Getting Culture Right.

Insights from Real World Experience.

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Director Human Synergistics International (USA)

Culture &
Leadership
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The Sydney Morning Herald

Former captain Smith opens up further on the toxic culture surrounding Australia

NEWS
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Former Victorian Greens MP Samantha Dunn quits over party's 'toxic' culture

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Intimidating hospital culture could be risking patient care

FINANCIAL REVIEW
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Toxic Purplebricks culture driving "revolving" agent departures

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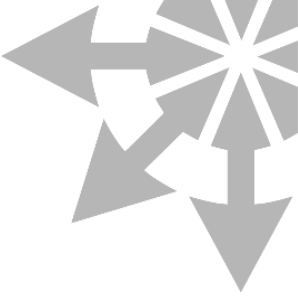
Banking royal commission report takes axe to sales culture in finance

By business reporter Michael Janda
Updated 4 Feb 2019, 9:46pm

THE AGE
NATIONAL | VICTORIA | VICTORIA POLICE

Top cop denies under-fire elite police unit has 'toxic bullying culture'

The Sydney Morning Herald
ANALYSIS | BUSINESS | BANKING & FINANCE | APRA

Blowtorch on APRA reveals culture needs

The Sydney Morning Herald
BUSINESS | SMALL BUSINESS | START-UPS

'Made our share of mistakes': Wha doing to change the startup's toxic

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The toxic culture and hidden issues that led to the FFA sacking Matildas coach Alen Stajcic

Women heckled, bullied in toxic culture of 'CFA boys club'

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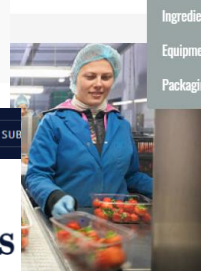
Food recalls – organisational culture as much to blame as poor practice: SAI Global

By Kim Berry | 22 May 2019

THE AGE
POLITICS | VICTORIA | COUNCIL CONTROVERSY

'Coup' claims after government sacks council over its 'toxic culture'

THE AUSTRALIAN
Tuesday, August 20, 2019 | Today's Paper | Mind Games
All sections
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Poor culture, no financial control: report lashes agency behind new Royal Adelaide Hospital

Employee Engagement, Organisational Climate & Organisational Culture

Organisational Climate
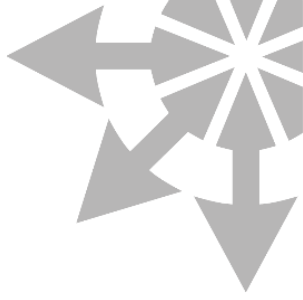
"Experience

The **meanings** people attach to the interrelated

bundles of **experiences** they have at work."

– Benjamin Schneider Ph. D. Professor Emeritus University of Maryland

"Feelings

Peoples' **perceptions** and **attitudes** about the organization – whether it is a good or bad place to work, friendly or unfriendly, hard-working or easy-going and so forth."

– Wendell French Ph. D. Professor University of Washington (dec)

Organisational Culture
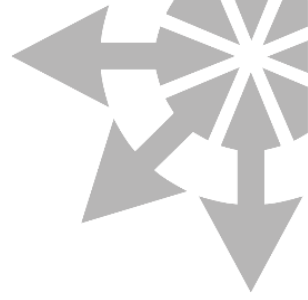
"The shared beliefs, norms and expectations that govern the way people approach their work and interact with each other."
— Robert A. Cooke Ph.D. Professor Emeritus University of Illinois at Chicago

"The accumulated learning of the group that is a pattern or system of beliefs, values, and behavioural norms that come to be taken for granted as basic assumptions and eventually drop out of awareness."
— Edgar Schein Ph.D. Professor Emeritus MIT Sloan School of Management

# Culture & Climate: Metaphor #1

Climate is *The 'What'*

Culture is *The 'Why'*

MEASURE	DESCRIPTION	CHARACTERISTICS
Climate	Artefacts: visible representations Climate: affect (feelings) eg engagement Climate: perceptions eg structures & systems	Easy to see Easy to change What most organisations act on Predictor of short-term performance
Culture	Norms & expectations Underlying beliefs & assumptions	Harder to see Harder to change A better predictor of performance over the long term

Based on: Schein, E. H. Organizational Culture and Leadership. 1992.

