

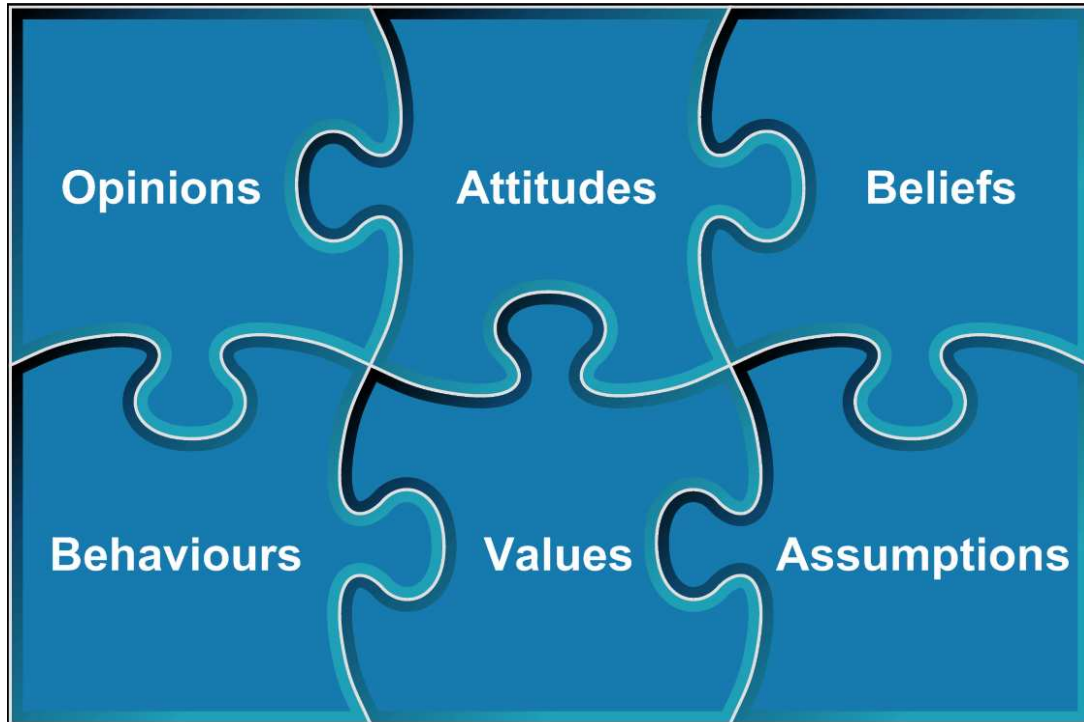
Introduction to Culture

A People & Culture White Paper

Defining 'Culture'

"Organisational culture is not just another piece of the puzzle, it is the puzzle."

