ORGANIZATIONAL CULTURE

with Des Doyle

THURSDAY 6 APRIL 2017

Developing the Next Generation of Exceptional Leaders.

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'ORGANIZATIONAL CULTURE'?

Classic definitions:

"The shared norms and expectations that govern the way people approach their work and interact with each other"

Human Synergistics International

"A set of shared assumptions that guide what happens in organizations by defining appropriate behavior"

Ravisi & Schultz, Academy of Management Journal, 2006

Alternative definition:

"Culture is the organization's immune system"

Professor Michael Watkins, Harvard Business Review, 2013

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Personal Authenticity
"Walk the Talk", Leads to Trust

Individual
Beliefs & Values
Attitudes
Work Ethic
Personality

Individual
Behaviors
Actions
Performance

ORGANIZATIONAL CULTURE IN A SYSTEMS CONTEXT

Organization's Culture
Strategic Intent
Desired Behaviors
Vision & Values

Organization's Governance
Structures
Business Processes & Systems
Policies & Procedures

Confidence (or Cynicism) in the Organization
Organizational Integrity

Individual   *Collective* (left margin)

Individual   *Employee Engagement*   *Collective* (right margin)

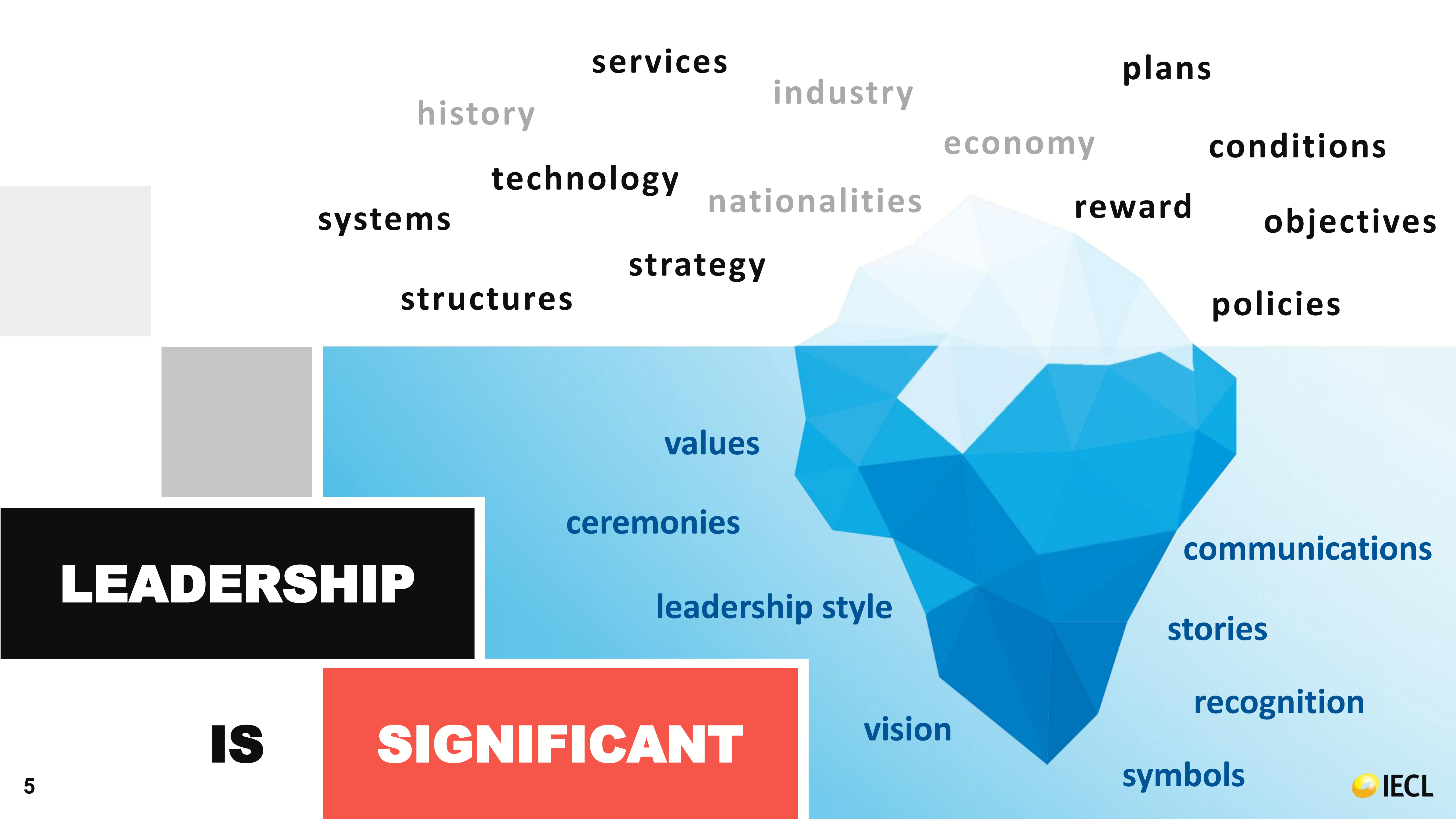*Team Alignment* (left margin)

