an impressive array of gear and clothing. . . ." Also featured are several shots of skiers in action in the mountains wearing the equipment one can order from Great Pacific.

Chouinard Equipment. This catalog is similar in format but has twice as many pages as Backcountry. It features the equipment the founder designed and fashioned to begin the company (now a division) bearing his name. The words convey Yvon's pride of workmanship: "For 27 years we

have been designing essential tools for climbing, and technical climbing gear will always remain the heart of our business."

Patagonia Catalog. The company's most distinguished collateral piece, this catalog is presented in four color, oversized format which takes months to prepare and thousands of dollars to produce. The new Fall, 1985 issue, which had just gone to press during my visit, begins with a philosophical statement about the products. The catalog lists the basic criteria of design for fabric and features, among which are: The best quality, form follows function, multipurpose, not fashionable or have built-in obsolescence." There is advice on how to dress when skiing, how to care for the clothing, and a warmth scale so the buyer can match his/her clothing needs to the climate. There are definitions, provided to assist the consumer when buying, such as distinctions between "water proof," "water resistant," and "water repellent." A new product for warmth is introduced; jackets made with this product are displayed beside its description.

The previous Spring, 1985 catalog featured a photograph of the shop which housed the original company, and a philosophical statement by the founder. It states, "Our attitude toward clothes is the same one we have towards gear--function comes first. When it is right, the aesthetics follow . . . . We don't follow fashion, we create essentials."

Photographs throughout all the catalogs are chosen from those sent to Lost Arrow in exchange for credit and small compensation. The result is a magnificent array of people and countryside juxtaposed with product, price and print. The catalog projects an image of quality, wholesomeness and style, which Patagonia works very hard to perpetuate throughout all of its communication vehicles.

#### Leader Communication

For five days in August and two days in February, the researcher kept Kris under close surveillance. As she arrives at the company headquarters, while she is on location and as she leaves Lost Arrow, she is in constant communication with organizational members; most of what Kris says and does happens so informally that it can easily pass for routine, nothing special. After careful observation, the researcher learned that what appears to be random chatter is, in fact, a carefully planned agenda designed by Kris to maximize her effectiveness at Lost Arrow. Three elements of her communication can be discussed technically in some detail to illustrate the nature and method of her messages to the members of the company.

#### Nonverbal Communication

Kris is never idle. Her body constantly sends messages which reinforce her words. In meetings, she sits on the floor with her knees bent up in an effort to be physically below the other persons present in the room. When seated in a chair, she slides down and often puts her feet up on the

desk, again to position herself below other members. When a decision is needed, she leans forward into the group, her hands clasped around her knees or placed on the desk or table.

There is usually something in her hands like a clip board, planning book, pencil, or chapstick which she constantly applies to her lips. Her shoulders slope and her posture is loose. There is no stiffness in her body or her stance. Her attire is casual; she admits to dressing like a Dr. Seuss character. Seen in moods ranging from pensive to jovial, Kris plays with an assortment of silver bracelets on her wrist or adjusts her hair. At her desk, she toys with tiny silver shavings or fingers a postcard from Yvon. She touches others with her fingertips to make a point or to soothe, and she constantly touches herself to fix, adjust or scratch in a seemingly unconscious but perhaps deliberate fashion.

She consistently positions herself well beneath the level of other members. When upright, she looks people directly in the eyes, speaks confidently, and occasionally drops her chin to talk down at the floor. She gestures and uses her arms and hands to describe, exclaim, to signal approval or defeat and to flag a discussion point. There are some staccato movements and abrupt turns, but for the most part, she moves slowly and opens herself to the members of Lost Arrow. Nonverbals are an important part of Kris' communication effectiveness.

### Verbal Communication

Kris addresses everyone in much the same tone. Her voice is soft, sometimes even raspy and monotoned . Occasionally her voice grows louder, and she will shout in a cheerleader fashion. And she laughs much of the time. Often her words come quickly, then the pitch will change and the words come slowly. There is dramatic emphasis in her phraseology and tonal inflection. She often shouts comical barbs at the managers when they make a comment she disputes, perhaps to distract or refocus them. Her explanations are often given in a droning, low-pitch and are spoken to the floor.

If any accent can be detected it is one of a Southern Californian, full of colloquialisms and slang. Her words are simple, descriptive and she often uses single-word statements. "Shit" is one word that she uses to send a variety of verbal messages from displeasure to delight.

### Written Communication

Other than her contributions to the company publications and weekly reports, Kris does not send written communications. An occasional note scribbled on a Post-it note to a manager might be slapped on a desk or hurled across the room, but her main vehicles of communication are verbal and nonverbal. In fact, she never sends letters when the phone will suffice, and the researcher never saw a piece of stationary, a memo pad or even a typewriter (except those used for producing corporate publications) during her visit. There are no secretaries, no persons to type letters, and no effort to keep files of correspondence other than sales

documents and customer comments. Internal written documents take a back seat to external publications vehicles of communication.

### Communication Style

Kris is rarely formal in the sense that she drops her casual manner. However, at meeting beginnings she sets the tone and the objectives, and everyone seems to understand what needs to be accomplished.

There is formality in her dealing with this researcher and with persons outside Lost Arrow. She is reluctant to discuss certain aspects of her company because, she says, they are often misinterpreted. She refuses interviews with national magazines and makes certain that her personal life is absent from conversations with outsiders. Only after several days in her company did she begin to trust the researcher enough to reveal some personal difficulties she had experienced.

Most of Kris' communication with Lost Arrow people is relaxed and unstructured; that does not imply that there is no agenda. She constantly uses the interrogatory to elicit information and opinions. She uses rhetorical questions. She employs anecdotes and illustrations to make a point, explain a problem and bring the group back into focus. She skillfully uses humor to glide everyone into the decision making process and to get consensus.

The style observed and recorded was a successful combination of delivery and presence. She delivers a message

of purpose and clarity couched in colloquialism and friendliness. She rarely deviates from the deportment of a lady with both purpose and willingness to achieve the goals of the group. If one wishes to characterize her role as a communicator, one says she is a cheerleader. That words is often used by managers and Malinda to indicate Kris' most critical company function.

#### Purposes of Communication

To inform. A general manager is usually the informer, s/he gives information. While this general manager is no different in that respect, her main mode of information dissemination is information gathering. She asks questions of her managers, of supervisors, of workers, and of the children in the day care center. Like a sponge, she soaks up every bit of data she can absorb in order to be able to direct decision making and communicate strength and knowledge in guiding those decisions.

To facilitate. Another purpose for her communication is to reassure, to comfort, to put at ease. Coworkers are comfortable with her manner and her words, and she maintains the status quo with humor, anecdote, swearwords, and gestures.

To transform. Most important for the study of leadership is her communication for the purpose of empowering others. By constantly vocalizing high ideals, she demonstrates an ability to transform the members of the organization. She mentors and she shares her information, thereby using communication to preach the philosophy of the

company and produce successful and effective directors, managers and workers.

### Constituencies

Kris is in constant communication with her four main constituencies:

Founder. She and Yvon speak as often as necessary to maintain comfortable communication. Their telephone exchanges include topics from a sick employee to the purchase of new property. Their conversations are public and seem to provide verification and support for her and the directors. The conversations are productive in the sense that she feels confident that decisions will be made with Yvon's input. This is not to say that she requires his permission to act--on the contrary. There are many occasions in which the two differ, but where her will prevails and her direction is accepted by both the company and its owner. In Yvon's role as founder, he has three main functions-- planning and strategy, image maintenance, and design direction. Once he sets an overall corporate posture, Kris takes over. While she includes him in the communication process during his infrequent residencies (such as the one witnessed in February), most of their exchanges are by phone to Wyoming where he lives in summer, or through weekly reports during prolonged absences. Her interchanges with him are for the purposes of sharing and imparting information.

Managers. These essential members of her organization receive the most intense and constant communication. During



General Management Council meetings, department meetings, lunchtime gossip, and outdoor activities she asks, queries, discusses and tells.

Members. The members of the organization are a high priority for this leader. A vital aspect of communication with this group is listening; Kris listens to and hears what the employees have to say. Regardless of their status or seniority, she seeks their input and is interested in their opinions. She knows the names of all 225 employees and makes certain that they all know her. When direct contact is not possible, her messages are carried to other company locations by directors and by the stories that flow informally through the corporation. She is discussed favorably by all of the members with whom one speaks and is protected by those whose desks are near hers. If an outsider is getting too inquisitive about Kris' marriage or personal life, her assistant will change the subject and warn Kris that the newcomer is overstepping boundaries. Members view Kris as vulnerable, like them, yet at the same time she is the embodiment of their goals. Almost everyone sees her as a mentor, a role model, and the perpetrator of their own ideals.

Clients. This more public audience receives communication by phone but mostly by company publication. Her directives about style and content insure clients' happiness by letting them know they are part of the family of Lost Arrow.

Understanding the Culture:  
An Analysis of Qualitative Data

Values in Use

Gaining insight on a culture is best obtained through consensus by members of the organization. Schein (1985) proposed a group method for insiders to vocalize their assumptions about the company. This method involves group consensus on questions about the company, a time-consuming and lengthy process. Because a group consensus procedure was not feasible for this study, the researcher addressed issues about the organization's assumptions from information gathered during interviews with key insiders and from behavioral data which was indicative of the shared feelings and responses of members. The overview provided here utilizes Schein's discussion areas which are relevant to understanding the shared culture of Lost Arrow.

Environment

Lost Arrow finds itself in harmony with the natural world for which it designs products, yet simultaneously at odds with the bureaucratic world in which it finds itself. The company strives to be at one with the out-of-doors through artifacts and recreational activities, yet resists the business techniques used by competitors. Patagonia will not market its clothes to the "general public," preferring to be in specialty sporting goods shops. The company has no formalized hierarchy or bottom line, aspects which it considers to be the evils of bureaucracy and big business.

Lost Arrow believes that it is not like other organizations, that it is unique in both structure and product.

### Reality

For Lost Arrow, what is physically real is a product that will endure the test of time. The company verifies its products' quality by constant field testing and consumer polling. Social reality for Lost Arrow members is relating to each other and to nature; it is demonstrated by constant attention to birthdays, families and outdoor activities. Evidence of subject reality can be seen in the form of company artwork, building architecture and member clothing all of which are austere, functional and basic. Lost Arrow's criteria of verifiability are trial and error. Members are encouraged to take risks and make mistakes and are judged for their ability to do so. Very seldom are methods used solely because they were used before. Members of Lost Arrow believe in intuition and subjectivity.

### Time

The company's focus has an orientation toward the future. Because of the seasonal changes of clothing styles and sporting activities, planning is done cyclically to accommodate the needs of merchandisers and consumers. Because of the seasonality of sports and the clothing which corresponds to those sports, Lost Arrow believes that seasons also determine their production pace and their lifestyle. For instance, skiing gear must be planned and ordered so that it arrives in the stores by September, the

official beginning of the ski season. But once ski season arrives, no one thinks about products for skiing again until that season, one they enjoy while testing equipment and clothing, is over for the year.

Clocks are not present anywhere in the company, although time clocks are provided for hourly workers. Deadlines for new product production and printing are flexible yet important. Tardiness for meetings is not punished, but members are expected to be on time for their appointments.

#### Space

Unrestricted space is easily available to members of Lost Arrow. Space symbolizes the absence of structure and the view of equality of communication. Managers' desks are far enough apart to allow some privacy and individualization but close enough for easy conversational interchange. Space between members at meetings ranges from none to little; touching is encouraged and often used to reduce space between persons. Lost Arrow believes that variable distance norms permit informality and communication, and that shared space is an indication of shared harmony.

