Organizational Culture and Leadership

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January 5, 2007
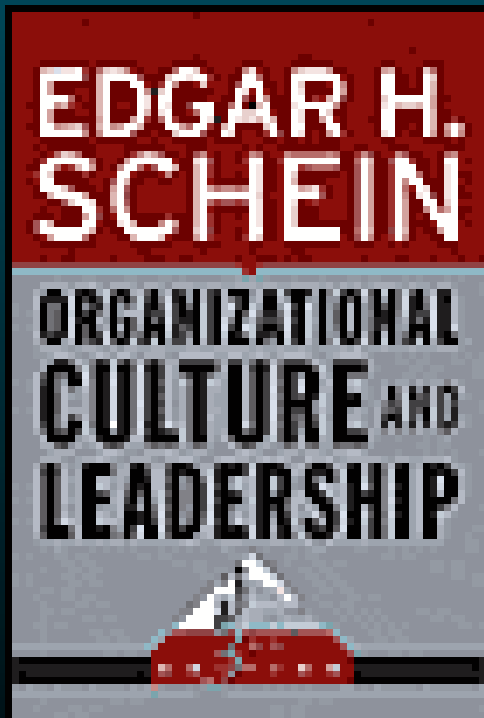
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Organizational Culture and Leadership

By Edgar H. Schein

- Master's in psychology
- Ph.D. in social psychology
- Chief of social psychology-Walter Reed Army Institute of Research
- Sloan School of Management at MIT
  - 1972- Became chairman of the Organization Studies Group at the Sloan School
- Consultation focusing on organizational culture and organization development
- Has worked with many major corporations, both in the United States and other countries

What is culture?

- "Culture is both a dynamic phenomena that surrounds us at all times, being constantly enacted and created by our interactions with others and shaped by leadership behavior, and a set of structures, routines, rules, and norms that guide and constrain behavior"

- "Leadership and culture are two sides of the same coin"

Culture

"Culture is to the organization as character is to the individual"

Group norms

Habits of thinking

Shared meanings

Formal philosophy

Observed behavioral regularities when people interact

Formal rituals and celebrations

Espoused values

Climate

Rules of the game

Embedded skills

Levels of Culture

Artifacts — Visible organizational structures and processes

Espoused Beliefs and Values — Strategies, goals, philosophies

Underlying Assumptions — Unconscious beliefs, perceptions, thoughts, and feelings

Cultural Formation

- Leader creates ideas and understandings

- Common vision and action

- Actions lead to success, and are proven "right"

- Assumptions are created
  - These are taken for granted; not conscious
  - Nonnegotiable

Group Formation

- Group Formation
  - Leaders develop
  - Behavioral norms develop
- Group Building
  - Consensus is created
  - Member differences are not valued
- Group Work
  - Individuality is embraced
  - Frees up emotional energy for work
- Group Maturity
 - Culture is established; the group has experiences that are shared

Group Formation

- New members cannot focus on their primary task if they are insecure about their membership in the group
- As one moves farther "into" a group, he or she becomes privy to some of the more secret assumptions of the group

Group Formation

- "Every group, organization, and occupation develops norms around the distribution of influence, authority, and power. If those norms work in the sense of providing a system that gets external tasks done and leaves members in the group reasonably free of anxiety, the norms gradually become shared tacit assumptions and critical genetic elements in the cultural DNA"
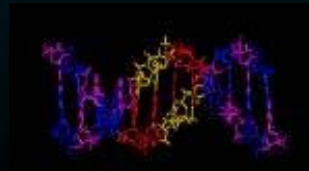
Cultural Analysis

- "Examining the shared assumptions in the organization or group one is dealing with and comparing them to one's own- takes one into cultural analysis"

- Very important not to impart too much of one's own culture and preconceptions

Cultural Analysis

- Must be careful when collecting data since people may:
  - Exaggerate in order to impress or to release tension
  - Resist or hide data because they are frightened or defensive
- Clinical model of analysis assumes:
  - One can only fully understand a human system by trying to change it
  - It is not possible to study a human system without intervening in it
- Risks involved include:
  - The analysis of the culture could be incorrect
  - The organization might not be ready to receive feedback about its culture

Cultural Analysis

- "Unless an organization's personnel recognize a real need to change, unless they feel psychologically safe enough to examine data about the organization, they will not be able to hear the cultural truths that inquiry may have revealed, or, worse, they may lose self-esteem because some of their myths or ideals about themselves may be destroyed by the analysis"

Cultural Assessment

1. Obtaining leadership commitment
2. Selecting groups for interviews
3. Selecting an appropriate setting for the group interviews
4. Explaining the purpose of the group meeting
5. A short lecture on how to think about culture
6. Eliciting descriptions of the artifacts
7. Identifying espoused values
8. Identifying shared tacit assumptions
9. Identifying cultural aids and hinderances
    - Positive and negative cultural aspects
    - Draw on strengths of culture
10. Reporting assumptions and joint analysis

Culture in Organizations

- "Only as consensus is reached...leading to solutions that work repeatedly, can we begin to think of the goals of an organization as potential cultural elements.'
  - For evaluation, must agree on what to measure and how to measure it

- Organizations can have subcultures
  - Various departments, administrators vs. teachers

Culture in Organizations

- A common language must be developed
  - If not, there will be the inability to determine:
    - Success or failure?
    - What is fact, what is fiction?
    - What is important?
    - What needs attention?

Do I understand this information? Can I use it?

"Little Jack Horner sat in a corner, eating . . . What's a corner?"