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LEADERSHIP

IS

IMPORTANT

'Tone at the Top'
79.8% of respondents rated this the #1 focus for an audit of Organizational Culture

Auditing Corporate and Organizational Culture Survey, AuditNet® 2016

"What should companies do to create and maintain an effective culture of compliance? Uphold a tone from the top …"

Chris Morvillo, Clifford Chance New York, 2016

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services

industry

plans

history

economy

conditions

technology

nationalities

reward

objectives

systems

strategy

structures

policies

values

ceremonies

communications

LEADERSHIP

leadership style

stories

recognition

IS

SIGNIFICANT

vision

symbols

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MEASURE & MONITOR CULTURAL EVOLUTION

"…it's essential to measure and monitor cultural progress, just as you would with any other priority business initiative…"
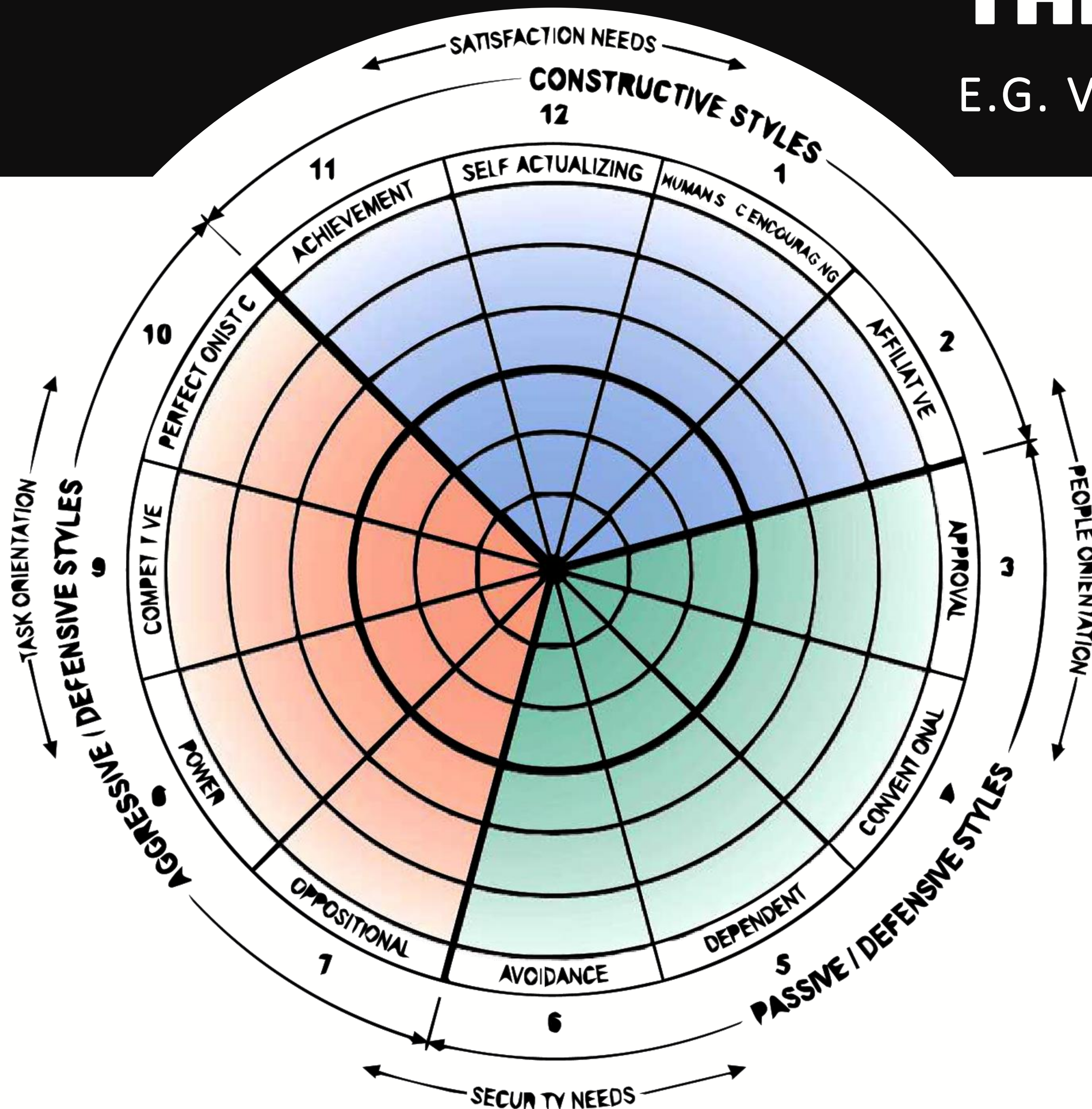
Jon R. Katzenbach, Harvard Business Review, 2012