#### Human Nature

Members evidence feelings that humans are basically good, usually committed to the organization, and honest about their intentions. Practices used in the employee selection process, for promotion criteria and in mentoring strongly indicate that the general manager believes that company members are both mutable and perfectible.

### Human Activity

Philosophically and practically, Lost Arrow believes that its members have a symbiotic relationship with the company environment. Each person is free to develop his/her own talents to the fullest extent within the context of nature on earth. By participating in Sierra Club, Planned Parenthood, Without War and similar activities indicate that Lost Arrow demonstrates its commitment to environmental harmony.

### Human Relationships

Relationships at Lost Arrow are based upon individual rights within a framework of group cooperation and consensus. While the group welfare is not sacrificed for an individual, neither is the individual expected to sacrifice his/her values for the group. Lost Arrow believes that what the individual brings to the group contributes to the quality of the collective. Organizational relationships are structured in a participative manner, skills and information at all levels are relevant to performance, and power is shared by sharing information. Kris and Lost Arrow believe that the leader is at the center, empowering others, not first in a line of followers.

### Shared Organizational Assumptions

While the internalized values of a culture are not easily deciphered from observations, the evidence provided by the communication and behavior of organizational members can be valuable in determining the assumptions shared by

that organization. The members of this organization seem to share eight important assumptions about their company. They believe that Lost Arrow:

1. Maintains an image of quality where product form follows function.

2. Values the employee as its most important resource.

3. Encourages new ideas, risk taking and intuitive problem solving by employees.

4. Provides sincere responsiveness to customer concerns.

5. Makes decisions by informal, collegial processes at meetings.

6. Is a family composed of people who care for one another.

7. Is unique in its structure, operations, and concern for its members and the environment.

8. Believes in self education and holds as suspect people whose academic credentials certify them to be experts.

Each of the assumptions was inferred from numerous shared sayings, doings, and feelings manifested by members of Lost Arrow. These values were found to be congruent with the underlying assumptions of the company and have been articulated in the missions statement which serves as its operating philosophy with one exception. Kris stated in August that growth was anticipated and desired. Survey results, which will be discussed in Chapter 5, indicated that this value was not shared as enthusiastically by the

majority of organizational members at that time. Because of the desire of many members to remain small rather than expand as was the wish of the founder, growth was categorized here as an aspiration rather than a shared value. By the February visit, growth had been redefined to maintain the number of employees at 225 and redirected toward the retailing area and away from the private label area as was stated in August. This action indicates that corporate and member positions on growth became more closely aligned as managers took direction from employee input. which was listened to by management and Kris.

#### Leadership and Value Transmission

Many of the values-in-use at Lost Arrow can be directly related to the behavior of Yvon and Kris. Company assumptions can be traced to their individual backgrounds, found in their responses to crises, and seen in who they consider deviant (Sathe, 1985).

#### Backgrounds of the Founder and CEO

Lost Arrow's founder began his company because the tools and equipment he needed were either not made or were made poorly by another company. Thus, Assumption 1, maintaining an image of quality, reflects his concern that all the company products are made with function in mind. The products' success has always been how well they are received by users, and the underlying value in Assumption 4, responsiveness to customer concerns, is a direct result of the Yvon and Kris' concern for meeting the needs of their

customers.

The collegial style of the general manager, one which demands individual input and group consensus for decision-making (Assumption 5), may be a result of her need to be connected to the members of her organization and her desire for all members of the organization to be connected to each other. Raised in a close-knit family, Kris has perpetuated a meeting forum for all levels of problem solving activities at Lost Arrow.

#### Response to Crisis

Lost Arrow has suffered two severe crises and several minor setbacks which confirmed the values as stated above. The first crisis arose early in company history when Frost, Yvon's partner, refused to diversify. Yvon's belief in being intuitive and taking risks (Assumption 3) resulted in the beginnings of Patagonia catalog clothing and eventually wholesale and retail clothing sales. In 1980 when Roger McDivitt departed from the company as general manager, Yvon put Kris in charge even though the company was in deep financial trouble. His belief in self education and the value of individuals (Assumptions 2 & 8) enabled the company to prosper under Kris' management.

There are two incidents which are relevant to a discussion of leader behavior and organizational assumptions. One pertains to the building of a new warehouse. During the initial phases of the warehouse construction, several consultants were called in to make design recommendations and provide cost estimates.



Simultaneously, the warehouse manager and one employee designed and costed out their own version of how the warehouse should be constructed. The decision pitted the expertise of a reputable contractor with the intuition of employees. Lost Arrow decided to build the warehouse according to the recommendations of a worker regarding the conveyors and within the cost guidelines of the manager, confirming Assumption 2, the value of the employee. In February, the warehouse efficiency was down. Kris sent Dave, the manager, on a factfinding mission to visit competitor's warehouses and learn how to have a shorter turn around time for catalog orders. This action reconfirms Assumption 8, self education.

The second incident involved the necessity to fire an employee for deceit; the employee was a spouse of a manager. Concern for the welfare of the manager juxtaposed against the welfare of the company produced a difficult decision. The incident caused a good deal of serious introspection on the part of Kris and Yvon concerning the value of the company as a family. Kris placed final responsibility for the decision in the hands of the manager who was the spouse of the offender. Ultimately, the offending spouse resigned. The process, however, confirms Assumption 6, that the company is a family concerned about each individual and about itself as a whole. In February, further evidence of this nature was revealed. A manager who had reduced rather than expand her job responsibilities presented a problem for

the management council. While dismissal may have been an option for other companies, Patagonia management agreed that the employees should be relocated, indicating their placement of value in tenured employees.

Other incidents, cited in Chapter Four, are indicative of how company leadership responds to the customer in times of conflict between preference and production, further supporting Assumption 4, responsiveness to customer concerns. During times of stress, such as those felt in the warehouse during the radio wars, the leader gave the manager autonomy, and the manager never doubted the ability of the employees to work out their difficulties. No punitive action was taken, and the value of the employees as demonstrated by this illustration confirms the validity of Assumption 2. These values were so operational in the culture that they were never challenged or substituted.

#### Cultural Deviants

The company's biases toward an open systems approach and away from academic or credentialed expertise are well articulated. Academics, such as the researcher, and all MBAs are under suspicion by the company and are not trusted.

Each member believes Lost Arrow to be unique among other companies of its size and type (Assumption 7). People who violate that assumption through their contrary behavior are ostracized from the group. New employees who cannot survive in the culture of Lost Arrow quickly leave the company--a personnel manager from an eastern publishing company lasted one month before the lack of systems and

formality drove her back to her former job.

There is a strong pressure to buy into the culture, and those who join Lost Arrow do so because they share the same values and assumptions. As a result, most of the leader's assumptions are so operational that they are almost never violated.

Some males are potential deviants. The founder states that a key to his company's success is its management by a woman. Women, he claims, are more prone to communicate, a necessity which facilitates his "Management by Absenteeism." He tells that his male managers, when asked upon his return to report upon activities during his absence, say only that "things are fine." His women managers, to the contrary, share company ups, downs and middles about their departments, he claims. As a result, males with an overriding ego and an air of superiority are often outcast at Lost Arrow, and present problems for both Kris and Yvon. Two such deviants are currently members of Patagonia. Hired for their specific talents in areas critical to the manufacture of clothing goods, these men perform well but do not share corporate values. They are described as abrupt, discourteous, and insensitive. As a result, when they are on location a few months each year, members brutalize and ostracize these managers who encounter resistance to their un-company-like methods.

Many more aspects of Lost Arrow could be presented here to expand upon its culture, but it is necessary to proceed with the second phase of the study. Although the qualitative data on the culture of Lost Arrow from this phase cannot be measured in the same manner as quantitative data, it contributes an enormous amount of information and knowledge about the company. Additional insight can be gained from polling the membership, as exemplified in the next chapter, which reports on the survey conducted at Lost Arrow in September, 1985.

CHAPTER FIVE  
AN ORGANIZATIONAL FIELD STUDY:  
SURVEY RESULTS AND DISCUSSION

Chapter Four provided a description of the behavior observed in the first level of the corporate culture and a discussion of the qualitative material. This chapter begins with a summary of the survey results and concludes with an analysis of the quantitative data and its significance for understanding the relationship between values and behavior.

Understanding the Culture:

A Tabulation of the Survey Results

The survey distributed to members of Lost Arrow provided the researcher with three sources of information about the employees: their understanding of corporate goals and values, their commitment to those goals and values, and the strength of their identification with Lost Arrow. Results will be presented by questionnaire sections and by the questions or parts of each section. Data were compiled in most cases according to corporate affiliation and by length of time with the company.

Respondent Profiles

One hundred and seventy five surveys were distributed to members of Lost Arrow, and 70 surveys were returned for a response rate of 40%. Eight managers account for 11% of

the total number of respondents, 14 corporate members are representing 20%, 37 people responding in the clothing division are 52%, 5 members from both the retail and equipment divisions account for 7% each of the total, and 2 members of the machinery division make up 3% of Lost Arrow's workforce. Figure 2 illustrates the distribution of people by corporate affiliation both for the survey respondents and by the total population of Lost Arrow. The sample demographics correspond closely to those of the company and should be considered to represent the company's posture at the time the survey was taken.

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Insert Figure 2 here

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Figure 3 shows that 19% of the respondents had been with the company less than 6 months; 10% were on board for between 6 months and one year; 34% had between 1 and 2 years seniority; 24% had between 3 and 5 years with the company; and 13% were with the company over 5 years. Since enculturation was seen to be a rapid process at Lost Arrow, six month segments were used in the first year to see if there were any differences in opinion between recently hired employees and those with enough time in the company to be at one with the Lost Arrow.

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Insert Figure 3 here

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## SURVEY RESPONDENTS

Years with Lost Arrow

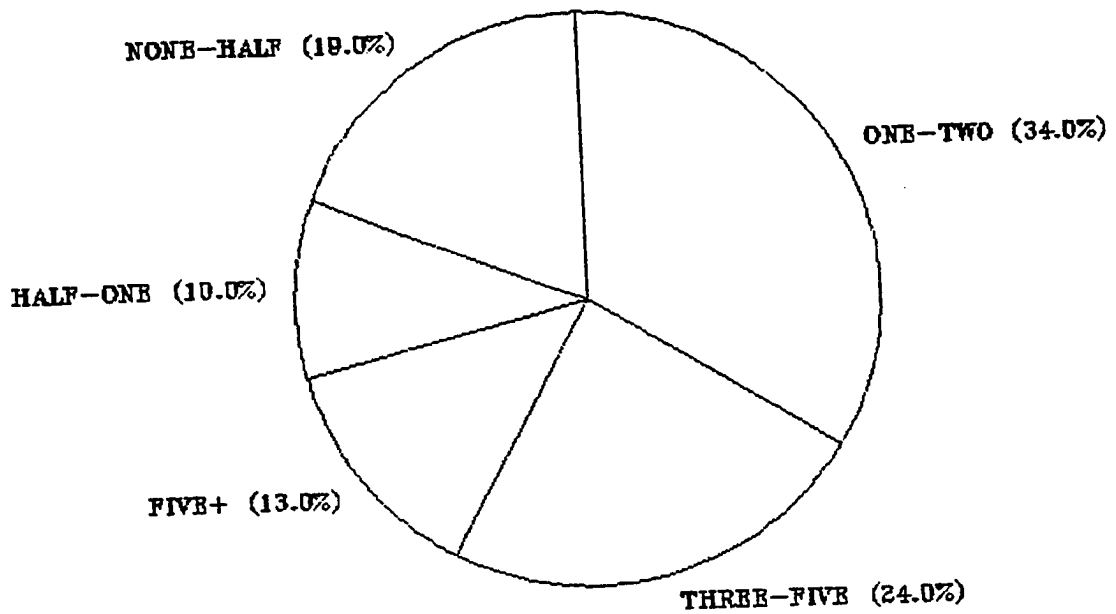
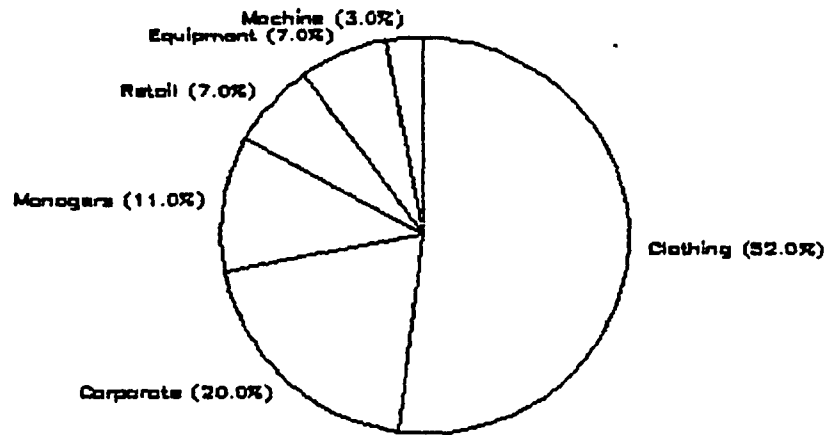


Figure 2. Seniority of survey respondents by years with Lost Arrow.

