Leadership Strategies to Shape Organizational Culture

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Introduction

Tenet four of the Texas City Management Association states that the chief function of local government is to serve the best interests of all of the people (TCMA.org). If our primary duty as public sector leaders is to serve others, then it is also our obligation to maximize our individual talents and the talents of each employee toward that end. So how do we ensure that we get the most from each employee? What factor(s) would enable a city government or a certain city department to break out of the status quo and achieve extraordinary levels of service, responsiveness, and effectiveness? The answer lies in developing the culture of the organization.

Volumes have been written about citizen involvement, public finance and budgets, infrastructure, economic development, human resources, and the multitude of other responsibilities that a public manager must take on. However important each of those disciplines may be, even the best laid plans will come up short when the organization is mired in a culture of mediocrity and organizational misalignment. Ethics in public service demands that we strive to create an organizational culture characterized by service, stewardship, responsiveness, and mutuality.

This paper provides some vital information for public sector leaders to consider as they attempt to influence the organizational culture in their organizations. The paper emphasizes leadership strategies that give considerable attention to the impact of human behavior and the dynamics of interpersonal interactions in an organization. The reader will also gain valuable information regarding an instrument which a leader might employ to evaluate the culture of their organization.

The Perils of Public Sector Organizational Culture

Perhaps the information contained in this paper is even more vital to leaders in the public sector. Leadership in local government is particularly challenging, because the culture of any government organization has the reputation of being susceptible to complacency and mediocrity. Dr. Karl Albrecht, management consultant and author, cautions leaders in government organization stating:

> *"Organizations that have no natural threats to their existence, such as government agencies, universities, and publicly funded operations, typically evolve into cultures of complacency. In a typical government agency, it's more important not to be wrong than it is to be right. Lots of people have 'no-go' power, i.e. the power to veto or passively oppose innovation, but very few people have 'go' power, or the capacity to originate and champion initiatives. Welfare cultures tend to syndicate blame and accountability just as they syndicate authority: you can't take risks, but if anything goes wrong you get to blame the system"* (25).

Albrecht's observations are further evidence that public managers must be ever-attentive to the culture of their organizations. Public sector organizations generally don't go out of business. In the absence of conscientious leadership, a government organization could flounder for years, robbing citizens of resources, service, and public confidence.

The Optimum Public Sector Culture

We should begin this journey by considering what the optimum culture would be for a public sector organization. A leading book about the optimum organizational culture is Elliot Jaques' *Requisite Organization: A Total System for Managerial Organization and Managerial Leadership for the 21st Century*. The book refers to what Jaques terms the "Requisite Organization". Through the book, Jaques develops his

theme that a requisite organization will enjoy the following distinct traits: mutual trust, fairness and justice for all employees, recognition of individual worth, openness and honesty, and specific employee behaviors such as integrity, commitment, reliability, initiative, and cooperation. These characteristics are remarkably similar to the optimum culture described by Dr. Roger Harrison, author and renowned organizational change consultant.   Dr. Harrison describes the desired organizational culture as one characterized by a "transcendent" level of consciousness, and he pointed out that organizations, like people, experience varying levels of consciousness.   Harrison summarizes the effect of consciousness:

> *"By a higher level of consciousness I mean a greater awareness, the ability to take in from the environment a wider range and greater complexity of information, organize it, and respond to it in a way that enhances the survivability and the quality of life of the organism. A higher level of consciousness permits an organization to deal more effectively with internal and external change and stress, play its part in taking care of the environment, and provide a healthy and satisfying place to work for its members.   For an organization, higher consciousness should lead to greater success, both as measured by limited financial criteria, but also when judged against the sorts of criteria we might apply to evaluating a person's life: contribution to society, morality and godliness, quality of relationships with others, and so on"* (Harrison 14)*.*

Experts agree that healthy organizations are characterized by certain human behaviors which influence the culture and are influenced by the culture.   In these healthy organizations, employees tend to think on a higher plane, and the resulting behaviors tend to maximize the talent and efforts of each employee towards a common purpose. Individual preferences and goals take a back seat to that which is good for the organization and good for the stakeholders. Consider the following diagram taken from

Dr. Harrison's paper, "A Theory of Organization Culture as a Guide to Practice: A Personal Odyssey" (21).

