

Linking Strategy, Leadership and Organization Culture for Project Success

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The concept of organization culture is not new. For many decades, the influence of culture on an organization has been the focus of significant research and study – and for good reason: culture shapes its decision patterns, guides its actions and drives individual behavior of all its members. Culture is potent. It can block an organization's (or project's) strategy, or it can catalyze it. Put simply, culture "is the way we do things around here to succeed." On a deeper level, it's the shared beliefs, norms, symbols, values and attitudes that permeate all parts of the organization. These enduring patterns help provided stability, (an important benefit), for the organization. But a strong culture can also erect barriers to getting the results needed to remain competitive. Project leaders lacking cultural awareness can become restricted and handicapped by the values and beliefs of the base organization's culture. They can have difficulty understanding and adapting to different norms and behaviors across the organization. By contrast, enlightened project leaders have a strong connection to their cultures. They are more sensitive and capable of interacting with other kinds of cultures and are more adaptable, flexible and effective.

In this paper I discuss how culture influences behavior. As experienced practitioners, our purpose is to help project leaders gain a better understanding of organizational culture and all that entails: its landscape, its underlying process, how it develops, how to identify characteristics and attributes of core culture types, and how to develop ways for recognizing, changing and adapting to their behavior while working with dissimilar cultures. Once gained,

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this knowledge will not only make project leaders more effective, but will help them achieve their planned results. I will also discuss the ways in which we describe culture, and the critical link between strategy, culture and leadership behaviors. This paper is grounded in theory and is both descriptive and prescriptive, while offering suggestions that can help project leaders understand their own culture and that of others. I hope it serves as an aid to making projects more successful.

What is Organizational Culture?

There is a growing interest in the subject of business culture and project management. An organization's culture is its personality. It's comprised of assumptions, beliefs, values, norms, and tangible signs (artifacts) or organization members and their behaviors. Culture is a very powerful force and is multi-dimensional. If a person who works in one section of an organization were to be moved to another organization (or another department within the same organization), we know that he/she would tend to act differently in this new environment. We know this because a strong embedded culture creates social ideals that guide individual behavior, and these ideals are manifested in a number of ways. A strong culture can generate commitment to the organization's values. In high performing organizations (Collins and Porras 1998), strong cultures endure and are a means by which organizations can strengthen their performance, adapt to change and changing environments, all while increasing their chances of survival and maintaining their competitive performance. Culture is a means by which messages about

what the organization stands for is conveyed to employees and other stakeholders. When individuals become committed to the organization's beliefs, those beliefs become internalized and individual members hold them as their personal beliefs. Whether we as individuals are aware of it or not, the internalization process occurs and, if congruent, can be a means of personal satisfaction. In other words, our organization's personality becomes our personality and vice-versa.

Understanding the culture of an organization is critical to running successful projects. Culture resides in every fold of an enterprise, influencing the dynamics of how people perform, relate and perceive the organization's impact on their lives. The organizational psychologist Edward Schein defined organizational culture as "a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, and 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 those problems

Schein's definition is insightful. Shared assumptions are the heart of any culture. It references problem solving and adaptation, which differentiate organizational culture from other types of cultures not bounded to business. Finally, it highlights the generational nature of culture, recognizing that succeeding groups of organization members learn about culture from the current generation.

What Internal Forces Shape Culture? The Link between Strategy, Culture, Leadership and Performance

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Powerful external and internal forces shape an organization's culture and impact its projects. Internal drivers like an organization's **vision, mission and strategy**, whether well conceived and communicated or not, are often played out by an organization. Southwest Airlines' employees, for example, can tell you precisely what their company's strategy is. This has had a profound impact on the success of Southwest's culture and performance. Other organizations have as their strategy to dominate the marketplace, to have the only product, technology or service, and to strive toward maintaining stability. Still others strive to have the most superior products or services and are extremely adaptive.

Structure affects culture. Rigid, formal and command and control structures, for example, can promote functional efficiency at the expense of collaborative innovation (projects). Subcultures typically exist within the overall structure of the organization, and they grow out of different locations, occupations, and the provision of services. Subcultures may be starkly different from the base organization's culture, even within the same organization. One example would be where a marketing department embraces values even more fervently than the base culture; or the research department challenges the dominate values of the corporate culture.

