

Harnessing the Real Power at the Heart of Your Organization

Understanding, Assessing, and
Influencing Your Organization's
Culture



The Grand Plan!

- CEO established ambitious quality, productivity, and profitability goals. A strategic plan was developed that laid out an aggressive five year plan to grow the company.
- Individual department goals were defined that linked back to these company-wide strategic goals
- CEO began an effort to reduce turnover (20%)
- A new HR manager was brought into ensure that hiring reflected the new strategic priorities
- A new performance management system was put in place to hold managers and supervisors accountable for their performance goals
- An employee advisory committee was created to provide a forum for staff involvement in decision making
- The CEO ramped up the sales team . . . With expectations that sales would require a doubling of last past year's production numbers

The Reality . . . (2 years later)

- The CEO struggled to get his managers to embrace department goals that did anything more than perpetuate the status quo
- Quality and productivity continued as problems
- The HR manager resigned after two months
- Turnover continued to remain high at 18%
- No one – including the CEO – conducted performance reviews
- After a year the employee advisory committee was disbanded due to the lack of a clear goal and waning attendance
- Sales doubled (as promised), but quality and productivity problems plagued the company's ability to fulfill their commitments
- The CEO sold his company to a larger firm (but stayed on as general manager)

Our Learning Objectives . . .

By the end of this session, you will be able to:

- Define what organizational culture is and why it's important
- Describe the role culture plays in shaping everyday thoughts, decisions, and actions by employees and leaders at all organizational levels
- Assess the "health" of an organization's culture
- Apply an approach for assessing and understanding your organization's culture
- Identify approaches for changing your culture — once you understand it!

Organizational Culture

- The set of values, beliefs, assumptions, principles, myths, legends, and norms that define how people actually think, decide, and perform in the organization
- The unseen hand that influences how we individually and collectively see ourselves, our organization, our leaders, and the world around us

Culture defined

Edgar Schein defines culture as . . .

A basic set of assumptions that defines for us what we pay attention to, what things mean, and how to react emotionally to what is going on, and what actions to take in various kinds of situations

