



Stage 2 - LEADERSHIP FOR STRATEGY

Module 10 – ORGANISATION CULTURE

The Leadership Academy is a learning and action programme for mayors, senior officials and elected representatives of local government.

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1 MODULE OVERVIEW

1.1 BACKGROUND

- An organisation's culture is about how things are done, about how the staff behave in particular circumstances, about their values and attitudes, about what they think is important and unimportant.
- Culture is unique for every organisation - and it's about "everything": performance, citizen focus, innovation, satisfaction, acceptance to change etc.

1.2 LEARNING OBJECTIVES

- To learn how good leadership can change the organisation culture to deliver better performance.

1.3 LEARNING OUTCOMES

- Participants understand the nature of organisation culture and the role it plays in organisational performance.
- Participants learn how the leadership might intervene to shape it in a way that makes it supportive of high standards of performance.

As a result of the learning, participants will be able to plan for, and manage, improved organisational performance.

1.4 DURATION

- 120 minutes

2 MODULE STRUCTURE

2.1 INTERACTIVE INTRODUCTION

- The nature of organisation culture is explained to participants;
- Participants can each write a definition on a post-it note.

2.2 GROUP EXERCISE 1 – READING THE ORGANISATION CULTURE

- Participants (in groups of 2/3 people) identify how one organisation has its culture shaped.

2.3 GROUP EXERCISE 2 – DIMENSIONS OF AN ORGANISATIONAL CULTURE

- Participants (in groups of 2/3 people) should rank, on a sliding scale, the various

dimensions that contribute to organisational culture.

2.4 GROUP EXERCISE 3 – IMPROVING AN ORGANISATION'S CULTURE

- Building on from exercise 2, each group should identify 1-2 cultural obstacles to good performance in the selected organisation.

2.5 HOMEWORK

- Each participant can use the checklist on 'Open Organisation Culture' below to assess the culture of his/her own organisation.

3 WORKING DEFINITIONS

3.1 ORGANISATION CULTURE

The set of shared values and norms that characterise a particular organisation.

4 KEY CONCEPTS

Organisational culture is the set of shared values and norms that characterise a particular organisation.

A strong culture, in which people agree upon and care intensely about organisational values, can improve organisational performance by motivating employees and co-ordinating their behaviour. Organisational values can give focus to employees and rally them around a set of meaningful goals. They also focus employees' attention on organisational priorities, which then guide their behaviour and decision-making.

One method for strengthening culture is to choose new employees based on culture fit. New employees can then be socialised into the culture by being taught its values and expected behaviours. Early employee-employer interactions are vital; they can determine the employee's desire to "buy in" to the organisation's philosophy and establish long-lasting patterns of behaviour.

So an organisation's culture is about how things are done, about how people behave in particular circumstances, about their values and attitudes, about what they think is important and unimportant.

An organisation's culture will affect its performance. If staff are not motivated or have little respect for their managers, they will not give their best. Often in an authoritarian regime, where personal initiative tends to be criticised, staff will not try to be innovative. When a staff member is told what to do, he/she will do it because he/she has to, not necessarily what he/she wants to or because he/she believes in it.

Leaders and managers can have a really powerful influence on their organisation's culture; indeed, they can direct it. High levels of performance require a performance-oriented culture.

Take communications as an example – both formal and informal; it is a critical part of an organisation's culture.

- *Managers that believe in open communications will see other staff communicating among themselves; they set an example.*
- *Horizontal communications can lead to an exchange of good practice and an understanding of the wider context.*
- *Sharing information not only within the organisation but also with its partners will encourage partnership thinking leading to new opportunities.*
- *Keeping non-confidential information to oneself may be personally satisfying for some people but does not lead to better performance.*
- *An organisation will have a stronger sense of purpose where discussions in meeting rooms reflect conversations in the corridors, and where senior and junior staff feel free to talk together.*

The way communication works in an organisation is derived from its culture.

