**Lesson 27: Shaping  
Organizational Culture**

**Introduction**

This lesson consists of:

1. Shaping Organizational Culture

2. Case Study

3. Student Journal Entry

**Assignment**

1. **Read Course Guide**

2. When you solve a case study or act as a leader in your organization:

I. ***Identify*** the **Areas of Interest**

II. ***Analyze***the situation using concepts of Organizational Culture.

A**. *Identify*** any messages the organizational culture communicates that may influence individual or group behavior.

B. ***Identify*** the artifacts that symbolize what the organization is about (i.e., what it stands for).

C. ***Identify*** the espoused values and values in use (i.e., those enforced by group norms and the reward system) in this situation.

D. ***Identify*** the underlying assumptions that are operating in the organization.

III. ***Explain*** how the underlying assumptions in your analysis influence people to support or work against the organizational mission.

A. ***Classify*** the organizational culture as functional or dysfunctional with respect to its reason for being.

IV. ***Select***appropriate embedding and reinforcing mechanisms that might influence the organizational culture and help accomplish the organizational mission.

V. ***Apply***the theoretical leader strategy(ies) to the situation through a specific leader plan that addresses all Areas of Interest.

VI. ***Assess*, evaluate,** and revise your leader plan.

3. **Complete a Student Journal entry** for Shaping Organizational Culture.

Think about your current work group. What messages are being communicated by the organizational culture that may influence individual or group behavior? What evident artifacts symbolize what the organization is about? What espoused values and values in use (i.e., group norms) are evident in the organization? What underlying assumptions are operating in the organization? How do your underlying assumptions influence people to either support or work against the organizational mission? Would you say that the organizational culture in your workgroup is functional or dysfunctional? How could a leader use embedding and reinforcing mechanisms in your workgroup to influence the organizational culture and enhance the accomplishment of the organizational mission? How could a leader assess whether or not the proposed leader plan would be successful?

**Organizational Culture: A Comprehensive Overview**

**Introduction**

In previous lessons, we focused on anticipating, responding to, and controlling environmental influences to achieve organizational goals. One of leadership's main responsibilities is protecting the organization's technical core—the essential functions that drive its operation—from external disruptions. This lesson shifts focus to how an organization defines what to do, why it needs to be done, and how it should be done effectively. In other words, it addresses the relationship between the organization’s internal processes and environment.

Schein noted that leadership theories often fail to address organizational dynamics at various stages of evolution, neglecting the unique needs and challenges that arise over time. Leadership cannot exist in a vacuum; it is shaped by an organization's culture as much as leadership itself attempts to shape that culture. Organizational culture is a product of a complex group learning process, only partially influenced by leadership, yet deeply embedded within the organization.

The culture within an organization serves as a cohesive force that aligns various processes. It can either support leadership's direction or resist attempts to shift organizational components. By studying organizational culture, we can better understand why some organizations value individual initiative and decentralized control while others emphasize stability and group conformity. This lesson will explore the concept of culture and how leaders can influence it to align with organizational goals.

**Defining Organizational Culture**

Organizational culture can be defined as a pattern of shared basic assumptions that a group has developed as it resolves problems of external adaptation and internal integration. These shared assumptions become entrenched over time and are taught to new members as the correct way to perceive, think, and feel about these challenges. In essence, culture dictates what is considered acceptable behavior within the organization.

Leaders must determine whether these shared values and assumptions align with the organization’s goals and mission. Understanding and managing culture is critical because it operates subconsciously, making it difficult for insiders to articulate why "things are done the way they are." Culture is neither inherently good nor bad, but its effectiveness depends on its alignment with organizational objectives.

**Functions of Organizational Culture**

Organizational culture helps members deal with external adaptation and internal integration challenges. It creates a shared understanding of the organization’s mission, goals, strategies, and appropriate means of achieving them. This collective understanding is akin to personality for an organization—just as personality shapes how individuals perceive and respond to stimuli, culture influences how an organization reacts to external and internal challenges.

Regarding internal integration, culture establishes the rules of engagement among members. It creates a shared language, sets criteria for membership, clarifies power and status relationships, and dictates how rewards and punishments are distributed. Culture shapes perceptions, thinking, and behaviors as a mechanism of social control, influencing how members interact with one another and the organization.

Additionally, culture plays a vital role in socializing new members, teaching them “how things are done around here” and “what you need to do to get ahead.” This socialization ensures that culture is transmitted across generations of employees, reinforcing the organization’s shared values and assumptions.

**The Levels of Culture: Artifacts, Shared Values, and Underlying Assumptions**

Schein described three levels of culture that help us understand an organization: **artifacts**, **shared values**, and **underlying assumptions**.



1. **Artifacts**: These are the visible, tangible elements of an organization, such as physical layout, dress codes, formal statements, rituals, and observed behaviors. Artifacts are the most manageable cultural elements to identify but often offer only a surface-level understanding. While observable, artifacts often serve as symbols of deeper values and beliefs.
2. **Shared Values**: As leaders look beyond artifacts, they uncover the organization’s shared values. These values require deeper inquiry, often through group discussions or behavior analysis. Shared values influence decision-making, behavior, and the perception of success. Leaders must ensure that these values align with the organization’s mission and goals.
3. **Underlying Assumptions**: Over time, shared values that consistently lead to success become ingrained as underlying assumptions—deep, unconscious beliefs that guide behavior without explicit communication. These assumptions reflect the organization’s collective view of how things should be done. For example, in the 1950s, societal assumptions dictated that women should remain home while men worked. These assumptions shape behavior on a subconscious level.

