

ORGANIZATIONAL CLIMATE

Any discussion of organizational climate should first begin with four basic assumptions:

- Organizations of similar circumstances can differ greatly in productivity.
- Productivity is often related to individual and group motivation.
- Motivation is enhanced or inhibited by the organizational climate.
- Executives shape the organizational climate.

The literature is full of definitions, some of which are:

1. Organizational climate is something that is sensed rather than something that is recognized cognitively.

2. Climate is a set of attributes which can be perceived about a particular organization and/or its subsystems, and that may be induced from the way the organization and/or its subsystems deal with their members and environments.

3. Organizational climate is the combined perceptions of individuals that are useful in differentiating organizations according to their procedures and practices.

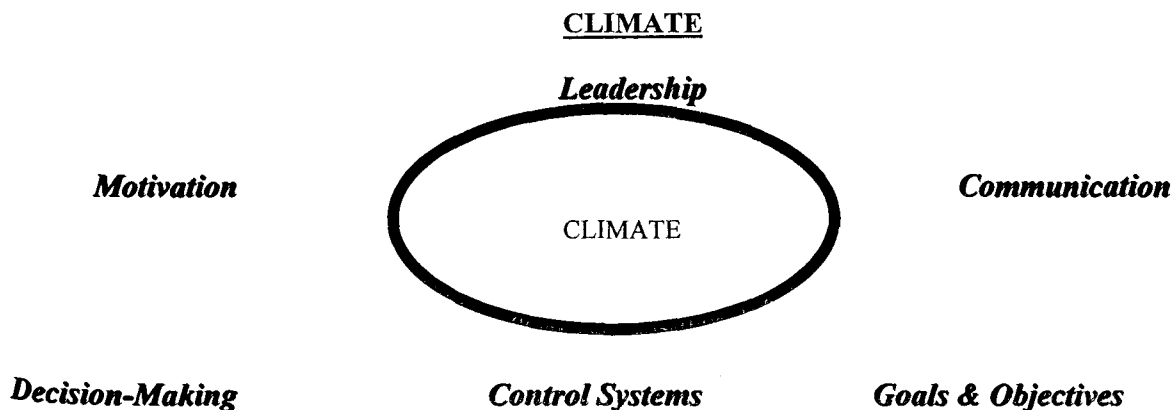
4. Organizational climate is the collective view of the people within the organization as to the nature of the environment in which they work.

5. In military terms, climate is the sum total of what an experienced soldier *feels* or *senses* when he goes into a new unit, listens and looks around awhile, and *then judges* whether the unit is worth a darn, can do its job, and will take care of its people.

Frequently, in fact, the term climate is used simply without definition, as though its meaning were inherently understood and shared by all.

What should be obvious at this point is the lack of conceptual clarity about the term organizational climate. It is for this reason that OLE addresses the issue of climate in this way:

Influencing the Internal Environment Through Climate



Measures of Climate

Leadership

1. How much confidence is shown in subordinates?
2. How free do they feel to talk to superiors about their job?
3. To what extent are subordinates' ideas sought and used?

Motivation

4. Is predominant use made of fear, threats, punishment, rewards, involvement?
5. Where is responsibility felt for achieving the organization's goals?
6. How much cooperative teamwork exists?

Communication

7. What is the direction of communication flow?
8. How is downward communication accepted?
9. How accurate is upward communication?
10. How well do superiors know the problems faced by subordinates?

Decision-Making

11. At what level are decisions made?
12. How are subordinates involved in decisions related to their work?
13. What/how does the decision-making process contribute to motivation?

Goals

14. How are organizational goals established?
15. How much covert resistance to goals is present?

Controls

16. How concentrated are review and control functions?
17. Is there an informal organization resisting the formal one?
18. What are cost, productivity, and other control data used for?

To Make the Climate Work

- Clarity, common understanding, and congruent application by senior leaders and their staffs regarding simply stated goals, objectives, priorities and command philosophy.
- Understanding of the nature of organizational climate, its principal components, and its interactive dynamics.
- Taking actions to make the organizational climate directly support the organization's goals, objectives, priorities, and command philosophy.

- Embedding within the climate “the principle of rationality,” i.e. *Do what seems right and sensible*; and questioning policies, procedures, and requirements that seem otherwise. Starting with the boss, demonstrate downward the willingness to take calculated risks, with the calculations based on the principle of rationality.
- As the expected mode of leadership permeates downward, encourage, reward, and “tell stories about” incidents of independent but disciplined actions in the absence of positive control. Follow through as this occurs successively at lower and lower echelons and among more and more leaders.

Creating a Climate for Learning

Empowerment is what leaders can do to develop the capacity of their subordinates; creating a climate for learning. Here are a few suggestions for developing capacity,

- a. Stop making decisions.
- b. Stop talking at staff meetings.
- c. Set up opportunities for coaching.
- d. Invite people to assume responsibility.
- e. Give everyone a customer (stakeholder).
- f. Have an open house. Invite the customers (stakeholders).
- g. Enrich people’s jobs; demonstrate that they all have value and make a difference.
- h. Share the big picture.
- I. Model the behaviors that you expect.

Contrasting Climate and Culture

<u>CLIMATE</u>	<u>CULTURE</u>
Met Expectations	Nature of Expectations
Temperature	Pressure
Transactual	Transformational
Tactical	Strategic
Norms - Behavior	Values – Beliefs

**** See Chapter Ten for Climate and Culture Surveys**

Reference: *Credibility, How Leaders Gain It and Lose It, Why People Demand It*, Kouzes and Posner, 1993, San Francisco: Jossey-Bass Publishers.