FIVE LEVELS OF CONSCIOUSNESS IN ORGANIZATIONS

TRANSCENDENT

A culture of meaning, purpose and love. People join to give rather than to get. Work, contribution and relationships are enjoyed for their own sakes, not for rewards. Thus, people are not easily managed by the application of incentives or punishments. They value diversity.. They operate according to high principles and eithical standards, because it feels right to do so. They see the organization as part of a larger whole, and manage it for the benefit of all stakeholders.

SELF EXPRESSION

The culture is irreverent, self-reliance and individuality. Structures are fluid and open. There are few sanctions for violating rules. There are few supports for individuals. It is "sink or swim." Members compete strongly. Loyalty, common purpose, responsibility, and mutual support are devalued or given lip service. Autonomy, energy, confusion, conflict, and constant change are characteristic. Often there is more learning and creativity than productivity.

SECURITY

The culture is stable and exerts strong control over members. Rewards provided by the organization are reliably available to conforming members. Norms, rules and standards are consistent, known to all and conformed to by most. Sanctions are applied to bring deviants into line. Energy of members is devoted to maintaining the system and doing the work. People act and are treated as though the organization is more important than they are.

DEFENSE

The culture is out of balance and not working. The demands made on members are not compensated by matching satisfactions Organization members feel deprived or in deficit, as more energy is required for less results. In denial of failure, and in the attempt to prop up the system, leaders exhort or coerce people to do more of what is not working. Although almost all may recognize the need for change, people are too busy keeping their heads above water to find time and energy for learning new way

SURVIVAL

The organization struggles to survive and grow, moving from crisis to crisis. Motivation is from hope of success and fear of failure. People accept strong control from the top and will sacrifice for the organization's survival. There are few systems, little planning, many short term "quick fixes." Learning is by trial and error; "organizational memory" is lacking. Typical situations include turnarounds, new plants and business startups.

It is clear to see how the characteristics of transcendent organizational consciousness would have an enormous impact on the organization's effectiveness and ultimately the citizens of any community. The challenge for any public manager is to "lift" the organization upwards so that the communities we serve will reap the rewards as we maximize *their* resources. A transcendent organization will exhibit behaviors that tend to sustain the optimum culture, resulting in the desired traits of service, stewardship, responsiveness, and shared purpose. These traits are indispensable in public sector organizations where we seek to be worthy of the public trust and our ultimate goal is selfless service by making the most out of the customers' resources. This ambition is quite different from the private sector where the goal is productivity, profit, and market share.

How Leadership Shapes Organizational Culture

This paper is not intended to discuss the multitude of leadership strategies that might be used by a leader to influence organizational culture, nor is it intended to describe the vast body of research and theory about organizational behavior and culture change. The following is merely an overview of some of the more pragmatic leadership concepts that are vital for leaders to consider as they attempt to shape the culture of their organizations.

Leaders should expect that changing the culture of an organization is almost always a difficult and lengthy process. Organizations tend to maintain the status quo. Fundamentally changing an organization's culture is a long-term endeavor, usually taking several years. In his book, *Leading Change,* John Kotter reminds readers that, "In the final analysis, change sticks only when it becomes, 'the way we do things around

here,' when it seeps into the very bloodstream of the work unit or corporate body. Until new behaviors are rooted in social norms and shared values, they are always subject to degradation as soon as the pressures associated with change are removed" (Kotter 14). Mike Schraeder, Associate Professor at Troy University, co-wrote an article which echoes Kotter's statement and warns leaders of the resistance they might encounter. The article states: "To some extent the lengthy nature of the culture change process could be a by-product of the resistance that might accompany some planned changes to the organization's culture. In fact it is important for leaders to recognize that changing the organizational culture may evoke emotional reactions from employees" (Schraeder, Tears, and Jordan, 501).