Other internal forces **like leadership actions** communicate what is most important to the organization, such as beliefs, values and assumptions. A leader's actions far outweigh newsletters, memos or policy manuals. Spending time walking the corridors, speaking and listening to employees and customers, communicates a powerful message. Some leaders emphasize incentives and rewards, foster individual and group competition, and

encourage working collaboratively and other synergistic relationships.

Another internal force are **human resource practices**, such as who gets hired and promoted, who gets terminated or demoted, who gets counseled and coached, who goes to training. Are people handled humanly or treated as an expense line item on the budget? How people are rewarded and how their performance is evaluated send powerful messages and help to shape culture.

Performance measures play an enormous role in determining an organization's culture. What gets measured – profits, costs savings, behaviors? Is individual or team contributions stressed? Is short term or long term thinking and decisions emphasized?

External forces also shape culture and are very powerful since organizations reflect transnational, national, regional, industry and occupational ideologies. These may take the form of religion, science, political ideologies, and environmental concerns (nuclear energy, wildlife, world hunger). The substance of an organization's culture may reflect many beliefs, only some of which originate within the organization.

All of these elements affect how people perceive the organization and how they behave.

Do You Know Your Organization's Culture?

Understanding and assessing your organization's culture can mean the difference between success and failure in today's fast changing business environment. Leaders typically have a view of their culture based more on wishes than on a grounded, rational view. Understanding and then confronting the

reality of an organization's culture may not always be pleasant, but it is necessary. Very often what management pays attention to and rewards is often the strongest indicator of the organization's culture. This is quite different than the values it verbalizes or the ideals it strives for. Think for a minute about the culture you work in and imagine you were asked to describe your organization to an outsider. How would you answer the following questions? What ten words would you use to describe your company? Around here, what's really important; who gets promoted; what behaviors get rewarded; and who fits in and who does not fit in? Does management encourage or discourage innovation? Do mavericks fit in or do they get pushed out? Does management reward employees for coming up with new ideas and challenging old ways of doing things? Does the organization truly value excellence or is the mentality "just ship it"? Does management pay attention to the well-being of employees or is it completely focused on task and profits?

This kind of inquiry can give insight into the real culture of your organization and some of its underlying values and beliefs. It may not be what you think. Your organization's culture is not the espoused values developed at an offsite meeting and posted on your website. These are ideals. What you strive to be and what you hope to endorse may be completely different from the values, beliefs and norms expressed in your actual practice and behavior. It is critical that you awaken and find out who you really are as well as striving for who you want to be. A good evaluation or assessment of where you are now can provide measurable data about the real organization's values and beliefs. Individuals, groups, departments, projects, and organizations seldom fit one particular classification or pure type because they represent complex social systems and mixtures of many cultural patterns.

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Nevertheless, there are models that identify some systematic process that project and senior leaders can use to make sense of their environment. The one most compelling, elegant and robust assessment tool used extensively by some very high profile firms is the model created by William Schneider. The remainder of this paper will briefly describe Schneider's model, an archetypal model that can be helpful for project as well as senior leaders in understanding the different dimensions of culture.

The Four Core Cultures

The foundation of each of the four cultures rests on what each culture focuses on and how each one makes decisions. Each culture is uniquely defined by the kind of input that is important to it and by the process it relies on to form judgments and make decisions. When viewed together, the four cultures reveal a number of underlying patterns (See Exhibit 1).

