

Shaping and changing organizational/project culture – a leadership and learning perspective

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Some of what we should expect to get from my introduction:

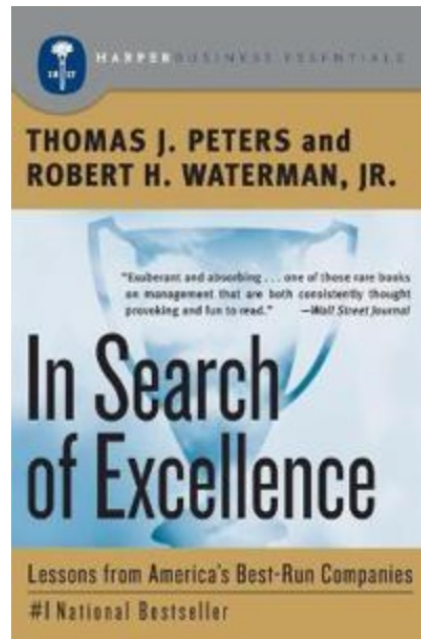
- To understand how culture is formed and changed
- To reflect on how leaders may shape cultures in projects, and why cultures are difficult to decide and design

Culture, and organization theory

- A concept borrowed from anthropology to organizational theory, that really took hold in early 1980s
 - Edgar Schein (still the leading theorist) 1983
 - Deal and Kennedy 1982
 - Peters and Waterman 1982

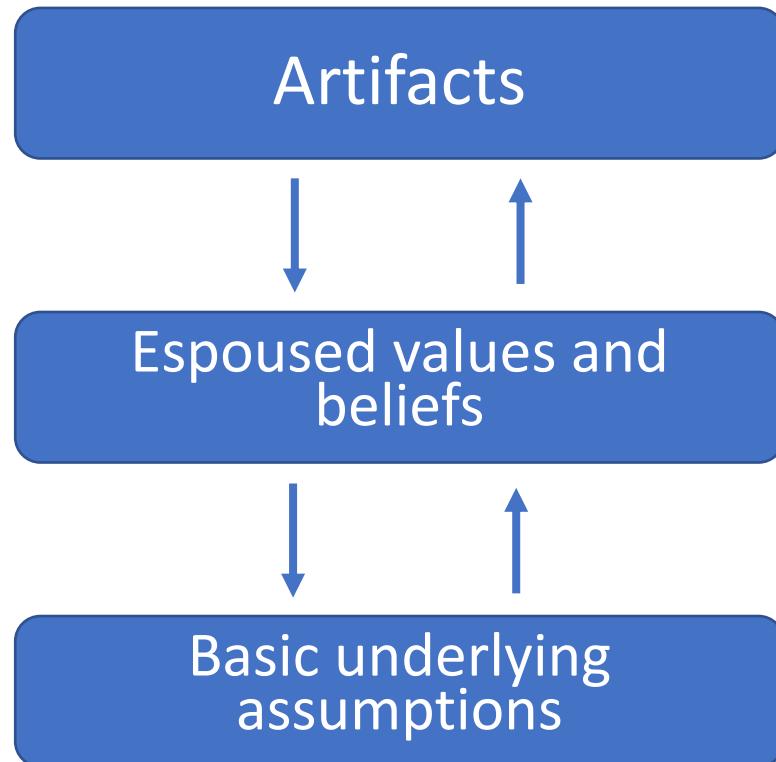
Peters and Waterman «In search of excellence» paved ground for seeing culture as strategically imperative

- Became the first business book to become a bestseller (3 mill copies the first year)