Culture & Climate: Metaphor #2

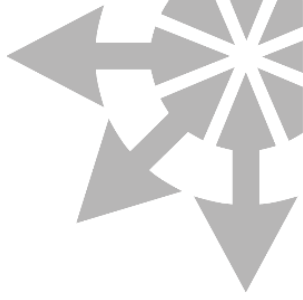*Based on: Schein, E. H., with Schein, P. Organizational Culture and Leadership. 5th Edition 2017. Page 26.*
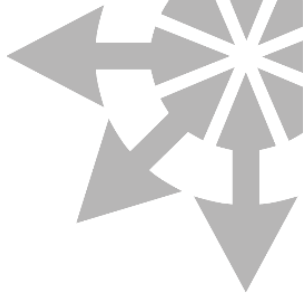
Espoused Values: what we want

Climate: observable current state/current performance

Culture: norms & expectations impacting future state

Norms & Expectations

Norms are beliefs about how things should be done (group approval of certain behaviours) – describing what is 'right' and 'wrong'. Behaviours that are typically approved (rewarded) or disapproved (punished) by the system.

These norms are 'learned' by organisational members as they observe what goes on around them and determine what works and does not work, what is worth doing and what is not worth doing, what will get them 'recognised' and what will get them into trouble and what they believe they are 'supposed to' or 'expected to' do.

Norms & Expectations

To what extent are people expected or implicitly required…?

Norms – Constructive Behaviour:
➤ Take on challenging tasks
➤ Do even simple tasks well
➤ Be supportive of others
➤ Cooperate with others

Norms - Passive/Defensive Behaviour:
➤ Be liked by everyone
➤ Don't 'rock the boat'
➤ Follow rules even when they're wrong
➤ Never be the one blamed for problems
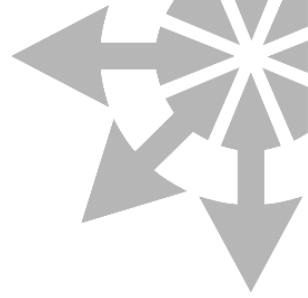
Norms - Aggressive/Defensive behaviour:
➤ Oppose things indirectly
➤ Play 'politics' to gain influence
➤ Compete rather than cooperate
➤ View work as more important than anything else
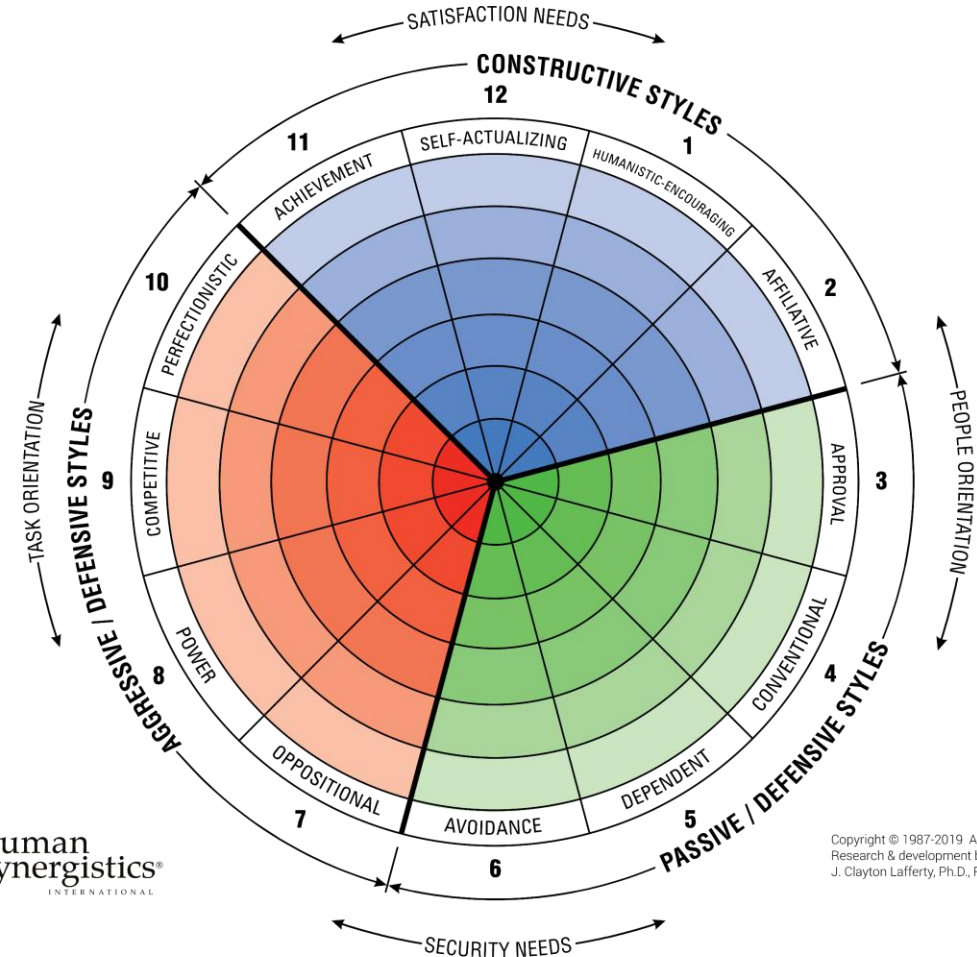
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How these cultural norms play out

