

How Leaders Can Optimize Organizational Culture

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Realigning processes and roles to fit a new organizational reality is daily work for leaders. Planning and implementing changes is a fundamental set of skills at which all leaders must excel to ensure their teams and functions are set up to do great work. This paper explores organizational culture, which is important to understand, consider and align when adjusting practices, projects and programs.

Improving an organization's success through aligning its culture became a popular focus of work in the 1980s. During this time, many behavioral science researchers acknowledged the power and importance of organizational culture. In the last twenty-five years, organization culture has become a frequent topic of discussion among a broad audience of leaders including operational managers and organization development, human resources, and training professionals. Culture is now a regular consideration – or it ought to be – during strategic planning sessions and throughout change management initiatives.

Changes that go against a work culture or that are initiated without regard to the culture are likely to fail whereas culture-consistent changes ensure better results while reinforcing the most important workplace values and beliefs. Sometimes it is the culture that needs to change to support a new reality. Determining how to change a culture without wrecking intrinsic motivation or losing top talent is a delicate matter, indeed. To begin examining this challenge, let's first establish a common definition of organizational culture.

What is an organization's culture?

Many definitions of organization culture can be found in behavioral sciences literature. A frequently cited definition comes from organization development pioneer Edgar Schein. In his book, *Organization Culture and Leadership*, Schein described culture as being deeper than behaviors and artifacts.

“I will argue that the term ‘culture’ should be reserved for the deeper level of basic assumptions and beliefs that are shared by members of an organization, that operate unconsciously, and that define in a basic ‘taken for granted’ fashion an organization's view of itself and its environment.”

Schein emphasized assumptions and beliefs while others see culture as a product of values. In *Culture's Consequences*, Geert Hofstede wrote, “I treat culture as ‘the collective programming of the mind which distinguishes the members of one human group from another.’ ... Culture, in this sense, includes systems of values; and values are among the building blocks of culture. Culture is to a human collectively what personality is to an individual.”

Beliefs and values are linked. What about understanding? In the article, “Organizations as Culture-Bearing Milieux,” Meryl Reis Louis wrote that, “any social group, to the extent that it is a distinctive unit, will have some degree of culture differing from that of other groups, a somewhat different set of common understandings around which action is organized, and these differences will find expression in a language whose nuances are peculiar to that group.” These three descriptions of organization culture find root in collectively held individual thinking processes.

In their piece titled, “The Role of Symbolic Management,” Caren Siehl and Joanne Martin argued that “culture consists of three components: context, forms, and strategies.” This description suggests a more systemic description of culture with both internal and external components. In *Riding the Waves of Culture*, Fons Trompenaars offers another systemic model and described three levels of culture; 1) the explicit layer made up of artifacts and products and other observable signs, 2) the middle layer of norms and values and 3) the implicit layer, which is comprised of basic assumptions and beliefs. In *Corporate Culture and Performance*, John Kotter and James Heskett acknowledge internal and external components of culture, too. They see organization culture as having “two levels, which differ in their visibility and resistance to change.” The invisible level is made up of shared values that tend to persist over time and are harder to change. The visible level of culture includes group behaviors and actions, which are easier to change.

Is it important, or even possible, to sort out these definitions and decide which is most accurate? Schein, for example, argued that artifacts and products “reflect the organization’s culture, but none of them is the essence of culture.” The differences and interconnectedness of assumptions, beliefs, understandings, and values could be studied further to determine which are more elemental to culture, but would that be time well spent? Which is most important, that a definition be right or that it be helpful? Although we cannot determine the right definition, each of these descriptions adds value to our approach to strengthening organization culture. Based on the work of these and other researchers, we could make the following conclusions about organization culture:

- Each company has a unique culture built and changed over time.
- Beliefs, assumptions, values and understandings and the actions and norms they produce are important components of culture.
- We recognize culture by observing actions and artifacts (explicit factors).
- While some call it a sub-culture and others a climate within the larger culture, there may be cultural differences within subgroups of an organization.
- Observable behaviors and actions are easier to change than are beliefs and values.
- The observable elements of culture affect the invisible elements and visa versa. Change in one cultural element will impact other elements.