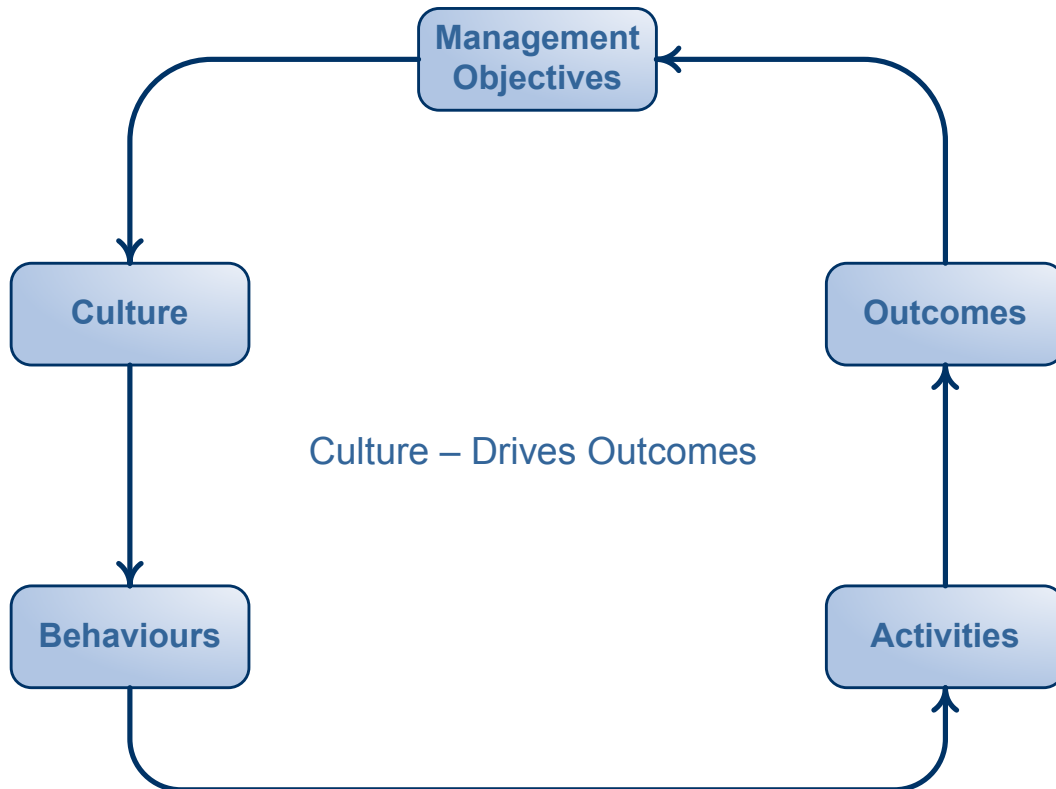
Alvesson 1993



Culture is a complex conceptual area for managers and leaders to understand. Even commentators and academics differ in their view as to what exactly culture is...

- ◆ "The way things are done around here"
- ◆ Specific collection of values and norms that are shared by people and groups in an organisation that control the way they interact with each other and stakeholders
- ◆ A complex set of attitudes, beliefs, values, opinions, rules of behaviour, ideologies, habitual responses, language, rituals, quirks and other characteristics of a particular group
- ◆ An unconscious set of collective beliefs and assumptions steering values and through them the artefacts and actions of an organisation
- ◆ The deeper level of basic assumptions and beliefs that are shared by members of an organisation, that operate subconsciously and define in a 'taken for granted' fashion an organisation's view of itself and its environment

However we define it, culture is vitally important to an organisation since it shapes everything an organisation does.

