



Welcome to

Organizational Culture and Leadership:

*The quest for top
organizational performance*

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Full Course Outline

- ❖ Part I: The Basis (10 hours)
- ❖ Part II: The Action (20 hours)
- ❖ Part III: The Managers' Act (20 hours)
- ❖ Part IV: Wrapping Up (10 hours)

Organizational Culture and Leadership – Part I: The Basis **2**

Part I (The Basis) Outline

1. Introduction
2. Why does organizational culture matter?
3. Why people should learn about It?
4. What should we know about it?
5. What is organizational culture anyway?
6. What is organizational culture built on?
7. So how can you assess organizational culture?
8. What is Next?


Organizational Culture and Leadership:






The quest for top organizational performance

Instructor: Piotr S. Windyga, PhD

This course addresses the questions all managers (...and smart employees) need to ask:

- 1) What is Organizational Culture?
- 2) How does it affect success?
- 3) How can I assess it?
- 4) How can I change it?





From Mike Judge,
creator of "Beavis and Butt-head"

Office Space

Work sucks. DVD

The central poster for the movie "Office Space" is surrounded by a filmstrip border. On the left side of the border, from top to bottom, are posters for "Wall Street", "Pursuit of Happiness", "Trading Places", and "Dodgeball". On the right side, from top to bottom, are posters for "Working Girl", "The Edge", "Glen Ross", "The Firm", and "Dick Jane".

Organizational Culture and Leadership – Part I: The Basis



MICHAEL DOUGLAS CHARLIE SHEEN DARYL HANNAH

AN OLIVER STONE FILM

WALL STREET

20TH ANNIVERSARY EDITION

"GREED IS GOOD."
— Gordon Gekko

The central DVD cover for "Wall Street" is surrounded by a filmstrip border. On the left side of the border, from top to bottom, are posters for "Office Space", "Pursuit of Happiness", "Trading Places", and "Dodgeball". On the right side, from top to bottom, are posters for "Working Girl", "The Edge", "Glen Ross", "The Firm", and "Dick Jane".

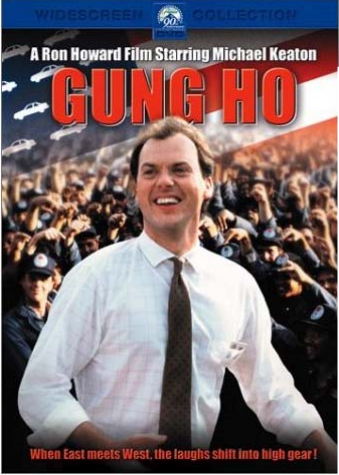
Organizational Culture and Leadership – Part I: The Basis

WIDESCREEN EDITION
WILL SMITH
the PURSUIT of HAPPYNESS
Inspired by a true story

Organizational Culture and Leadership – Part I: The Basis

"LOOKING GOOD, FEELING GOOD" EDITION
DAN AYKROYD EDDIE MURPHY
TRADING PLACES

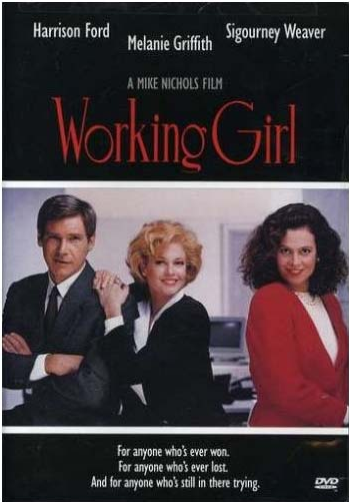
Organizational Culture and Leadership – Part I: The Basis



WIDESCREEN COLLECTION
A Ron Howard Film Starring Michael Keaton
GUNG HO
When East meets West, the laughs shift into high gear!

Office Space
Wall Street
Pursuit of Happiness
Trading Places
Working Girl
The Edge
Glen Ross
The Firm
Dick Jane