Culture in Organizations

- Assumptions about time
  - Monochronic (teacher) and polychronic (administrator) time
- Assumptions about space
- Assumptions about human nature
  - Theory X vs. Theory Y
  - Current theory
    - One must be prepared for human variability
    - People will adapt to assumptions that are held about them

Culture in Organizations

- Assumptions about human relationships
  - Identity and role
    - Who am I supposed to be in this group and what will be my role?
  - Power and influence
    - Will my needs for influence and control be met?
  - Needs and goals
    - Will the group's goals allow me to meet my own needs?
  - Acceptance and intimacy
    - Will I be accepted, respected, and loved in this group? How close will our relationships be?

Is the Culture Good or Bad?

- Look at ability of group to:
  - Survive in and adapt to its external environment
  - Integrate its internal processes to ensure the capacity to continue to survive and adapt

- Evaluate based on core mission of organization

Change Process

- "Leadership is now the ability to step outside the culture that created the leader and to start evolutionary change processes that are more adaptive"
  - Leadership- can create and change cultures
  - Management- acts within cultures

Changing Culture

- The goal should not be to change culture for its own sake
- The goal should be to address issues that are causing problems or issues within the organization
- This may or may not change the culture

- "All human systems attempt to maintain equilibrium...coping, growth, and survival. All involve maintaining the integrity of the system in the face of a changing environment that is constantly causing varying degrees of disequilibrium."
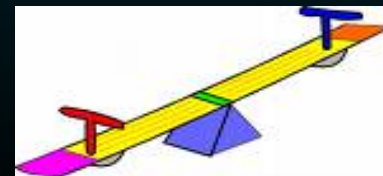
Transformative Organizational Change

- Unfreezing/Disconfirmation

- Cognitive Restructuring

- Refreezing

Transformative Organizational Change
Unfreezing/Disconfirmation

Creating a motivation to change by:
1) Enough disconfirming data to cause serious discomfort and disequilibrium
2) The connection of the disconfirming data to important goals and ideals, causing anxiety and/or guilt
3) Enough psychological safety
   Being able to learn without losing identity or integrity
      Must unlearn as well as learn something new (transformative)

Transformative Organizational Change
Unfreezing/Disconfirmation

- In some cases, disconfirming data have existed for a long time
  - Have not been used because of the lack of psychological safety
    - Repressed data or denied validity of data
- A new leader can offer psychological safety that can encourage change
  - Can deal with the learning anxiety that is created
- "...some sense of threat, crisis, or dissatisfaction must be present before enough motivation is present to start the process of unlearning and relearning."

Transformative Organizational Change

Creating Psychological Safety

1) A compelling positive vision
2) Formal training
3) Involvement of the learner
4) Informal training of relevant "family" groups and teams
5) Practice fields, coaches, and feedback
6) Positive role models
7) Support groups in which learning problems can be aired and discussed
8) A reward and discipline system and organizational structures that are consistent with the new way of thinking and working

Transformative Organizational Change
Cognitive Restructuring

- "Behavior change can be coerced, but it will not last once the coercive force is lifted unless cognitive redefinition has preceded or accompanied it."
- Learning new concepts or new meanings for old concepts
- Learner can learn through:
  - Imitation and identification
    - May revert to old behavior
  - Trial-and-error
    - Learn things that really fit into our personality
- "Involvement of the learner does not imply that the learner has a choice about the ultimate goals, but does imply that he or she has a choice of the means to get there."

Transformative Organizational Change

Refreezing

- Confirming data is presented
- If data continues to prove new method "right" it will be incorporated and internalized as an assumption

Changing Culture

- Promotion of insiders whose own assumptions are adapted to environmental influences

- "Because they are insiders, they accept much of the cultural core and have credibility. But, because of their personalities, their life experiences, or the subculture in which their career developed, they hold assumptions that are to varying degrees different from the basic paradigm and thus can move the organization gradually into new ways of thinking and acting."

Changing Culture

- Can be influenced by scandals and disasters
  - Whistle-blowing
  - Enron
  - School district scandals
- A leader needs to be open to this type of information, and even encourage it

Changing Culture

- "The human mind needs cognitive stability; therefore, any challenge or questioning of a basic assumption will release anxiety and defensiveness."

- "If people are treated consistently in terms of certain basic assumptions, they come eventually to behave according to those assumptions in order to make their world stable and predictable."

Two Case Studies

- Digital Equipment Corporation (DEC)

- Ciba-Geigy Company

Summary

- Culture is "a pattern of shared basic assumptions that was learned by a group 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 to perceive, think, and feel in relation to those problems"

- "If we understand culture better we will better understand ourselves- better understand the forces acting within us that define who we are, that reflect the groups with which we identify and to which we want to belong"

Summary

- Author thought of himself as a process consultant and not as an expert on how groups should work

- "The most important lesson for me is the realization that culture is deep, pervasive, complex, patterned, and morally neutral...I had to overcome my own cultural prejudices about the right and wrong way to do things, and to learn that culture simply exists."

Summary

- "Leaders do not have a choice about whether or not to communicate, only about how much to manage what they communicate"

- "Building an effective organization is ultimately a matter of meshing the different subcultures by encouraging the evolution of common goals, common language, and common procedures for solving problems."

Summary

- "Vision only helps when the organization has already been disconfirmed and members feel anxious and in need of a solution. Much of what the learning leader must do occurs before vision even becomes relevant."

- "Cultural understanding and cultural learning starts with self-insight."

Summary

- "Organizations and their leaders will have to become perpetual learners."
- World is becoming different, more complex, more fast-paced, and more culturally diverse
- Organizations must:
    - Be proactive
    - Possess a learning culture
    - Provide time for analysis and feedback
    - Be committed to truth
    - Be oriented toward the future
    - Possess open communication