## SURVEY RESPONDENTS



## POPULATION DISTRIBUTION

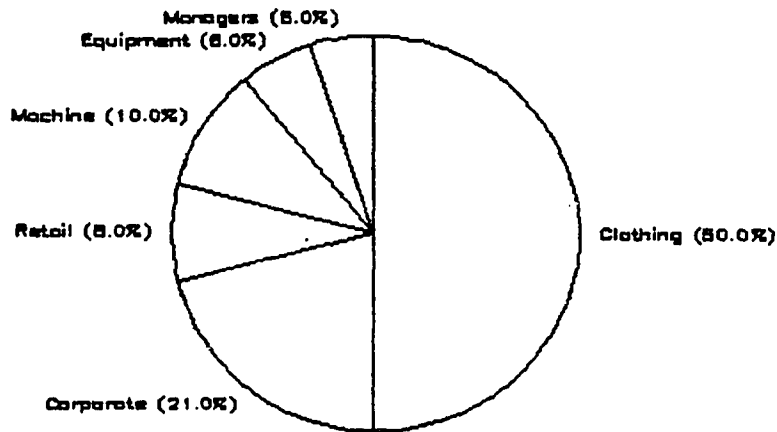


Figure 3. Corporate affiliation of survey respondents (top) as compared with total population (bottom) of Lost Arrow Corporation.



A majority of the respondents as well as the majority of company employees had been hired two years prior to my study. Aside from one rookie, the managers had all been with Lost Arrow for two years, and most were veterans of four or more years. The corporate division had a majority of respondents with the company between one and two years, and the clothing divisions was represented most by employees with three to five years, although both groups were composed of respondents at all levels of tenure. The retail division had employees with the company for between one and five years, with no rookies and no veterans. Equipment had three members with under one year's seniority, one member with 18 months at the company, and one veteran. The machine division was the most poorly represented by two employees with under one year's seniority.

#### Company Jargon

Company Jargon is a vocabulary test of ten words and phrases of particular relevance to organization members. The jargon was obtained during interviews with the general manager. Respondents were asked to select the correct definition from one of two alternatives provided for each of the ten questions in section B. The respondents' average score of nine out of a possible ten indicates that the leader has successfully transmitted the underlying values of Lost Arrow's culture to its members through language.

Perfect scores were recorded for 34 respondents, 49% of the total; 20 members missed a single word, 11 missed two, 2

missed three, 2 missed four, and one each incorrectly responded to five and seven questions. The average for all respondents score was 9.

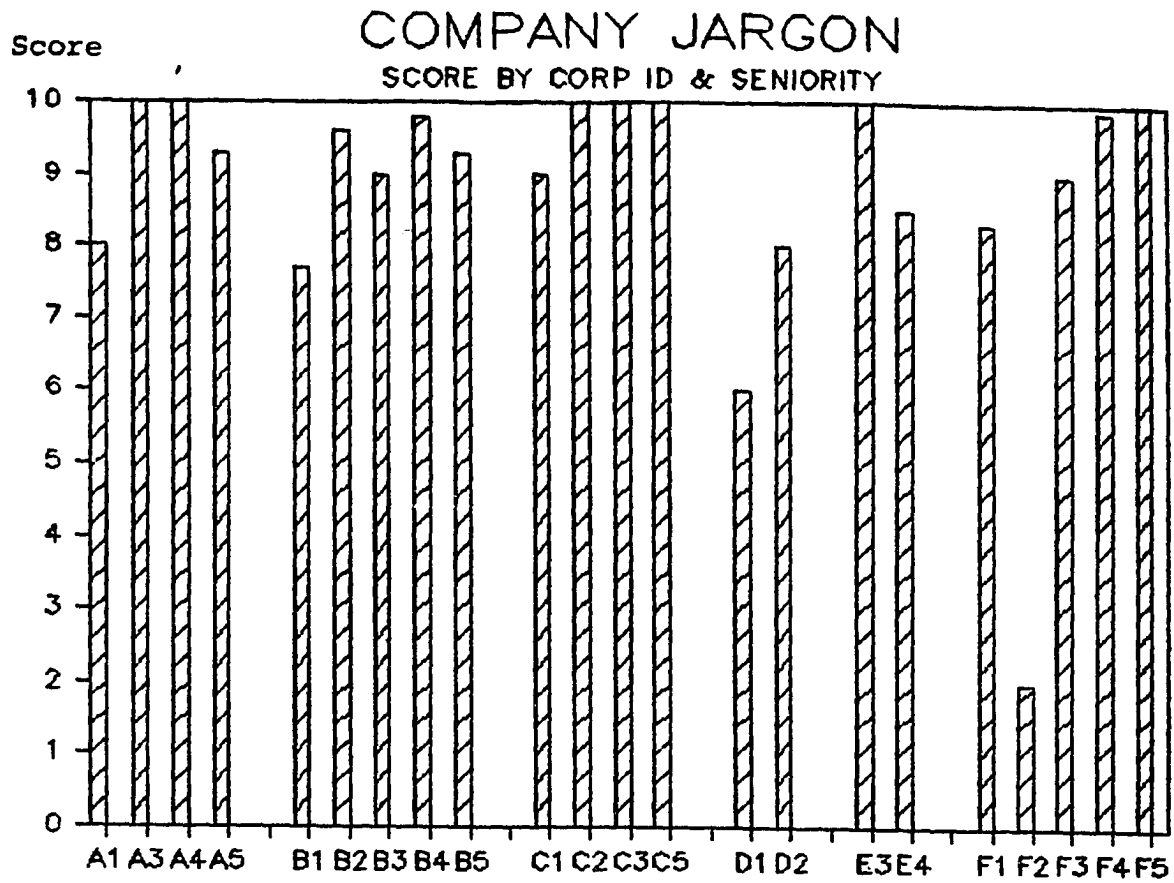
Scores according to length of time with the company were: (1) one to six months--7.8, (2) six to twelve months--8.6, (3) one to two years--8.9, (4) three to five years--9.6, (5) over five years--9.1. Scores according to company affiliation were: managers--9.2, clothing--9.2, corporate--9.8 (2 score omitted from average), retail--9.2, equipment--9.6, and machine--7.0.

The lowest scores recorded were from new employees in the clothing and corporate divisions. As pictorialized in Figure 4, rookies in most groups scored lowest. Employees with under six months in the clothing division, the largest new group, averaged 9.1, and those with between six and twelve months averaged 9.3. Group averages were within .1 of one another, except for equipment with .4 above the average, and machine with 3.0 below average.

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Insert Figure 4 here  
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#### Corporate Projections

Section C of the survey presents five corporate projections from the company's five year plan which was developed by the general manager and upper management. In each of the five projections, a key numerical fact was left blank. Respondents were given two responses which were both



Notes.

A = management  
 B = clothing  
 C = equipment  
 D = machine  
 E = retail  
 F = corporate

1 = 1 to 6 months  
 2 = 6 months to 1 year  
 3 = 1 to 2 years  
 4 = 3 to 5 years  
 5 = over 5 years

Figure 4. Section A survey results of test scores on company jargon by corporate affiliation and by seniority.

incorrect and asked to choose between alternatives, one greater and one less than the correct answer. The precise amount was equidistant between the upper and lower figures. Preference indicated a bias toward or away from favorable growth for the company. This question was intended to reflect the members' ideological commitment to the company through a disproportionate preference for the positively biased, pro-growth alternatives. On the surface, results appear to evidence some anti-growth feelings by respondents; however, a re-evaluation of interview data led the researcher to believe that members expressed their company loyalty through conservative replies intended to convey satisfaction with the status quo rather than the assumed bias for growth.

Overall, 39% of the respondents total scores showed a positive bias in their selection of the larger number, 61% selected the smaller number, indicating a bias away from growth. As illustrated below, a pro-growth bias was most evident from managers and the machine division, from rookies with under six months, and from veterans with over five years; those most demonstrative against growth were from the retail division and employees with seniority under one year and between three and five years with Lost Arrow.

Tables 1 and 2 show percentages of survey respondents who chose the greater answer (indicating pro-growth) by group, member, and total responses to questions in section C.

Table 1. A tabulation of group responses by percentage of members who selected the more optimistic choice (a) presented in section C of the survey.

----- Affiliation: -----		----- Seniority: -----	
Management	50%	1-6 mos.	64%
Machine	100%	6-12 mos.	25%
Corporate	43%	1-2 yrs.	35%
Clothing	34%	3-5 yrs.	29%
Equipment	33%	5+ yrs.	50%
Retail	20%		

Table 2 is a record of how company members responded to each question on projections; a is the pessimistic answer, b is the optimistic answer.

Table 2. Number of survey responses in section C by question, in total, and by percent.

----- Questions and Responses -----				
11a -- 33	12a -- 32	13a -- 24	14a -- 46	15a -- 51
11b -- 33	12b -- 41	13b -- 41	14b -- 20	15b -- 16
x -- 3	x -- 1	x -- 2		
	0 -- 4	0 -- 3	0 -- 5	0 -- 4
Total responses:				
a: 186	b: 142	x: 6	o: 13	ALL: 347
a: 54%	b: 40%	x: 2%	o: 4%	ALL: 100%

Note. x = correct answer inserted by respondents instead of choosing one of two alternatives; 0 = no answer inserted.

Corporate vs Personal Priorities

In Section D, the values stated by the general manager or mentioned in company documents are phrased as questions of importance to respondents. The survey asked members to rate seven goals according to the importance of the goal to the organization and the importance of the goal to themselves. They chose from among four degrees of importance: very important, important, somewhat important, and not important. This task provided two useful measures: one of the accuracy with which Lost Arrow members perceive company values, another of the personal ideological commitment members make to those values. This section revealed the closeness which exists at Lost Arrow between member commitment and company ideology.

Because of the complexity of the section, responses are discussed by question. Table 3 provides a breakdown of the answers for each question by corporate affiliation and by length of tenure with Lost Arrow. Average scores are listed by each issues's importance with "importance to self" preceding "importance to company." A diagonal line (/) separates scores for each group's personal view and corporate perception. A score of 4 = very important, 3 = important, 2 = somewhat important and 1 = not important.

