Culture Is Serious Business

BY ED GIGANTI

E dgar Schein is widely known as the founding father of the study of corporate culture. Today an emeritus professor at the Sloan School of Management at Massachusetts Institute of Technology in Cambridge, Schein has consulted throughout his career with a wide variety of corporate clients, including Procter & Gamble, General Foods, IBM, General Electric, Ciba-Geigy, and Kaiser Permanente. He is the author of numerous articles and books, including *Organizational Culture and Leadership* (Jossey-Bass, 1992) and *The Corporate Culture Survival Guide* (Jossey-Bass, 1999).

I was thrilled this past June when, at CHA's invitation, Schein met with a group of system mission and leadership development executives from Catholic health care. During a rich, 90-minute dialogue, he broadened our thinking about the serious business of organizational culture.

CULTURAL ARTIFACTS

Schein began by giving us his definition of "culture."

Ultimately, [he said] culture is what a group learns throughout its history, and that covers all its learning. It is what the group learns about how it relates to its external environment, as well as internally, with one another. Everything we come to think of as norms, rituals, and so on, all come from someplace. They are the product of learning. So the quickest way to try to identify your group's culture is to ask yourselves what you, as a group, have learned that has worked, both in terms of getting your job done and in terms of how you relate internally.

Culture is an abstract concept, however. Schein believes that "we need a way of talking about it that enables us to get at it," to make it more concrete. He begins by looking at the "arti-
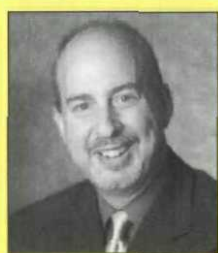
Ed Giganti is

senior director,

leadership develop-

ment, the Catholic

Health Association,

St. Louis.

facts" of culture, "the visible, hear-able, feel-able ways in which the group displays itself." These artifacts, he said, "might include the architecture of the buildings or the formality or informality you see among members of the group. The problem is, you can see or feel these artifacts, but you don't know how to interpret them. You don't know what's behind the artifacts."

One will, when asking the members of an organization about its artifacts, often be given explanations of what the group values, Schein said. Such explanations deliver the "espoused values," he noted. "But even after you have witnessed the artifacts and heard about the espoused values, you still can't quite explain what's going on in a place," he said.

"Sometimes you notice discrepancies between the surface artifacts and the espoused values," he continued. "For example, you might find some declaration about teamwork in an organization's espoused values. Then you look around and notice that the organization's career system is very individualistic and that pay scales are individually based."

Conflicts between artifacts and espoused values often turn up a third dimension of corporate culture, Schein said. This dimension is composed by "the tacit, shared, taken-for-granted assumptions . . . what really drives day-to-day behavior." Assumptions get built up from three sources, Schein said:

• The values, attitudes, and beliefs of the organization's founder(s)

• The reference group, community, country, and/or occupation that shaped the founder(s) values, attitudes, and beliefs

• The actual experience of the group or organization as it evolves; its practical conclusions about what does and doesn't work

"Think about how ridiculous it is for a manager to say, 'I'm going to create a culture,'" Schein said. "You can't do that. A culture is derivative of a lot of experience. What a manager *can* do is say, 'I don't like the way we're working here. I am

introducing some new values.' And if the behaviors that flow from those values actually produce better results, and if the group feels comfortable doing that, then culture eventually gets built up."

CORPORATE AND LOCAL CULTURES

Because the conversation involved mission and leadership development executives from health care systems, it soon turned to the problem of balancing corporate and local cultures in multi-institutional systems.

"Having a system culture often seems like the right way to go because then you are all operating from the same page, the same values and assumptions," Schein said. "But if you have subunits—like the facilities of a health system—the first thing to do is to examine the primary tasks of each sub-unit. Only when you thoroughly understand the subunits as subcultures should you ask yourself what would be the pros and cons of imposing a new set of values on the whole lot of them for consistency."

It may appear on the surface that the different parts of your organization are doing the same things, but Schein warned participants to critically analyze the tasks of the parts. "Allow for the possibility that at some level they are doing different things that require different values." The best way to embed corporate values as nonnegotiable across a system is to engage the system's subunits in dialogue about how they can individually enact the values, Schein said. "Have the different parts of the system invent ways, and some of those ways may be useful to other parts of the system. But [the subunits] won't change and adapt corporate values until they get involved in inventing their own ways of doing things. Management can set the goals, but the person who has to make the changes has to be involved in the learning process to get to those goals."

In a ministry that is also a business, values often conflict. How can a culture navigate those conflicts?

What would happen if you said that your conflicting values—for example, economic efficiency and care for the poor—are both non-negotiable, [that] neither one can be allowed to erode? [Schein asked] You say to yourself, "Now we can invent a way of running things that will keep both values alive." You go to a higher order: "We are not going to compromise what we feel

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deeply about, and that may involve whole new ways of delivering health care, or building buildings, or whatever. The important thing is not to give up on the values."

Having spent his career in academia, Schein recognizes the complexity of multidimensional organizations such as universities and hospitals. "I think business schools and consultants haven't given enough attention to what we can learn from universities and hospitals and other multi-purpose systems like them, because we have gone too far looking at business management systems," he said. "We think that because [business systems] can make a profit, they must have it right. But the point is that they have a clearer and much more limited set of primary tasks than hospitals or universities [do]. Anyone who can manage the diverse tasks of hospitals (or universities) is a genius. I'm immensely sympathetic."

OTHER PRESENTATIONS

In addition to the dialogue with Schein, the meeting featured presentations by three other participants. Jack Salvadore, system director, organizational development, Christus Health, Houston, TX, described his system's Christus Academy for developing leaders for the future.

Sr. Jane Madejczyk, OSF, senior vice president, mission services, Wheaton Franciscan Services, Wheaton, IL, presented the values-based behaviors that her system has articulated and is incorporating into performance management and development systems.

Peter Giammalvo, director, leadership formation, Catholic Health East (CHE), Newtown Square, PA, described his system's leadership development initiatives and shared copies of the "Guide for Interviewing and Selection" recently implemented at CHE.

CHA is grateful to all three for their willingness to be part of the program. Besides being informational, these three presentations stimulated the sharing of successful practices among all the participants.

Attendees told us they were very satisfied with this opportunity for idea exchange with their ministry colleagues and for dialogue with a leading thought leader in organizational development. Given participants' positive evaluations of the meeting and their requests for others like it, CHA has decided to plan a similar convening in 2003. □