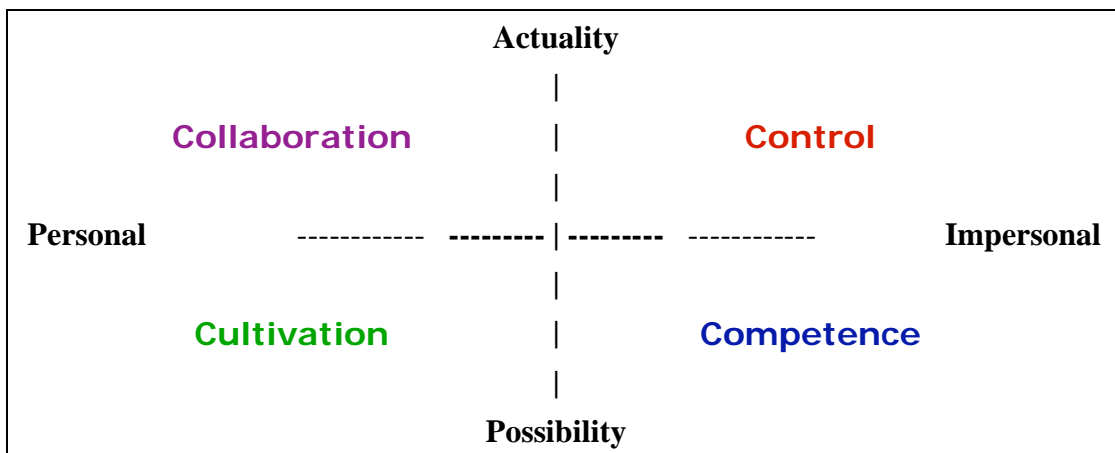


Exhibit 1

The underlying pattern is illustrated by two axes that when combined with one another along two separate axes yield four component parts of the table and represent the four core cultures. The vertical axis considers what an organization pays attention to, or the content. The horizontal axis considers how an organization makes decisions, forms judgments or the process. The content axis is bounded by actuality and possibility; the process axis is bounded by impersonal and personal.

It is important to note that Schneider states "that the qualities and characteristics associated with the content and process axes are organizational and cultural preferences or central tendencies" and as such "are not exclusionary - having a preference for one does not preclude involvement in the other." It does not mean that facts are all that an actuality organization deals with or that a

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possibility organization never attends to facts. One simply predominates or is central to how the firm works.

CONTROL Core Culture

This culture is all about certainty and has its roots in a more militaristic model. It fundamentally exists to ensure certainty, predictability, safety, accuracy and dependability.

A brief description of each core culture is provided below.

Control Culture	
Strengths	Weaknesses
Planning	May be impersonal
Building systems, policies, and procedures	Very intense work environment
Spotting problems quickly; corrective action	May give outside message “we can take you or leave you”
Creating order	Good ideas from below may get lost
Clarifying roles	People are reluctant to volunteer bad news
Realistic decision making	Too much compliance
Being objective and realistic	Hard to voice conflict, disagreements
Gaining a dominate position in markets	Information flows upward not laterally

COMPETENCE Core Culture

This culture is very much fixed on achievement and gaining distinction on being the very best and or having the

very finest/highest quality – a five star rating. This is the culture of uniqueness, of one-of-a-kind products and/or services.

Competence Culture	
Strengths	Weaknesses
Setting high performance standards	Over plans and analyses
Having very high technical expertise	Emotionally controlled
Establishing a creative and exciting place	Tough on people – people feel pressured
Being future & possibility oriented	Winning becomes overly important
Valuing professionalism	Advises against collaboration and teaming
Incentive based reward systems	May lose sight of the human element
Promoting individual accomplishments	Generalists are not developed
Good at adapting and changing	Win-win situations may be overlooked
Decision making is thorough and systematic	People feel leadership is never satisfied and they are underperforming

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COLLABORATION Core Culture

This culture basically has its roots in teams, family and affiliation and is all about synergy. It fundamentally exists to ensure unity and close connections with the customer. It pays a great deal of

attention to concrete, tangible reality, actual experience and matters of practicality and utility. However, its decision-making process is people driven, organic and informal.

Collaboration Culture	
Strengths	Weaknesses
Building and managing diversity	It is prone toward short term thinking
Open, free and direct communication	May become overly compromising
Building and developing values that drive the organization	May fail to properly recognize “individual” achievement
Developing and utilizing teams	Takes longer to make decisions
Supporting relationships; people treat one another in a sensitive and caring manner	People refrain from dissent for fear of team ostracism
Partnering with its customers	Over-adaptive, environment sways decisions
Listening to other people	Inclined toward de-emphasizing planning

CULTIVATION Core Culture

This culture has its roots in religion and religious systems, meaningfulness and self-actualization and is all about enrichment. It pays attention chiefly to

potentiality, ideals and beliefs, aspirations and inspirations, and creative options. Its decision making method is people driven, open-minded and subjective.