The Trust-Fear Phenomenon

A fundamental leadership strategy to aid public managers in changing organizational culture is to focus on establishing trust and reducing fear in the workplace. Much research has been conducted in recent years about the impact of fear and trust in the workplace, and many experts have declared the importance of the trust-fear phenomenon. Kathleen Ryan and Daniel Oestreich coauthored a book entitled, *Driving Fear out of the Workplace: Creating the High-Trust High-Performance Organization.* The authors state:

> *"We see fear as an increasingly visible background phenomenon that undermines the commitment, motivation, and confidence of people at work. When fear is reduced and trust is enhanced, people naturally become more committed to their work and are more enthusiastic about their organizations…Today leaders cannot afford to lose information or creative ideas that may help their organizations face the future. They especially cannot afford to lose the energies and talents of employees to fear and low morale. In order to*

help their organizations accomplish needed changes and help people get past their fears, leaders must create open workplaces where everyone can be candid about her or his experiences, concerns, ideas, and hopes" (xix-xxi).

Stephen Covey describes trust or the lack of trust in an organization as either a tax or a dividend. Covey explains the byproduct of high trust in an organization: "When trust is high, the dividend you receive is like a performance multiplier, elevating and improving every dimension of your organization and tour life. In a company, high trust materially improves communication, collaboration, execution, innovation, strategy, engagement, partnering, and relationships with all stakeholders" (19). Covey goes on to describe the low trust tax, saying that a lack of trust causes people to discount much of what is said in the organization. It may even cause a leader to discount what they hear, because they don't trust others in the organization (18). Covey explains that trust is the by-product of integrity and competence, and he insists that both are vital components of trust (30). Competence is critical, because employees tend not to trust a leader who doesn't seem to have what it takes to get the job done. Conversely when a leader seems to know the way, others are much more apt to follow.

Author Jim Collins supports this research on the relationship of trust and leadership in his description of what he calls the "level 5 leader." Level 5 leaders are selfless and humble, two attributes which naturally foster trust. In one of his many articles describing Level 5 Leaders, Collins mentions trust: "For one thing, I sense an increasing societal unease with the emergence of celebrity leaders who care more about themselves than they do about the institutions for which they are responsible. Smart people instinctively understand the dangers of entrusting our future to self-serving leaders who use our institutions - whether in the corporate or social sectors - to

advance their own interests" (Collins 2001). Collins' theory of Level 5 Leadership is more evidence that effective leadership is not based on power, charisma, or flamboyance. Leaders are effective when they are approachable, authentic, humble, and trustworthy.

Trust enables an organization to pull back the curtain and confront whatever they find lurking there. Effective leaders have the personal courage and humility to hear the truth about themselves and the ugly side of the organization. Often times there are destructive assumptions, habits, and fears that have beset the organizational culture, but change is unlikely when leaders reject the truth. Problems in the organization must be called out and addressed head on. The evidence is overwhelming: leaders must focus on reducing fear and establishing trust to contend with the "unspeakables" in the organization.

Leadership Behaviors that Build Trust

Numerous authors have touted leadership behaviors that build trust, and most of them would seem obvious to even the most inexperienced leader. The key is self-mastery, the ability to practice these key behaviors consistently. Building trust in an organization starts with the leaders own behavior. John Hamm, Leadership Instructor at the Leavey School of Business at Santa Clara University, states: "Before a team can reach its full potential, leaders must act in ways that transcend employees' fear of organizational power. As a leader you must go first and model trustworthiness for everyone else. Establishing trust does not require that you are warm, kind, and disarming with others. Odds are you can be demanding and tough, but as long as you are consistent and honest you will be trusted" (8). Hamm also suggests that leaders,

"Separate the bad apples from the apples that just need a little direction" (9). Obviously a leader's failure to get rid of the "bad apples" in the organization can undermine trust. Although it's not easy, the vast majority of employees will respect a leader for getting rid of any employee(s) whose conduct is not in keeping with the organization's stated or desired values. Hamm also admonishes leaders to not punish good failures such as a well-intentioned idea that didn't work so well (8-9). Punishing an honest effort will stifle trust, creativity, initiative, and morale.