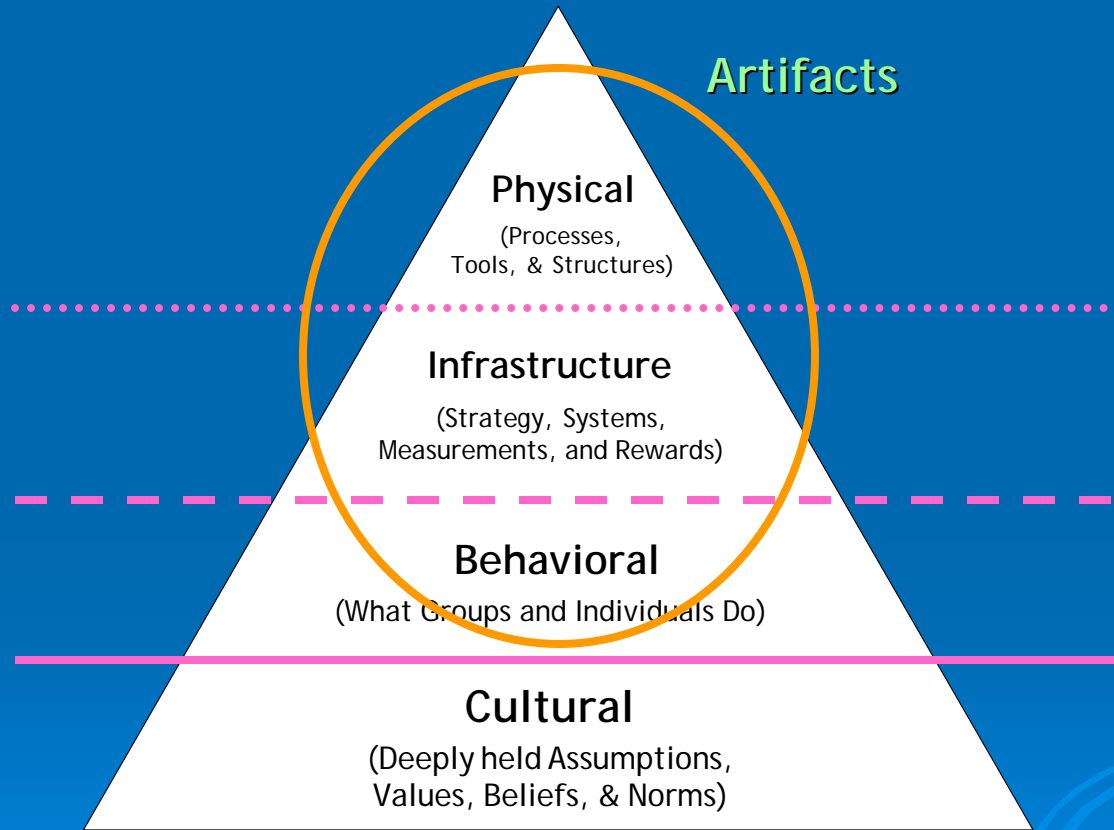
The Four Organizational Levels

Easiest

Short-Term

The ability to Influence or Change

Durability of the Change



Most Difficult

Long-Term

A Healthy Culture . . .

- A culture is healthy/effective to the extent that it enables an organization to achieve its objectives/goals
- A culture is unhealthy/maladaptive to the extent that it disables or prevents the organization from achieving its goals.



An Unhealthy Culture

- When the external or internal environment demands a change . . . But the prevailing beliefs, assumptions, and norms held by organizational members silently work to stifle innovation, adaptation, and the emergence of more effective organizational responses.
- Unhealthy cultures marginalize those who challenge the status quo (point out the maladaptive aspects of the culture)

The Aim of Culture

Enable the organization to respond effectively to the external forces.

Internal Integration Issues

To help people know where they fit in. To deal with anxiety and uncertainty. To provide direction.