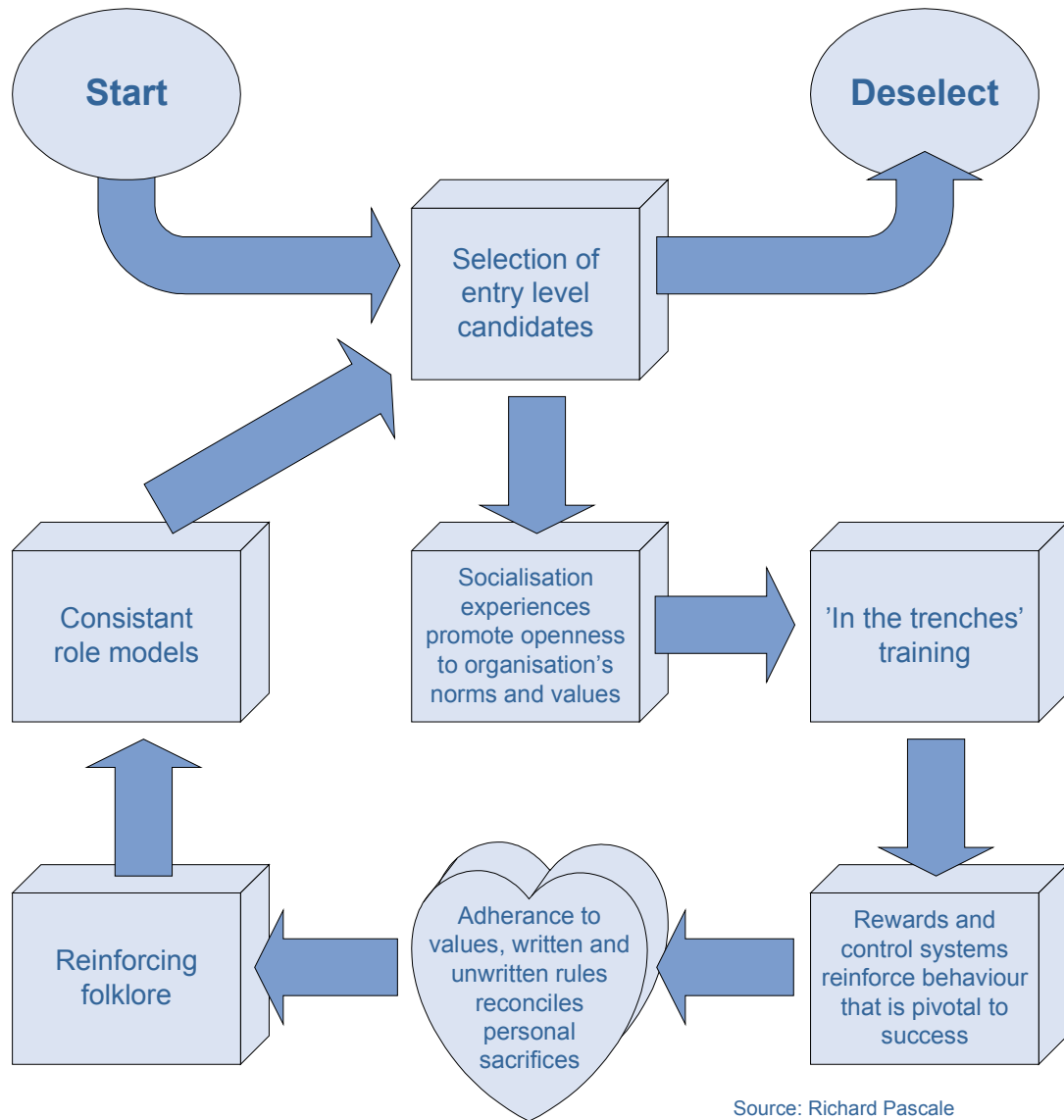


There is an inextricable link between culture and performance. **Companies that cultivate their cultures have a competitive edge.**

Organisational culture has a number of important characteristics. None of these by themselves represents the culture of an organisation, however collectively they can reflect an organisation's culture:

- ◆ **Observed behavioural regularities.** When organisational participants interact with each other they use a common language, terminology and rituals related to deference and demeanour.
- ◆ **Norms.** Standards of behaviour exist, typically learned through observing others.
- ◆ **Dominant Values.** These are the major values the organisation advocates and expects participants to use.
- ◆ **Philosophy.** The policies that govern how employees and customers are to be treated.
- ◆ **Rules.** The written or unwritten guidelines about how to get along in the organisation. Newcomers have to learn these 'ropes' to get accepted into the organisation.
- ◆ **Climate.** The overall 'feeling' that is conveyed by the way participants interact with themselves or third parties such as suppliers or customers.

Organisational cultures self-perpetuate through a process of socialisation:



Source: Richard Pascale
'The Paradox of Corporate Culture'

A Question of Values

“During periods of great change, whether organizational, technological, environmental, legal, or even ethical, having stated values can guide us through the turbulent "white water" that we meet, whether individually or organisationally”