All leaders are on a journey of self-mastery, and the journey never ends. Effective leaders are generally those who have been more successful at self-mastery. Jack Enter suggests that certain principles of self-management will enable leaders to lead by example, and that may be the most powerful way to earn trust in the organization. Only self-mastery will enable a leader to truly set the example for others, and according to Dr. Enter leading by example is likely the only effective form of leadership. Leaders should aggressively seek training and experience to develop their own skills, and they will gain the trust of their subordinates by seeking their input as they strive to master certain leadership behaviors (63). Effective leaders will consistently "invade the culture" by going to the workspaces of employees to spend some time with them. "Being effective as a leader involves building others' trust in you, and you cannot build this trust without knowing those you lead and letting them get to know you in return" (78). Dr. Enter challenges leaders to get out of the office and go "invade the culture." His writings reinforce what so many others have stated; leadership rises and falls on trust and interpersonal relationships.

Positive Reinforcement

Positive reinforcement is a common sense leadership strategy that has been discussed for decades, and even today it has enormous value for leaders who are attempting to shape the organizational culture. Trust is enhanced by recognizing and rewarding positive behavior, and sustaining positive behaviors will influence the organizational culture. Aubrey Daniels' bestseller, *Bringing out the Best in People: How to Apply the Astonishing Power of Positive Reinforcement*, gives details of this leadership strategy. Daniels states: "Because we can observe the impact of a particular consequence on the rate and frequency of a behavior, we can begin to understand how to influence or change any behavior...Positive reinforcement generates more behavior than is minimally necessary. We call this *discretionary effort*, and its presence in the workplace is the only way an organization can maximize performance (28). Daniels discusses negative reinforcement in great detail, and leaders should carefully consider the consequences of negative reinforcement. Daniels suggests that negative reinforcement may be used at times, but he cautions that it rarely results in any breakthroughs in performance (47).

Appreciative Inquiry

As a leader sets out to influence the organizational culture there will inevitably be some positive characteristics of the organization that should be highlighted and replicated. These positive characteristics in the organization constitute a core of hope around which the organization can rally. Focusing on these positive qualities and behaviors in the organization is a positive and effective strategy for organizational change. This optimistic approach is the work of David Cooperrider, a renowned author

and Professor of Organizational Behavior at the Weatherhead School of Management at Case Western Reserve University. Cooperrider developed the technique and coined the phrase "Appreciative Inquiry", which is often referred to by organizational behavior researchers as AI. AI is highly recommended in organizations where fear is high, trust is low, and the organization tends to resist change. Cooperrider's technique is described in a book he coauthored entitled, the *Appreciative Inquiry Handbook: The First in a Series of AI Workbooks for Leaders of Change*. The book describes AI as follows:

> *"In its most practical construction, Appreciate Inquiry is a form of transformational inquiry that selectively seeks to locate, highlight, and illuminate the life-giving forces of an organization's existence. It is based on the belief that the human systems are made and imagined by those who live and work within them. AI leads these systems to move toward the creative images that reside in the positive core of the organization. This approach is based on solid proven principles for enabling creativity, knowledge, and spirit in the workplace. These principles call people to work towards a common vision and a higher purpose"* (Cooperrider, Whitney, and Stavros 13).

Appreciative Inquiry begins with a series of questions for each employee that helps them tap into and consider what they value most about themselves, their organization, and the things which give life to the organization. The questions provoke a dialogue about the organization, its future, and how employees might begin to move towards their common purpose. The outcome of an AI initiative is a long-term positive change in the organization. AI has helped many organizations increase employee satisfaction, enhance productivity, increase levels of communication among stakeholders, decrease turnover, stimulate creativity, and

align the entire organization around its vision, mission, objectives, and strategies (Cooperrider, Whitney, and Stavros 1).

The research regarding Appreciative Inquiry is impressive, and it is regarded as a very powerful tool for organization change. It aims to rise above the fear and distrust of some in the organization, circumventing their opposition to change and honing in on the organization's successes. The ultimate goal is to replicate those successes and amplify what is good in the organization. Public Managers, especially those grappling with a low-trust organization, are encouraged to consider Appreciative Inquiry as they explore strategies for organizational change.

Organizational Behavior or Human Behavior?

