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ESSAYS

Win Friends and Influence People

Relationships as Conduits of Organizational Culture in Temporary Placement Agencies

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Organizational culture research has primarily focused on organizations characterized by permanent, full-time employment relationships. The workplace is increasingly characterized by multiple employment relationships. It is not clear that current understandings of culture capture what occurs in these organizations. Employing participant observation and survey methods, the authors use a grounded theory approach to explore the transmission of cultural values and practices in a temporary placement agency, an organization characterized by multiple employment relationships. The authors find that successful purveyors of cultural values are characterized by how well they are liked and their perceived importance to their coworkers' success rather than traditional means of culture management, such as policy and hierarchical authority.

Keywords: *contingent workers; organizational culture; social networks; values*

Most empirical research on organizational culture focuses on examining the influence of culture on individual and organizational outcomes (Bate, 1984; Chatman, 1991a, 1991b; O'Reilly, Chatman, & Caldwell, 1991; Saffold, 1988; Wilkins & Ouichi, 1983). Other research in the organizational culture area attempts to define (Schein, 1983, 1990), operationalize (Beyer & Trice, 1987; Hofstede, Neuijen, Ohyav, & Sanders, 1990; Rousseau, 1990; Trice & Beyer, 1984), or classify organizational culture research into theoretical camps (Allaire & Firsirotu, 1984; Barley, Meyer, & Gash, 1988; Sackmann, 1992; Smircich, 1983). This research reveals the potential influence of culture

on individual and organizational outcomes, including the economic success of the organization. However, our current understanding of organizational culture primarily focuses on examining culture in organizations characterized by long-term, full-time employment relationships.

Contingent employment relationships that are short term with varying work schedules and significantly lower wages (Belous, 1989; Bureau of Labor Statistics, 1995) are becoming quite common in many organizations. Contingent employment has increased by 577%, whereas overall employment has grown only 41% from 1982 to 1998 (General Accounting Office, 2000). In

addition, the American Staffing Association projects that by 2010, less than half of the work performed in U.S. companies will be done by full-time employees (Berchem, 2002). Increasing numbers of temporary workers and their presence across occupations demonstrate the changing status of temporary workers from peripheral members of the workforce to a significant labor constituency. Despite the growth of this constituency, relatively little is known about the effectiveness of traditional management practices in the context of this nontraditional employment relationship. It is not clear how well current conceptualizations of organizational culture would apply. The purpose of this study is to explore the culture transmission process in the context of multiple employment relationships. The first part of our study focuses on the participant observations as they informed the construction of our survey. In this section, we will identify the heuristics that guided the participant observation, describe the research site, and present the variables identified for the survey.

THEORETICAL HEURISTICS FROM CULTURE RESEARCH

Miles (1979) suggests that although inductive research should not begin with a priori hypotheses; it should be based on a broad theoretical framework to focus observations and sharpen analyses. Without such a framework, Miles warns that the sheer volume of the data could be overwhelming and prevent the articulation of clear insights. We rely on the extensive body of organizational culture research to provide frameworks to guide our study. Joanne Martin's (1992) taxonomy of the organizational culture literature provides a useful way for us to organize the major insights from such a rich and expansive research area. In this section, we briefly summarize the primary theoretical arguments made by researchers from each of the three categories of culture research identified in Martin's taxonomy. We use these theoretical arguments as a loose framework to provide guidance as to what might be worth paying attention to in field observations.

Integration Approach: Emphasis on Managerial Group

The integration perspective characterizes much of the current organizational culture research. This approach asserts "a 'strong' or 'desirable' culture is characterized by consistency, organization-wide consensus, and clarity" (Frost, Moore, Louis, Lundberg, & Martin, 1991, p. 11). Focus is on consensus. Many of the influential studies that are characteristic of this approach (Beyer & Trice, 1987; Schein, 1990; Schwartz & Davis, 1981; Trice & Beyer, 1991, 1993) tend to focus on the manipulation of various components of culture to ensure that employees unquestioningly adopt management's ideas. Pettigrew (1979) claims that the managerial group creates and manages organizational culture. His study of school headmasters examined how purpose, commitment, and order are generated through the feelings and actions of the founder. Schein (1983, 1990) furthers Pettigrew's assertion regarding the key role of the managerial group in the transmission of cultural values. In his book *Organizational Culture and Leadership*, Schein (1990) argues that "culture creation and management are the essence of leadership and make one realize that leadership and culture are two sides of the same coin" (p. 1). This argument concludes that effective management and leadership results in a consistent understanding of the culture's values and expectations for appropriate behavior. Organizational members are said to "share the same values and understanding, promoting a shared sense of loyalty, commitment, and productivity" (Frost et al., 1991, p. 12).