*CDR Patrick Kelly and Dr. John Gibson
US Coast Guard Academy*

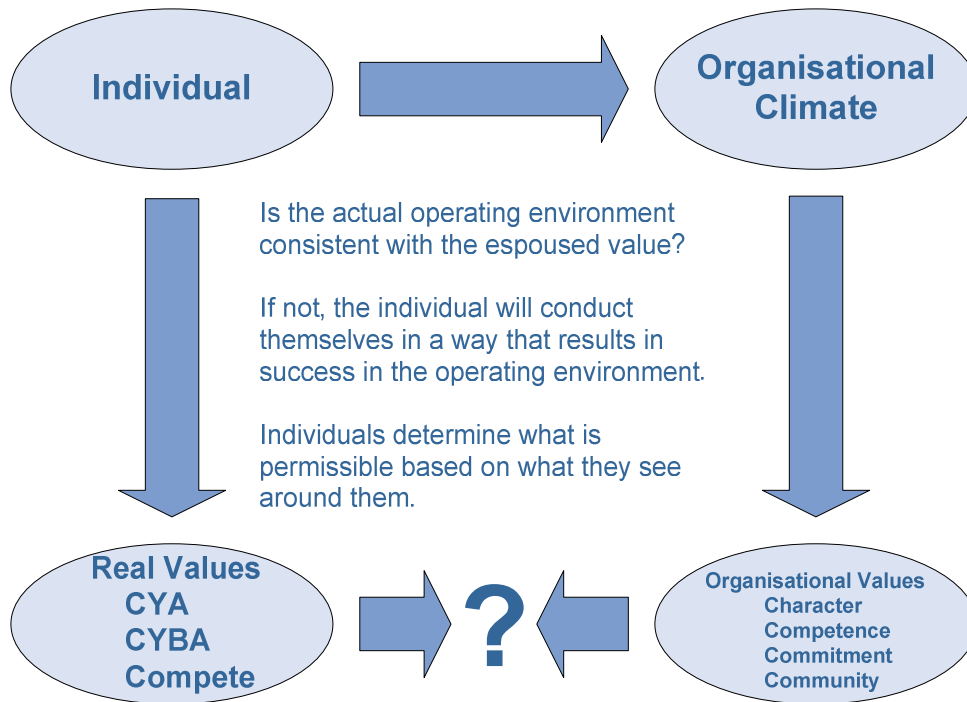
“Our efforts to inculcate core values is failing because as an institution we have lost the ability to set a proper example at every level of the chain of command, those below are losing faith in those above. Without this trust, loyalty is impossible. We are left with slogans and lesson plans, the dry shells of concepts that should be the life blood of our organisation.”

*US Marine Corps Matthew Jones
Naval Institute Proceedings 1997*

Core values provide organisational expectations and become important navigational aids that guide successful conduct.

Beliefs	Philosophy of how we should be	e.g. People are of inherent worth
Values	How do we want to operate with each other? What is really important to us?	e.g. Value the contribution of individuals
Rules	Make the beliefs and values achievable without codifying every decision or action that emerges in day to day operation	e.g. Honour the expertise and contribution of individuals
Patterns of behaviour	Desired behaviours practised as the norm. Can be measured and performance standards set	e.g. Make choices about developing staff and others Supervise in supportive and appreciative ways Provide helpful and productive feedback Policies and procedures reward contribution

When presented with new values and behaviours, people will find differences between their own values and behaviours and try to make sense of it.



Both explicit and implicit organisational values govern behaviour (e.g. protecting your boss's behind)

- ◆ What gets noticed and rewarded?
- ◆ What do people pay attention to?
- ◆ What would an outsider say the operating rules are?



Dominant Cultures and Subcultures

It is a common misconception that an organisation has a uniform culture. Organisations may have a dominant culture but are also amalgams of subcultures. There are two major factors that govern the strength of an organisation's dominant culture:

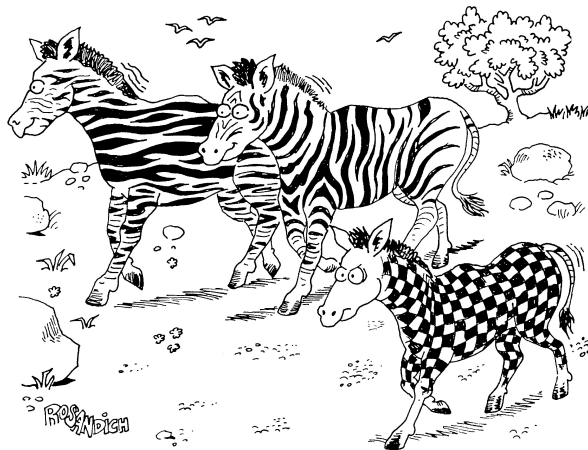
- ◆ **Sharedness.** The degree to which organisational members have the same core values
- ◆ **Intensity.** The degree of commitment of the organisation's members to the core values.