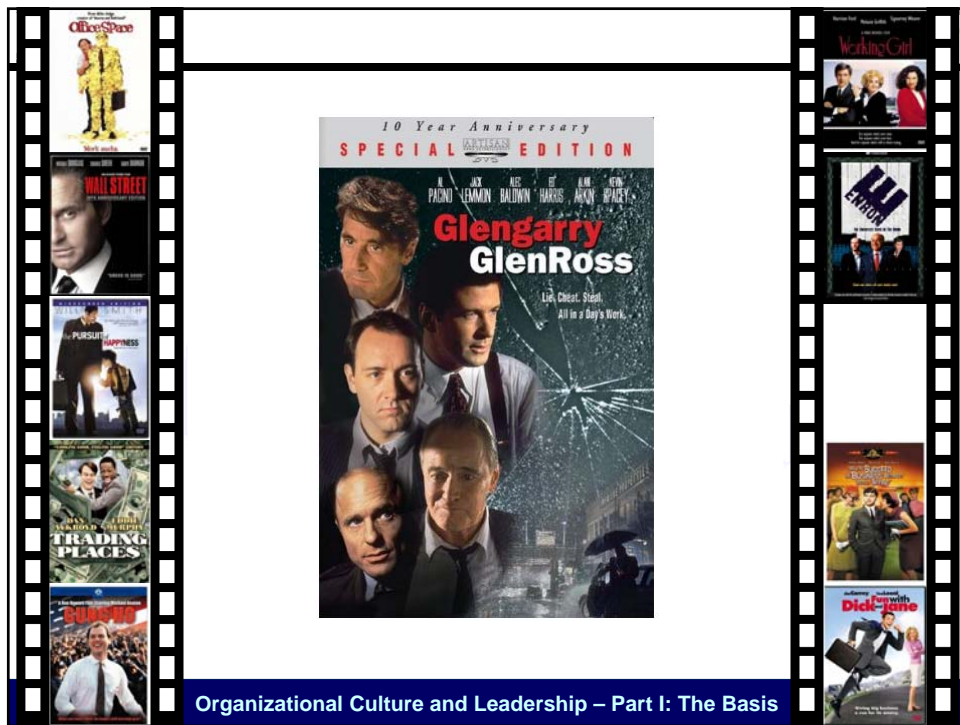
Organizational Culture and Leadership – Part I: The Basis



Harrison Ford Melanie Griffith Sigourney Weaver
A MIKE NICHOLS FILM
Working Girl
For anyone who's ever won.
For anyone who's ever lost.
And for anyone who's still in there trying.

Office Space
Wall Street
Pursuit of Happiness
Trading Places
Gung Ho
Working Girl
The Edge
Glen Ross
The Firm
Dick Jane

Organizational Culture and Leadership – Part I: The Basis



PHILIP ALBERTSON MICHAEL G. BOB VAUGHN

HOW TO SUCCEED
IN BUSINESS WITHOUT
REALLY TRYING

A film by ROBERT ALTMAN

CASTING BY JUDITH M. COSTUME DESIGNER HAIR AND MAKEUP PRODUCTION DESIGNER EXECUTIVE PRODUCERS PRODUCED BY WRITTEN BY DIRECTED BY

Organizational Culture and Leadership – Part I: The Basis

Jim Carrey Tea Leoni

Fun with
Dick and Jane

GIVING BIG BUSINESS
A RUN FOR ITS MONEY.

Organizational Culture and Leadership – Part I: The Basis

Introduction

Some facts

- ❑ A.k.a. *Corporate Culture*.
- ❑ Often mistakenly taken as *Organizational Climate* or *Organizational Behavior*.
- ❑ Once an ivory-tower topic for business scholars, and sociologist, Organizational Culture (OC) has become an issue of vital concern to (IT) managers, (IT) executives, and (IT) consultants on the front line of **change**.
- ❑ Why? ...stay tuned (I mean, awake!)

Why Does Organizational Culture Matter? (1/6)

OC does matter

- ❑ Decisions made without awareness of the operative OC forces may have unanticipated and undesirable consequences.
- ❑ The argument for taking OC seriously, therefore, is that one should anticipate consequences and make a choice about their desirability.

Why Does Organizational Culture Matter? (2/6)

Some OC “lessons”

- Atari
- Apple
- DEC
- Procter & Gamble
- Ciba-Geigy
- ENRON

Why Does Organizational Culture Matter? (3/6)

OC issues in mergers, acquisitions, and joint ventures

- When organizations that have developed their own cultures acquire each other, attempt to merge, or engage in various kinds of partnerships and joint ventures, the OC issue is more blatant and visible.
- There are three possible patterns:
 - a) Separate OCs
 - b) Dominant OC
 - c) Blended OC

Why Does Organizational Culture Matter? (4/6)

Start-ups, midlife, and old dinosaurs

- ❑ OC matters in different ways according to the stages of organizational evolution:
 - a) Young and growing
 - b) Midlife
 - c) Aging

Why Does Organizational Culture Matter? (5/6)

Where does OC reside?