Although the integration perspective recognizes occasions when organizational members do not adopt the values of the managerial group, this perspective attributes a lack of organization-wide consensus to flawed management. As a result, prescriptions to address this flaw are targeted toward the managerial group in the form of policy changes, training, and incentives that encourage the recalcitrant employee to adopt the managerially prescribed culture. Thus, this approach to culture would suggest that we observe the role of management and formal mechanisms of culture management (hierarchy, policies, incentives, recognition, etc.) in the successful transmission of cultural values to organizational members.

Differentiation Approach: Emphasis on Small Groups

The integration perspective contrasts with other theories that focus on the differentiating and fragmenting consequences of culture. These other perspectives would suggest that the creation of culture

and its adoption in the organization are influenced by informal social relationships. Studies that take a differentiation approach to culture (e.g., Rosen, 1985; Van Maanen, 1991; Young, 1989) view organizational culture as a phenomenon that emphasizes differences in perception among organizational members (Frost et al., 1991; Martin, 1992). Meanings, values, and practices are sometimes shared, but only within the boundaries of subcultures. Research from a differentiation perspective maintains that within subcultures there is consistency, consensus, and clarity. However, between subcultures, there is ambiguity and conflict regarding values and practices. Thus, culture does not necessarily build consensus and unify all organizational members, as it does from an integration theoretical perspective.

Culture from a differentiation perspective is conceptualized as a construct that makes differences salient. According to this approach, culture is a social phenomenon that makes groups of individuals focus on the differences in values, practices, and organizational priorities. Disagreement on these issues is a natural consequence of culture. Agreement on values and practices is localized in subgroups. This means that groups of employees would form based on their perceived similarity with each other. Within these groups, the members would formulate alternative interpretations of the organization's basic assumptions, manifesting these alternative understandings in distinct value systems, practices, and language. This would suggest that culture is created and values are adopted at the subgroup level, through the daily interactions among groups of coworkers. Thus, for the purposes of our study, this would suggest that we should pay attention to the influence of interpersonal interactions, social relationships as conduits of value transmission, in our observations and derivation of propositions. Consequently, we employ social network analysis techniques in our study to explore the influence of social relationships on the transmission of culture.

Fragmentation Approach: Emphasis on the Individual

The fragmentation perspective is the third organizational culture paradigm that Martin (1992) identifies. Research taking this approach emphasizes the role of ambiguity in organizational life. Similar to the differentiation perspective, the fragmentation perspective conceptualizes consensus across the organization as an occurrence that happens infrequently if at all. Research from the fragmentation perspective describes organizational culture as idiosyncratic, uniquely understood by individuals as a result of their identity, role, or position in the organization. Martin (1992) defines the fragmentation perspective as "a web of individuals sporadically and loosely connected by their change in positions on a variety of issues, their involvement, their sub-cultural identities, and their individual self-definitions fluctuate depending on which issues are activated at a given moment" (p. 153). Martin's definition asserts that every individual understands culture differently. Individuals are the sum of a collection of different identities. These identities are determined in the context of the individual's relationship to another person. The interpretation of culture is fluid, dependent on the identity that is salient at any give time. Individuals, understanding that they need the help of others to advance their interpretation of the culture, seek alliances with people who have similar understandings of culture. Just as in the differentiation approach, interpersonal interactions would be the primary vehicle of culture transmission. Thus, this approach underscores the importance of observing interpersonal relationships as conduits of cultural value transmission.

FIELD SITE AND OVERVIEW

Industrial Temporaries (IT) is a pseudonym for the temporary placement firm at the center of this study. IT was incorporated in Washington State on March 18, 1985. Since 1989, the company has been engaged in the temporary help business. IT describes itself as "a leading national provider of temporary workers for manual labor jobs" (1997 10-K Report). With more than 800 offices in the United States, Canada, Puerto Rico, and the United Kingdom, it is currently the largest temporary placement company specializing in industrial labor. IT's primary customers are businesses in construction, freight handling, warehousing, landscaping, light manufacturing, and other light industrial markets. Tasks commonly associated with these businesses are lifting, hauling, cleaning, assembling, digging, painting, and other types of unskilled manual labor.