Many paradigms or models of organisational culture have been created. Typically, however, organisations are a hybrid of cultural profiles and do not fit neatly into any of them, although subcultures may.

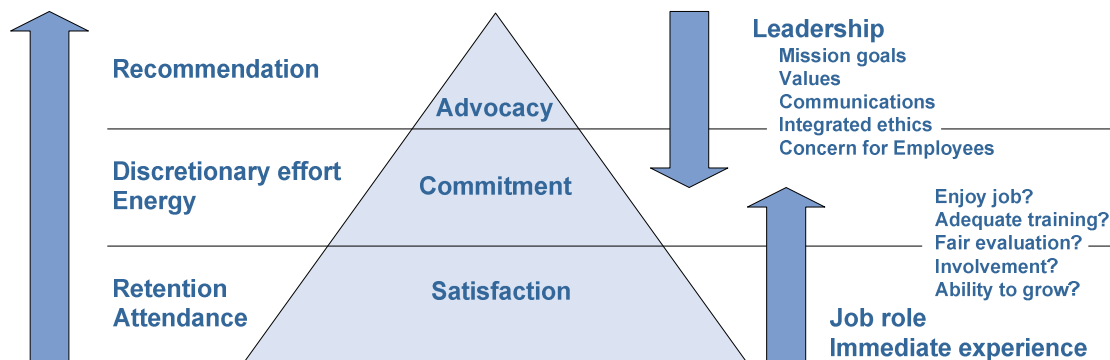
A subculture is a set of values shared by a minority of the organisation members. Subcultures typically are a result of problems or experiences shared by a department or unit.

Subcultures can be:

- ◆ Vertical. e.g. senior management vs. middle management or
- ◆ Functional. e.g. marketing vs. systems or
- ◆ Discipline related. e.g. engineering vs. sales.



The Link to Employee Engagement



The subject of employee engagement is dealt with more thoroughly in other White Papers. However the degree of engagement is relevant when considering culture.

Employee engagement is a diffuse concept that is defined in many various ways, however at its heart is the degree of attachment or the bond that people have to their organisation, and their internalisation of its core values.

Engaged employees care about their company and tend to expend more effort in helping it achieve its aims. However, many published surveys (Gallup, CIPD, BMRB etc.) have shows that in most organisations a relatively small number of employees are actually engaged.

The benefits of an engaged workforce for an organisation are manifold:

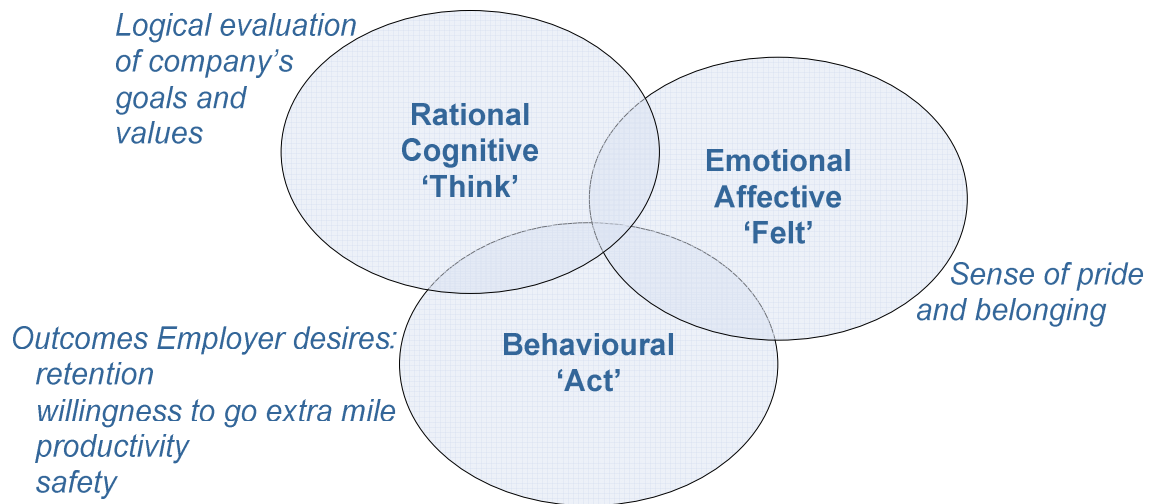
- ◆ They attract better quality staff
- ◆ They retain their people and spend less on recruitment
- ◆ They achieve less absenteeism and greater productivity
- ◆ The bond or affection for the company is likely to be transmitted beneficially to customers.