The case could be made that organizational behavior is nothing more than the sum of all of its parts; a melting pot of human behaviors, unique interactions, and individual values and perceptions that collectively create the organizational culture. People are at the center of it all, and there are no shortcuts to leading people. Shaping the organizational culture is painstaking work, and it can only be accomplished by a very intentional effort to establish interpersonal relationships with employees at all levels of the organization. The goal is to displace fear and suspicion with trust, candid dialogue, and a shared sense of purpose. Leaders must communicate a clear vision and core values for the organization and seek out opportunities each day for interpersonal exchanges which convey the values and purpose for the organization. It won't be easy in many organizations where the culture is a thicket of diverse values, fear, suspicion, apathy, and a wide range of individual motives. Ultimately we aim to influence individual behavior again and again until the desired behavior becomes the

norm. Navigating through the quagmire of personalities and aligning them to achieve a common purpose is a certain challenge for any leader; however we must revere the fact that within those individuals lie the talent and the potential of the organization.

Diagnosing the Organizational Culture

Leaders should be thoughtful about attempts to change the culture of their organization, and diagnosing the culture is a recommended starting point. Dr. Harrison stated the following during a phone interview: "In any kind of organizational change effort, you are going to want to do some serious assessment of the organization before you start taking the initiative to make changes, and in fact that assessment can be the beginning of an initiative" (Harrison 2012). Dr. Harrison and Herb Stokes developed a survey instrument that effectively measures an organization's culture. Although this paper will not expound on the details of the instrument, a brief overview is important for public managers to consider. The instrument asks employees at all levels of the organization to answer questions about the "existing culture" and the "preferred culture." The answers are quantified and then calculated to create a "Sum of Personal Rankings." These scores reflect four variables in the organization: power, role, achievement, and support (13). The complex interaction between these four dimensions forms the organizational culture.

Higher scores on this instrument indicate that power, role, achievement, and support are functioning as they should in support of the organization's ends. In organizations with high levels of consciousness, the dynamics of power, roles, achievement, and support work in harmony to create a healthy, resilient, vibrant organization committed to serving others and united around a higher purpose. Lower

levels of consciousness result in the abuse of power, low trust, fear, self-indulgence, selfishness, and ineffectiveness. Such organizations tend to lose sight of their purpose, and the employees work there for the good of themselves rather than the good of others.

This survey instrument was used to measure the culture in the Texarkana, Texas Police Department, and it proved to be extremely effective at diagnosing the organizational culture. The findings were submitted to Dr. Harrison, who offered his observations about the organization during an interview on February 17, 2012. Dr. Harrison noted the large disparity between the "preferred" culture and the "existing" culture. He also noted that power, roles, achievement, and support were not operating as they should in the organization, which indicates that the organization's level of consciousness is not optimum or "transcendent." Dr. Harrison also surmised that trust was low, and fear was high in the organization. He suggested that Appreciative Inquiry might be an effective strategy for change in the Texarkana, Texas Police Department.

Dr. Harrison's recommendations are not entirely revealed in this paper, but it is important to note that the instrument that he and Stokes developed was very insightful. The instrument is remarkably effective at diagnosing the culture and quantifying some powerful but latent dynamics in the organization. The instrument will also confirm what some leaders already intuitively know about their organization. Public managers who intend to challenge the organizational culture should employ the survey instrument referenced above before attempting to change the culture of their organization.

Conclusion

The concepts discussed in this paper are not new. Leadership and its impact on organizations have been pondered for centuries. Aristotle's *Nicomachean Ethics,* written around 340 BC., states that the ethical role of a leader is not to enhance his or her own power, but to create conditions under which followers can achieve their potential. As public servants, we are stewards of the human potential in our organizations, and it is our inescapable obligation to create a culture that maximizes the talents of each employee, leveraging their best for the good of others. If we fail to consider the organizational culture and its effect on human potential and service delivery, we have violated the public trust and ultimately the citizens we serve pay will pay the price for our failures. Leaders are encouraged to consider the strategies discussed in this paper, and if change is necessary the process should begin by using the recommended instrument to diagnose the organizational culture.

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