External Survival Issues

Deeper Assumptions

The Organizational Culture

Schein's Dimensions of Culture

- **Artifacts** – the visible manifestations of the culture
- **Espoused Values** – what the organization *says* is important, what it values
- **Tacit Assumptions** – the unspoken shared assumptions that define how things really work in the organization

Cultural Artifacts

- The overt/outward manifestations of the culture
- The physical evidence of the powers that drive the organization
- They are neither good nor bad – they just simply are
- Types of artifacts: behaviors, goals, plans, dress, hours of work, rules, policies, practices, systems, structures, and mechanisms that describe what the culture is and what it has evolved to.

Espoused Values

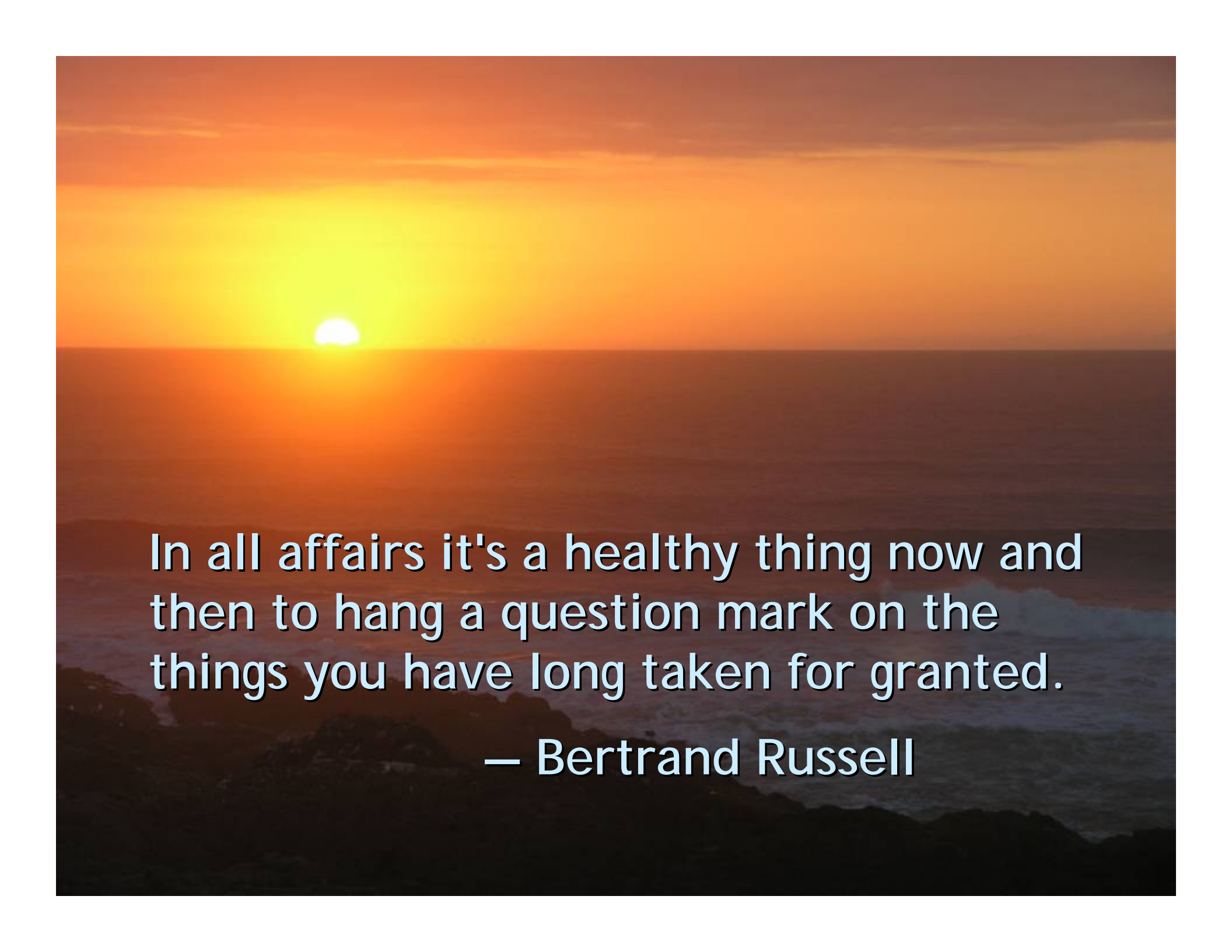
- The core beliefs, principles, and values that the organization officially declares as its creed
- Often reflect the “founders” priorities and principles
- Found in strategic plans, the president’s “message,” orientation programs, performance standards . . .