There are two approaches as to how employee engagement is best achieved. The first looks 'bottom up', at the employees' experience and satisfaction levels in their primary job. Do they receive adequate training? Is their performance reviewed fairly? Do they participate in decisions that affect them? And most importantly, do they enjoy what they do?

This level of engagement is governed by the employees' immediate managers and supervisors and has a strong influence on whether they wish to stay within the organisation or move on (commitment).

In contrast, the degree to which the employee is committed to the organisation's **future** success is determined by the 'top down' functioning of the organisation. Does it have a compelling mission? Does it care about its employees and customers? Does it operate with integrity?

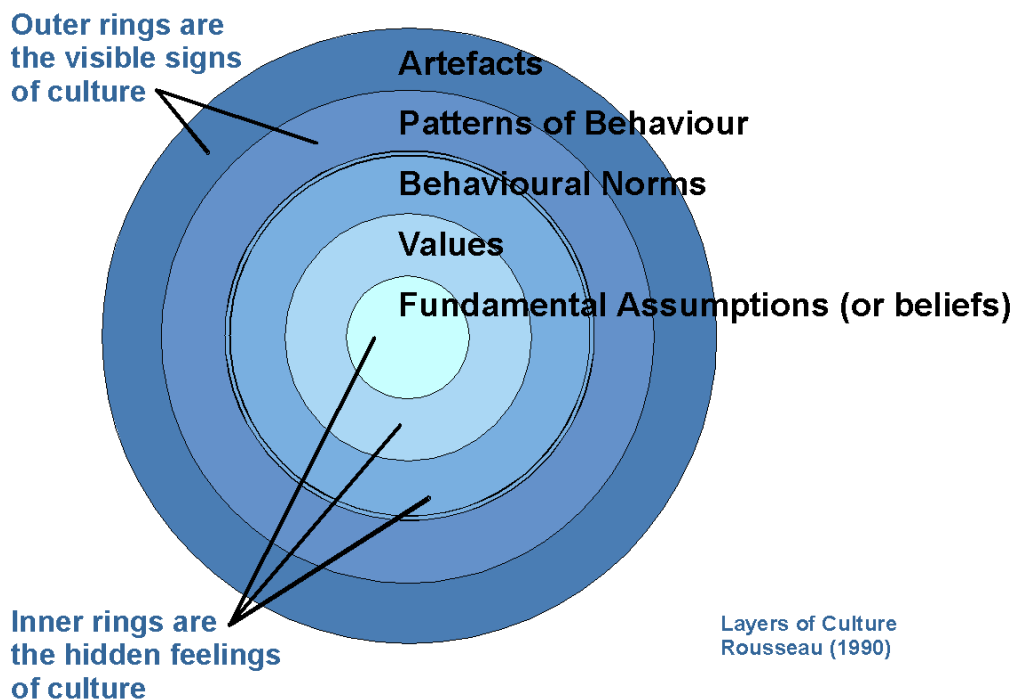
This level of engagement is driven by the behaviour of top-level leaders, and it is the outcomes of these behaviours that motivate employees to go the extra mile. :



Cultural Diagnosis

Culture is very difficult to measure:

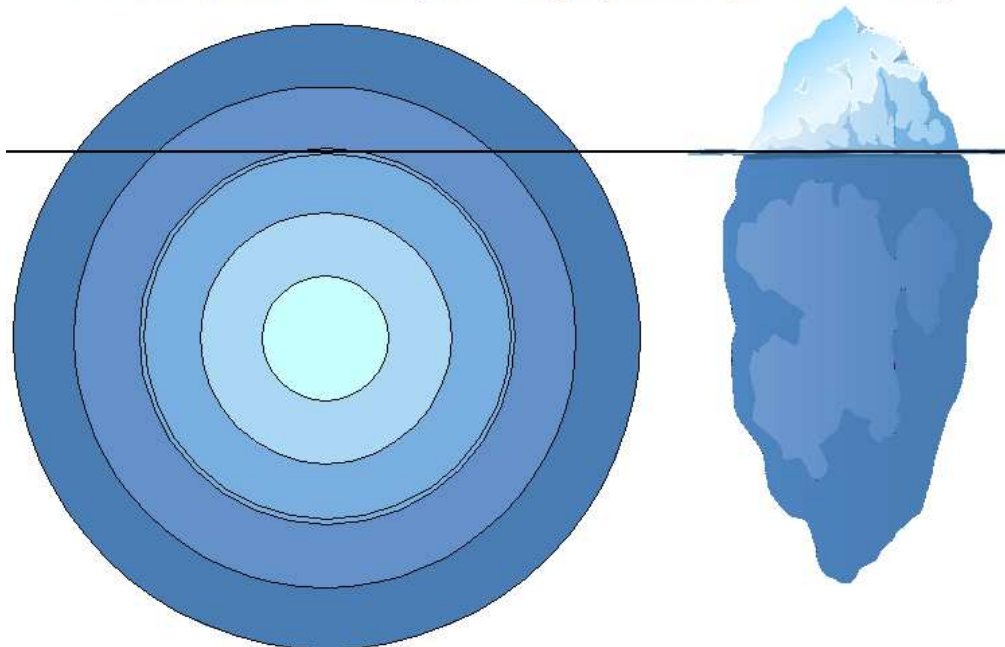
- 1 Culture is a social process, often invisible.
- 2 The elements of culture differ in the degree to which they are consciously experienced by members.
- 3 Cultural elements vary in their accessibility to outsiders and in the degree to which members must actively provide information and interact in the interpretation of elements before outsiders can understand and represent them.
- 4 These elements are common to those parts of the organisation with sufficient stability to sustain a culture. The degree of cultural stability can vary across an organisation.
- 5 Consequently, it is difficult to establish the degree to which cultural elements generalise in content and function across an organisation.



Given the subconscious 'taken for granted' nature, it is difficult to analyse a culture accurately:

<p>Artefacts and Creations</p> <ul style="list-style-type: none"> ◆ Documents ◆ Outputs ◆ Technology /Systems ◆ Visible and audible behaviour patterns 	<p>Visible but often not decipherable</p>
<p>Values</p> <ul style="list-style-type: none"> ◆ Testable in a physical environment ◆ Testable only by social consensus 	<p>Greater level of awareness</p>
<p>Basic Assumptions</p> <ul style="list-style-type: none"> ◆ Nature of what is important ◆ Relationship to environment ◆ Nature of relationships ◆ Nature of reality, time and space 	<p>Taken for granted Invisible Pre-conscious</p>