75% of respondents have not performed a cultural audit

12% "aren't sure" if their organization has performed a cultural audit!

Auditing Corporate and Organizational Culture Survey, AuditNet® 2016

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MEASURE CULTURE TO MAKE THE INTANGIBLE TANGIBLE

E.G. VIA ORGANIZATION CULTURE INVENTORY® (OCI)

120 QUESTIONS

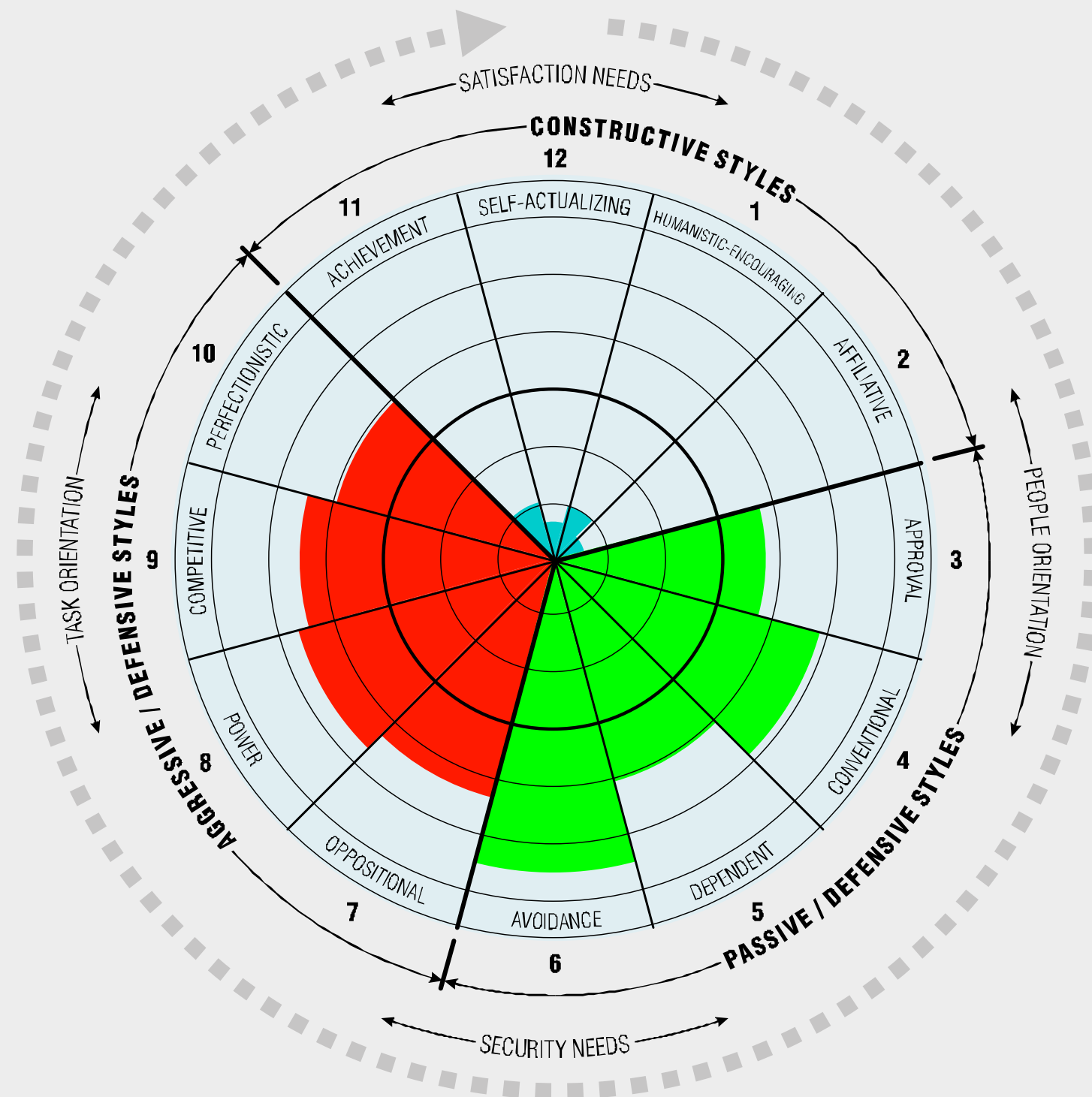To what extent are members of the organization expected to:

1. *Engage others in decisions affecting them*
2. *Use good human relations skills*
3. *'Go along' with others*
4. *Tell people different things to avoid conflict*
5. *Follow orders, even when they are wrong*
6. *Never be the one blamed for problems*
7. *Refuse to accept criticism*
8. *Plan 'politics' to gain influence*
9. *Compete rather than cooperate*
10. *Set unrealistically high goals*
11. *Explore alternatives before acting*
12. *Emphasize quality over quantity*

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E.G. ORGANIZATION CULTURE INVENTORY® (OCI)