Example Espoused Values

- We value teamwork in achieving great results for our customers
- Quality is our first responsibility
- Our people are our most important asset
- We value the airing of diverse perspectives when making decisions
- Our decision making process is thoughtful, rational, deliberative, and grounded in sound data
- People are held accountable for their results
- We encourage and reward innovators and risk takers

Tacit Shared Assumptions

- Every organization begins with a set of guiding beliefs/principles
- Over time these principles are taken for granted and disappear from awareness — “This is just the way we do things here.”
- Organizational success reinforces the tacit assumptions and makes them stronger
- In healthy organizations, failure leads to the gradual extinguishing of the tacit assumptions that no longer work



In all affairs it's a healthy thing now and then to hang a question mark on the things you have long taken for granted.

— Bertrand Russell

Harmonious Tacit Assumptions

- When the organization's overt behaviors, systems, policies, rules, etc. are congruent with what it says it believes, the organization's *tacit assumptions* are operating in ways that are consistent with and reinforce the organization's *espoused values*.

Discordant Tacit Assumptions

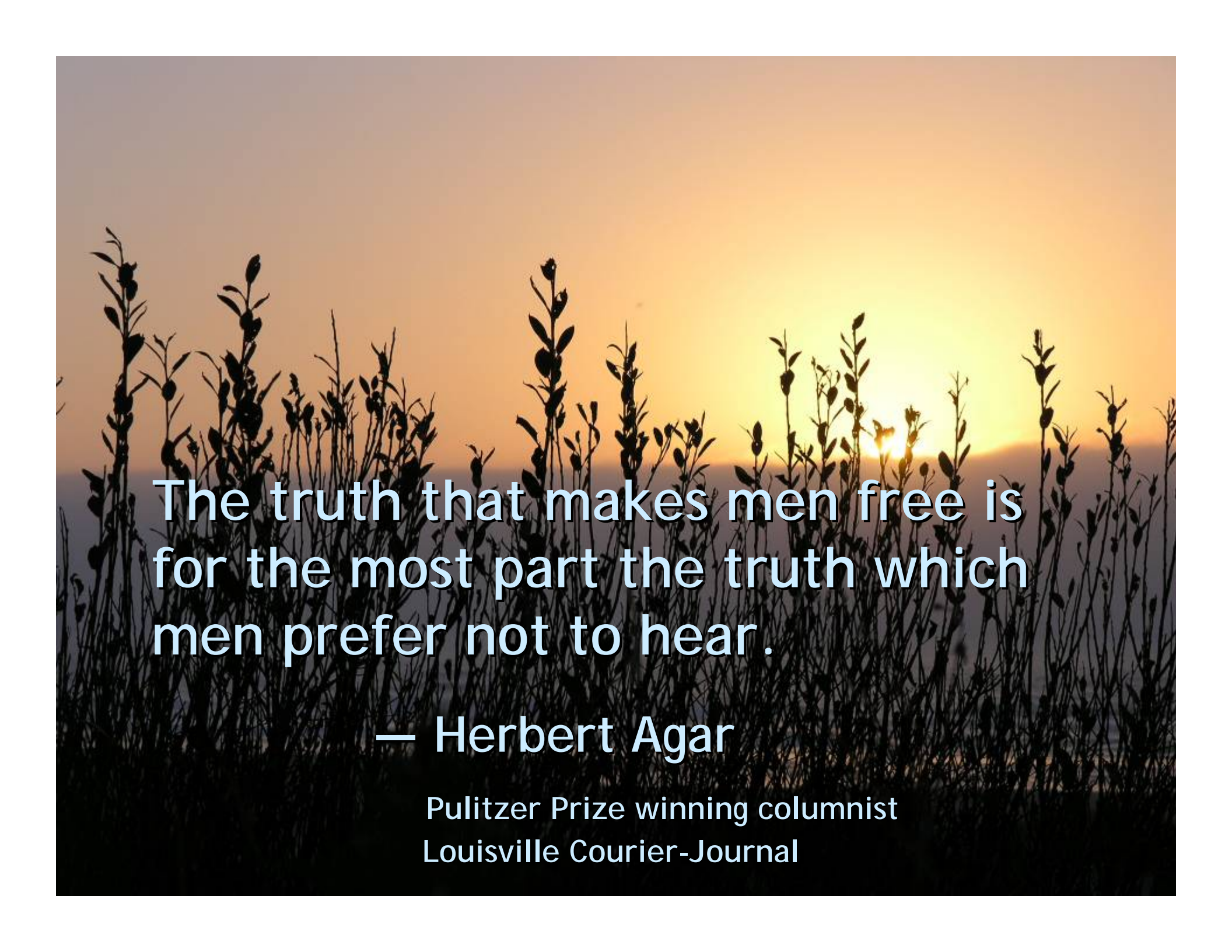
- When the organization's overt behaviors, systems, policies, rules, etc. are inconsistent or conflict with its espoused values, our task is to identify the underlying and often unstated organizational assumption or assumptions that are driving these behaviors.
- This "disconnect" is bad for the organization when it erodes the organization's ability to achieve its goals

Tacit Assumption Example

- **The Inconsistency:** Our organizational credo says that we value diverse perspectives when making decisions. In reality, only a few people are the decision makers and only a narrow range of perspective is sought and listened to. [A description of the espoused value and the actual cultural *artifact*.]

Tacit Assumption Example

- **The Underlying Assumption:** What we value most is rapid decision making by people with the greatest technical knowledge. Opinions offered by those without this technical knowledge aren't listened to and those who offer them aren't valued by the organization — until they earn their technical knowledge "stripes."

The image features a background of tall, thin grasses in silhouette against a bright, hazy sunset sky. The sun is positioned on the right side, creating a strong glow and casting long, dark shadows of the grasses across the frame. The overall mood is contemplative and serene.

The truth that makes men free is
for the most part the truth which
men prefer not to hear.

— Herbert Agar

Pulitzer Prize winning columnist
Louisville Courier-Journal



Quality is impossible if
people are afraid to tell the
truth.