Constructive Culture	Passive/Defensive Culture	Aggressive/Defensive Culture

How people describe dealing with the organisation:

Professional	Bureaucratic	Pushy

How people describe working in the organisation:

Challenging	Constraining	Demanding

The main 'currency' that people collect to succeed in the organisation:

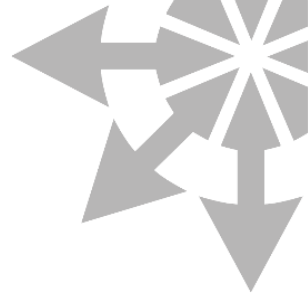| Achievements	Information	Power

The 'golden rule' in the organisation:

Do well, work well with others	Stay out of trouble/avoid blame	Always look like you're on top of everything

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How these cultural norms play out

Constructive Culture	Passive/Defensive Culture	Aggressive/Defensive Culture

How employees deal with a moral dilemma:

Constructive Culture	Passive/Defensive Culture	Aggressive/Defensive Culture
Name it and be clear about it	It's all too hard	The end justifies the means

How the organisation deals with interpersonal conflict:

Constructive Culture	Passive/Defensive Culture	Aggressive/Defensive Culture
Constructive conversations	Avoid conflict – paper over it	Tough it out – win/lose

How 'inappropriate behaviour' issues are dealt with:

Constructive Culture	Passive/Defensive Culture	Aggressive/Defensive Culture
There is a clear process to follow	Ignore it and hope it will go away	Hide it and deny it

What drives ethical behaviour in the organisation:

Constructive Culture	Passive/Defensive Culture	Aggressive/Defensive Culture
Principled morality	Obedience to rules	Avoidance of punishment

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How these cultural norms play out
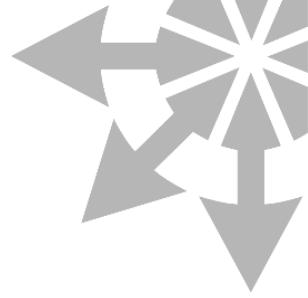
Constructive Culture	Passive/Defensive Culture	Aggressive/Defensive Culture

How the organisation deals with change:

Proactive planning	Inactive, hoping it will go away	Reactive, we do crisis well

How the organisation responds to external threat:

We have a plan	Hunker down and wait it out	Great another crisis!