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Insert Table 3 here

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Table 3. Section D survey results of test score averages on corporate priorities: importance to self/importance to the company by seniority and by corporate affiliation.

Question	16	17	18	19	20	21	22
	GROWTH	MODIFIC	IMAGE	EXPAN	PROMO	DRESS	WOMAN
A2	2.5/3.1	3.5/3.9	3.0/4.0	2.5/2.5	3.0/2.5	3.0/3.5	3.0/2.9
A4	1.0/1.0	4.0/4.0	3.9/4.0	3.5/3.5	4.0/4.0	3.0/3.5	3.5/3.5
A5	2.7/2.9	3.8/3.8	3.0/4.0	2.0/2.5	2.5/2.5	2.6/2.6	2.5/3.0
B1	2.8/3.5	3.0/4.0	2.8/4.0	1.5/3.2	2.5/3.5	3.2/3.2	2.6/2.6
B2	2.8/3.0	3.6/4.0	3.2/3.5	2.6/3.2	2.5/2.8	2.2/2.5	2.5/2.5
B3	2.5/3.2	3.5/3.2	3.9/3.8	2.3/3.0	3.5/3.2	3.5/2.8	3.0/3.0
B4	3.2/3.5	3.5/3.5	2.5/4.0	3.2/3.5	3.2/3.2	2.8/2.8	2.5/2.3
B5	3.2/3.5	4.0/4.0	4.0/4.0	3.0/3.5	4.0/3.5	3.0/3.5	3.0/3.1
C1	4.0/4.0	4.0/4.0	4.0/4.0	4.0/4.0	4.0/2.0	3.0/4.0	4.0/1.0
C2	3.0/3.0	4.0/3.0	4.0/4.0	2.0/3.0	2.0/2.0	4.0/4.0	3.0/3.0
C3	2.9/4.0	3.9/3.8	4.0/4.0	3.0/3.0	3.0/1.0	3.0/3.0	2.0/2.0
C5	1.0/4.0	4.0/4.0	4.0/4.0	1.0/2.0	2.0/2.0	3.0/3.0	1.0/1.0
D1	2.8/3.0	4.0/4.0	4.0/4.0	3.0/3.0	2.0/4.0	1.0/1.0	1.0/1.0
D2	4.0/4.0	4.0/4.0	4.0/4.0	3.0/3.0	2.9/3.0	1.0/2.2	1.0/3.0
E3	3.0/3.0	3.0/3.0	4.0/4.0	3.0/3.0	2.0/3.0	3.0/2.0	3.0/3.0
E4	3.0/4.0	2.5/4.0	4.0/4.0	1.5/2.5	3.8/3.8	3.8/3.5	2.0/3.0
F1	3.0/3.5	3.6/3.2	4.0/4.0	2.2/2.6	3.5/3.8	3.0/3.8	2.5/2.3
F2	3.0/4.0	3.0/4.0	3.0/4.0	3.0/4.0	4.0/4.0	3.8/4.0	2.0/4.0
F3	2.8/3.5	3.8/4.0	4.0/4.0	2.8/3.5	2.8/2.2	2.8/2.5	2.5/2.5
F4	2.8/3.5	3.5/3.5	3.6/4.0	3.2/3.5	3.5/3.5	3.5/3.5	2.0/3.0
F5	3.0/3.0	3.0/4.0	4.0/4.0	3.0/3.0	1.0/1.0	1.0/1.0	1.0/2.0

Note.

## Scoring::

- 1 = not important
- 2 = somewhat important
- 3 = important
- 4 = very important

IDENTIFICATION:

## Corporate -

- A = management council
- B = clothing division
- C = retail division
- D = equipment division
- E = machine division
- F = general corporate members

## Seniority -

- 1 = one to six months
- 2 = six to twelve months
- 3 = onto to two years
- 4 = three to five years
- 5 = over five years

In Table 4, the same scoring and relationship placement are used to show how each corporate affiliate scored overall, and to compare scores of members with one month to two years seniority and with three to five and over years seniority. Overall scores by question occupy the final line.

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Insert Table 4 here

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Question 16. The company wants to increase its physical plant and number of its employees.

The management council had a very wide range of opinions. Those with the company under 2 years said increases were somewhat important to them but were important to the company. The 3 - 5 year group said expansion was not important either to them or to the company. The 5+ group felt expansion was important but only slightly more so to the company than to them.

The clothing group felt expansion was important but more so to the company than to them personally. Those with under 6 months and those with between 1 and 2 years seniority said expansion was only somewhat important to them but acknowledged it was important to the company.

Corporate employees echoed the sentiments of the clothing, machine, and retail employees. Only equipment members shared the feeling that growth was equally important to them and to the company.



Table 4. Section D survey results of test score averages on corporate priorities: importance to self/importance to the company by corporate affiliation with age groups and totals included.

	16 GROWTH	17 MODIF	18 IMAGE	19 EXPAN	20 PROMO	21 DRESS	22 WOMEN
MGT	2.1/2.3	3.8/3.9	3.3/4.0	2.7/2.8	3.2/3.0	2.9/3.0	3.0/3.2
CLO	2.9/3.4	3.5/3.7	3.3/3.9	2.5/3.3	3.1/3.2	2.9/3.0	2.7/2.7
RET	2.7/3.8	3.9/3.7	4.0/4.0	2.5/3.0	2.8/1.8	3.3/3.5	2.5/1.8
EQU	3.4/3.5	4.0/4.0	4.0/4.0	3.0/3.0	2.5/3.5	1.0/1.6	1.0/2.0
MAC	3.0/3.5	2.8/3.5	4.0/4.0	2.3/2.8	2.9/3.4	3.4/2.8	2.5/3.0
COR	2.9/3.5	3.4/3.7	3.7/4.0	2.8/3.3	3.0/2.9	2.8/3.0	2.0/2.8
6-2	3.2/3.5	3.7/3.6	3.7/3.6	2.7/3.2	2.9/3.0	2.8/3.0	2.5/2.5
3-5	2.5/3.2	3.9/3.8	3.6/4.0	2.6/3.0	3.0/2.9	2.8/2.9	2.8/2.6
ALL	2.8/3.3	3.6/3.8	3.7/3.9	2.6/3.0	2.9/3.0	2.8/3.4	2.3/2.6

Notes. MGT = managers  
 CLO = clothing  
 RET = retail  
 EQU = equipment  
 MAC = machine  
 COR = corporate (general)

6-2 = six months to two years seniority  
 3-5 = three to five and over years seniority  
 ALL = company average overall

Score of importance to self/Score of importance to LA  
 4 = very important  
 3 = important  
 2 = somewhat important  
 1 = not important

Question 17. The company plans to continue to modify the clothing product lines according to consumer preferences as expressed through dealers and the consumer phone line.

The management council members with under 2 years seniority said this was very important to the company and important to them; the 3 - 5 year managers said it was very important to both them and the company; the 5+ year managers said it was equally important to to the company and to them.

Clothing people felt that it was more important to the company than to themselves but were close in agreement; only those clothing employees with 1-6 months at Lost Arrow thought it was very important to the company and important to them. Corporate employees echoed clothing employees overall; machine members said it was more important to the company than to them; equipment members gave it equal very importance with the company; management gave it equal importance with the company.

Question 18. The company will continue designing the catalog to maintain the image of the sportsman.

Managers with under 2 years and over 5 years seniority felt that this was very important to the company but only Important to them; 3 - 5 year managers thought it was very important to both, but there was a wide range of responses with regard to the importance it had to them personally-- from not important to very--with this group.

Clothing members thought that the image issue was important to both with more importance put on it by the company. Those clothing employees with 3 - 5 years and under

6 months with Lost Arrow both thought it was very important to the company while only somewhat important to them. Corporate, equipment, machine and retail divisions, all years, felt that maintaining the image was very important to both them and the company.

Question 19. The company will expand its private label products to general retail outlets.

Managers with under 2 years seniority thought expansion was somewhat important to both them and the company; the 3 - 5 year managers thought it was important to both them and the company; those managers with over 5 years seniority ranged from not to very important to themselves and to the company, but overall they thought it was important to the company and only only somewhat important to them.

Clothing personnel felt that retail expansion was important to the company but only somewhat important to them; those with under 6 months at Lost Arrow, however, felt that it was not important to either them or to the company. The corporate, clothing and retail groups shared similar feelings; equipment workers felt it was important to both them and the company; machine members thought it was not important to somewhat important to both them and the company.

Question 20. The company gives priority to tenure, length of time with the company, when awarding promotions.

Managers with under two years felt that awarding promotions to tenured employees was important to them but

only somewhat important to the company. Managers with 3 - 5 years thought it was very important to both themselves and the company, but the over 5 years group thought it was only somewhat important to both them and the company.

Clothing and corporate members were pretty much in agreement that it was important to both them and the company, but the 6 month to 1 year clothing employees' answers ranged from not to very important to themselves. Retail members thought it was somewhat important to them but only somewhat important to the company; the equipment and machine groups thought it was a bit more important to the company than to them.

Question 21. It is company practice for employees to dress casually.

Managers with under 2 years and 3 - 5 years thought that casual dress was more important to the company than to them; managers with over .5 years averaged out between somewhat and important to both the company and themselves, but their answers ranged from not to very important to both them and to the company.

While clothing members thought that it was important to both, those members with 3 - 5 years had a variety of opinions ranging from not to very important to both themselves and the company; this question had the widest range of responses from the clothing group. Corporate members thought it was important to both them and to the company as did retail members; the equipment group thought it was not important to them but was somewhat important to

the company; machine members thought it was important to them but only somewhat important to the company. A wide range of answers spread across company affiliation groups as well as tenure-based groups in this question.

Question 22. The company has paid special attention to placing women in key positions.

Managers with under 2 years seniority thought placing women in key positions was very important to both the company and themselves; managers with between 3 - 5 years seniority thought it was close to very important to both Lost Arrow and themselves; those managers with over 5 years thought it was only somewhat important to them but important to the company, but their answers once again ranged from not to very important.

Clothing members thought this was somewhat important to both them and to the company; corporate members thought it was almost important to the company but only somewhat important to them; retail people thought it was somewhat important to them and not important to the company; the equipment group thought it was not important to them and somewhat important to the company; the machine group thought it was somewhat important to them but important to the company.

Overall, managers felt that the company placed more importance on every item except the promotion issue (Q. 20), and the difference between their ratings and the ratings they gave for the company differed by .2 or less, except for

the image issue (Q. 18) which had a .7 difference. Range variations for the clothing groups were more expansive, and in three instances the gap between self ratings and company perceptions was over .5. They thought the company prioritized every issue higher than they did personally. Retailers were even more widely varied, having 1.0 differences on two occasions and .5 and .6 on two others. They felt more strongly about three issues, modification (Q. 17), promotion (Q. 20), and women (Q. 22), than they thought the company did. The equipment group gave equal ratings to self importance and company importance on three items, but thought the company placed much more emphasis on three other items than they did. The largest range differential was on on the importance of women (Q. 22). Equipment members placed the lowest emphasis recorded in the survey throughout the firm on dress and women--not important. The two machinists felt much more strongly about the casual dress issue (Q. 21) than they thought Lost Arrow did on other issues. They rated the company's importance higher than their own except for the image question (Q. 18) which they rated very important for both. Corporate members felt stronger than they perceived the company did on the issue of promotion for tenure (Q. 20); otherwise, they had the company prioritizing other items more highly than they did, but not by significant amounts.