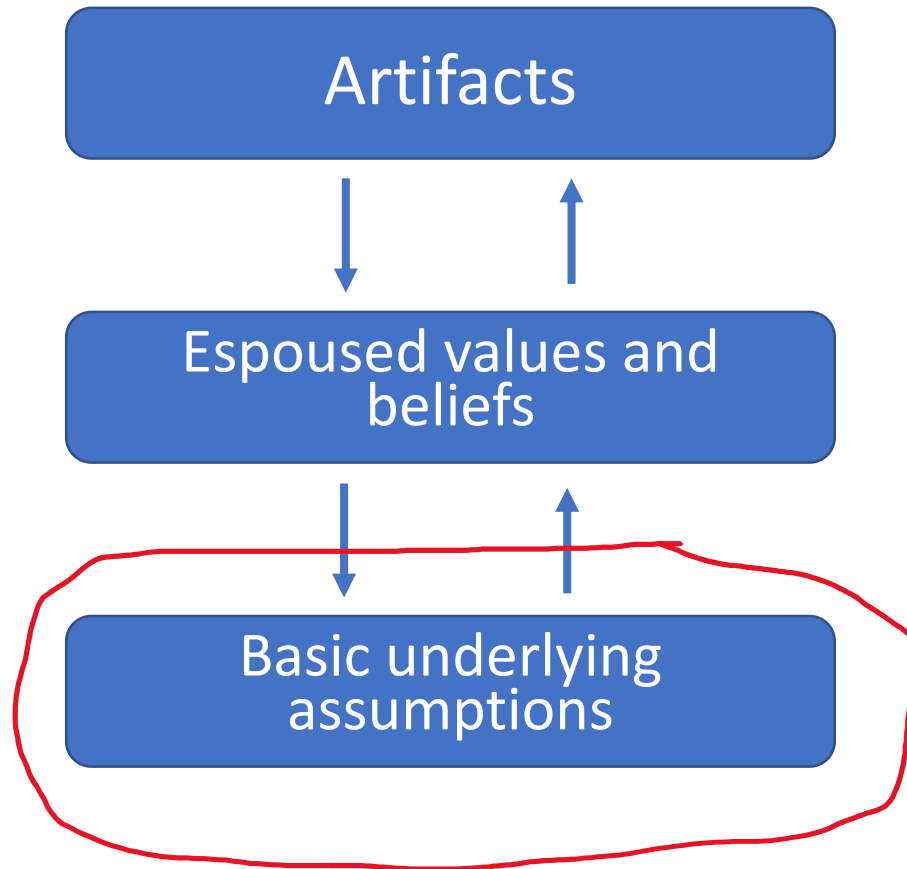
- «Eight characteristics of excellent companies:
 - A bias for action
 - Staying close to the customer
 - Autonomy and entrepreneurship
 - Productivity through people
 - Hands-on, value driven
 - Stick to the knitting
 - Simple form, lean staff
 - Simultaneously loose-tight properties»

Levels of culture (Schein)



- Visible and feelable structures and processes. Observed behaviour
- Ideals, goals, aspirations. Rationalizations which may or may not be in line with observed behaviour
- Unconscious, taken-for-granted beliefs and assumptions

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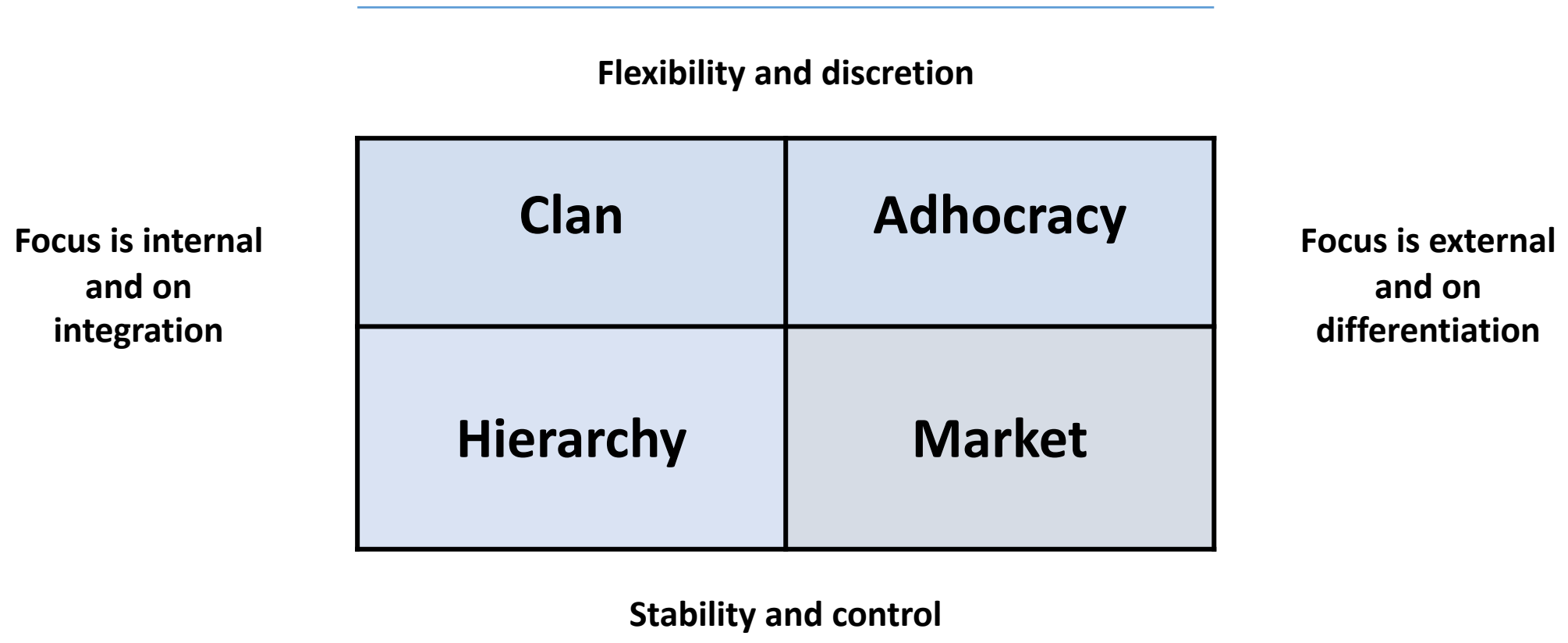
Culture is formed by social learning

