

# St. John the Compassionate Mission: Organizational Culture and Leadership

**How Leaders Create Org. Culture**

Culture begins with the impact of the founder.

The founder's culture becomes the prototype of leading a change.

1. Single person founder creates
2. Multiple people create an organizational culture
3. Group: The team creates culture in the end
4. Culture is brought in and a history begins

**HELLO MY NAME IS**  
*Startup Founder*

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**Organizational Culture**

A system of shared beliefs, assumptions, and values that guide the behavior of members of an organization.

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## Thecasesolutions.com Professor Edgar H. Schein

Director of Sloan Fellows Program of Management Education and a Professor Emeritus at the MIT Sloan School of Management

Schein investigates organizational culture, process consultation, research groups, career dynamics, and organizational learning and change.

His research on culture shows how national, organizational, and occupational cultures influence organizational performance (Organizational Culture and Leadership, fourth edition, 2010).

Schein holds a PhD from the University of Chicago, a BA and an MA in social psychology from Stanford University, and a PhD in social psychology from Harvard University.



**Organizational Stages**

1. Foundation & Development Stage
2. Organizational Maturity
3. Organizational Decline

**Differentiation**

- I. Functional
- II. Geographic
- III. Product, Technology, Market

**Take Away**

New leaders become cultural change agents.

Remember to integrate subcultures.

Be sensitive to subcultures.

Building an effective organization is a matter of encouraging the evolution of common goals, common language, common procedures to solve common problems.

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Culture begins at the impact of the founder.  
The process of culture formation is the process of creating a small group.

1. Single person (founder) has idea
2. Founder brings in one or more people and creates core group. They observe and learn individual
3. Start developing group processes and group norms
4. Others are brought in and history is begun.



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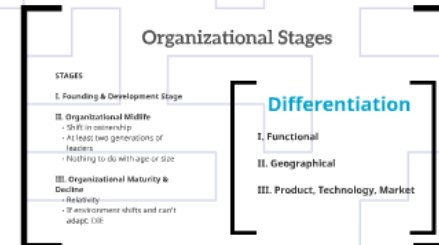
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Organizational Culture**

A pattern of shared basic assumptions that the group learned 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 these problems.


- 1. Common belief system, values, traditions
- 2. Organizational identity and culture
- 3. Organizational identity, identity management
- 4. Organizational identity
- 5. Organizational identity
- 6. Organizational identity
- 7. Organizational identity
- 8. Organizational identity
- 9. Organizational identity
- 10. Organizational identity

**Culture is costumes and rights**

• dead managers must work from a more anthropological model

• Each and has its own way and an outsider brings his/her baggage as observer

• Understand new environment and culture before change or observation can be made.



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## Organizational Culture

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1. Observe behavior: language, customs, traditions
2. Groups norms: standards and values
3. Espoused values: published, publicly announced values.
4. Formal Philosophy: mission
5. Rules of the Game: rules to all in org
6. Climate: climate of group in interaction
7. Embedded skills:
8. Habits of thinking, acting, paradigms: Shared knowledge for socialization.
9. Shared meanings of the group
10. Metaphors or symbols

- Culture is customs and rights
- Good managers must work from a more anthropological model
- Each org has its own way and an outsider brings his/her baggage as observer
- Understand new environment and culture before change or observation can be made.

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### Deeper Issues

**History of reality and truth**  
(What is real and what is not?)

**History of time**  
(What is time? What is the future? What is the past?)

**History of space**  
(What is space? What is the future? What is the past?)

**History of human nature**  
(What is human nature? What is the future? What is the past?)

**History of human relationships**  
(What is human relationships? What is the future? What is the past?)

**History of human activities**  
(What is human activities? What is the future? What is the past?)

**History of human institutions**  
(What is human institutions? What is the future? What is the past?)

**History of human culture**  
(What is human culture? What is the future? What is the past?)

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### CULTURE

**Organizational Culture**  
(What is organizational culture? What is the future? What is the past?)

**Organizational Values**  
(What are organizational values? What is the future? What is the past?)

**Organizational Mission**  
(What is organizational mission? What is the future? What is the past?)

**Organizational Vision**  
(What is organizational vision? What is the future? What is the past?)

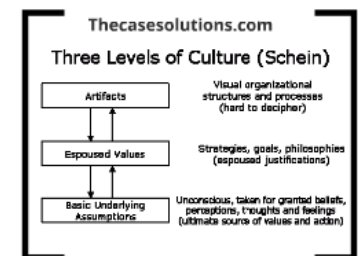
**Organizational Strategy**  
(What is organizational strategy? What is the future? What is the past?)

