CULTURE DEVELOPMENT A NEVER-ENDING JOURNEY

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Your Company Culture

- What 3 words describe your company culture?

- What happens – what actions and or events – in your organization that demonstrate these words?

Culture: Definition

A pattern of shared basic assumptions that the group learned as it solved 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 you perceive, think, and feel in relation to those problems. Schein, Edgar

Culture: Definition

How things get done around here

Culture is actually the *whole* way in which people make sense out of their work: this is what we are doing, here is how we feel about it, this is what we think is important, etc   David Drennan

Culture: Definition

Culture is "a set of important values, beliefs, and understandings shared by members of an organization" that also includes "the unwritten, informal norms that bind an organization together."

Newstrom and Davis

THE CULTURE
IS DEFINED BY THE WAY
LEADERS LEAD

LEADERSHIP MINDSETS AND BEHAVIORS DEVELOP THE CULTURE

THE SINGLE MOST INFLUENTIAL PERSON IN OUR WORK WORLD IS OUR DIRECT LEADER

Primary Embedding Mechanisms

- Called "climate" of the organization

- "Climate" precedes existence of a group culture

PRIMARY EMBEDDING MECHANISMS

What leaders pay attention to, measure and control

Leaders reactions to critical incidents and organizational crises

Observed criteria for resource allocation

Deliberate role modeling, teaching and coaching

Observed criteria for allocation of rewards and status

Observed criteria for recruitment, selection, promotion, retirement and excommunication

What Leaders Pay Attention to, Measure, and Control

What leader systematically pays attention to communicates major beliefs

- What is noticed

- Comments made – Casual questions and remarks

- Becomes powerful if leader sees it and is consistent

- If leader is unaware and inconsistent then confusion can ensue

What Leaders Pay Attention to, Measure, and Control

- Consistency more important than intensity of attention.

- Attention is focused in part by the kinds of questions that leaders ask and how they set the agendas for meetings

- Emotional reactions

- Important what they do <u>not</u> react to

Leader Reactions to Critical Incidents and Organizational Crises

In crisis: how do they deal with it?

- Creates new norms, values, working procedures, reveals important underlying assumptions.

- Crises are especially important in culture creation

- Crisis heighten anxiety, which motivates new learning

- A crisis is what is perceived to be a crisis, and what is defined by leader

- Crisis about leader, insubordination, tests leader

Observed Criteria for Resource Allocation

- How budgets are created reveals leader assumption

- What is acceptable financial risk?

- How much of what is decided is all inclusive? bottom up? top down?

Deliberate Role Modeling, Teaching, and Coaching

- Own visible behavior has great value for communicating assumptions and values to others

- Video tape is good

- Informal messages are very powerful

Observed Criteria for Allocation of Rewards and Status

- Members learn from their own experience with promotions, performance appraisals, and discussions with the boss

- What is rewarded or punished is a message

- Actual practice, what happens as opposed to what is written or said

- If something is to be learned there must be a reward system setup to insure it

Observed Criteria for Recruitment, Selection, Promotion, Retirement, and Excommunication

- Adding new members is very telling because it is unconsciously done

- Also who doesn't get promoted says something

SECONDARY EMBEDDING MECHANISMS

Organization design and structure

Organizational systems and procedures

Rites and rituals

Design of physical space, facades, and buildings

Stories about important events and people

Formal statements of organizational philosophy, creeds and charters

Secondary Articulation and Reinforcement Mechanisms

- These are cultural artifacts that are highly visible but hard to interpret.

- When org is in developmental stage, the leader is driving force. After a while these will become the driving forces for next generation.

- These secondary mechanisms will become primary in Midlife or mature organizations

Organization Design and Structure

- Organizing org has more passion than logic

- Founders have strong ideas about how to organize
  - build a tight hierarchy that is highly centralized.
  - strength in people so decentralized
  - negotiated solutions (Murphy)

- How stable structure should be is variable.
  - Some stick to original setup
  - Some constantly rework

Organization Design and Structure

- Design
  - some articulate why this way
  - some not aware of why this way

- Structure and design can be used to reinforce leaders assumptions

Organizational Systems and Procedures

- Routines most visible parts of life in org: daily, weekly, monthly, quarterly, annually

- Groups members seek this kind of order

- They formalize the process of "paying attention"

- Systems and procedures give consistency

- Inconsistency allows for subcultures

Rites and Rituals of the Organization

- Rites and rituals may be central in deciphering as well as communicating the cultural assumptions.

- They can be powerful re-enforcers, too

- They are only views of a limited portion of org so be careful

Design of Physical Space, Facades, and Buildings

- Visible features

- Symbolic purposes

- May convey philosophy

- Open office means openness

Stories About Important Events and People

- As history develops, stories evolve

- Stories reinforce assumptions

- Leaders can't control stories about themselves

- Using stories to decipher org has its problems: Validity

Formal Statements of Organizational Philosophy, Creeds, and Charters

- Formal statements only highlight a small portion of the assumptions

- Only reflect what is available for public consumption

- Cannot be viewed as definitions of the organization

CULTURE DEVELOPMENT JOURNEY

- ## Development of the <u>Organization</u>
  - Organizational Culture and Leadership, Edgar Schein
  - Good to Great, Jim Collins

- ## Development of the <u>Leadership</u>
  - The Leadership Challenge, James Kouzes and Barry Posner

- ## Development of <u>Teams</u>
  - The Five Dysfunctions of a Team, Patrick Lencioni

- ## Development of <u>Individuals</u>
  - The Leadership Pipeline, Ram Charan, Stephen Drotter, James Noel

THANK YOU