Participant observation informed the modification of published surveys to examine the transmission of

culture in two branch offices. Branch A and Branch B are located in a major metropolitan area in a northeastern state. The IT corporate office attempts to maintain uniformity among its branches through very strict guidelines detailing requirements regarding appearance, policy, and recruitment strategies. Thus, the internal appearance of the branch office, the administrative policies, and the temporary employees' educational skill levels do not significantly differ between the two branches. However, the relative age of the two branch offices did differ. Branch A was in operation for 3.5 years; Branch B had just opened its doors 2 months prior to survey administration. We surveyed a sample of 101 employees in Branch A and 41 employees in Branch B. Our response rate was 62% and 63% for Branches A and B, respectively. Using established theoretical frameworks as our guide, several variables emerged from the participant observation. We attempted to corroborate the influence of these variables with a survey. Using excerpts from field notes, the next section discusses how we selected variables examined in the survey portion of this study.

IDENTIFICATION OF VARIABLES USING PARTICIPANT OBSERVATION

Observations Guided by the Integration Approach

Informed by research from the integration approach to culture, we identified a list of factors to observe as they influence the transmission of organizational culture. Recall that the integration approach focuses on the transmission of culture through formal mechanisms. Consequently, practices and values are implemented through the formal organizational structure. Thus, attributes that represent position in the organization's formal hierarchy are useful to explore in deriving our model of culture in this context. Thus, we explore the possible influence of hierarchy by observing an employee's status and position. Status represents an individual's relationship with the agency, either as a temporary employee or an agency staff employee. Status is represented as a repeated column matrix, where a 1 represents a staff member and a 0 represents a temporary employee. Position represents the reporting structure. Employees are distinguished by who they report to and who

reports to them. A 1 in a cell means that the employee in row *I* reports to the employee in column *J* and 0 otherwise.

Field observations indicate that owning a car bestows power on the owner. A car owner can successfully lobby the dispatchers to take people on and off the ticket based on personal preference.

> Ted had a repeat work ticket last week. He was working at the "big" landfill job . . . . Ted told me that his task on the job was to lay down tarp in the fill and tie up recycled tarp. Ted was prepared go out on the ticket today, but he got "thrown off" the ticket. When he saw the men leaving for the landfill, he followed them to the driver's car and was told that his name got "scratched off" the ticket. I asked him why. He told me it was because "they" wanted to put one of their friends on the job . . . . The men on the work ticket got Ted thrown off. John and the other men were responsible for Ted not going. Ted was pretty angry. He was angry with "the Bible Guy" [John] for doing something like that. Ted argues that they are all in the same boat, saying something like: "If that guy [John] were truly Christian, he would be offering everyone a chance to be on that job." He told me that he, Ed, and Joe got bumped off the landfill ticket by John and his friends. I asked him why they would do this. He told me that the men on the ticket wanted their friends to have a steady repeat job that made them a lot of money.

John, through his friendship with the driver, is able to choose who he wants on and off of the work ticket. The perception that the driver's influence can supercede formal policy for dispatching work tickets is pervasive in the organization. The next passage follows up on what happened to Franklin. In this passage, other temporary employees claim that drivers have power, as I am lobbied by two temporary employees to put them on the ticket if my coworker for the job assignment failed to arrive.

> Two people requested to be included on the ticket with me if Max doesn't come in today. Mike asked me yesterday and today. I have come to understand through conversations with IT Temps, that as driver I have influence on who works with me. Frank told me that if he is on a job and doesn't like the person he is working with, he can request to have that person taken off of the ticket. This would corroborate with Ted's story on a previous day, about being scratched off the work ticket by the other men in the car. IT temps who drive or are considered good

workers have the ability to influence who works with them on a work ticket.

Observations consistently indicate the importance of car ownership to the members of this organization. Thus, the car variable is included to control for the effect of owning a car on reported practice and value similarity. The car variable is recorded as 1 to indicate that the employee owns a car and as 0 to represent that the employee does not own a car.

Observations Guided by the Differentiation and Fragmentation Approaches

Differentiation and fragmentation culture paradigms suggest the influence of interpersonal relationships on culture transmission. The differentiation approach suggests that relationships with members of subgroup communicate values and reinforce preferred practices to organizational members. The fragmentation approach suggests that relationships with individuals who have similar interests and concerns influence the communication of values and preferred practices. In addition to demonstrating the influence of car owners, the passages above exemplify the importance of two types of relationships: affective and power relationships. The affect relationship is defined as a positive, friendly relationship between two employees. Affective relationships are measured by presenting respondents with employee rosters and asking them to indicate which individuals they like. In the excerpts presented in the previous section, the friendships among the men at the landfill are important. The men rely on the friendships to secure work. In lieu of possessing a powerful resource, John uses his relationship with the driver to influence who is placed on the work assignment. In addition, observations suggest that workers may perceive being liked by management as important for securing work:

> I talked to Rod about temping with IT. A salient topic for Rod was the new dispatch policy at IT. IT doesn't do first come, first serve, anymore. I asked him what he thought about that. He told me that he thinks it is fair and unfair at the same time. He said that it is fair to send out the best employee, he acknowledges that most employers want to do this and he understands how that this is in the best interest of the employer and IT. However, Rod doesn't think it is fair for people who arrive at 4:30 to 5:00 a.m. to wait around and not get a job. Rod and I continue talking. I ask him if

he thinks IT dispatches jobs to people depending on performance, attitude, and appearance—the criteria outlined in their new dispatching policy. He said "no." He said something to effect of, "Basically, they [dispatchers or manager] send you out if they like you—that's why so many of them [temps] are in their face." Rod is talking about the morning when the workers will get as close to the counter as possible trying to make small talk with the dispatcher or branch manager.

In this example, the employee expresses a belief that being liked supercedes standard operating procedure. Thus, affect was identified as a relationship worth exploring. Affect is recorded in a matrix where a 1 indicates that employee in row *I* likes the employee in column *J.*

The power variable denotes influence relationships among employees. Power relationships can be different from reporting structure, as the individuals who are perceived as influential may differ from people who hold a high position in the hierarchy. In the passages below, we observe that the temporary employee, Max, has the ability to determine who he works with even though he is not a staff member or a driver. The first passage demonstrates how the staff rely on Max. The second passage illustrates how Max can leverage this dependence to get work and determine who he will work with despite the fact that he has neither a car nor position status in the temporary agency.

> The branch manager calls me and two other men to the counter to send us out on a work ticket. He tells Max and Tom that he needs two good workers for this job. Arbol Moving Company was not satisfied with the other two temps and he would like to keep this account. Max is considered to be one of the "good workers." He is featured on the "Wall of Fame" several times. The manager tells Max and Tom about the situation with Arbol and emphasizes that he needs them to do a good job in order to keep the ticket. Both of the men assure the manager that they will give it their best shot.

> Max approaches me and tells me that it looks like the man who drives him to the job site isn't coming. He told me about the job and asked me if I would like to have it. He told me that if I would, he would request that I go out on the job with him. The job is as a construction cleaner. He told me that there isn't much lifting and it just required cleaning up around the construction site. I told him that I would be willing to

try. He said, "Good," went up and talked to the dispatcher, and I got the job.

The staff's perception of Max as a good worker enables him to successfully lobby for work tickets and for who he would like to work with. Power relationships are measured by presenting respondents with employee rosters and asking them to indicate individuals they perceive as influential to getting and completing a job. The result is a matrix where a 1 indicates that the employee in row *I* perceives that the employee in column *J* is important to secure a job. Differentiation and fragmentation approaches would suggest that we should observe the importance of relationships on the effective transmission of values and culture.

Evidence of Culture Transmission: Practice and Value Similarity

Culture is defined as "a pattern of shared basic assumptions adopted by the group because of success in previous situations and taught to newcomers as the proper way to respond to issues in the organization as they emerge" (Schein, 1983, p. 13). There has been quite a bit of discussion among researchers about the best way to observe and measure culture (Martin & Frost, 1996). Researchers have generally agreed that intangible aspects of culture, such as shared basic assumptions, are manifested tangibly through values, norms, practices, and symbols. We focused on observing values and practices as manifestations of culture.

Values. Meglino and Ravlin (1998) claim that researchers and practitioners most frequently refer to values as a mode of conduct when describing an organization's culture. As such, the authors define values as "a person's internalized belief about how he or she should or ought to behave (Ravlin, 1995). If one is particularly concerned about behavior at work, then we would add that qualifier 'at work' to the previous definition (Meglino, 1996)" (p. 354). Consistent with this literature, we define values in this study as an individual's belief of how he or she should or ought to behave at work (Chatman, 1991a, 1991b; Kabanoff, Waldersee, & Cohen, 1995). Thus, values are operationalized by asking respondents to identify the extent to which they agree one should perform certain behaviors to be successful at work.

Practices. Practices are defined as repeated or customary actions. Values are theorized to result in a set of practices that are consistent with what the individual believes that he or she should do. Measures of values in this survey identify the degree to which the respondent agrees he or she should perform a certain behavior. Practices ask the respondent to identify the degree to which he or she observes people in the organization performing the same behavior. This distinction between what organizational members believe they should do (values) and what they actually do (practices) has been investigated in other organizational contexts (Hofstede, 1998; Hofstede et al., 1990). Respondents are asked to report on the extent to which they observe people performing specific behavior. Performance of these behaviors measures organizational practices.