When managers want to raise performance standards or introduce new ways of doing something, they should first look at the culture of the organisation and decide whether something in the culture should be changed so that it will support the initiative and does not become an obstacle to success.

Typical cultural features in a successful organisation include;

Openness

- **Consultation:** The local government is open to stakeholders and has ways of consulting them; it bases its aspirations on their needs and expectations; stakeholders know this and feel it is worthwhile making their views known.

- Receptiveness: The local government's elected representatives and staff are open to scrutiny, feedback and challenge; stakeholders believe the local government makes good use of their opinions.
- Mutuality: the local government's elected representatives and staff know they are reliant on stakeholders to contribute to the local government's outcomes and to help the local government have an impact.

Aspiration

- Results focus: Stakeholders can see their priorities reflected in the local government's priorities and clear performance indicators and targets help everyone know what is planned and what is being achieved.
- Unanimity: There is a common sense of purpose and an understanding of the contribution that the elected representatives, staff and stakeholders make.
- Confidence: The local government's elected representatives, staff and stakeholders are confident in their ability and ambitious to achieve the things they strive for.

Leadership

- Inspiration: People have faith in the local government's leadership and believe in the vision they articulate.
- Practicality: People believe they can rely on the leadership to stay focused, have clear priorities and put in place the practical measures needed to turn aspiration into reality.
- Integrity: The leadership listens and acts in a way that promotes fairness, trust and equality.

Organisation

- Appropriateness: The systems and procedures embody the values of the local government.
- Utility: People find the systems and procedures help them do their work better.
- Diversity: The organisation is open, flexible and responsive in its working arrangements.

Empowerment

- Commitment: People are dedicated to the local government's goals and to the outcomes they are trying to achieve.
- Learning: Staff are encouraged to gain the awareness, knowledge and skills necessary; effort and achievement are rewarded; people are challenged and helped to do better.
- Latitude: Staff are empowered to use their discretion, creativity and innovation to achieve given outcomes.

Achievement

- Outcomes: People can easily see the difference the local government makes to local governance and social, economic and environmental well-being.
- Excellence: The local government is recognised for being among the best and for achieving best practice.
- Reputation: The local government enjoys a reputation among stakeholders, the Government and other Local Government for being results-oriented, competent and making a positive contribution to local government.

5 EXERCISES

5.1 EXERCISE 1 – GROUP EXERCISE 1- READING THE ORGANISATION CULTURE

Culture is encoded in the values, thinking, history and behaviour of an organisation. It is from within the culture that excellence in performance is driven. It is important, therefore, to be able to understand the culture and its drivers. Leadership requires sensitivity to the culture and a readiness to change it.

Thinking about your own organisation, look at the main contributors that define the culture and make note how each shapes your organisation.

Contributors to culture	Key words from own organisation
<ol style="list-style-type: none"> 1. PHYSICAL: What does the physical setting look like (i.e. buildings, are they historic/modern, equipment, full use of IT etc.)? What messages do they send? 2. PUBLICITY: What does the organisation say about itself in reports, leaflets, press releases, website, social media etc.? 3. PEOPLE: What are the first impressions of visitors and new staff when they visit the organisation? What do service users and local organisations say about the local government? 4. HISTORY: What are the key events and stories that illustrate the earlier years of the organisation? 5. LANGUAGE: What are the keywords, catch-phrases etc. that staff use that might illustrate the underlying culture? 6. ACTIVITY: What are the usual topics of conversation among staff? Do they talk about their work out of office? Do their conversations reflect the priorities of the organisation? 7. STORIES: What stories and anecdotes do staff use to share their experiences? What is the purpose of these stories? 8. SUB-CULTURES: Are there any obvious sub-cultures? How do they differ? What purposes do they serve? 9. STAFF: What sort of staff work in the organisation? Who gets promoted? Who is influential? To what extent are they motivated to serve the public interest? How well do managers support the staff for whom they are responsible? 10. VALUES: What do staff believe in? What is most valued by the staff? What is important to them? 	