Those with seniority of one month to two years thought they placed more importance on issues of modification (Q. 17), image (Q. 18) and women (Q. 22) than did the company,

but margins were small and most issues reach the important level on one rating or the other, except for the women issue which was only somewhat important, they felt, to both themselves and Lost Arrow. Veterans of three or more years had wider gaps between ratings, and had slightly higher priorities than they thought the company did on issues of modification (Q. 17), promotion (Q. 20) and women (Q. 22). Issues of growth (Q. 16) and expansion (Q. 19), were much less important to them than they thought they were to Lost Arrow.

Lost Arrow as a total group of members placed the most emphasis on the issues of customer modification (Q. 17) and image (Q. 18), and thought the company likewise placed high emphasis on those issues. Dress (Q. 21) was an issue which members thought was more highly prized by the company by .6; there was a .5 spread on the importance of growth, (Q. 16) and a .4 spread on the importance of expansion (Q. 19), pointing out differences in those three key areas on which the company was perceived to place more value than members.

#### Corporate Strengths and Weaknesses

Section E lists eight items which were identified by the general manager as either a strength or weakness of the company. Respondents indicated whether they perceived each item to be a strength or weakness and thus reveal their degree of agreement with the evaluations of the leader. Tables 5, 6, 7, and 8 present the results from Section E.

Table 5. Percentage by members who designated strength responses for ten company traits in section E of the survey.

STRENGTH/ WEAKNESS	MGRS	CLOTH	RETAIL	EQUIP	MACH	CORP	ROOK	VETS
Training	50	65	60	60	100	57	82	57
Image	100	97	100	100	100	93	96	76
Pricing	38	58	40	40	50	64	65	36
Meetings	88	83	100	40	100	86	80	84
Loyalty	100	92	100	100	100	93	87	100
Product	100	95	100	80	50	100	96	84
Communic.	38	54	40	60	100	57	60	56
Tracking	0	47	40	20	50	64	56	45

Note. ROOK = one month to two years with Lost Arrow; VET = three years and over with Lost Arrow

Table 6. Member responses to the four items designated by the leader as strengths of the company given in percentages.

ITEM	STRENGTH DESIGNATION	WEAKNESS DESIGNATION
IMAGE	96%	4%
MEETINGS	81%	19%
LOYALTY	88%	12%
PRODUCT	92%	8%



Table 7. Member response to four items designated by the leader as weaknesses of the company given in percentages.

ITEM	WEAKNESS DESIGNATION	STRENGTH DESIGNATION
TRAINING	37%	63%
COMMUNIC.	46%	54%
PRICING	47%	53%
TRACKING	58%	42%

Table 8. Mean scores of respondents for section E according to length of time with the company and total mean score.

SENIORITY	SCORE
Under 6 months	4.9
6 months to 1 year	5.0
1 to 2 years	5.3
3 to 5 years	6.0
Over 5 years	6.0
Total mean score	5.4

Twenty percent of the respondents in this section labeled all eight areas as strengths of the company when in fact the leader had designated four as weaknesses and four as strengths. Managers and retailers averaged 7 correct responses out of 8; clothing members averaged 5 correct responses as did the equipment group; corporate members

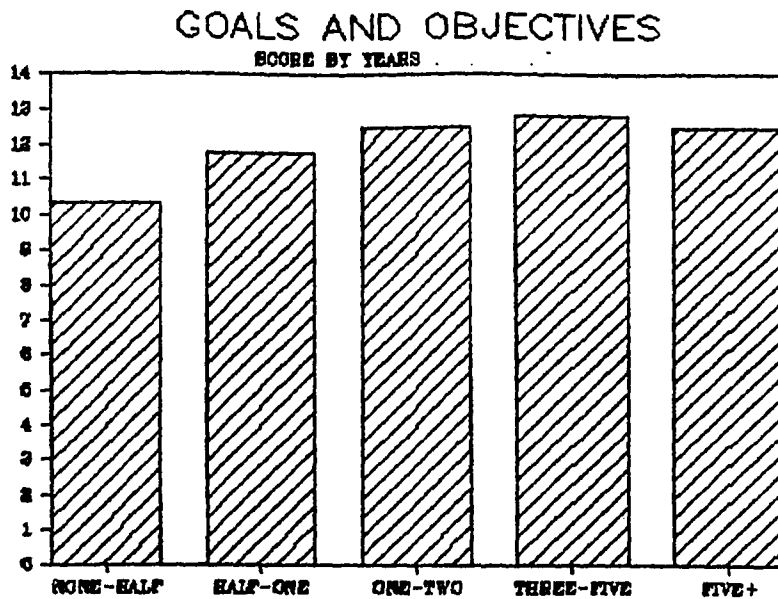
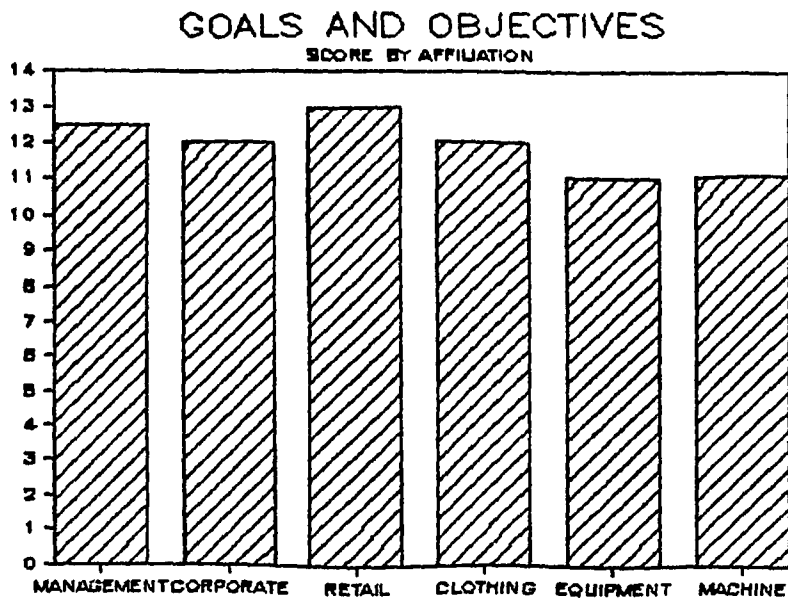
averaged 4 correct responses and the machinists had an average of only 3 correct answers. With regard to seniority, Lost Arrow members with more seniority were better able to determine company strengths and weaknesses.

#### Goals and Objectives

The final section of the questionnaire presents extracts from the company founder's philosophy statement contained in the employee handbook. Fourteen words are left blank, and two alternative words from which to choose are provided. One is the correct word and the other is philosophically opposed to the original term. Accuracy in this task indicates that members have a good command of the subtleties of language used to communicate the company's corporate objectives and philosophy, as illustrated in Figure 5-6.

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Insert Figure 5 here  
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Of the 14 possible answers, the managers had a mean correct score of 12.4; clothing and corporate members averaged 12, equipment members and machinists 11, retailers were highest at 13. By seniority, those at Lost Arrow less than 6 months had a mean correct score of 10.3; the 6 months to 1 year group had 11.8; 1-2 year members had 12.5; 3-5 year members had 12.9; and those with over 5 years averaged 12.5. Correct scores generally increased with seniority but the veterans of 5+ years scored slightly less than the 3-5 year group overall.



Note. Maximum score = 14 points

Figure 5. Section F survey results of test scores on goals and objectives by corporate affiliation (top) and by years with the company (bottom).

Of those words most often chosen incorrectly, "physical" asset was incorrectly selected 43% of the time over the correct answer, intellectual asset in question 46; 36% answered that the company would recognize individual "uniqueness" rather than the correct answer, achievements (Q. 34). Thirty three percent selected the incorrect we in place of the correct they in question 33 about credit for company's success. Twenty six percent of the respondents incorrectly said the company was striving for "sufficient" profit rather than the correct "maximum" profit objective.

Statistics taken in isolation are often difficult to relate to overall trends and results. A more conceptual overview, as presented next, is intended to enhance the significance of the survey data in question 42.

#### Understanding the Culture:

##### An Analysis of Quantitative Data

Statistical data is frequently presented in a study for substantiation and confirmation of previously presented material. In addition to the above functions, the data from this survey provide a tool for further interpretation and understanding of the cultural manifestations described in Chapter Four. A closer look at the survey results of the questionnaire by section provides additional insight on the behavior of Lost Arrow members and the extent to which the leader's ideology has influenced their behavior.

Two aspects of the data reviewed verify the observation that McDivitt's values have thoroughly penetrated the

company and its members. This verification is reflected in antithetical types of answers, reinforcing responses and opposing responses. The former are straightforward statements of agreement, the latter are indications of a subconscious commitment to the values of the corporation. Both types are significant for their contributions to the study.

#### Culturally Reinforcing Responses

Reinforcing responses dominate three sections of the questionnaire:

Jargon. Responses in the first section verify that the language of Lost Arrow is well understood. Only members housed away from the main building were unfamiliar with terms used in management and departmental meetings at that location.

Priorities. Responses to the section on corporate and personal designations of importance demonstrate the close alignment between member commitment and leader-communicated values of company priorities. In all but a few instances, members were very accurate in their assessment of the value placed on various policies by the company and the leader.

The modification of clothing from customer suggestions, a policy clearly valued by the general manager, was given very important status by respondents. Equally high in member priority is the feeling that the company's image, as portrayed by the catalog, was vital to the company. This value has been demonstrated by both McDivitt and Chouinard

through monetary, philosophical and personnel commitments to catalog production.

The relationship between tenure and promotion, another survey issue, is shown in the near equal levels of importance given to it by employees and company policy. Members believe that Lost Arrow regards their service highly and is committed to rewarding member loyalty with promotions.

Casual dress is an item members felt that the company may care more about than they do, but evidence from observations confirms that in practice casual dress is a self-imposed regulation seldom violated at Lost Arrow. While the issue may not consciously be considered important, it is an unwritten rule of the culture and is obeyed unanimously.

Another subliminal message comes forth in the question on the importance of women to Lost Arrow. Members feel that the significance of women in authority roles is only somewhat important, and they perceive that the company also places little significance in the number of women in key positions. One explanation is that because of the demography of Lost Arrow, women in charge are a natural phenomena with no special significance attached to their presence. The fact is that Lost Arrow is so pervasively female, the organization tends to function with the social consciousness of a female. The presence of a family atmosphere, children, collegial consensus, and a variety of other characteristics associated with the female gender attest to a gender bias at Lost Arrow in spite of survey data implying its lack of

importance. Employee behavior confirms that the values of both the leader and founder regarding womens' roles in business have penetrated the company and its members.

Strengths and Weaknesses. This section of the survey illustrates just how knowledgeable members are about their company's positive and negative characteristics. McDivitt discussed ten weaknesses with me, four of which were used in the survey. Tracking the progress of projects and employees was identified as inefficient by the general manager; 58% of the respondents agreed with her. She cited formalized, non-meeting, horizontal system of communication as cumbersome and ineffective; 46% of the respondents agreed. Pricing is accomplished by intuition rather than scientific techniques reported McDivitt; 47% of the respondents concurred. Training needs to be formalized and structured, according to the general manager, and her feelings were echoed by 37% of the responding members. Company strengths articulated by McDivitt were also supported by employees. They agreed that image (96%), product (92%), loyalty (88%) and meetings (81%) were positive elements of the corporate culture. The 19% group who listed meetings as a weakness is composed mostly of equipment and clothing employees who are removed from the main location and who are either hourly or warehouse workers. Those members who regularly participate in meetings value their strength, according to data received, as does the general manager.