We formulated practice and value similarity variables to observe the adoption of values and practices among organizational members. Similarity in practices and values reported among organizational members represents the adoption of values and practices. To observe similarities in values and practices as they relate to informal social networks, we coded the data for these variables in a matrix format. A matrix is derived for practices and values, respectively. Each cell in the final matrix represents the number of common responses that an employee in row *I* has with an employee in column *J*.

THE SURVEY

The first two parts of the survey were constructed to measure the transmission of culture through observing practices and values. Practice survey items asked respondents to evaluate the degree to which they perceive certain behaviors to accurately represent the daily practices of employees. Value survey items asked the respondents to evaluate the degree to which they believe certain behaviors are useful for success at IT (IT employees define success as securing an assignment that offers steady work). Unlike practice items, value items represent what respondents believe should happen versus what actually happens (Hofstede, 1998). Items for each dimension were summed. The average was taken to produce an overall dimension score. Responses to the survey were recorded on a 5-point scale (from *strongly disagree* to *strongly agree*). Existing culture and value surveys

Table 1
Multiple Regression Quadratic Assignment Procedure Practice and Value Similarity Regressed on Network Relations: Branch A

	β	
Variable	Practice Similarity	Value Similarity
Step 1		
Car	–2.43	–2.57
Position	0.86	–0.71
Status	1.13	1.58
Step 2		
Car	–2.53	–2.57
Position	–0.92	0.78
Status	1.15	1.61
Affect	1.40**	1.76**
Step 3		
Car	–2.43	–2.45
Position	–0.43	–0.20
Status	–0.14	0.11
Power	3.56***	4.08***
Step 4		
Car	–2.43	–2.45
Position	–0.48	–0.28
Status	–0.11	0.15
Affect	1.38**	1.73*
Power	3.54**	4.06***

*$p < .05$. **$p < .01$. ***$p < .001$.

Table 2
Multiple Regression Quadratic Assignment Procedure Practice and Value Similarity Regressed on Network Relations: Branch B

	β	
Variable	Practice Similarity	Value Similarity
Step 1		
Car	–0.91	–0.82
Position	0.81	3.38
Status	1.68	–0.05
Step 2		
Car	–0.85	–0.75
Position	1.28	0.93
Status	–0.15	2.13
Affect	4.48**	5.72**
Step 3		
Car	–0.87	–0.76
Position	–0.30	0.71
Status	–0.14	–0.09
Power	4.23**	5.69**
Step 4		
Car	–0.85	–0.74
Position	0.48	1.74
Status	–0.15	–0.09
Affect	3.64**	4.85***
Power	1.88	2.57

*$p < .05$. **$p < .01$. ***$p < .001$.

were modified based on field observations to produce an instrument consistent with IT vernacular. Pilot surveys were administered to confirm reliability and validity of the final survey.

To observe the influence of position, status, and social relationships simultaneously, we recorded and analyzed the data in a matrix format. Applying a social network approach allowed us to examine how practices and values are defined and implemented through social relationships and attributes. Thus, we observed the impact of informal relationships and hierarchical status and report relationships on the transmission of values and practices.

RESULTS

The purpose of this study was to develop a better understanding of the transmission of culture in organizations characterized by diverse employment relationships. The culture literature provided a heuristic for identifying factors in the context of the field site that may be observed as influencing the transmission of values and adoption of practices.

Although the observations primarily focused on one branch of IT, Branch A, we had the opportunity to corroborate our observations with surveys administered at Branch A and another branch, Branch B. Survey responses from Branch A, the focal organization of our field observations, are juxtaposed with responses from another IT branch, Branch B.

We employed multiple regression quadratic assignment procedure (MRQAP; Krackhardt, 1988). The MRQAP regresses a dependent variable matrix on one or more independent variable matrices, calculating significance of the *R*-squared and regression coefficients (Borgatti & Freeman, 1992). Thus, we regressed practice and value similarity variables on status, position, car, affect, and power variables. The results of practice and value similarity regressions performed for Branches A and B are reported in Tables 1 and 2, respectively.