Although not apparent in the above offered definitions, it is also important to consider how cultures external to the organization impact and affect the organization’s culture. For example, a silicon chip manufacturing plant in Portland, Oregon may employ workers from different cultures than would plants in New Mexico, South Carolina, or Delhi, India. A strong internal culture will be enriched by the employees’ diverse individual backgrounds.

Employees sense their organization’s culture soon after they join the company. They might have a hard time describing the culture, but they know it when they feel and see it. There may be similarities in particular industries or regions (start-ups are fast paced, high tech companies feel creative, Seattle-based companies are more relaxed), but each company will have unique cultural attributes.

How are organizational cultures formed and changed?

Organizational culture is socially constructed – it is created and changed through conversations. Each conversation makes meaning of observable actions and reinforces, builds upon, or challenges the current cultural norms and beliefs. The concept of social construction of organization culture is vital for leaders and offers them an opportunity and poses two challenges. The opportunity is that if you change the right conversations, you can change the culture for the better. The challenges you need to think about are that 1) if you don't change the conversations, the culture will not change and 2) conversations that do not support the desired changes will make progress doubly hard to achieve.

Edgar Shein believed that leaders – through their daily conversations - created and changed culture. Here is another quote from *Organization Culture and Leadership*:

“Organizational cultures are created by leaders, and one of the most decisive functions of leadership made well be the creation, the management, and – if and when that may become necessary – the destruction of culture.”

It is through conversations – talk, observed actions, listening, writing – that leaders manage, reinforce and create culture. Leadership is a social act and a leader's greatest tool for shaping culture is workplace communication.

Improving the Organization's Culture

A workplace culture can enable or hinder success. Leaders can impact the alignment of the culture with the company's mission and strategies. How? Culture is socially constructed and leaders need to initiate great conversations that tie cultural norms to the organization's goals. If the current culture is not in alignment with the new reality, leaders need to be the catalysts, or bridges, who create a new understanding and help individuals select new behaviors and, eventually, beliefs. Leaders must also define, clarify and reinforce understanding of the actions and beliefs that build the desired culture.

The organizational culture is particularly important when implementing organization-wide change. Many organizations are struggling to keep up – they layer new initiatives onto the work processes before previous initiatives have taken hold. A culture can either enable or be a barrier to nonstop changes. If the culture is nimble (in the habit of being realigned), change will be more fluid and effective. Most large-scale changes need to be supported by complementary changes in the organization's culture. Change plans, then, should address current and desired cultural elements. Leaders can play a key role in facilitating change by aligning projects and development efforts to reinforce the desired culture.

Here are a set of questions you can use to assess and improve the alignment of projects and programs to better support the desired culture:

1. What are the desired cultural elements for this organization? How are each presented, explained and reinforced in communication and actions?
 - a. In what ways should you change your managerial regimens and messages to better present, explain, and reinforce the desired culture?
2. In what ways do your communication tools and practices help build your team's skills for participating in conversations about goals, changes, and barriers they face?
 - a. What can you do to better build your team's capabilities for participating in transformative conversations?

3. How well does the overall look and feel – the experience – of your function or department model desired cultural elements?
 - a. What improvements could you make to your immediate workplace to better model the desired organization culture?
4. How current are your messages and departmental metrics – do they reflect the coming changes and help prepare your team for new ways of working?
 - a. What can you do to stay abreast of major change initiatives and help prepare your team for these changes?
5. How many types of developmental conversations occur in your organization?
 - a. How can you create a cultural of learning that goes beyond traditional classroom training?