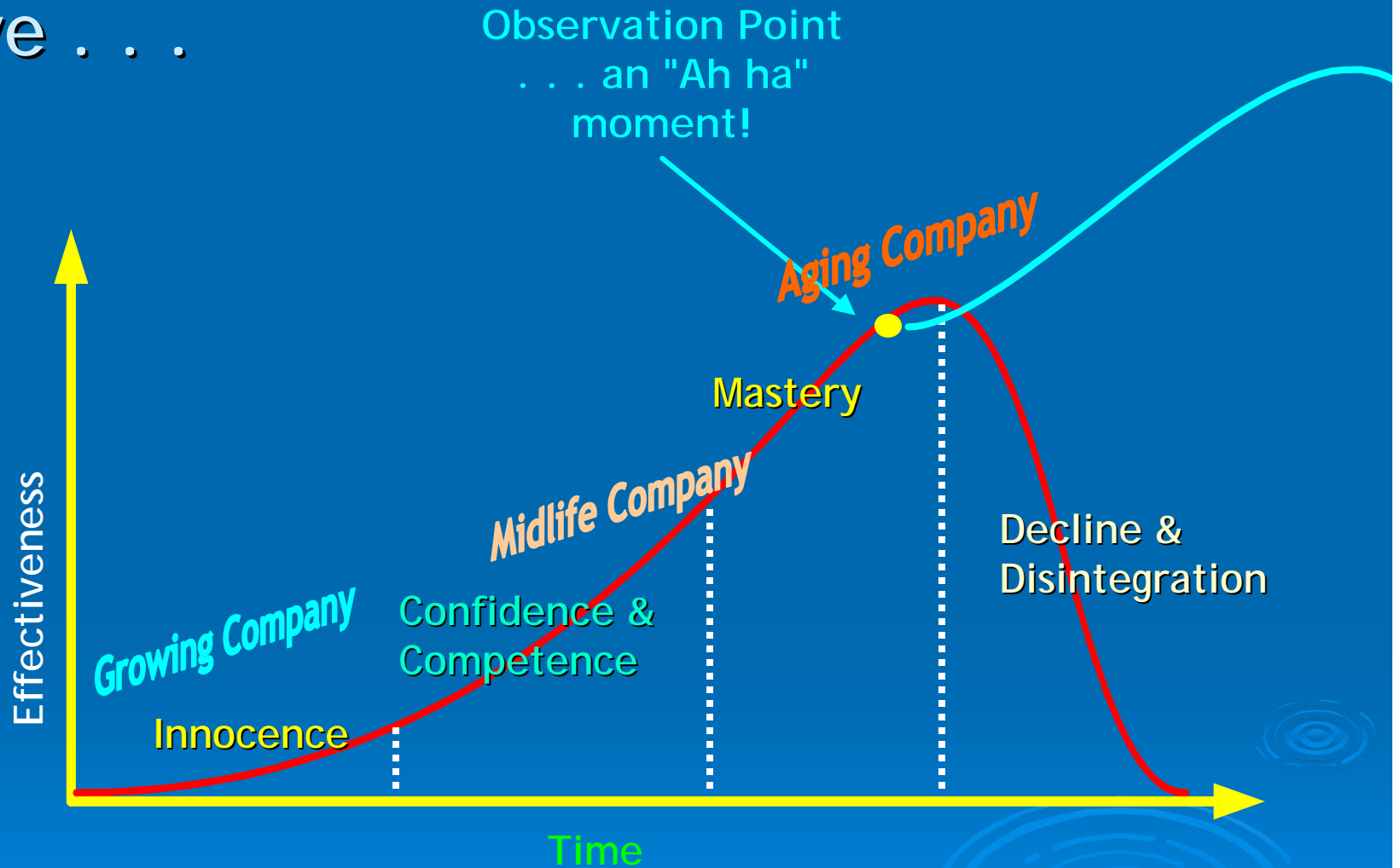
– W. Edwards Deming

Father of Quality Improvement movement
(b. 1900 - d. 1993)

A Proposed Process . . .

1. Define the business case . . .
2. Identify the cultural artifacts
3. Identify the espoused values
4. Compared the espoused values with their related artifacts
5. Identify inconsistencies and disconnects
6. Surface the underlying assumptions
7. Highlight the cultural strengths
8. Highlight potential cultural vulnerabilities
9. Develop your cultural response strategy

The Sigmoid Curve . . .



A sunset over a body of water. The sky is dark blue and grey, with a bright orange and yellow glow from the sun setting on the horizon. The water reflects the light from the sun, creating a shimmering path. The overall mood is serene and contemplative.

Creativity diminishes under the weight of big, thick leather binders.

— Planner at GE

Organizational Life-Cycle and the Degrees of Cultural Change

- **The Young and Growing Organization** – Developmental and evolutionary cultural change
- **The “Midlife” Organization** – Conscious efforts at transformational change; preserving some elements, changing others
- **The Aging Organization** – Revolutionary and radical change