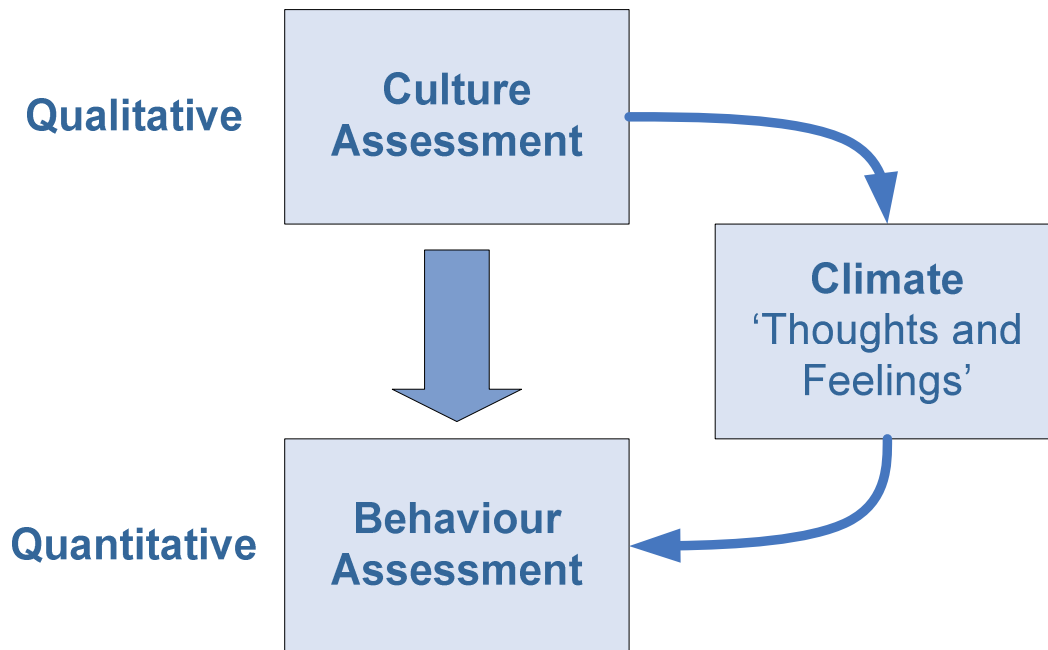
What can be measured (visible signs) is the tip of the iceberg



Culture Analysis Tools

There is a range of culture measurement surveys available and their use may provide some insights. However, given the complexity and differences between organisations, it is highly unlikely that a proprietary tool will reveal the deep underlying culture of an organisation in any meaningful way.

As in most research projects, it is necessary to start with qualitative research first and then define the quantitative measures of ongoing performance.



Observable behaviour is the only real measure of culture sharedness, intensity or adoption of new cultural norms.

The Qualitative Approach

“Research measures five things: knowledge, what we know; behaviour, what we do; then opinions, attitudes and values. I have defined these terms, rather too poetically for scholarly adoption, as opinions: the ripples on the surface of the public’s consciousness, shallow, and easily changed; attitudes: the currents below the surface, deeper and stronger; and values: the deep tides of public mood, slow to change, but powerful’.

*Professor Robert M. Worcester
Chairman MORI*

The tools used for culture research are similar to those used in soft systems analysis. A culture is a ‘soft’ or people-centred system, and therefore the techniques used are also used in knowledge elicitation approaches for the design of expert systems and artificial intelligence.

Surveys (quantitative measurement):

- Have a predefined, finite list of questions
 - Give set answer options to each question
 - Typically ask for ‘ratings’ – how strongly do you agree...
 - Generate statistical outputs – 30% of people prefer product x
 - Ask about ‘what’ and ‘how’
 - Assume the area under study is known, or at least knowable...
-
- Depth interviews (qualitative measurement):
 - Have an infinite set of question opportunities
 - Deliberately seek out ‘personal’ responses unique to each participant
 - Ask for opinions – a personal narrative or stream of consciousness
 - Generate personal insights and mental models
 - Focus more on ‘why’, ‘why’ and ‘why else’
 - Assume the area under study is too large and complex to be understood by any one set of measures...

An effective depth interview can be a source of insight, not just to the interviewer but also the interviewee. The Johari window is a commonly used model for understanding the outcome of communication between individuals and team members, but is equally relevant to organisational research.

	Known by self	Unknown by self
Known by others	#1 Open area	#2 Blind area

The Johari window

Expanding the Open area requires feedback from others (expansion into pane 2), or self-disclosure (expansion into pane 3) – the relevance to depth interviews here is easily recognisable. However, movement into Pane 4 is particularly relevant for cultural research interviews and requires a journey of shared discovery. This opening up of previously unknown aspects of the organisation offers the opportunity for the greatest insights into the hidden or disguised aspects of culture

Like any self-discovery, this means that the interview process can be a sensitive one for the individuals involved