

## A BRIEF GUIDE FOR MANAGERS WORKING WITH ORGANIZATIONAL CULTURE

The following thoughts are not intended to be either an exhaustive or an academic exploration of organizational culture, but rather a short summary for managers of the key aspects related to working with organizational culture<sup>1</sup>.

### **1. *Organizational culture is the sum of the individual behaviors of all employees***

Perhaps the most fundamental point about organizational culture is that organizational culture is not a thing, say, like a factory or the company's travel policy that are visible and can therefore easily be worked on. In a nutshell, organizational culture *is* behavior; "it" is not a thing, but a constant, fluid activity all members of the organization are involved in at any moment. Therefore, organizations cannot not have a culture. Every organization has a culture, however consistent or inconsistent it might be. What we call *organizational culture* is simply the sum of the individual behaviors of all members of the organization. Organizational culture, or more precisely, behavioral patterns are always the result of people's attempts to address the issues, problems and challenges they and the organization have been and are facing.

### **2. *Only if all employees behave congruently with the organization's objectives can these objectives be achieved***

The generic purpose of any organization is to create value for its stakeholder by mobilizing and aligning its resources (most of which are human) towards specific objectives. Only if the organization's employees (i.e. everyone employed by and working for the organization from the receptionist to the CEO) collectively and consistently behave in ways that are congruent with the

---

<sup>1</sup> In writing this piece I was greatly inspired and guided by the excellent interview with Edgar Schein, Professor Emeritus at MIT's Sloan School of Management and one of the leading experts on organizational culture, called "Culture Fundamentals – 9 Important Insights from Edgar Schein" published on CultureUniversity.com; March 3, 2014.

organization's objective, say, of being superbly customer-oriented, will the organization achieve that particular objective. However, very often this congruence and consistency is missing.

Sometimes the behavioral patterns that have emerged over time and used to be successful in dealing with the organization's issues are no longer working (well) because the organization's environment has changed and adapted and/or new behaviors are required. At other times the organization is adopting policies, procedures and systems that generate unproductive, inconsistent or incongruent behaviors. If, for instance, an organization needs strong end-to-end cooperation across internal functional boundaries, but only rewards individual achievements, it is unlikely to make much progress in developing outstanding collaborative behavior.

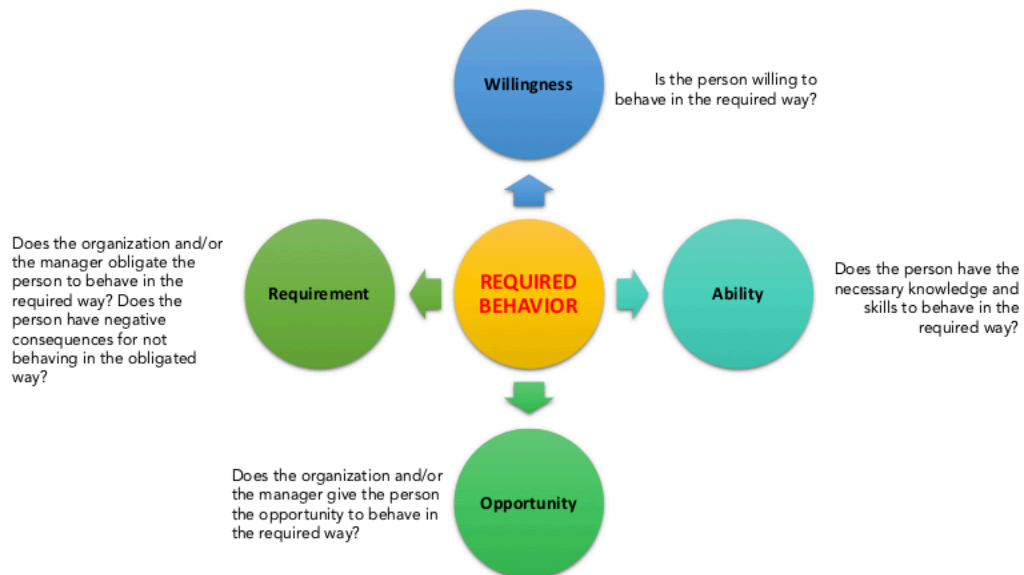
### **3. Do not focus on changing culture; focus on solving a business issue or problem**

The single biggest mistake in working on organizational culture is working on organizational culture. Identifying and espoused, generic target behaviors (e.g. "We will be more... innovative, customer-centric, and agile") does not achieve anything. Dr. W. Edwards Deming observed already more than 30 years ago that "Slogans are a way to say you care about (...) [something] without actually demonstrating you care. To improve results the system needs to be improved. Slapping up a slogan doesn't improve the system. Normally all a slogan does is result in blaming people for not delivering what the slogan promises." (Out of the Crisis, 1986).