- ❑ Culture is a property of a group; wherever a group has enough common experience, a culture begins to form.
- ❑ One find OCs at the level of:
 - Small teams, families, and workgroups.
 - Departments, functional groups, and other organizational units that have a common occupational core and common experience; OCs are found at every hierarchical level.
 - Whole organization if there is sufficient shared history.
 - Whole industry because of the shared occupational backgrounds of the people industrywide.
 - Regions and nations because of common language, ethnic background, religion, and shared experience.

Why Does Organizational Culture Matter? (6/6)

The bottom line

- ❑ Culture, in general, matters because it is a powerful, latent, and often unconscious set of forces that determine both our individual and collective behavior, ways of perceiving, thought patterns, and values.
- ❑ OC, in particular, matters because cultural elements determine strategy, goals, and modes of operating; the values and thought patterns of leaders and senior managers are partially determined by their own cultural backgrounds and their shared experience.
- ❑ If we want to make organizations more efficient and effective, then we must understand the role that OC plays in organizational life.

Why engineers should learn about it?

The need for “soft” skills

- ❑ IT has been the catalyst for the new source of economic wealth during the current economic period called the *Information Age*.
- ❑ The successful implementation of ITs, usually resulting in great competitive advantages, greatly depends on understanding, handling, and sometimes modifying, the OC of companies.
- ❑ Decisions made without awareness of the operative OC forces may have unanticipated and undesirable consequences.

What should we know about it?

The questions managers most often ask

- What is it?
- Why is important?
- How can I assess it?
- How can I change it?

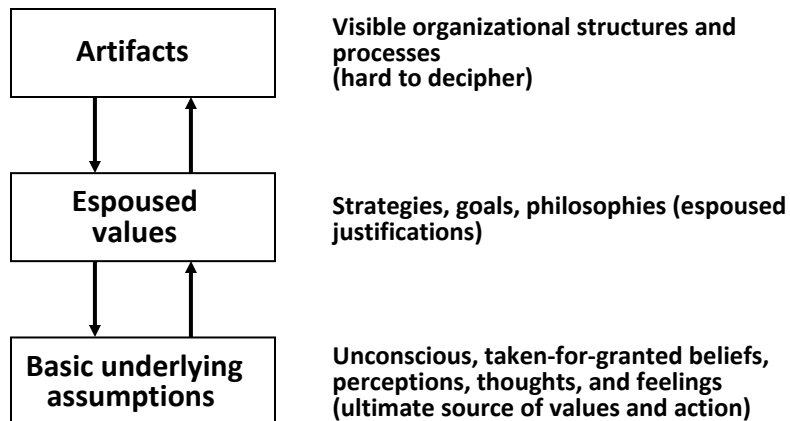
What is Organizational Culture Anyway? (1/8)

Some risky oversimplifications

- “The way we do things around here.”
- “The rites and rituals of our company.”
- “The company climate.”
- “The reward system.”
- “Our basic values,” and so on.
- These are all manifestations of the OC, but none is OC at the level where OC matters.

What is Organizational Culture Anyway? (2/8)

Three levels of culture



What is Organizational Culture Anyway? (3/8)

Level one: Artifacts

- ❑ Easily observable.
- ❑ Some examples:
 - Dress code (e.g., formal vs. informal)
 - Meetings patterns (e.g., open vs. closed doors)
 - Perceived activity intensity (fast-paced vs. slow movement)
- ❑ At this level OC is very clear and has immediate emotional impact, but you don't really know why the members of the organization are behaving as they do and why each organization is constructed as it is.

What is Organizational Culture Anyway? (4/8)

Level two: Espoused values

- ❑ Insiders are needed to explain their organization to you.
- ❑ Some examples:
 - Integrity, teamwork, customer orientation, product quality, etc.
 - Decision making mechanisms.
 - Reward, promotional, and incentive systems.
- ❑ Inconsistencies tell you that a deeper level of thought and perception is driving the overt behavior.
- ❑ The deeper level may or may not be consistent with the values and principles that are espoused by the organization.

What is Organizational Culture Anyway? (5/8)

Level three: Shared tacit assumptions

- ❑ You have to think historically about the organization: what were the values, beliefs, and assumptions of the founders and key leaders that made it successful?
- ❑ Tacit assumptions about the nature of the world and how to succeed in it; *e.g.*: nature of reality and truth.
- ❑ Resulted from a joint learning process; they became shared and taken for granted only as the new members of the organization realize that the beliefs, values, and assumptions of the founders led to organizational success and so must be “right;” *e.g.*: “one must always argue things out.”