Analysis was separately conducted in a particular order for value and practice similarity. First, each dependent variable was regressed on hierarchy and car variables; the results are shown in Step 1 models. The car control variable is not significant for either practice or value similarity. Status and position, the

Table 3
Quadratic Assignment Procedure: Independent Variables

	Power	Affect	Car	Status	Position
Branch A[a]					
Power	—				
Affect	.01	—			
Car	−.01	.00	—		
Status	.21***	.02	−.16	—	
Position	.39***	.00	−.11	.68**	—
Branch B[b]					
Power	—				
Affect	.52***	—			
Car	−.08	.03	—		
Status	.40***	.02	.16***	—	
Position	.49***	.18*	.11	.67***	—

a. *n* = 62.
b. *n* = 26.
*$p < .05$. **$p < .01$. ***$p < .001$.

hierarchy variables, are not statistically significant for either practice or value similarity as well. This would suggest that practice and value similarity are not influenced by car ownership or mechanisms of the organization's formal structure.

Models in Step 2 analyzed the influence of affective relationships on the transmission of values and practices. Affect significantly influenced both value and practice similarity, $p < .01$, estimated values of 1.40 for value and 1.76 for practice. In Step 3, practice and value similarity were regressed on the power relationship. Power also significantly influenced value and practice similarities, $p < .001$, estimated values of 3.56 for value similarity and 4.08 for practice similarity. Finally, models in Step 4 regressed practice and value similarity on all of the independent variables. The power variable was significant when regressed on value similarity, $p < .01$, estimated value 3.54, and practice similarity, $p < .001$, estimated value 4.06. Similarly, the affect variable was also significant when regressed on value similarity, $p < .01$, estimated value of 1.38, and $p < .05$, estimated value of 1.73, for practice similarity. The results indicate that social relationships are the primary mechanisms for the transmission of practices and values at Branch A.

The same analysis was repeated on Branch B, with slightly different results. These results are reported in Table 2. Consistent with results form Branch A analyses, models tested in Step 1 indicate that car and hierarchy variables are insignificant. Thus, there is no evidence from analyses for either branch that mechanisms of formal structure or ownership of a valuable

resource influence the transmission of practices and values. Similar to results for Branch A, the affect relationship significantly influenced value and practice similarity, $p < .01$, estimated value 5.72 and 4.48, for value and practice similarity, respectively. In addition, the power relationship significantly influenced value and practice similarity, $p < .01$, estimated value 5.69 and 4.23, for value and practice similarity, respectively. However, inconsistent with results from analyses for Branch A, power lost its significance when included in a model with the affect relationship (models in Step 4). Affect remained significant, $p < .001$, estimated value 4.88 for value similarity, and $p < .01$, estimated value 3.64 for practice similarity. These results suggest that informal social relationships are the primary mechanisms for transmission of practices and values at Branch B when considered separately. However, when considered together, affect influences more than power. The consistent statistical significance of affect rather than power in this model is a surprising result. Conventional wisdom would suggest that in work contexts characterized by a high level of uncertainty, power relationships resulting in consistent work on higher paying job assignments would be valued over affective relationships. The continued significance of affect versus power in the full model would seem counterintuitive. We conducted quadratic assignment procedure (QAP) analysis to explore the possibility that power and affect variables are multicollinear in models for Branch B, thus explaining why power would lose significance in the full model.

QAP Analysis

QAP analysis (Hubert & Schultz, 1976) was conducted on the variables. This procedure "computes the correlation between two square matrices and determines the likelihood that the observed correlation is larger than expected under random permutation" (Borgatti & Freeman, 1992, p. 135). QAP analyses were run on an independent variable to identify potential explanations for differences between Branches A and B in Step 4 models. The results are reported in Table 3.

Two results offer insights regarding differences observed in Step 4 for Branches A and B. Power and affect variables were not significantly correlated in Branch A; however, these variables were significantly

correlated in Branch B, 0.52, $p < .001$. These results suggest that power and affect variables were multicollinear at Branch B. This implies that employees at Branch A do not necessarily like those individuals identified as securing work for them. Conversely, at Branch B there was a relationship between having the ability to secure work and being liked. Why these relationships overlapped in one branch and not the other potentially provides a valuable insight regarding the process of culture creation and maintenance. In the next section, we discuss the analyses, integrating insights from observations to explore explanations for results from these analyses.

DISCUSSION

Analyses for Branches A and B indicate that position and status, mechanisms of formal structure, do not significantly influence practice and value similarity. Also, the results from the analyses consistently show that affective and power relationships significantly influence practice and value similarity. These results indicate that affective and power relationships influence the transmission of practices and values in organizations characterized by diverse employment relationships.