A Culture of Continuous Learning – Key to Improving Organizational Culture

Many organizations say they want to build a learning culture. What does this mean? Generally, what they are saying is that they want people to grow and be receptive to changes and willing to take on new tasks. A culture of continuous learning goes deeper than this, although these behaviors are certainly important. Employees value continuous self-development and choose to make learning a priority in the face of competing demands. Leaders, also, match their intention to seek coaching and development with the attention they give learning each day and week. A culture of continuous learning develops when there is a collective understanding of the importance of personal and team growth backed up by actions a resolve to inject learning into everyday work practices.

Cultures of continuous learning tend to be more nimble, which means that they are easier to align and realign when new goals or new realities change how an organization must conduct its work. Resistance to changes – on an organizational level – is more common when team members are unaccustomed to learning and relearning new tasks, projects, and processes. Here are several important indicators of a culture of continuous learning:

- People are curious and adventurous. They value mental exploration. Most people are naturally curious. To what degree does the work environment encourage people to be curious and adventurous *at work*?
- Team members are allowed and encouraged to experiment. It is safe to venture outside of established practices and explore (within limits). Can employees try new ways and approaches?
- The work environment is stimulating – it is sensual. The sights, sounds, smells, and textures are interesting and engaging.
- Employees at all levels seek and embrace learning in a variety of forms. This is the most telling clue. What level of participation is there in development opportunities? Are executives active learners?
- There is a healthy view of failure and mistakes. Employees are held accountable, but productive recovery is also rewarded and mistakes are looked at as learning experiences.
- The workplace is intrinsically rewarding. When employees are self-motivated, they seek learning and development.
- The organization is proactive about succession. Talent is developed and promoted.
- The organization has a focus on innovation – in all functions and at all levels.
- The organization embraces omnimodal learning and communication – in-person, over the web, virtual, formal, informal, one-on-one, group, as part of regular meetings, separate courses, on site, off site, etc...

How does your work environment stack up to this list? Managers and leaders can help build these conditions by engaging team members in a diverse set of learning opportunities. Being a role model for lifelong learning is important, too. Leaders need to practice what they preach and find ways to fit professional growth into their busy schedules.

Here is a worksheet you can use to determine affective and aligned actions that will help improve the nimbleness of your organizational culture through reinforcing the importance of ongoing learning.

Learning Culture Element	To Reinforce and Build this Element	Your Action Items
People are curious	Offer diverse perspectives. Encourage questions. Foster conversations about the missions and goals.	
There is a sense of adventure	Increase the edginess of work conversations. Ask people to consider and discuss new concepts. Design suspense and exploration into the work.	
Experimentation is encouraged	Carve out time for testing and trials. Use simulations and roll-plays. Pilot new ideas.	
Conversations are provocative and evocative	Ask and encourage questions and allow time for discussions to deepen. Ask the questions that others hesitate to pose.	
Learning is embraced at all levels	Be a model learner. Encourage formal and informal learning. Seek and participate in a variety of learning tools that enable daily development.	
Failure is a learning experience	Facilitate debriefing sessions to help develop effective conversation skills regarding failures and setbacks. Build testing, trying and failing into the work.	
Work place is intrinsically rewarding	Resist the desire to provide extrinsic rewards for too many tasks/programs. Offer team members projects and training that appeals to and enlivens their intrinsic motivation.	
Succession of talent is a value	Work with HR and senior management to create and implement targeted development plans for high potential employees. Coach your team members to help them grow and prepare for their next position.	
Environment values innovation	Offer training for team members that will help them tap into their creativity. Facilitate innovation meetings.	
Learning occurs in many ways	Offer a variety of ways that employees can engage in learning. Let them make choices about their development and support their interests with coaching.	

The organization's culture is like a rudder under a large ship. To turn the ship, the rudder must move in the right direction. A nimble culture can help organizations explore and be successful while moving to meet new goals and seize new opportunities. Like an inoperable rudder, if the culture does not move, or moves in the wrong direction, it is hard for the organization to progress. Mahatma Gandhi once said, "You must be the change you wish to see in the world." Every leader and manager should model the desired culture – and his or her actions should reinforce excellence. What does this mean?