What is Organizational Culture Anyway? (6/8)

Implications of taking OC seriously

- ❑ You realize that OC is so stable and difficult to change because it represents the accumulated learning of a group –the ways of thinking, feeling, and perceiving the world that have made the group successful.
- ❑ You realize that the important parts of OC are essentially invisible.
- ❑ You realize that there is no right or wrong OC, no better or worse OC, except in relation to what the organization is trying to do and what the environment in which it is operating allows.

What is Organizational Culture Anyway? (7/8)

So, what is OC?

- ❑ What really OC 's essence, really, is the learned shared, tacit assumptions on which people base their daily behavior.
- ❑ It results in what is popularly thought of as “the way we do things around here,” but even the employees in the organization cannot, without help, reconstruct the assumptions on which daily behavior rests.
- ❑ If you really want to understand the OC, you must have a system thinking process involving systematic observation and talking to insiders to help make the tacit assumptions explicit.

What is Organizational Culture Anyway? (8/8)

The bottom line

- ❑ The multilevel concept of OC makes it clear that OC is a complex concept that must be analyzed at every level before it can be understood.
- ❑ The biggest risk in working with OC is to oversimplify it and miss several basic facets that matter:
 - OC is deep.
 - OC is broad.
 - OC is stable.

What is Organizational Culture Built on? (1/10)

The popular view

- ❑ The most common view is that OC is about human relations in the organization.
- ❑ Most questionnaires that purport to assess OC deal with such issues as communication, teamwork, superior-subordinate relationships, the degree of autonomy or empowerment that employees feel, and the level of innovation or creativity that they display.
- ❑ These views of OC are correct but dangerously narrow; cultural assumptions in organizations do grow around how people in the organization relate to each other, but that is only a fraction of what OC covers.

What is Organizational Culture Built on? (2/10)

A more realistic view of OC content

- ❑ OC is the sum total of *all the shared, taken-for-granted assumptions that a group has learned throughout its history*; it is the residue of success.
- ❑ OC assumptions involve not only the internal workings of the organization but, more important, how the organization views itself in relation to its various environments.
- ❑ To survive and grow, every organization must develop viable assumptions about what to do and how to do it.
- ❑ Key issues: response to environment and integration.

What is Organizational Culture Built on? (3/10)

Part I: Surviving in the external environment (1/2)

- ❑ External survival issues:
 - Purpose: mission, goals, and objectives.
 - Means: structure, strategy (hopefully from systems thinking), and processes.
 - Measurement: error-detection and correction systems.
- ❑ We tend to think that we can separate strategy from OC, but we fail to notice that in most organizations strategic thinking is deeply colored by tacit assumptions about who they are and what their mission is.

What is Organizational Culture Built on? (4/10)

Part I: Surviving in the external environment (2/2)

- ❑ The degree to which the structure is adapted to the task to be performed, and the nature of the environment in which the organization operates, create the shared tacit assumptions about how to organize.
- ❑ For most business organizations, financial performance is the primary error-detecting mechanism, but cultural assumptions dominate what kind of information is gathered and how it is interpreted.

What is Organizational Culture Built on? (5/10)

Part II: Integrating the human organization (1/2)

- ❑ Internal integration issues
 - Common language and concepts.
 - Group boundaries and identity: Who is in and who is out?
 - Authority and relationships.
 - Definition of status.

What is Organizational Culture Built on? (6/10)

Part II: Integrating the human organization (2/2)

- ❑ One reason it takes time before one can become productive in a new organization is because so many of the norms, ways of working, and ways of thinking are unique to that organization and have to be learned by trial and error.
- ❑ Closely connected to authority relationships are assumptions about how open and personal relationships should be in the organization.
- ❑ One of the most difficult tasks facing the newcomer in an organization is to decipher the reward-and-status system.

What is Organizational Culture Built on? (7/10)

Part III: Deeper underlying assumptions (1/3)

- ❑ Deeper underlying assumptions about:
 - Human relationship to nature.
 - Nature of reality and truth.
 - Human nature.
 - Human relationships.
 - Time and space.
- ❑ National cultures, in which the organization operates, are embedded in the OCs.

What is Organizational Culture Built on? (8/10)

Part III: Deeper underlying assumptions (2/3)

- ❑ Cultures differ in their belief whether humans should have a dominant, symbiotic, or passive relationship to the natural environment.
- ❑ Cultures differ in the degree to which they assume that human nature is basically good or basically evil, and in the degree to which they assume that human nature is fixed or can be changed; a further important variation among cultures is the degree to which it is assumed that human nature is fixed or malleable.