- Shared experiences
- Emotional, important
- Over time (thus, newly established entities have not shaped a unique culture from the beginning – it has to be developed through shared experiences)

- ... We gradually shape beliefs and assumptions, and we no longer connect the experiences and assumptions *consciously*

Different cultures will fit different types of organizations

- (based on Quinn and Cameron 1999)



Projects shape culture (using Boonstra and Rezigts (2019) model as illustration)

- Different project types will create different project cultures and corporate cultures

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Albert Boonstra et al. / Procedia Computer Science 164 (2019) 337–342

		Complexity	
		<i>Low</i>	<i>High</i>
Predictability	<i>High</i>	<p><i>Design</i> Advanced planning techniques Go-no go criteria at milestones</p>	<p><i>Negotiation and expertise</i> Extensive stakeholder analysis Timely involvement of experts and/or interest groups</p>
	<i>Low</i>	<p><i>Development</i> High frequency communication between team, buyers and suppliers Short-term sprints, longer-term flexible planning, allowing iteration</p>	<p><i>Development, negotiation and expertise</i> Developing and debating scenarios Prototyping and probing</p>

Cultures shape projects – a case

- **There will be functional cultures across projects and companies, (modified from Schein 2010)**
- Operational culture
 - «We are the people who really get things done»
- Engineering culture
 - «The solutions are, and should be, found by diligent and competent analysis and calculation, and then built accordingly»
- Top management
 - «The structures and job specification we have established will create the best results, the problem is people who doesn't do what they are supposed to»
- **Case: Being unsuccessful in integrating cultures**
- Ambition; To become one of the best companies among building contractors to run EPC-projects
- Has a strong engineering division. Acquires an established contractor, and the an architect company
- Idea: being in the same company, engineering and coinstruction will soon be able to establish more efficient coordination and cooperation in EPC-projects
- This happened to a much less degree than hoped the management hoped
- Why?



A famous quote on culture and strategy, attributed to management guru Peter Drucker

A possible answer of why

- We (the company) created the structures to support coordination and cooperation
- The top manager (and owner) communicated strategies and espoused philosophies
- But as soon as each project was established, the basic underlying assumptions about each group vs the others kicked in and became the dominant force behind actual decisions and behavior
- We should have done much more focused efforts to create positive social learning experiences about the different functions and roles

Culture and leaders

- Leaders shape cultures much more than they decide culture
- Leaders create, both deliberate and without reflecting on it, shared experiences where members learn what is to be expected and what is appropriate to do or not to do