20 Summary Principles

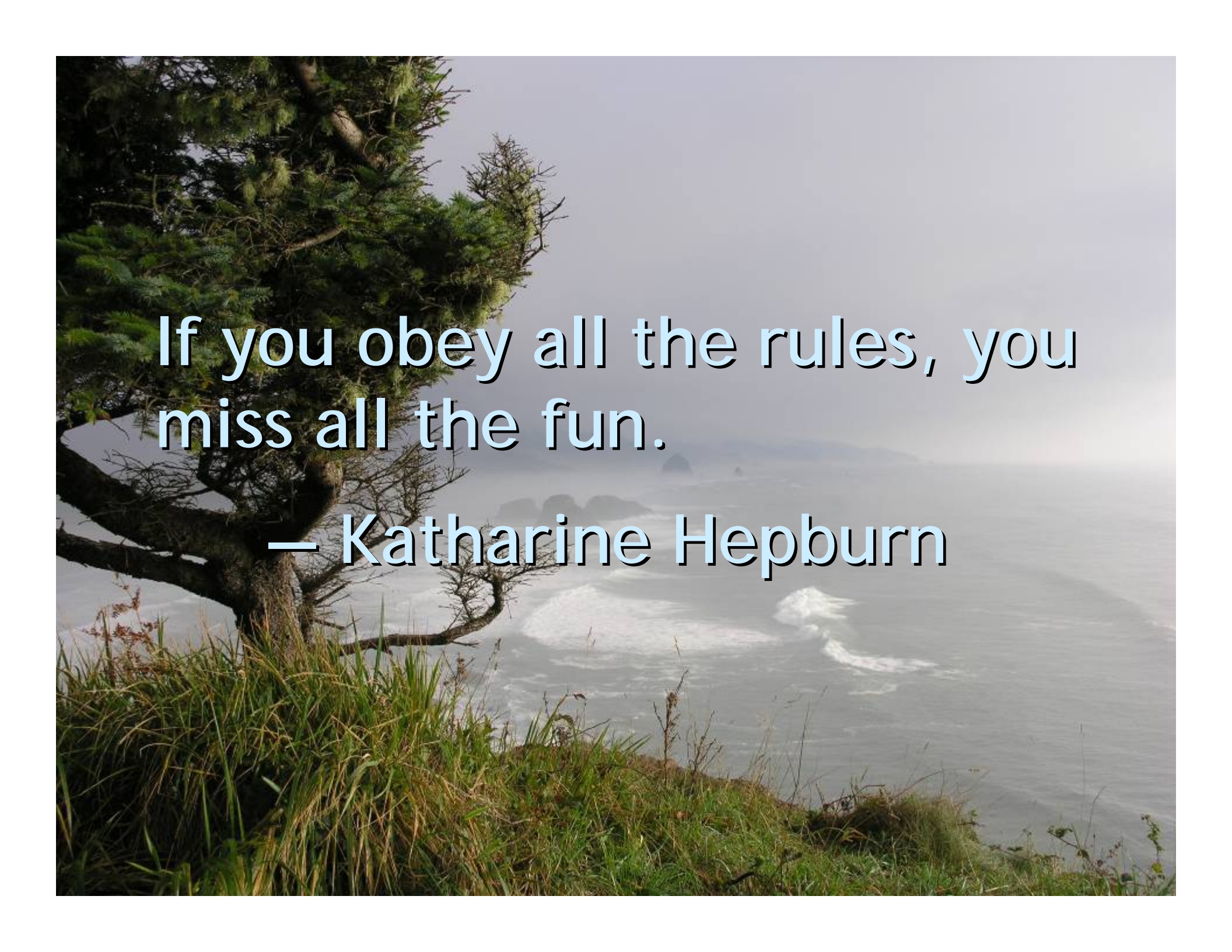
1. Culture is the set of **shared assumptions learned by a group** to help them deal with the external/internal demands
2. Culture influences **every aspect** of organizational life
3. Strength of culture emerges from the **“founder’s” vision/values**
4. The ways of **thinking and behavior that get results** become part of the culture
5. Culture is a product of **social learning**
6. Internalized cultural assumptions become **invisible**
7. Culture is **conservative, stable, and slow to change**

Changing Your Culture

8. You can't "create" a culture
9. A culture is healthy to the extent that the organization achieves its goals
10. As the environment changes, so should the tacit assumptions change
11. A superficial understanding of culture can be as dangerous as no understanding
12. You can not use a survey to assess culture
13. It is difficult for insiders to surface tacit assumptions (hard for a fish to see water)
14. All cultural change is transformational