What is Organizational Culture Built on? (9/10)

Part III: Deeper underlying assumptions (3/3)

- ❑ Organizations mirror the society in the extent to which they emphasize company loyalty and commitment versus individual freedom and autonomy.
- ❑ In every culture, we grow up with beliefs and assumptions about when to take something as real and true; in a highly moralistic society, reality is often defined by the common moral code, whereas in a highly pragmatic society one ends up with some equivalent of the rule of law.
- ❑ Cultural assumptions about time and space are the hardest to decipher yet the most decisive in determining how comfortable we feel in any given environment.

What is Organizational Culture Built on? (10/10)

The bottom line

- ❑ Culture covers all aspects of human functioning.
- ❑ Culture influences how you think, feel, and act, and it provides meaning and predictability in your daily life.
- ❑ Don't take OC lightly, and don't think glibly about changing it; you, yourself, might not like the consequences of those changes.
- ❑ If things don't go right, if your organization is not achieving goals, or you think you can do better, then you do need to get in touch with the deeper OC assumptions that are driving you.

So How Can You Assess Organizational Culture? (1/8)

Why assess it?

- ❑ OC assessment comes into play when an organization identifies problems in how it operates, or as a part of a strategic self-assessment relating to merger, acquisition, joint venture, or partnership.
- ❑ Focus on concrete areas of improvement, or else the OC assessment may seem pointless and stale.

So How Can You Assess Organizational Culture? (2/8)

Why surveys do not work and cannot measure OC

- ❑ There are several reasons why OC questionnaires do not reveals OC assumptions -and why, in fact, they cannot do so:
 - You don't know what to ask and cannot judge the reliability and validity of the responses.
 - "Climate" may be confused with OC.
 - Asking individuals about a shared phenomenon is inefficient, and possibly invalid.
 - The things employees complain about may not be changeable because they are embedded in the OC.

So How Can You Assess Organizational Culture? (3/8)

How to get your own culture

- ❑ Question: Am I a unique personality, or just an example of a culture?
- ❑ Answer: You are unique, the product of your own genetic makeup and particular experience of growing up, ...but in the process of growing up, you also become a member of cultural units that leave their residue in your personality and mental outlook.

So How Can You Assess Organizational Culture? (4/8)

Deciphering your company's OC in seven "easy" steps

- 1) Define the "business problem."
- 2) Review the concept of OC.
- 3) Identify artifacts.
- 4) Identify your organization's espoused values.
- 5) Compare the espoused values with the artifacts in the same areas.
- 6) (Repeat the process with one or more other groups.)
- 7) Assess the shared assumptions.

So How Can You Assess Organizational Culture? (5/8)

Some categories for identifying artifacts

- Dress codes.
- Level of formality in authority relationships.
- Working hours.
- Meetings (how often, how run, timing).
- Communications: How do you learn stuff?
- Social events.
- Jargon, uniforms, identity symbols.
- Rites and rituals.

So How Can You Assess Organizational Culture? (6/8)

Do you need an outside consultant to do the assessment?

- ❑ The group that is deciphering the OC needs a facilitator who understands the concept of OC, and who is not a member of the group or department doing the OC self-study.
- ❑ This can be an outside consultant, but it does not have to be.
- ❑ Many organizations have internal organization development professionals who can play the outsider role effectively.

So How Can You Assess Organizational Culture? (7/8)

The bottom line (1/2)

- ❑ OC can be assessed by means of individual and group interview processes, in as little as half a day, ...or take many months.
- ❑ OC cannot be assessed by means of surveys or questionnaires.
- ❑ OC assessment is of little value unless it is tied to some organizational problem or issue.
- ❑ The assessment process should first identify OC assumptions and then assess them in terms of whether they are strengths or constraints on what the organization is trying to do.

So How Can You Assess Organizational Culture? (8/8)

The bottom line (2/2)

- ❑ In any OC assessment process, one should be sensitive to the presence of subcultures and prepared to do separate assessments of them to determine their relevance to what the organization is trying to do.
- ❑ OC can “always” be described and assessed at the levels of artifacts, espoused values, and shared tacit assumptions.

What is coming up?

Theory applications

- ❑ **Part II: The action**
 - Creation/evolution/change in start-up companies
 - Transformative change: unlearning/relearning
 - Organizational culture dynamics in the mature company
- ❑ **Part III: The managers’ act**
 - How OCs are created
 - Leadership’s control on OC creation
- ❑ **Part IV: Wrapping up**
 - When OCs meet: acquisitions, mergers, joint ventures, etc.
 - OC realities for the serious culture leader

Advertisement (1/3)

Other Windyga's courses (1/3)

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- ❑ **Organizational Culture and Leadership: The quest for top performance**
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