Combining perspectives of culture and organizational learning

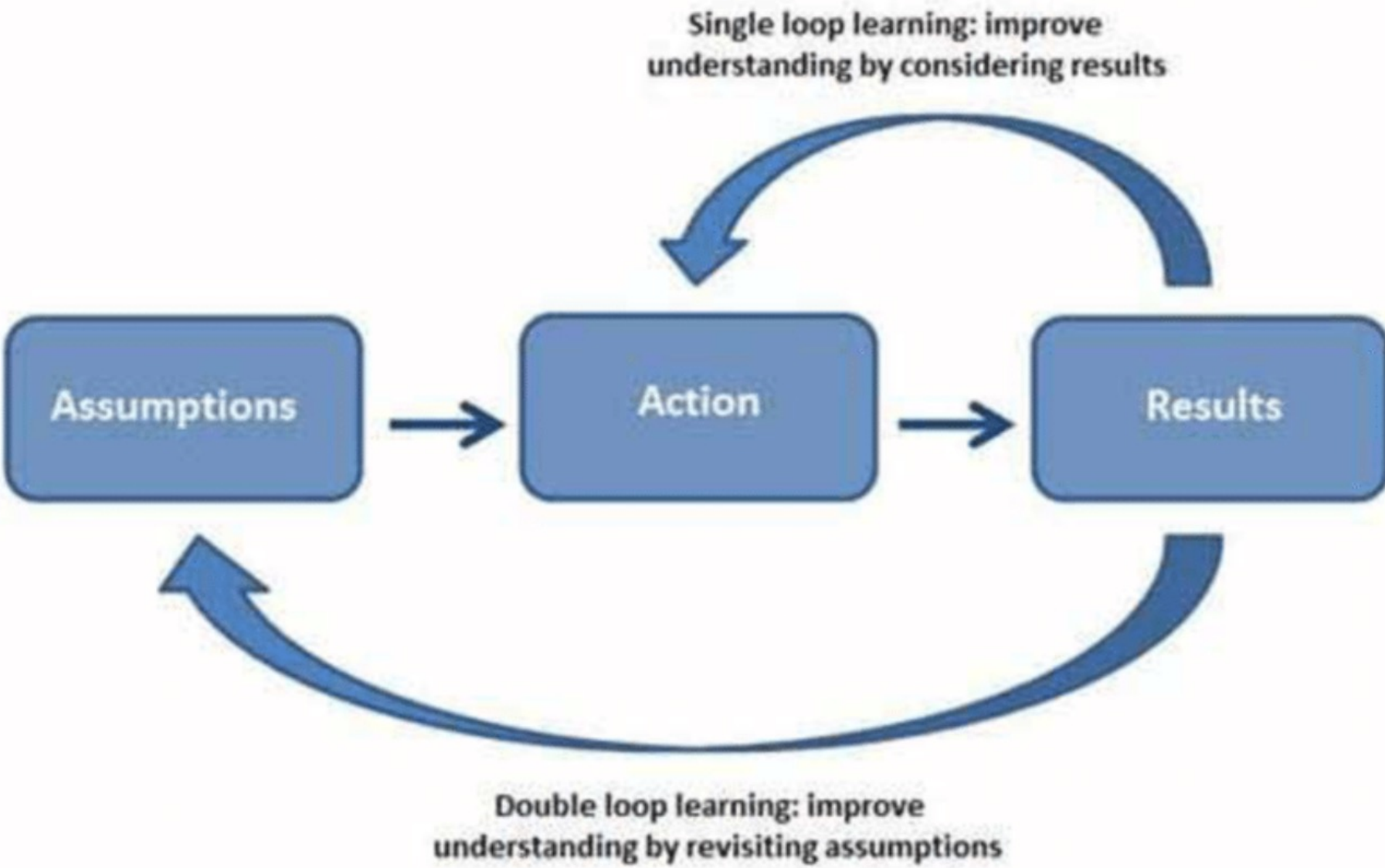
- Culture is almost equivalent to «shared theories of action», which is the core concept in organizational learning
- Both culture and organizational learning try to explain how shared basic assumptions, norms and values are developed, and how they guide our collective everyday behaviour
- Learning theories focus more on changes, and how change is prevented

«Skilled incompetence» - Argyris' interesting discussion about dysfunctional leadership cultures

- Management teams often develop communication that is meant to make everyone satisfied and avoid blame or potential personal conflicts
- However, the communication «strategies» most of all prevents learning and change
- This is *incompetent*, since it produces bad results over time, but at the same time managers practice to become *skilled* in these forms of communication
- Hence the term «skilled incompetence»...

Examples

- Carefully ambiguous communication (using vague phrases to state future ambitions or to describe status)
- Mixed messages («I trust you 100%, as long as you don't make mistakes»)
- Avoid comparing actual observed results with what we said and anticipated some time ago, and pretend that we are not avoiding it
- ... and make sure it is taboo to discuss these «strategies»



What basic assumption and strategies should we nurture if we want to create a learning culture in the project/organization?

• **Model 1**

- Focus on the purpose, as defined
- Focus on winning against conflicting views
- Unilateral control
- Discourage inquiry («let's not talk about the past»)
- Make covert attributions and evaluations towards others
- Leave potentially embarrassing facts unstated

• **Model 2**

- Openness to valid information
- Value informed choices
- Shared control
- Participation in planning and implementation
- Encouraging public testing of evaluation
- Attributions and evaluations are illustrated by observable data
- Surfacing conflicting view

Question

- How can we recognize and understand our own project/organizational culture, if the main part of our culture by definition is «unconscious, taken-for-granted beliefs and assumptions»?