The data point out that respondents were significantly

more accurate in identifying strengths than weaknesses. A similar indication was given during the collection of observational material in August which shows that employees were not able to articulate company weaknesses when specifically asked about them. Members were equally unable to identify weaknesses in the survey, perhaps indicating that employees are either unwilling or unable to recognize company problems and shortcomings. Evidence suggests that a somewhat inaccurate and unreal perception of the company exists among many non-managerial employees who demonstrate unquestioning loyalty.

#### Culturally Conditioned Responses

Non-supportive responses also provide clues to the behavior of Lost Arrow members, and further demonstrate how deeply the culture has penetrated member thinking. Responses are significant in two sections of the survey:

Projections. In the first two questions on projections, figures regarding the increased employment numbers and addition of retail stores received equal treatment--the same number of respondents chose the lower figure as opposed to the higher figure. Twice as many respondents, however, selected the higher net income figure in question 13 conveying their optimism about company profits. Cultural commitment can be seen most dramatically in the final two questions in this section where respondents overwhelmingly selected lower amounts for revenues and net worth. Their choices suggest that employees were unfamiliar with the true profitability of Lost Arrow and that their



commitment was to values other than monetary ones.

McDivitt's profound effect on her constituency is a result of her numerous documented references to the importance of company affiliation and shared activities, and an absence of references to profit-oriented priorities.

Priorities. This section offered members an opportunity to state their opinions about increasing the physical size and population of Lost Arrow--and they revealed some skepticism. This phenomenon may explain a reluctance on the part of employees to abandon the values of belonging, closeness and family which are regularly communicated to them by the general manager. Members indicated that their own level of importance was .7 beneath what they understood to be the company's posture on growth to be. Members in every company group and age group were less enthusiastic about growth than they perceived the company to be.

The issue of expansion of private label products for retail sales indicates respondent skepticism. Tagging Lost Arrow products with their own label is cause for pride among workers who take part in product design and creation. Private labeling means removing the Lost Arrow tag and selling the merchandise to companies who replace the Patagonia label with their own. So while it may appear that the members had reacted to the concept of expansion, what they may have been reacting to was the possible loss of identity with their product. This loss may account for the .6 gap between personal and company importance levels in

survey responses. The value placed on pride of workmanship, one clearly espoused and practiced at Lost Arrow, is easily traced to the general manager's influence on member responses.

Goals. Four errors from the goals and objections section can be traced directly to transmitted values. The choice of the incorrect word physical in the statement, "Lost Arrow is obligated to the environment and society by being an economic, (physical/ intellectual) and social asset," can be seen as a direct reflection of the company's regularly communicated skepticism about intellectuals. The negative connotation of intellectual caused 43% of the respondents to chose the incorrect answer; the choice of the word physical may be indicative of member acceptance of that more familiar concept over the less comfortable concept of intellectualism.

Likewise, the connotation of the word achievement in the following statement may have caused 36% of the respondents to err by choosing the word uniqueness: "Lost Arrow wants to recognize employees' individual (achievements/uniqueness)." Respondents are keenly aware of the uniqueness of their company and are prone to choose this descriptive noun over one which connotes a more competitive, less acceptable term for their culture.

"Lost Arrow wants to help people share in the company's success which (we/they) make possible," is the statement in which 36% of the respondents probably confused pronouns. We, used regularly in the company to refer to the organization,

may have caused the misinterpretation here. Intended as a reference to management, employees probably thought that we meant them.

Finally, an implied distaste for profit as the primary motive of the company may have triggered the more idealistic respondents to downplay the importance of maximum profit and incorrectly choose sufficient in the statement, "We will strive to achieve (sufficient/maximum) profit." Many Lost Arrow workers may believe that sufficient profit is perfectly acceptable to sustain the company's culture; 26% chose a more philosophically acceptable concept when they chose the incorrect answer.

#### Goodness of Fit

The survey results also reflect a goodness of fit among the organizational members and the culture of Lost Arrow. Employees see themselves as unique, and they see the company as an extension of their "uniqueness." They acknowledge company strengths and to some extent company weaknesses, and are comfortable with the basic values and structures of operation which guide their corporate and their personal lives. Lost Arrow's culture and purpose are congruent because the members use what they make, make it with pride, and care about the people who use their products.

Members simultaneously weave values from nature and family into the company and mesh occupational relationships into their leisure time. They feel as good about being at Lost Arrow as being on vacation; work and leisure are

mutually supportive activities because they perpetuate physical and mental health for members.

Because no foreign structure or barriers have been imposed at Lost Arrow, the members are free to make maximum contributions to their work and play efforts without sacrificing either one. The open system and the relaxed communication ritual of meetings determine the structure of Lost Arrow and affects the behavior of its members as demonstrated by the survey responses discussed above.

Qualitative and quantitative data provide significant evidence that the ideology of the leader has been rejuvenated in members of the organization to the extent that the company continues to be both socially responsive and profitable. The reasons behind the success of Lost Arrow are more fully discussed in the next chapter which synthesizes and synthesizes the collected information for its use in and application to research on organization and leader behavior.

CHAPTER SIX  
AN ORGANIZATIONAL FIELD STUDY:  
SUMMARY AND CONCLUSIONS

This study has been an attempt to expand upon the notions that leader communication affects behavior and that culture affects performance through the careful examination of a particular company and a specific leader. The examination was based upon a subjective interpretation of the culture, and was verified objectively with a survey instrument.

Geertz (1973, p. 20) said that "Culture analysis is guessing at meanings, assessing the guesses, and drawing explanatory conclusions from the better guesses." In addition to assessing the guesses about this culture, the researcher detailed the process of communication and evaluated its behavioral outcomes for the purpose of determining effective methods by which leaders might reach and motivate their employees.

Research purposes are both interpretive and functional; the researcher set out to add to the literature of organizational communication, and also to provide insight for application to practitioners of leadership. Research surprises generated some new information for study on organizational performance.

Chapter Six covers four areas of discussion: (1) a summary response to the research questions, (2) comments on outcomes, (3) contributions to leadership and communication research, and (4) implications and areas for future research.

#### Summary Responses to Research Questions

Chapter Three posed five questions for this research; responses to each of those questions derived from the observed and survey data collected during the field study are provided here.

1. In what ways does communication determine organizational structure?

Communication in traditional organizations follows its structure, being passed down from the top and occasionally up from the bottom according to hierarchy and schema. Lost Arrow's open systems organization resulted from communicating through, around and across company groups and functions in a direct effort to eliminate vertical structure.

Four aspects of communication which eliminate structure from Lost Arrow are featured here:

Type. Communication within the company is informal in nature and personal in delivery; message senders are conscious of the feelings and rights of the receiver. Verbal communication provides 90% of the company's message exchanges; nonverbal communication punctuates and gives dimension to those exchanges because they are given in person and not over telephones or through barriers.

Frequency. Communication is constant; it circulates throughout the company, penetrating all levels, divisions and functions. Daily, sometimes hourly, meetings facilitate input, discussion and participation. In a member's absence, messages are delivered by telephone and/or in report form by mail. Frequent communication is expected and practiced and is an essential part of the process at Lost Arrow.

Style. A metaphorical use of language, jokes, asides, allegories and exaggeration punctuate communication and give it a style of its own. Meeting communication takes an interrogative form as members ask questions for clarification and to elicit further response. Communication is candid, direct and pregnant with meaning.

Purpose. Members communicate to disseminate and to gather information, to send messages of acceptance, to verify, to humor, to support and to challenge. Philosophically, information is shared in order that power is shared; withholding information is seen as contrary to organizational purposes and is discouraged. Information belongs to the company and each of its members, and keeping it from them is taking away their right to know and their right to equality.

The leader established the communication rules, and as such determined the open system structure of the organization. She maintains and reinforces those rules, insisting that communication act as the process by which the organization functions.

2. How does that structure affect member behavior?

Culture influences behavior in two ways: indirectly by determining the kinds of regulatory mechanisms, or structure, used in the organization; and directly as that regulatory mechanism (Wilkof, 1982). This view leads one to conclude that structure is in large part responsible for the conduct and behavior of the members in an organizational culture. Because of the open systems model created by the founder and perpetuated by the general manager, members of Lost Arrow behave more freely and intuitively than would be permissible for members within the structure of a traditional bureaucratic organization. By removing traditional structures, the leader has removed traditional behavior patterns; idiosyncratic behavior patterns are present at Lost Arrow, as readily observed through the dress, conversation and rituals of its members.

3. What forms of communication are most effective for organizational performance?

No single form of communication can be directly related to performance at Lost Arrow; a much more visible link exists between the company's overall communication practice/philosophy and its the high levels of productivity. However, a brief overview of five predominant communication forms which are effective for the organization provide some guidelines to linking specific forms with performance.

Oral communication as opposed to written enables leaders to give and receive direct responses to and from employees, thus stimulating immediate reinforcement and



enthusiasm for effective task completion. Oral communication, because it is personal, provides valuable and positive contact between leader and follower and between members which constantly reestablishes unity of purpose for a common performance goal.

Frequent meetings for the purpose of discussion and sharing as well as decision making enable the leader and some members to directly participate in company outcomes. The collegial, participative atmosphere which is created can be identified as a source of energy and accomplishment for company members.

Honest and direct communication enables the leader to deal with controversy and conflict, thereby removing potential obstacles to performance. Honesty fosters trust for employees and enables them to go forward unencumbered by a leader's hidden agenda.

Decisive communication reduces ambiguity for members, allowing them to proceed with clarity and confidence toward positive performance. When decisions cannot be forthcoming, members are encouraged to provide input and recommendations so that decisions can be expedited and so that performance objectives can be met.

Informal communication produces an esprit de corps and camaraderie among members. Humor brings pleasure to daily activities and lightens perspective. Personalized, non-business references made to members symbolizes the bond which exists between company values and personal goals,

clarifying the relationship between their needs and performance objectives.

4. How does the leader communicate company ideology to the organization?

The most accurate answer to that question is the fact that the leader lives her ideology and communicates it by her very presence. Often referred to as a "cheerleader," McDivitt is most effective as a role model for the organization. What she feels, they feel; how she prioritizes is reflected in how they order importance. Communication by example is an appropriate phrase.

Kris McDivitt communicates her ideology by believing in the ability of human persons to learn, to achieve, and to grow, and by demonstrating that belief in all of her daily activities. She exposes her vulnerabilities, confesses her naivete, and permits others to do likewise without penalty.

Perpetuation of the corporate myth is a significant communication activity of the leader. McDivitt takes an active role in telling stories of her beginnings at Lost Arrow: how she started out knowing nothing and how she educated herself for her role as general manager; how she can write to the famous designer Ralph Lauren for his advice. She perpetuates the myth of the founder who also began with nothing and developed his ideas into a multi-million dollar operation without forfeiting any of his values. She encourages members to tell their own stories of how they became successful within the corporation by embracing its values and goals.

Corporate stories and myths are printed in company communications and magazine articles for distribution to other companies as well as within Lost Arrow. Employees, like disciples, spread the ideology to new members, to families and to friends. Constant repetition and embellishment add to the power and impact of these stories which communicate the ideology of both founder and leader of the organization.

5. What is the relationship between organizational behavior and the leader's ideology?

At Lost Arrow, the relationship between behavior and ideology is a strong one. Geertz (1973, p. 57) stated that communication is important for "casting personal attitudes into public form;" McDivitt makes constant public reiteration of her philosophy during training sessions, in routine conversations and as a regular part of daily meeting agendas. Members are familiar with her values which have been observed guiding their behavior and driving the culture.