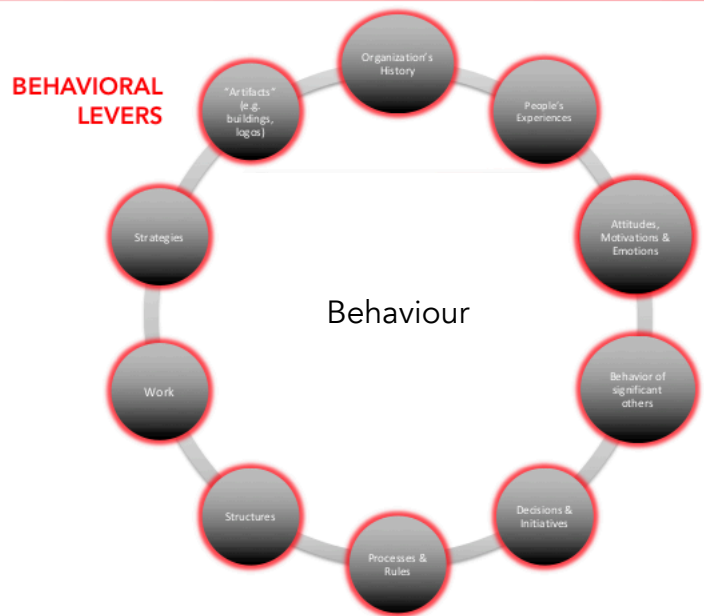
Let's recap. Culture is not a thing, but behaviors. Behaviors are always context-specific and -dependent. Therefore, it is essential to first of all identify what specific business issue or problem where exactly in the organization needs to be addressed. Only then can the involved stakeholders identify and agree on what exactly needs to be done about the issue/problem. This analysis needs to include if and which exact behaviors who exactly needs to continue, stop or starting doing, and/or do more or less of. Only then can the stakeholders think about and agree on how this might be achieved (incl. what behavioral experiments need to be conducted and/or which behavioral levers need to be used in support).

#### 4. The factors influencing employees' behavior need to support the required organizational behaviors

Behavior does not take place in a vacuum but is directly and indirectly influenced by a variety of different factors; some internal to the person, some external. The graphic below shows the four general factors that need to be considered in thinking about people's behavior. If, for instance, someone is unwilling to behave in the required ways, no amount of skills training will be useful. Or if someone is both willing and able to behave in the required way, but is not given the opportunity to do so by her or his superior, no amount of additional training will solve the problem.



After having considered the four general factors influencing behavior, let's look at the more specific factors we call *behavioral levers*. For instance, the layout of factories and offices influences people's behavior, so does their motivation, their job descriptions, other people, decision procedures, incentive schemes, their knowledge & skills, work processes, IT-systems and so forth. So, when considering people's behavior one also needs to identify and understand the more specific factors that influence someone's behavior. The main behavioral levers are shown in the graphic below.



This means that in maintaining and /or in (further) developing individual and collective behaviors these factors and their mix are of paramount importance and managers need to carefully consider if and how each single factor and their mix encourages and supports (or hinders) the behaviors the organization needs to consistently show in order to address its challenges and achieve its objectives.

### **5. Behavior in organizations is influenced by how significant people behave in difficult situations**

As we have just seen, behavior is influenced by many diverse, non-human factors such as buildings, organizational structures, IT systems and so forth. Therefore, one might think that the role model managers set is insignificant. However, it is not. We all observe, pay close attention to and follow (or not, as the case may be) others within our organizations whom we perceive as being significant in some way, perhaps due to their personality, knowledge, connections, or their hierarchical position. The attention we pay to and the associated meaning we make out of the behavior of these visible people is particularly high and significant when we see how they behave in difficult, controversial or uncertain situations... and possibly do not display behaviors that are congruent with the organization's objectives or espoused intentions.

We always have impact on others. In fact, we cannot not have impact. Whatever we do, don't do, say, write, wear, walk down the hallway and so forth impacts others in some way. However, in order to achieve the positive role model and multiplier impact managers need to have, they have to be self-aware and self-regulated in each moment. Consequently, the first crucial step for managers towards improving the quality, consistency and congruence of their own behavior is to treat it as a personal craft.

Most managers, however, seem to believe that by simply accumulating leadership experience they will automatically learn, develop, and improve. There is no doubt that through the accumulation of leadership experiences one does develop a certain level of proficiency. However, to become really good at anything, accumulating experience is necessary, but by far not sufficient. Developing a disciplined habit of conscious, reflective and professional practice is essential. All really good actors, athletes, musicians, painters, writers, saddle and watchmakers hone their particular craft constantly and consciously. For them, there is absolutely no substitute for daily practice and for getting feedback from others regarding their practice in order to get better and better. Only if managers adopt this *craftsmen mind-set* will they be able to see, be able to experiment with and develop alternative, strategy- and intention-congruent ways of being. To borrow a quote from Michael Jordan, the ex-basketball player, "It's not about the shoes, it's about what you do in them."