ORGANIZATIONAL CULTURE AND LEADERSHIP

An organization's culture can be seen as its member's collective mental models - which is why you cannot change an organization without investigating its cultural assumptions. In Edgar Schein's model, cultural assumptions are deeply influenced by beliefs founders and leaders, carrying on for years after the founders themselves have ceased to run the company. Unlike Chris Argyris, Schein sees most organizations as essentially healthy, and willing, patients. They lack certain skills and may be handicapped by dysfunctional values, but these gaps can be remedied through careful clinical work.

Organizational Culture and Leadership by Edgar Schein, contains two chapters describing a participative way to decipher an organization's culture. A researcher starts by eliciting data about *cultural artifacts* such as dress codes, ways of talking to the boss, and other visible evidence. The most recent hire is asked to start off the list, to offer the unjaded observations of a newcomer. The second level of data encompasses *espoused values* - that is, readily offered reasons for the visible cultural artifacts. This requires people to think slightly more deeply to generate explanations such as "We value problem solving more than formal authority," which, once stated, are readily recognized by everyone. The third and most subtle level captures *shared underlying assumptions*, which require some probing to be uncovered, through discussion of inconsistencies between artifacts and espoused values. Finally, the researcher pulls together the findings from the group and together they examine what assumptions may aid and/or hinder progress on the stated change goals.

ARTIFACTS

: Visible organizational structures and processes

ESPOUSED VALUES

: Strategies, goals and philosophies

UNDERLYING ASSUMPTIONS

: Unconscious, taken for granted, beliefs, perceptions, thoughts
and feelings

From THE FIFTH DISCIPLINE FIELDBOOK by Peter Senge, Art Kleiner, Charlotte Roberts, Richard B. Ross and Bryan J. Smith, an adaptation of "Organizational Culture and Leadership", pages 267-268, 1994. Used by permission of Doubleday, a division of Bantam Doubleday Dell Publishing Group, Inc.

CULTURAL PARADIGMS

Cultural paradigms form through perceptions developed by organizational members as well as through the behaviors of their leaders. The list below assists one in identifying those paradigms that might be in operation within one's organization.

- a. Focus on surprises in the organization.
- b. Set yourself up with a method for systematic observation and checking of what the organization does well and not so well.
- c. Locate a motivated insider. A person within the informal system that can provide insights to which one might not be aware.
- d. Reveal surprises when they happen. Attempt to explain puzzlement and hunches.
- e. Jointly explore (get others involved) to find explanation.
- f. Formalize hypothesis.
- g. Systematically check and consolidate.
- h. Push the level of assumptions. Go beyond the articulated values and get to the assumptions behind them.

As an example, we make assumptions about **time**. In reality, there are only three things that one can do with time.

- a. Spend it.
- b. Waste it.
- c. Make good use of it.

But when it is over, it is gone forever. Time is a convenient target for blaming for our failures, mistakes and for our lack of risk taking. Maybe this sounds familiar, "two weeks is certainly not enough time to get to (open up) know to someone else, or, I've known, worked with, him/her so long, that I could never tell the real truth." It most likely has nothing to do with time, but with our reluctance to assume responsibility and accountability for our own actions.

Another assumption that pervades our organizational culture is about **truth**. We should all be committed to telling the truth, but culture tends to guide the way we choose to operate in our relationship with each other at work and at home. Telling the truth simply means a willingness to root out the ways we limit ourselves from seeing what is and to continually challenge our theories of why things are the way they are. We always have the option of seeing the truth, no matter how blind or prejudicial we may be, if we have the courage.

STRATEGY AND CULTURE

Strategy is the hard nosed American approach to business that traditionally stresses the impact of competitive advantage on the bottom line. Culture is paying attention to organizational and people needs. To unite strategy with culture:

- a. First, develop a vision of the future.
- b. Nurture a culture that is motivated and dedicated to the vision.

Most organizations are either strategy-deficient or culture-deficient. Quality circles, Japanese style management practices, continue to fail because executives have not made fundamental changes in **their** attitudes and approaches. There are three deadly attitudes that permeate the way traditional management approaches these new methods. Generally the failure of these new practices are victim to short term orientation, quick fix expectations and shallow thinking. Under the *new age leadership approaches* leaders have begun to move away from the business school management practices where managers, set goals, priorities and procedures. Organization, motivation and control over people are important. Managers concentrate on analyzing situations and forming strategic plans. They respond to change through new strategies and reorganization and implement change through new policies and procedures with all effort directed towards achieving results.

New age leadership focuses on creative insight by asking the right questions. It orients on sensitivity, vision, versatility, focus and patience. Managerial values have shifted over the past several years. What has changed is the orientation towards quality, service, values, and to home and family. What has remained constant is that we expect honesty and competence, that top management will see the climate and our customers as our key stakeholders. People are no less committed to work - all they want is self expression and organizational cooperation.

From *Credibility, How Leaders Gain It and Lose It, Why People Demand It*, James M. Kouzes and Barry Z. Posner, adaptation of pages 93-95, "Appreciating Constituents & Their Diversity, 1993. Jossey-Bass Publications. Reprinted by permission of Jossey-Bass, Inc., a subsidiary of John Wiley & Sons., Inc.