**Organizational Structure**  
(What is organizational structure? What is the future? What is the past?)

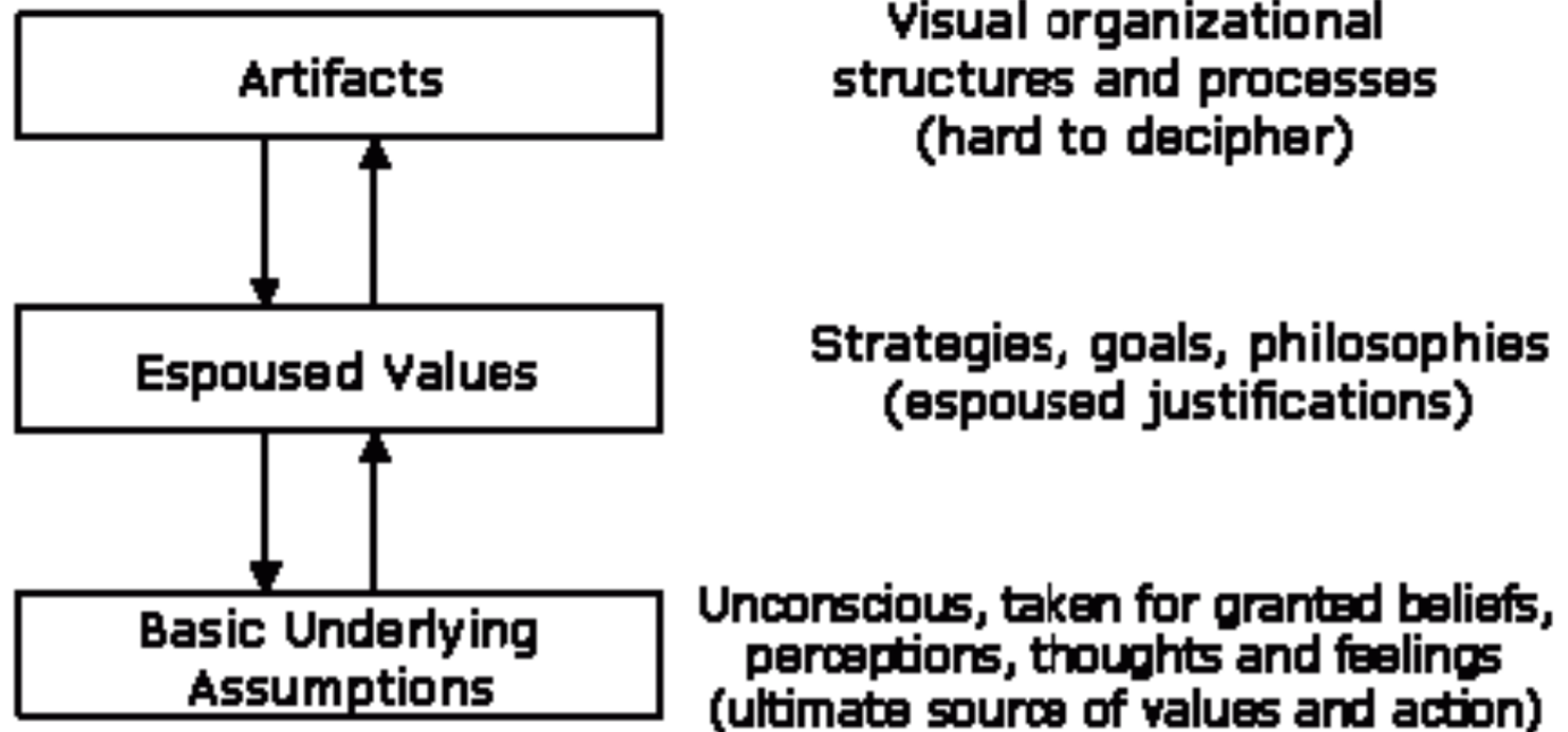
**Organizational Processes**  
(What are organizational processes? What is the future? What is the past?)

**Organizational Systems**  
(What are organizational systems? What is the future? What is the past?)

**Organizational Environment**  
(What is organizational environment? What is the future? What is the past?)



## **Three Levels of Culture (Schein)**





## **Internal Environment**

### **Common Language**

To function as group must have common language

### **Group Boundaries**

Orgs. can have three dimensions:

1. lateral movement: from one task to the next
2. vertical movement: from one rank to the next
3. inclusionary: from outsider to insider

### **Distribution of Power and Status**

How will influence, power, and authority be allocated?

### **Developing Rules**

How to deal with authority and with peer

### **Allocating Reward and Punishment**

Must have system of sanctions for obeying and disobeying rules

### **Explaining the Unexplainable**

Facing issues not under control: weather, natural disaster

## **External Environment**

### **Mission and Strategy**

Each new groups must develop shared concept to survive. What is the function?

### **Goals**

To achieve consensus on goals group needs shared language and shared assumptions

### **Means to Achieve Goals**

Need clear consensus on means to achieve goals

### **Measuring results**

Need consensus on how to evaluate self

### **Correction, Repair**

Consensus needed on how to affect change



## Deeper Issues

### **Nature of reality and truth**

- What is valid information?

### **Nature of time**

- Monochronic (one) and Polychronic (several) Time

### **Nature of space**

- Symbols of space, body language, distance and relative space

### **Nature of human nature**

- Instincts, behavior, basic needs (Maslow)

### **Nature of human activity**

- Humans act in relation to environment

### **Nature of human relationships**

- Comfortable, power distribution, influence

### **Individualism vs. Collectivism**

- Competitive or cooperative

### **Participation & Involvement**

- Coercive, utilitarian, based on goal consensus



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Culture begins at the impact of the founder

The process of culture formation is the process of creating a small group:

1. Single person (founder) has idea
2. Founder brings in one or more people and creates core group. They share vision and believe in the risk
3. Start developing group processes and group norms
4. Others are brought in and a history is begun.



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# Leaders Embed and Transmit Culture

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Leader assumptions are "taught" to the group

- **Primary** Embedding Mechanisms
- **Secondary** Articulation and Reinforcement Mechanisms

Pay attention to design, measure, and control on a regular basis

React to critical incidents and organizational crises

Reinforce organizational systems and procedures

How you allocate resources

Organizational rites and rituals

Deliberate role modeling, teaching, and coaching

Design of physical space, facades, and buildings

Allocate rewards and status

Stories, legends, and myths about people and events

Formal statements of organizational philosophy, values, and creed