5.2 EXERCISE 2 – GROUP EXERCISE 2 - DIMENSIONS OF AN ORGANISATIONAL CULTURE

A healthy organisation reflects strength in a range of cultural dimensions. How would you assess your own organisation against the spectrums below? Mark between 1 (left side) and 10 (right side) to reflect the balance between the old and new models. Be ready to explain your assessment.

SCORES (1-10)			
1	Staff are externally motivated	Staff are internally motivated	
2	Staff seen as functional	Staff seen as individuals and whole persons	
3	Staff do their own thing	Staff operate within corporate framework to deliver shared goals	
4	Task-oriented approach	Achievement-oriented approach	
5	Staff individuality discouraged	Differences in thinking encouraged	
6	Stated values not real	A true commitment to values	
7	Static structures	People / task oriented structures	
8	Staff seen as a cost	Staff seen as an investment	
9	Stakeholders seen to be manipulated	Stakeholder support to be harnessed	
10	Estranged from civic society	Attuned to citizens' needs	
11	Bad news seen as threat	Mistakes seen as learning opportunity	
12	Closed decision-making	Transparent decision-making	
13	Individual responsibility for learning	Corporately-supported learning	
14	Closed communications	Open communications	
15	Self-interest dominant	Group interest dominant	
16	Citizens' desires ignored	Responsive to citizen need	
17	Focus only on service delivery	Focus on good local governance	
18	Acceptance of poor performance	Demand for high standards	

5.3 EXERCISE 3 – GROUP EXERCISE 3 - SUPPORTING CULTURAL CHANGE

	CULTURAL OBSTACLES TO GOOD PERFORMANCE	CAUSES OF THE OBSTACLE	CONSEQUENCES OF THE OBSTACLE	ACTION TO BE TAKEN
1.				
2.				
3				

5.4 EXERCISE 4 – HOMEWORK - CHECKLIST - OPEN ORGANISATION CULTURE

The following checklist sets out 25 criteria for an 'open culture'. You can use it to assess the openness of the culture in your own organisation. You can use it as the basis for a discussion with your staff and to identify ways you can use your leadership to shift the culture towards the aspirations set out in this checklist. Do this every year and you can plot progress.

Score: 1 = weak; 10 = strong)

CRITERIA	SCORE (1-10)	ACTION
1. Leadership emerges throughout the organisation. 2. A person's contribution is seen as more important than his/her credentials. 3. Influence comes through people who add value more than from their title. 4. Individuals compete to make a difference, not to climb a pyramid. 5. Resources are allocated according to needs and priorities. 6. Experimenting and testing are a key competence. 7. Coordination comes through collaboration rather than centralisation. 8. Lateral communications are more important than vertical communications. 9. Structure emerges where it creates value; otherwise, it disappears. 10. Strategy emerges from dynamic, municipal-wide conversations. 11. Change starts in unexpected places. 12. Control is exercised through transparency, feedback and peer pressure. 13. Boundaries are porous. 14. Everyone thinks like the Mayor and is as accountable. 15. Decisions are made as close to the front line as appropriate. 16. Feedback is seen as a gift to be welcomed. 17. Decision-making is transparent and decisions are explained.		

<p>18. Jobs are expanded to match expertise.</p> <p>19. Career-thinking is based on achievement before promotion.</p> <p>20. Staff are 360 degrees accountable.</p> <p>21. Managers are open to the leadership of others.</p> <p>22. Key values are kept in balance: freedom, courage, commitment and accountability.</p> <p>23. Open debate is fostered.</p> <p>24. Staff and managers accept criticism and bad news without taking it personally.</p> <p>25. Stakeholders engagement comes before communications.</p>		
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6 REFERENCES

Schein, E. H. (2004). *Organisational Culture and Leadership*. John Wiley & Sons