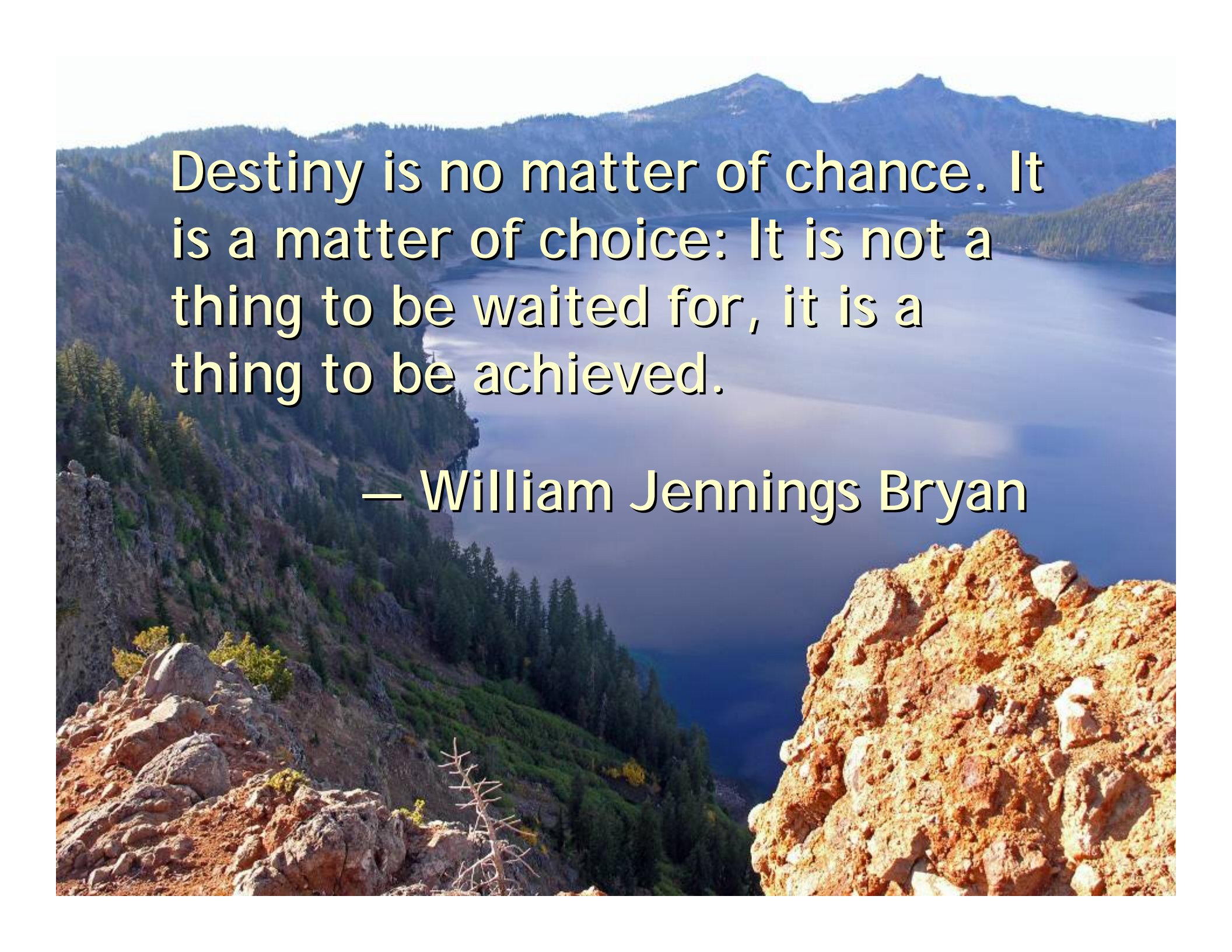
Changing Your Culture

15. Motivation for change (unlearn/relearn) comes from “**survival anxiety**”
16. Unlearning and learning something new creates “**learning anxiety**”
17. For cultural change to occur, **survival anxiety must be greater than learning anxiety** (focus on lowering learning anxiety)
18. Never start out with idea of changing a culture — focus on the **business challenge**
19. View your culture as a source of strength
20. If cultural change is required, identify and **build on cultural strengths** rather than focusing on cultural vulnerabilities

A scenic view of a coastline. In the foreground, a large, gnarled tree with dense green foliage stands on a grassy hillside. The background shows a vast ocean with white-capped waves crashing against a rocky shore. The sky is a pale, overcast blue.