Geertz also argued that ideology acts as a road map in unfamiliar situations. At Lost Arrow, the leader's ideology provides that road map by inducing a spontaneous and unified regularity of member responses which champion the cause of their company. On several occasions, employees who were faced with dilemmas constructed what they thought McDivitt's choice would be, and acted as they believed she would act. Where the road forked, members chose the path clearly marked by the arrows of McDivitt's values.

### Comments on Outcomes

In accordance with its purpose, this study looked at a second generation leader and the processes she used to communicate company values and ideology. It also set out to trace the link between strong culture and high performance. Both aspects of study outcomes warrant comment, which is offered here for the purposes of summary and conclusion.

#### Leadership and Ideology

Responsibility for the creation of Lost Arrow's culture can be directly traced to its founder, Yvon Chouinard. As an entrepreneur, Chouinard was the innovator and idealistic prime mover of his developing culture. While he determined values and commitments, Chouinard was never exclusively dedicated to production and achievement as is characteristic of most founders of emerging organizations. The founder was concerned about designing and providing quality equipment for a sport he enjoyed and for people he enjoyed doing it with. Many of his colleagues were women; as a result, personal and family considerations were given high priority in the organization.

When the organization grew, Chouinard encountered difficulties with its functioning under a male general manager. Projects leveled off and the company's growth was stunted. At that point, Chouinard selected a woman to succeed him as chief operating officer. McDivitt, faced with numerous internal and external problems, educated herself so she was able to overcome most of the existing obstacles. She

paid specific attention to hiring competent people who had an affection for the outdoors and a commitment to producing a quality product regardless of their prior experience. She worked toward motivating these new recruits by using herself as an example. As a second generation leader, McDivitt not only asserted a re-dedication to the values established by the founder, she actively revitalized the company's purpose and effectively renewed an infusion of commitment to the company's mission. McDivitt changed the organization from an outdoorsman's hobby to a bonafide business and she continues to move it forward.

Lost Arrow is what it is in 1986 because of who runs it and who works there. The ideology of the leader, which is closely aligned with and sometimes identical to that of the founder, determines the behavior of organizational members to the degree that those who do not share that ideology leave the company.

#### Leadership and Management

A differentiation between manager and leader is necessary in order to establish McDivitt as a leader in this organization. Rost's (1985) twelve distinctions are used as a framework for a discussion on Kris McDivitt as a leader, a discussion which relies upon observation data as presented in Chapter Four for its validation.

Founder Yvon Chouinard is considered by employees to be the owner and operating head of his company. At the same time, general manager Kris McDivitt is an acknowledged leader in this company by virtue of her ability to take

company members to the place where they can achieve their maximum potential. Although a manager by title, McDivitt does not rule her employees by edict or use the power of her position; instead, she has a relationship with organizational members which enables her to influence their behavior.

McDivitt's strategy is an indication of her leadership; she has a win - win outlook to most disputes and strives toward achieving mutually held goals. Never settling for an apathetic majority rule, she uses conflict to achieve many objectives. McDivitt is often seen taking an adversarial point of view just to inject spirit into the decision making process.

Her vision is driven by the value she places in human worth. McDivitt believes that all persons, given an environment of opportunity and support, can maximize their potential and self worth. Her goals are neither manufacturing quotas nor financial targets; rather, her vision is for the company to be profitable as a result of the efforts of its members in equal partnership and security.

Change at Lost Arrow is both constant and sporadic. McDivitt takes risks and encourages her followers to do likewise; mistakes are not penalized. Motivation is a key word with McDivitt, and she rewards new ideas and creative thinking.

Most of McDivitt's decisions are intuitive ones, and

are rarely the results of rational, orderly processes. This is most evident in her creative spirit which encourages new products, new ways to expand and new markets to tap. More than once, McDivitt has seen a new product idea by chance and grabbed it for production and marketing at Patagonia without hesitation or advice.

McDivitt spends much of her time communicating metaphorically and spreading stories of her beginnings at Lost Arrow. Her language and symbolic forms constantly shape the company's culture, transforming her visions into reality.

Because she wants the same well being for her employees as they want for themselves, her values have transformed them from ordinary workers to successful and unique individual parts of a very successful and unique organizational whole. There are no subordination and no external locus of control from McDivitt. Her sense of purpose and commitment to her followers have kept their relationships vital and growing.

#### Lost Arrow as an Adhocracy

Cameron (1985) characterizes cultural types by their method of information gathering and information evaluation. According to Cameron's typology, Lost Arrow should be placed on the spectrum between the clan and adhocracy (see Chapter Two, Figure 1), organizational types which exhibit strong senses of feeling and intuitiveness.

Mentoring, the leadership style characteristic of a a clan, is indicative McDivitt's philosophy of leadership. Information evaluation in both clans and adhocracies is

described as participative, individualistic, spontaneous and flexible; all these traits can be found in the corporate culture of Lost Arrow. The cultural congruence of adhocracy is ideological; this study suggests that the combined ideologies of McDivitt and Chouinard are responsible for the culture's productivity and strength. The organization also exhibits a preponderance of intuitive information gathering, revealing creativity and imagination, which is indicative of adhocracies. The leadership style, consensual congruence, information evaluation and information gathering manifested at Lost Arrow suggest that the organization functions similarly to the adhocracy culture discussed by Quinn and McGrath (1985) in which the organization's cultural congruence is dependent upon the leader's ideology.

The congruence continuum is a scheme for categorizing the different ways organizations construct their social reality. The socially constructed reality of Lost Arrow reflects a feminine perspective not only because it is led by a woman and it is populated predominately by women, but because its values and norms are those usually associated with women. The organization can be said to have a gender orientation which is antithetical to the gender orientation of traditional, bureaucratic organizations.

#### Gender and Leadership Style

A "feminine leadership style," as described by Loden (1985), is contrasted with masculine leadership in five ways: (a) cooperation vs. competitive operation; (b) team



vs. hierarchical organizational structure; (c) quality output vs. winning as a basic objective; (d) intuitive vs. rational problem solving; and (e) the key characteristics of lower control, empathy, collaboration and high performance vs. those of high control, strategic, unemotional and analytical approaches. She and Gilligan (1982) suggest that a female model of leadership creates its reality from a relationship orientation rather than from a rational orientation as does the male model.

Gender leadership models do not necessarily have to correspond to the sex of the leader. Chouinard selected a female general manager because he believed that a female leadership style was more reflective of his own personal values than the male model was. While more and more males are exhibiting preference for relationship orientations, the relationship model is still referred to, perhaps incorrectly, as female. Chouinard characterizes his leadership style as female, although he does admit that McDivitt's style is more female than his. Male models and female models are meant to represent polar opposites in leadership styles and are not intended to suggest existing operational models. The leadership style of the eighties is certainly a mix of both gender styles. However, one can safely say that the culture of Lost Arrow evidences a true female gender bias by its predominant orientation toward relationships.

Feminists and the leader of Lost Arrow are committed to an internal style of organization that is deliberately anti-

bureaucratic, says Ferguson (1984), who states that feminist leaders decentralize groups, rely on personal face-to-face relations rather than formal rules, and see skills and information as resources to be shared, not hoarded. As a result of McDivitt's leadership style, other aspects of the company also evidence gender.

The physical layout of Lost Arrow confirms an argument by Illich (1982) that each gender has its own landscape and rhythm and its own model with which to conceptualize the universe. The way women handle symbols and levels of power, he says, proves that dominance is gendered (p. 129). In this treatment as in the two works mentioned above, authors imply that gender transforms the genital organs into a social reality.

Lost Arrow males seem to prefer the relationship orientation to a rational one. The male manager who moved west from a position with L. L. Bean voiced his reluctance to join a "female run organization" where traditional business concerns were low priorities. He explained that it took several months of working in the organization to overcome his skepticism, but that he has become quite comfortable with what he terms the "female approach to business," claiming that it is much more beneficial and productive than bureaucracy. A rugged 6'4" male, this manager is neither androgynous nor bisexual, and he typifies other male managers at Lost Arrow who discarded the chauvinistic, objective goal orientation that is often

associated with their males counterparts in corresponding corporate roles.

The gender orientation of Lost Arrow is a direct result of its leader's ideology which is constantly and effectively communicated to the members of the organization. Based upon examples cited in Chapter Four, one can conclude that the ideology of this leader directly impacts upon the culture of the organization and the behavior of the members within that culture in a transformational process. Followers are more concerned with child care, member mental and physical health, and direct communication (often labeled a female, relationship orientation) than profits and deadlines (often labeled a male, rational orientation). McDivitt's style can be most appropriately called "leadership by departure from the norm" of traditional, bottom-line businesses.

#### Culture and Ideology: The Performance Link

As previously stated, Kris McDivitt has a definitive ideology which can be explained and actualized. The impact of this ideology is a direct result of her ability to effectively communicate it to all members of the organization.

At Lost Arrow, there is a goodness of fit between the culture and organization's purpose, a congruence, which directs its energy toward performance and production. This goodness of fit suggests a positive relationship between values and output, between ideology and performance.

Lost Arrow is a high performing company in which leader and members are united in actualizing the goals of the

leader and founder. Mutual goals build strong cultures, and cultural strength aids organizational performance. The mechanism for securing consistency and performance is, as suggested by Jaeger and Westley (1985), specifically ideological. These authors encourage managers and leaders to better understand organizational ideology for its transforming and galvanizing powers where these powers are needed for organizational survival and health (p. 16). McDivitt's skillful use of her ideology for transformative purposes has kept Lost Arrow in the best of health.

#### Contributions to Communication and Leadership Research

This study contributes to research in communication and leadership in two areas, methodology and concept. In the first area, the field research work in this study further demonstrates the importance of qualitative methodology to understanding culture. Implications for the development of new theories can be found in the second area of contribution.

#### Practicing Methodological Innovation

The review of research approaches presented in Chapter Three makes a case for a three-stage, dual type methodology. This research operationalized a method which has not been widely practiced or accepted by members of the empirical research group of academics. Hopefully, this departure from traditional methods will encourage other students of organizational communication and culture to

utilize more innovative research techniques than has been seen in recent literature.

Qualitative and quantitative methods are infrequently integrated into the same research project. This study provided an opportunity for the integration of subjective and objective perspectives.

A regular method among anthropologists, ethnography is a relatively recent tool for investigators of organizational culture. Each ethnographic undertaking provides new insight into the techniques and pitfalls encountered in a field study during which the researcher becomes immersed in the culture of the organization. Because of time limitations for both researchers and corporations, investigations must be capsulized without reducing their validity. This research may provide clues for uncovering shared meanings in a shorter time period than is currently expected in traditional ethnography.

#### Identifying New Concepts

One result of the study was a discovery of just how significant effectively communicated ideology is to the study of leadership. The articulation of beliefs through language and stories is a powerful tool for leaders in attaining cultural congruence and member performance. In all of the literature reviewed, only two authors made specific connections between ideology, communication, and leader effectiveness measured through organizational performance.

The surprise for this researcher came with the

realization that organizations might be conceptualized through a gender perspective. Although some of the researchers cited earlier have identified differences in leadership styles between women and men and differences in bureaucratic and collegiate organizations, no theory has been developed which clearly addresses organizations as gender-based constructions of reality.

Nor do theorists spend much time on demography. By considering demographics one might see Lost Arrow's social reality as a result of the gender and age composition of its members. Those who study the demography of other organizational cultures may discover that performance can be maximized by communicating values which reflect the gender and age, the demographics of the organization.