Cultivation Culture	
Strengths	Weaknesses
People feel cared for and nurtured	Projects may not always get finished
It builds commitment and dedication within it's ranks	Prone toward idealism and/or perfect solutions
It offers many opportunities for growth	It is prone toward playing people favorites
It values creativity, people's aspiration	Details may get overlooked
Trust is abundant	It tends to be oriented against controls
It is very open to change	Some ideas outlive their usefulness
People feel inspired	It is prone toward inefficiency
It places a high value on training	Prone toward playing favorites

Creating an Effective Project Team Culture

Just as the organization transmits its values and beliefs to its members, the project leader also creates a team culture

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by transmitting values and beliefs to the team members. This process is aimed at developing project goals and objectives, group norms (how decisions will be made, how we will resolve conflicts, build trust, and actively listening and communicating). Project leaders can help the project team develop and reach high performance levels in a number of ways.

One way is to protect the team, particularly in situations when there is a more dominate base organizational culture that may interfere with accomplishing the project's mission. Another way a project leader can help build team effectiveness is by understanding and directly communicating the base organization beliefs and values to the project team. Providing the team with insights about potential conflicting values can help team members develop strategies to overcome potential problems. For example, a project leader who leads an exceedingly high competence core culture project team while the base organization's core culture is an extremely collaboration core culture. The project team's competitive behavior is very likely in direct opposition to the behaviors endorsed by the base organization. While the project leader fosters individual achievement and accomplishment, these values are incongruent to base organization's values of cooperation and collaboration. The team will run the risk of confrontation and resistance from the base organization if they are not involved in critical project decisions. It is the project leader's responsibility to

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promote a better working relationship with the base organization. The project leader must ensure the project team understands the nature and strengths of the base organization culture and help them to develop a healthy balance between the two distinct cultures. Key matters to help the project team reach high performance are understanding the organizational elements and how each member of the team approaches tasks, how they relate to one another, their particular management and leadership style, and how they perceive the "way to success."

Differences in the assumptions and beliefs of each core culture and "how we do things around here to succeed," have profound implications for the success of projects. Appreciating the values and beliefs of the base organization can help the project leader understand how to adapt his behavior and develop more effective approaches to make the project successful.

Implications for the Project Leader

Projects often have a profound impact on the organization and the people within it. Projects transform all or parts of an organization and by their very nature create change to the base organization or individual departments. Projects usually involve the design and development of a new physical product or service that may contain complex technical elements. The problem most common to projects is to concentrate and emphasize the technical content at the expense of understanding its impact on the people (users) and the organization. An important characteristic

of project work is the extent to which people who will use the product are invited to participate in the work. Very often the work is done by a specialist without the cooperation, participation and commitment of the end users.

Project leaders must be able to interact with various sub-cultural elements within their organization and that of the customer (and often simultaneously.) Leaders who are aware of cultural differences can avoid or minimize unproductive conflicts and misunderstandings. Differences may arise for various reasons such as values, assumptions, and beliefs, and arise from problems communicating across cultures. The nature of communication in research and development is very different from the language spoken in marketing. It is important for the leader to make a concerted effort to speak and listen in ways that take these differences into account. Attributing project barriers to another co-worker's inflexibility or stubbornness may polarize differences, escalate conflict and make it very difficult or next to impossible to complete the project.

Projects have a higher probability of succeeding when they:

- Start with the premise that organizations are living social systems.
- Assess, identify, work with and align with the organization's core culture.
- Are designed on the front end from a system focused perspective and implemented in a

manner congruent with that design.

- Are clearly tied to the organization's strategy
- Aligned with strategy, culture and leadership
- Understand that all organizations have a lead core culture and subcultures and the key is that the project culture must function in service of the organization's core or lead culture.

Summary

The purpose of this article is to demonstrate that project teams and organizations have unique personalities and value systems. We all work differently on the road to successful projects. The more a project leader understands the concept of culture, the more effective he/she will be in gaining support and guiding the project through the myriad of organization mazes.

Project leaders often engage in transactions with several different cultures simultaneously. They typically work within their own base organization core culture; with the subcultures of other departments within the organization (research and development, marketing and sales or manufacturing); or with an external customer's core culture. Each has their own inherent "ways of doing things around here to succeed." Understanding and speaking the language of the immediate culture is critical for project success. Effectively communicating with the surrounding culture can help develop plans and strategies that will be recognized and

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time-honored by the organization – while avoiding practices that violate the beliefs and values of the client organization.

Project leaders have many opportunities to create and shape a project culture in purposeful ways, but that culture must be in alignment with the organization's lead culture. This is an important part of project team development and a healthy team climate and sets the stage for ensuring project success.

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