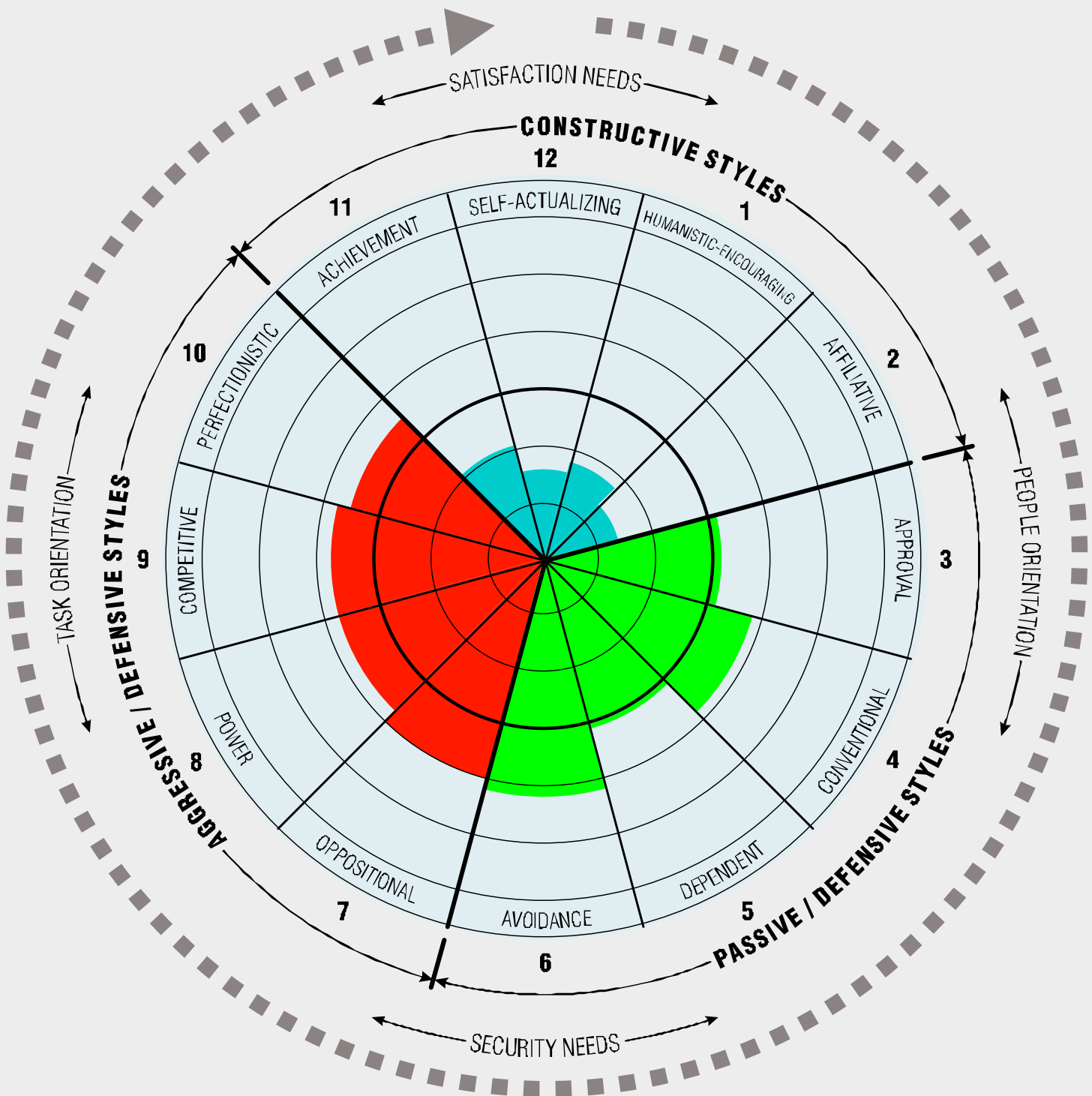*"To what extent...do you clearly know what is expected of you as a member of this organization?"*

