Abstract

We report the findings of an empirical study of the relationship between organizational culture and publicly-available financial outcomes. While existing research suggests that culture is closely-linked to the bottom-line, the interplay among different aspects of culture has received little empirical consideration. We argue for the need to consider the combined effects of four key culture traits. In particular, we proposed that the effects of consistency on market-to-book ratio would vary in magnitude and direction as a function of other key culture traits. Using a sample of 137 publicly-traded firms, the results support this hypothesis, highlighting the need to consider profiles of culture traits when considering culture change.