#### Areas for Future Research

In order to measure the significance of ideology for leader effectiveness, this researcher advocates further study using ideology as a critical variable. The relationship of ideology to other variables, specifically those of gender and demography, is an exciting topic ready for exploration.

In addition, the relationship between demography and performance should be undertaken because of its hypothesized effects on organizations as a cause of behavior and, as suggested by Pfeffer (1935a), something to be attended to in thinking about growth patterns.

### Concluding Remarks

At the time this researcher commenced her study, a great deal of media attention was being given to entrepreneurial culture and presidents of large, successful companies. In these treatments, the word leader was used synonymously with founder, owner or corporate head.

The study of leadership in conjunction with this research has given credence to the notions of Bennis, Rost and other less known authors to the consuming public that leaders are found at all levels of the organization. The concept of leadership, anthropomorphized by Kris McDivitt, is one which reaches out and empowers all those with whom they come in contact. True leaders defy positional constraints and disregard positional power. True leaders guide others to levels they may never reach on their own.

This researcher hopes that more attention will be given to leaders within organizations outside the Fortune 500 spotlight so that students of leadership and leaders-to-be might gain inspiration from reading about their achievements in the areas of human development and performance.

Perhaps by reading about people like Kris McDivitt, who believe that the purpose of leadership is sharing communication and power for the betterment of the organization and all of its members, others might put the concept into action.

## APPENDIX A

A four page survey instrument which was distributed to all employees of Lost Arrow Corporation in September, 1985.

## Page One

## EMPLOYEE QUESTIONNAIRE, LOST ARROW CORPORATION

## A. PERSONAL

1. Circle the item which best describes your relationship with LAC:

GMC Patagonia Chouinard Rincon GPIW Other

2. Circle the numbers which best describe your length of time at LAC:

1 - 6 months    6 mos. - 1 yr    1-2 yrs    3-5 years    5+ years

## B. COMPANY JARGON

The ten words or phrases below are part of the language used by Ironworkers in your daily routines. Please circle the letter in front of the phrase which best explains each term.

1. GMC            a. General Motors Corporation    b. General management committee
2. Big House    a. corporate offices of Lost Arrow    b. Chouinard's residence
3. Suicide Squad a. people who put a catalog item to death    b. people who solve sales problems
4. Dogs            a. returned garments with defects    b. oversized climbing boots
5. Synchronilla a. 9 oz. pile fabric developed for Patagonia    b. synthetic lining material for ski wear
6. Cross Training    a. cross country ski instruction    b. spending time in other departments
7. Dr. Fun        a. activities director    b. day care center director
8. Slime ball    a. the balling on pile jackets    b. Kris' favorite expression
9. SKUs            a. skiers' and kayakers' underwear    b. garment descriptors
10. Froo Froo    a. non-functional, trendy clothes    b. lace and frills on clothing

## C. CORPORATE PROJECTIONS

The following is a list of goals which are listed in the Lost Arrow Five Year Plan. Please circle the letter in front of the numbers which you believe are the most accurate answer for the blank in each statement.

11. The number of employees projected for LA will be \_\_\_\_\_.  
a. 225  
b. 275
12. Patagonia will have \_\_\_\_\_ retail stores in operation.  
a. 2  
b. 7



## Page Two

## Corporate Projections continued...

13. Lost Arrow's net income before taxes will be targeted, as it has been in the past, at \_\_\_\_\_ percent.  
 a. 6%  
 b. 12%

14. Net corporate revenues will be increased by \_\_\_\_\_ percent.  
 a. 25%  
 b. 35%

15. Within five years, Lost Arrow will be a \_\_\_\_\_ million dollar company.  
 a. 90  
 b. 115

## D. CORPORATE vs. PERSONAL PRIORITIES

Management has listed the following statements as priorities of the company. Circle the words after each question which best represent your feelings on each of these items.

16. The company wants to increase the size of its physical plant and number of its employees.

a. How important is this goal to YOU?

Very important      Important      Somewhat important      Not important

b. How important do you think this goal is to LOST ARROW?

Very important      Important      Somewhat important      Not important

17. The company plans to continue to modify the clothing product lines according to consumer preferences as expressed through dealers and the consumer phone line.

a. How important is this plan to YOU?

Very important      Important      Somewhat important      Not important

b. How important do you think this plan is to LOST ARROW?

Very important      Important      Somewhat important      Not important

18. The company will continue designing the catalog to maintain the image of the sportsperson.

A. How important is this policy to YOU?

Very important      Important      Somewhat important      Not important

B. How important do you think this policy is to LOST ARROW?

Very important      Important      Somewhat important      Not important

## Page Three

Corporate/Personal Priorities continued...

19. The company will expand its private label products to general retail outlets.

a. How important is this expansion to YOU?

Very important	Important	Somewhat important	Not important
----------------	-----------	--------------------	---------------

b. How important do you think this expansion is to LOST ARROW?

Very important	Important	Somewhat important	Not important
----------------	-----------	--------------------	---------------

20. The company gives priority to tenure, length of time with the company, when awarding promotions.

a. How important is this priority to YOU?

Very important	Important	Somewhat important	Not important
----------------	-----------	--------------------	---------------

b. How important do you think this priority is to LOST ARROW?

21. It is company practice for employees to dress casually.

a. How important is this practice to YOU?

Very important	Important	Somewhat important	Not important
----------------	-----------	--------------------	---------------

b. How important do you think this practice is to LOST ARROW?

Very important	Important	Somewhat important	Not important
----------------	-----------	--------------------	---------------

23. The company has paid special attention to placing women in key positions.

a. How important is the presence of a woman in charge to YOU?

Very important	Important	Somewhat important	Not important
----------------	-----------	--------------------	---------------

b. How important do you think a female command is to LOST ARROW?

Very important	Important	Somewhat important	Not important
----------------	-----------	--------------------	---------------

## Page Four

## E. CORPORATE STRENGTHS AND WEAKNESSES

A list of strengths and weaknesses was developed by the company so that management and employees might work harder on some task as perhaps ease off on others. For each item listed below, determine whether or not you think the item represents a company STRENGTH or a company WEAKNESS, and circle the appropriate answer.

24. Training	Strength	Weakness
25. Image	Strength	Weakness
26. Pricing	Strength	Weakness
27. Company meetings	Strength	Weakness
28. Loyal, enterprising people	Strength	Weakness
29. Product quality and function	Strength	Weakness
30. Horizontal communication	Strength	Weakness
31. Tracking progress	Strength	Weakness

## F. GOALS AND OBJECTIVES

The following paragraphs are excerpts from the employee handbook about company goals and objectives. For each word that is left blank, circle the word which you think best represents the actual text of the statement.

Lost Arrow want to help people 32 (profit / share) in the company's success, which 33 (we / they) make possible, to recognize their individual 34 (achievements / uniqueness), to insure personal 35 (health / satisfaction) that comes from a sense of 36 (well being / accomplishment) in their work; and to 37 (support / recognize) each other in 38 (family / personal) and company achievements.

We will provide products and 39 (personnel / service) of the greatest possible 40 (value / numbers) to our customers, thereby gaining and holding their respect and 41 (loyalty / business).

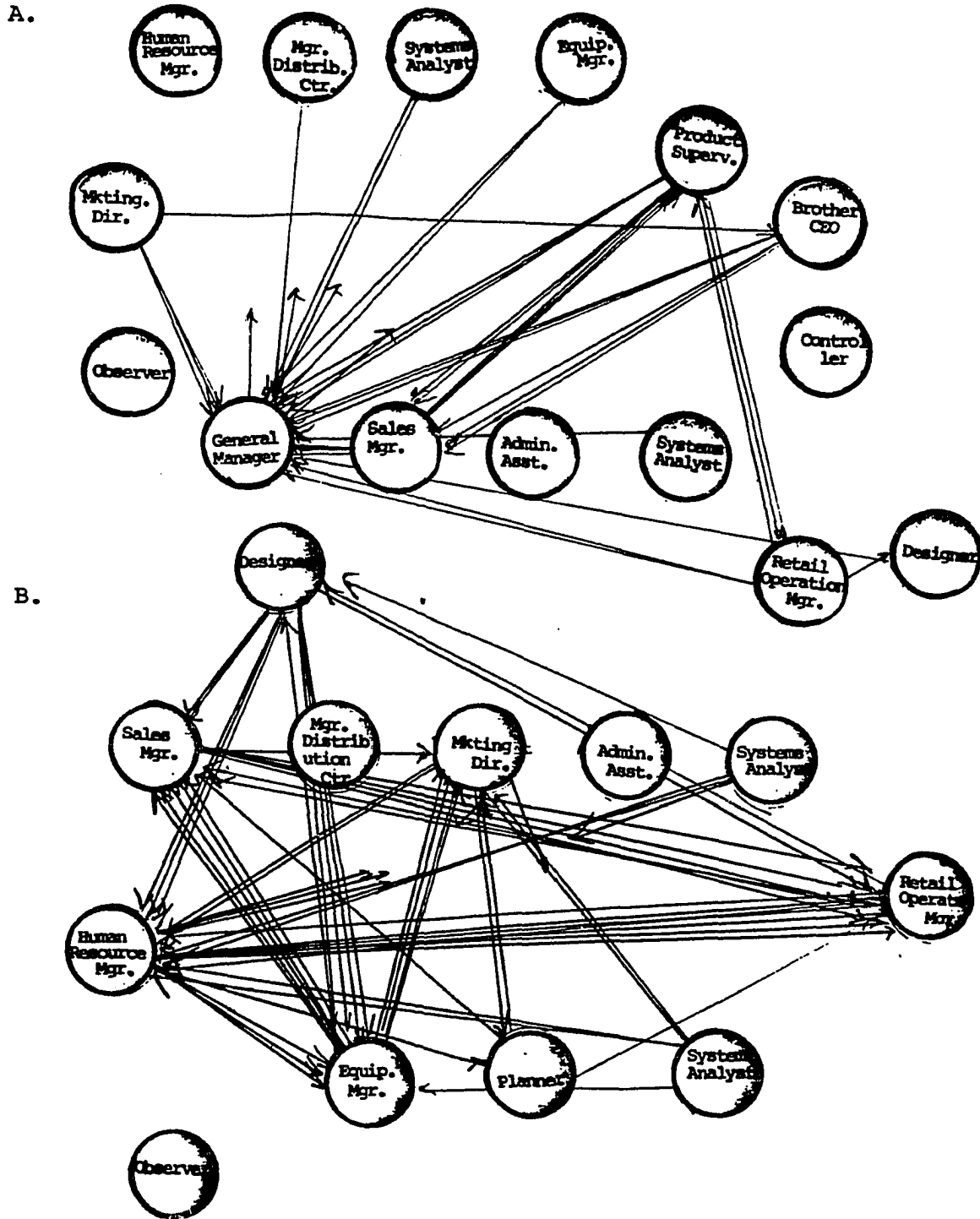
We will strive to achieve 42 (sufficient / maximum) profit to finance company 43 (needs / growth) and to provide the 44 (resources / money) we need to achieve our other corporate goals.

We will 45 (satisfy / honor) our obligations to the natural environment and to society by being an economic, 46 (physical / intellectual) and social asset.

Thank you very much for your participation.

APPENDIX B

Sociogram A was recorded during a general management committee meeting with the CEO present; Sociogram B was recorded at a similar meeting two days later in her absence.



APPENDIX C

Corporate Logo and Division Marks for Lost Arrow.



**Lost Arrow Corporation**



**GREAT  
PACIFIC  
CATALOG**



**patagonia** Mail Order

**RINCON  
MACHINE  
INC.**

**PLEASE NOTE:**

**This page not included with  
original material. Filmed as  
received.**

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