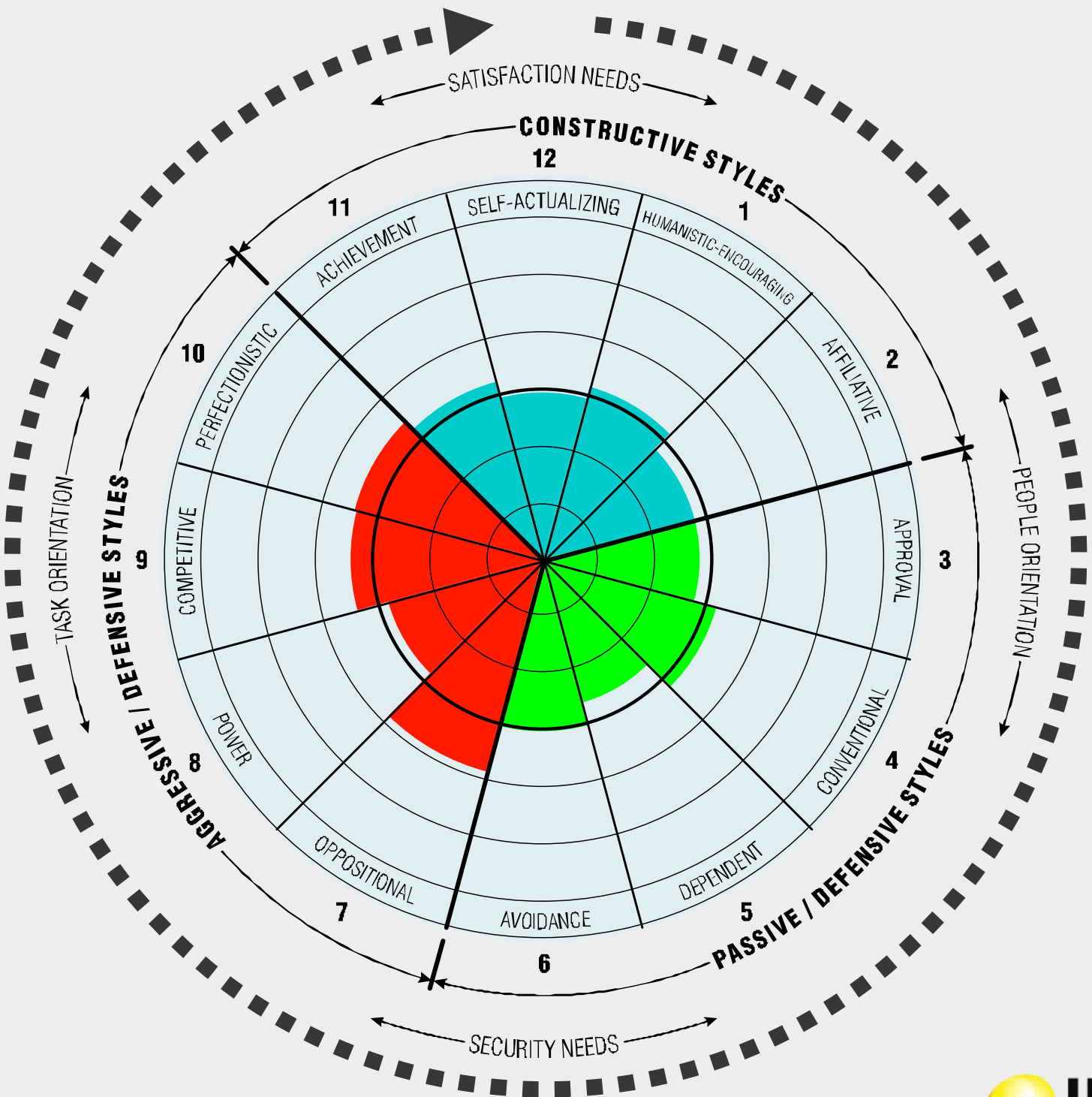Culture of those who responded

NOT AT ALL / TO A SLIGHT EXTENT

Culture of those who responded

TO A MODERATE EXTENT

Culture of those who responded

TO A GREAT / VERY GREAT EXTENT

"…restoring public trust in the banking system and enhancing financial stability"

Anjan Thakor, FRBNY Economic Policy Review, 2016

WHY CHANGE 'ORGANIZATIONAL CULTURE'?

"…deep-seated cultural and ethical problems have plagued the financial services industry in recent years. This has eroded the industry's trustworthiness"

William C. Dudley, President & CEO, Federal Reserve Bank of NY, 2016

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THE BIGGEST OBSTACLE TO CHANGING AN ORGANIZATION'S CULTURE IS THE ORGANIZATION'S CULTURE

"*Focus on a few critical shifts in behavior*"

Jon R. Katzenbach, Harvard Business Review, 2012

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Individual

Beliefs & Values

Attitudes

Work Ethic

Personality

Individual

Behaviors

Actions

Performance

WHOLE SYSTEMS ORGANIZATIONAL CULTURE CHANGE

Organization's Culture

Strategic Intent

Desired Behaviors

Vision & Values

Organization's Governance

Structures

Business Processes & Systems

Policies & Procedures

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Organizational Integrity

Individual *Collective* (left margin)

Team Alignment (left vertical)

Individual *Collective* (right margin)

Employee Engagement (right vertical)

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Individual

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"Walk the Talk", Leads to Trust

Individual
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Personality

LEADERSHIP STYLE

Individual
Behaviors
Actions
Performance

Team Alignment

Employee Engagement

COMMUNICATIONS

Collective

Organization's Culture
Strategic Intent
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