Performance over time:

High performance	Vulnerability/mediocrity	Volatility/crisis

What could get the organisation into the media:

Awards/achievements	Slow/non responsive service, allowing poor behaviour	Poor practices/stressed people, allowing poor behaviour

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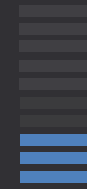
Transportation

$2 million
Savings in workers compensation claims per annum

30% increase
Profit year 1, with 18% increase profit the following year

5% increase
On-time running in 2 years
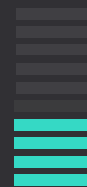
Water Utility

4 x increase
Shareholder return over 3 years

38% reduction
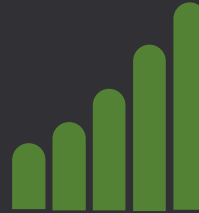Bursts and leaks per 100km water main 3 years

19% decrease
Staff Turnover over 3 years

FMCG

3 x increase
Share price over 5 years

5 x increase
Shareholder Return over 5 years

12% increase
Customer satisfaction over 2 years

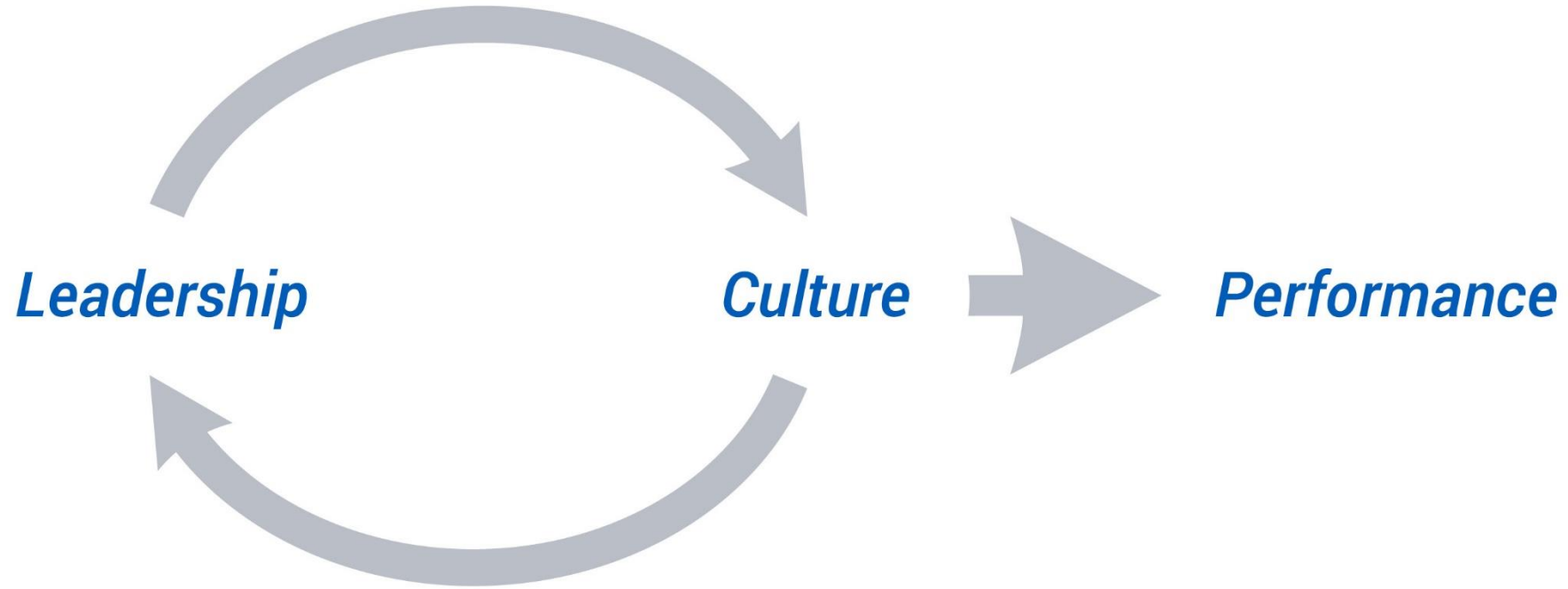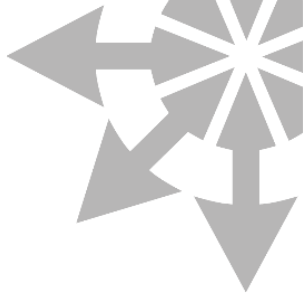**Healthcare**

500% increase
Net profit in 1 year

420% increase
Positive consumer feedback in 1 year

300% decrease
Negative consumer feedback in 1 year

Leadership—Culture—Performance Connection

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Getting Culture Right.

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Culture & Leadership