This result is consistent with differentiation and fragmentation approaches, suggesting the importance of interpersonal relationships in the transmission of values and practices. One potential explanation for the importance of relationships within a group or dyadic context may be the norms for reciprocity that would be present in both an affective and a power relationship. Coyle-Shapiro and Kessler (2002) suggest that "employees reciprocate treatment by the employer by adjusting their attitudes and behavior accordingly" (p. 71). Observations from field notes support this interpretation of the data.

Don [the dispatcher] has an elaborate system of workers doing favors for him. One man is fixing his car for a fraction of what it would cost normally. Don was happy with the fact that the worker is a certified mechanic and would perform an expensive procedure for under $40.00. Before Big Al left, Don as working on getting expensive decorative rims for his tires at a discount price. I did not pay it much attention when these two incidents happened. However, when Vidal came back to the office with a side of roast beef for Don, I remembered those other favors.

Vidal is currently working for a food packing service. Don is quite happy with the roast beef and tells me that Vidal hooks him up everyday with food. The client will often take food from their freezer and give it to the workers. Vidal brings Don cheese and meat. I ask Don what he does to get all of these small favors. He tells me that he is nice to them in the evening and make sure they are put on a work ticket.

Exchanges like the one described in this passage frequently occurred between this dispatcher and the workers. All of the staff engaged in negotiations with the workers, capitalizing on reciprocity norms to get the best work possible from them. However, this dispatcher, "Don," took it to a higher level. The pseudonym for this dispatcher was inspired by the character "Don Corleone" from the *Godfather* movies. Don was adept at extracting favors from the temporary employees in exchange for preferential placement on work tickets. Reciprocity in the uncertain environment of temporary placement is necessary for the permanent staff in securing and maintaining work contracts and for the temporary employees in getting higher paying jobs on long-term work assignments that they hope will eventually lead to permanent work.

Another set of results from the analyses indicate that affect and power significantly influence practice and value similarity in Branch A and in Branch B. Affect influences practice and value transmission when considered together. One insight that the data suggest is that employees at the two branches are differently influenced by affective and power relationships. The decline in significance of the network relationship in the full model for Branch B suggests multicollinearity. There are at least two plausible interpretations:

1. Employees at Branch B genuinely like the people they perceive are important for securing work. Therefore, there is no distinction between power and affective relationships.
2. Employees at Branch B believe it is important to report liking people who they feel are essential for securing work for them.

Field observations would suggest that the second interpretation is more plausible. The Branch B managerial group is reported as central in the affective network despite altercations between the branch manager and employees. One of the authors heard the manager call workers on the phone in the morning to rouse them out of bed for work. He would frequently

use abusive language with the employees. In addition, this branch manager would often cut the workers' pay to achieve the preset company profit margins while offering the client a low hourly bill rate. Despite this behavior, the next passage illustrates that employees at Branch B were grateful that IT decided to establish a branch in their town.

> The small old-fashioned shops and businesses remind me something right out of an episode of the Andy Griffith Show. I see people walking down the street waving to each other as they pass by. It seems like everyone knows or knows of everyone else here . . . . However, this version of Mayberry is dysfunctional and in economic decline. Instead of the steady middle and working class prosperity enjoyed by the residents of Mayberry, this town is economically depressed . . . . Barney Fife and Gomer Pyle are replaced by a drunken disabled Vietnam veteran and an eccentric dirty little man with a constant giggle and penchant for conversation. The second man kept me talking at the counter for at least 20 minutes describing the minutiae of the IT job application. The conversation basically centered around why this man wasn't working for Branch A. Our conversation went something like, "I know about your office on the North Side. I just couldn't get there by 5:30 a.m. I thought you HAD to be at the office at 5:30 a.m. (giggle, giggle). The buses don't leave here that early. The earliest I'd be able to get there is 6:15 (giggle, giggle). I figured that would be too late (giggle). It's good you have something close by."

> Other applicants file into the office looking like wartorn refugees. As the applicants come in and ask me about IT, they express gratitude that IT has decided to open in their town. This is despite the fact that temps here may earn less than the temps at Branch A. Seth, the branch manager here, was securing a new account for a garage down the street. I noticed he was quoting the customer a bill rate of $8.75 (or $8.50—I didn't pay attention after the $8.00). I asked him about this saying that the bill rate is awful low. I asked him how much he was paying the worker. He told me $5.00. He said all the worker was doing was changing tires—$5.00 was reasonable for such an easy task.