Be the Culture

The effectiveness of leaders, and collectively, the management team, will mirror the health and success of the organization. But here's the rub - if you and your fellow managers are not modeling the desired culture, you will not be able to realign the culture and you will not achieve your goals.

What are the specific actions and conversations that the management team ought to model? Most organizations seek some or all of the following organizational culture characteristics:

- High level of mutual respect, trust and care for each other.
- Productive collaboration coupled with an ability to divide and conquer.
- Comfort with candor and sharing contrarian points of view.
- Shared sense of mission, vision, and values and a commitment for excellence.

How does your peer team stack up relative to how they model these characteristics? A healthy management team will catalyze and inspire similar conversations and behaviors throughout the organization. Yes, there can be and should be differences between individual leaders – in terms of style and functional focus – but many aspects of how the organization is managed ought to be consistent or your sub-cultures could become uncooperative.

Let's break the above board cultural goals into more specific management habits and conversations. Here is a list of indicators of a healthy management team based on commonly valued cultural elements. A healthy management team will support and create a healthy organization culture (one must be consistent with the other, starting with the management team).

- Each team member is committed to the success of each other member.
- Each team member is comfortable having other team members represent her/him.
- Team members share a fundamental good will toward each other.
- Team members feel a good will toward the organization.
- Team members don't stand by and watch another members make major mistakes.
- Team members feel able to influence each other.
- Leadership changes with the subject.
- Each team member believes that winning as a team is more important than personal or functional wins.
- The organizational vision is known and shared.
- The "model" of high performance is known and shared.
- Team members seek appropriate peer level and upward coaching.
- Team members express individual opinions, concerns, and ideas. Together, team members expect and support lively dialogue.
- Team members understand and embrace their overarching roles as guardians of long-term corporate culture and interests.

This is a very daunting list of characteristics and most management teams will perform well on some items and not on others. The goal, however, should be to excel in all these areas. Is this a tough goal? Perhaps. But your organization's culture is relying upon you and your peers to model the changes you seek.

In addition to these lofty management team goals, it is important to recognize several destructive behaviors that can wreck your organization's cultures, especially when they come from one or more managers. Here are several specific examples of conversations and behaviors that would not be consistent with the characteristics of a healthy management team culture:

- When managers bash and complain about each another. This is a particularly damaging habit when we speak ill of our peers and/or boss with other employees. It is also a sign of managerial immaturity.
- When managers avoid each other so as to prevent working with each other. Employees are not dumb and they pick up on the negative vibes that avoidance puts out.
- When managers compete (expressing positions) instead of collaborating (expressing interests).
- When managers pontificate impressive visions but fail to back these intentions up with aligned practices, measurements, and reinforcements.

Please do not participate in these harmful conversations or practice these poor management habits. To improve your organizational culture, it is important that all managers rise above ill will or feelings that will prevent them from becoming productive peer team members.

You are the Key to Optimizing Organizational Culture

This paper has highlighted two fundamental ways that leaders can build, improve, and align organizational culture. The first way is through building a culture of continuous learning. A nimble team will adjust and align to new goals, even when change seems nonstop.

The second way leaders and their peer teams can optimize organizational culture is through modeling and reinforcing desired behaviors and practices. You cannot expect your employees to be more responsive to changes than you are. You cannot expect your team members to be more engaged and collaborative than you and your peers seem together. You cannot expect your team members to value continuous growth if they do not see you doing the same. Conversely, a healthy management team will be a driver for a healthy culture.

Conversations create reality. We make sense of our workplace through how we talk about it. Give your employees the best chance for building resilience and acceptance to changes by nurturing and modeling a culture that is aligned with your goals and intentions. Ensure that your messages reinforce and clarify excellence. If your actions and words are consistent and aligned, they will change how employees perceive expectations and eventually, will change outdated or unhelpful beliefs and values.

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