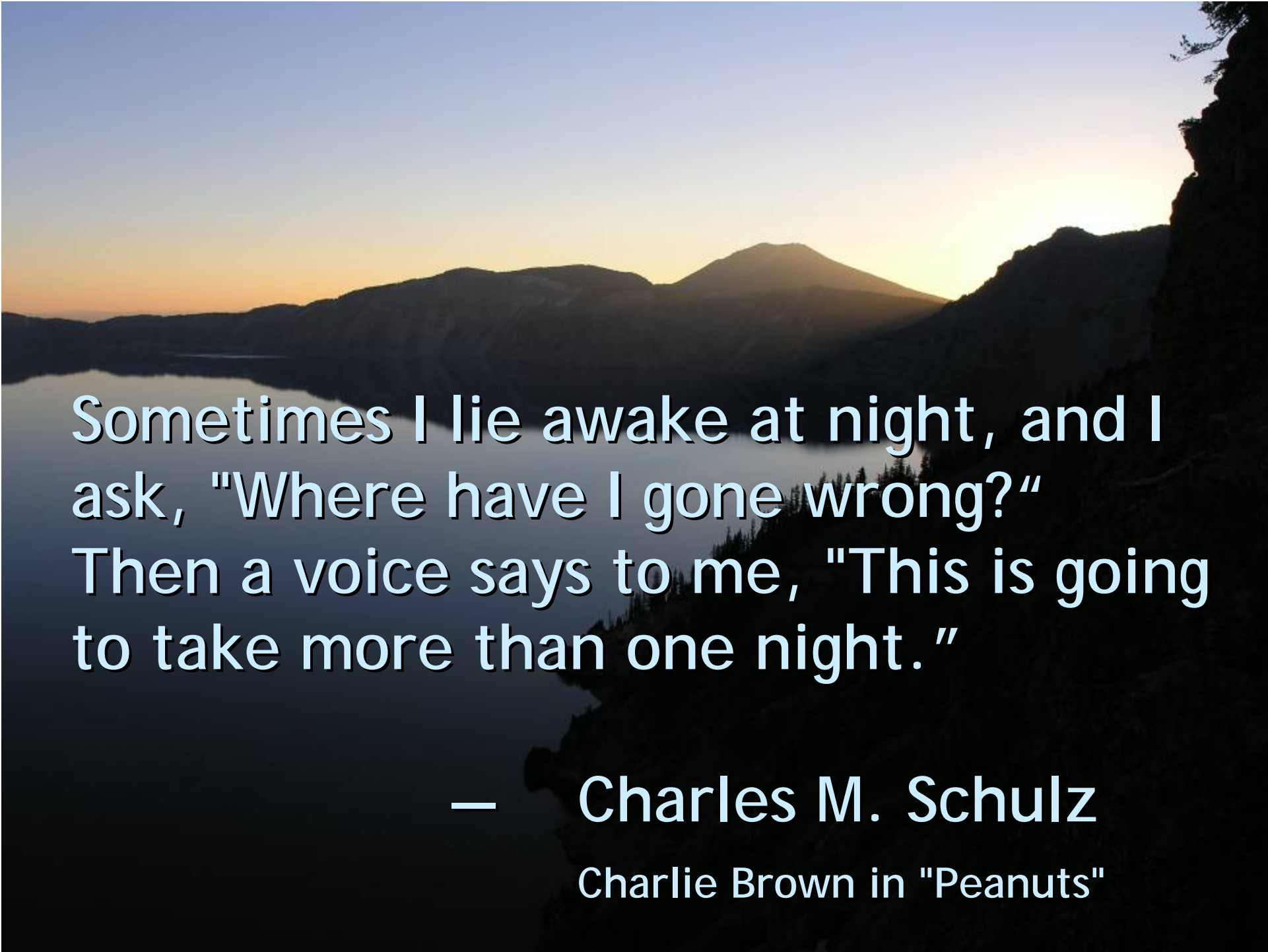
If you obey all the rules, you
miss all the fun.

— Katharine Hepburn



Destiny is no matter of chance. It is a matter of choice: It is not a thing to be waited for, it is a thing to be achieved.

— William Jennings Bryan



Sometimes I lie awake at night, and I
ask, "Where have I gone wrong?"
Then a voice says to me, "This is going
to take more than one night."

— Charles M. Schulz
Charlie Brown in "Peanuts"

Thank You!

Best of luck at understanding and *harnessing* the power at the heart of your organization – its culture

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