It is highly unlikely that the Branch B employees sincerely like the branch manager. Thus, it would be reasonable to conclude that Branch B employees felt compelled to report liking the managerial group, whereas the employees at Branch A did not. This begs the question: Why do employees at Branch B overlap power and affective relationships, whereas employees at Branch A do not? Comments written on a completed survey from Branch A are particularly helpful in demonstrating the division between affect and power relationships at Branch A.

An employee wrote in comments next to the names of coworkers on the roster for the survey network questions. Comments expressing his opinion of another employee were particularly revealing. The subject of the comment is well liked by the staff but apparently not as popular among his peers: "Lonell is full of sh** . . . . [He] will backstab other workers for petty or selfish reasons . . . . [He] tries to manipulate ticket [work order] against the people who won't kiss his a** or he doesn't like." This comment demonstrates the difference between power and affective networks in Branch A. Employees at Branch A exhibit no reservations about making a distinction between those they like and those they perceive as crucial for securing work. Conversely, it may be the case that employees at Branch B perceive it necessary to report liking those they perceive as having the ability to secure work. The data suggest that the branch's age and size might provide clues regarding the importance of formal structure and social relationships on the transmission of culture.

As we mentioned in the description of the field site, Branches A and B had similar employee demographics, physical appearances, policies, and procedures. The age and size of the two branches were the only significant differences. Branch A had been in operation for 3.5 years when the survey was administered; Branch B was a start-up, open for only 8 weeks. As a result, one potential insight is that power and affect are perceived as two separate constructs in larger, older organizations characterized by diverse employment relationships. Furthermore, power and affect may overlap in smaller and newer organizations characterized by diverse employment relationships.

Despite almost extremely low wages and no health insurance or other benefits, the employees at IT Branch B expressed gratitude for IT's presence in the community. This may explain why affect and power seem to overlap in this context. In the beginning of the branch's tenure, the managerial group is quite important to the employees' success, especially in a context of uncertainty characterized by diverse employment relationships characteristic of temporary placement agencies. The proximity of the managerial

group to the daily delivery of the good or service in a new organization, combined with unfamiliarity with other coworkers and nontraditional employment relationships, could highlight the importance of the managerial group to the success of the employee. The managerial group's perceived importance in this situation could motivate the employee to feel an incredible amount of pressure to develop affective ties with the managerial group and adopt their practices and values. Power in this situation could overlap significantly with a desire to like or be perceived as liking the managerial group.

As the organization ages, the organizational membership increases, bringing with it an increasing diversity of knowledge and experiences. Organizational members are brought together through informal, social relationships. Culture is constantly created and recreated through interactions that take place in the context of these relationships. As the organization continues its growth, individuals have more choices among members with whom to establish relationships. In Branch A, the power is diffused to coworkers who drive and coworkers who are well liked by peers and the branch staff. The negotiated nature of culture diffuses influence from the managerial group to peers, who become influential in the transmission of practices and values (Fine, 1984). Perhaps people who are central in the organization's social networks, rather than the formal hierarchy, influence the transmission of practices and values in organizations characterized by diverse employment relationships.

LIMITATIONS AND RESEARCH IMPLICATIONS

This study used culture research to inform heuristics that guided observation and the identification of variables that influence the transmission of practices and values. We explored the influence of these variables through a survey administered to employees at two branches of a temporary placement agency. The unique context of a temporary placement agency provides an excellent opportunity to see how culture develops in organizations characterized by a flat, flexible, networked structure, with multiple employment relationships. Although these characteristics reflect the nature of many organizations, these characteristics also challenge the generalizability of the findings. Our study is further limited by small sample size. Large sample size was sacrificed in exchange for a deeper understanding of culture transmission resulting from a research design incorporating participant observation. We acknowledge that findings emerging from an examination of two branches of temporary placement company may not adequately reflect culture in traditional organizations.

However, we suggest that whether or not our findings generalize across organizations is more an interesting and useful empirical question than a theoretical critique. The data suggest that employees in organizations characterized by diverse employment relationships adopt values and practices within the context of informal, social relationships. The results of our analysis also imply that age and size of the organization temper the influence of formal mechanisms and social relationships on the transmission of culture. Future studies could examine the impact of social relationships, organizational age, and size on culture transmission in traditional organizational contexts. Also, future research could explore these findings across multiple companies taking advantage of a larger sample size. Finally, little is known about how the content of daily interactions (what is said) contributes to the organization's culture. Our understanding of cultural transmission would be greatly informed by research that focuses on identifying the characteristics of communication that result in the adoption of cultural values and practices. Understanding how culture is created and maintained on process and content levels brings us closer to understanding how members interpret, understand, and strive to realize organizational life on their own terms.

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