**Assessing Culture**

Assessing culture is problematic because it operates on both conscious and subconscious levels. Leaders must realize that not all cultures exert the same level of influence. Some organizations have strong cultures, where shared assumptions strongly affect organizational behavior, while others have weak cultures that exert little influence on individual actions.

Organizations with strong cultures often exhibit efficiency, stability, and predictability. Automatic behavioral patterns driven by shared assumptions streamline communication and help members navigate organizational complexities with minimal friction. However, strong cultures can become a liability if they promote behaviors inconsistent with organizational goals. In such cases, a culture may be efficient but ineffective at achieving desired outcomes, especially when the external environment requires rapid adaptation.

A strong culture can also resist change, even when that change is necessary for long-term survival. A good example is General Motors in the 1980s, which suffered from a strong but outdated culture focused on mass production, leading to declining profits. Despite this, GM’s strong culture eventually allowed it to recover and regain industry leadership in the 1990s.

**Subcultures and Organizational Culture**

Subcultures often exist within organizations—distinct cultural groups with shared values and assumptions. These subcultures may either align with or conflict with the dominant organizational culture. Understanding these subcultures is essential when assessing an organization, as they can significantly influence behavior in different parts of the organization.

**Evaluating Underlying Assumptions**

Leaders must evaluate whether underlying assumptions support the organization's goals and mission. For example, a company that values efficiency but needs more individual initiative may find that assumptions stifling creativity must be adjusted. Leaders must recognize and address these inconsistencies while understanding that not all aspects of culture need to change for an organization to succeed.

**Influencing Organizational Culture: The Leader’s Role**

Culture is a powerful force in organizations, often shaping behavior in ways that go unnoticed because of its profound, unconscious nature. Leaders must understand how to assess and influence culture, recognizing that it is challenging but not impossible to change.

Leaders play three roles in culture: **creating**, **sustaining**, and **changing** culture.

1. **Creating Culture**: Leaders have the most influence when creating an organization or unit. By clearly defining the organization’s mission, goals, and values at its inception, leaders can lay the foundation for a culture that supports long-term success.
2. **Sustaining Culture**: Once a culture is established, leaders are responsible for maintaining and reinforcing it. This involves promoting group cohesion, stability, and the clarity of underlying assumptions to ensure continued alignment with organizational goals.
3. **Changing Culture**: Changing an organization’s culture is the most challenging role a leader can take on. Leaders must recognize that cultural change is a long-term process that requires patience, as underlying assumptions cannot be quickly or easily altered. Leaders must systematically address the artifacts and behaviors visible to the organization and use these changes to influence deeper, unconscious values over time.

**Embedding and Reinforcing Mechanisms**

To influence culture, leaders can employ both embedding and reinforcing mechanisms. Embedding mechanisms are the primary tools for shaping culture, while reinforcing mechanisms help sustain these efforts. Leaders must ensure consistency between these mechanisms to achieve lasting cultural change.

**Embedding Mechanisms**:

1. **Attention, Measurement, and Control**: What leaders pay attention to, measure, and control sends strong signals about what is valued within the organization. For example, consistently checking the quality of work emphasizes its importance.
2. **Reactions to Critical Incidents**: How leaders respond to crises or critical events communicates the organization’s underlying assumptions. These moments offer opportunities to reinforce or shift cultural values.
3. **Deliberate Role Modeling**: Leaders’ actions are powerful examples for others to follow. Actions often speak louder than words when establishing what behaviors are expected.
4. **Criteria for Reward Allocation**: Rewarding specific behaviors reinforces the values and assumptions that leadership wants to promote. Linking rewards to desired outcomes can significantly shape organizational behavior.
5. **Criteria for Recruitment, Selection, and Retention**: Leaders can reinforce or transform organizational values by carefully selecting and retaining members who fit the desired culture. Hiring people who align with the organization’s vision helps maintain consistency in its cultural practices.

**Reinforcing Mechanisms**:

1. **Organizational Design and Structure**: An organization's structure communicates its cultural priorities. For example, a centralized, hierarchical structure emphasizes top-down decision-making, while a decentralized design encourages independent thought and initiative.
2. **Organizational Systems and Procedures**: Daily routines, procedures, and formal processes reinforce what is considered important in the organization. These systems provide consistency and formalize the organization’s values.
3. **Design of Physical Space**: The layout and design of workspaces influence how individuals interact, the degree of collaboration, and perceptions of power and status. For example, open office spaces encourage interaction and teamwork, while private offices promote individual work.
4. **Stories, Legends, Myths, and Parables**: An organization's history, including significant events and achievements, shapes its culture. These stories, whether formally or informally shared, help convey the organization's values to new members.
5. **Formal Statements about Organizational Philosophy**: Mission statements, core values, and vision statements communicate the organization’s official philosophy. These statements reinforce the desired culture by clarifying the organization’s values and guiding principles.

**Conclusion**

Organizational culture exerts a powerful influence on its members' behavior. Leaders must learn to assess and influence this culture to ensure it aligns with their goals and mission. Changing an organization’s culture is a long-term endeavor, requiring a deep understanding of its visible and invisible aspects. By systematically addressing **artifacts**, **shared values**, and **underlying assumptions**, leaders can make meaningful, lasting changes that improve organizational effectiveness.

**Case Study**

You are a non-sworn manager of a large metropolitan police department with several thousand sworn and non-sworn members. It is 6:30 a.m. on a Friday. This weekend will end your vacation, and on Monday, you will assume a new position as the chief management analyst in command of the department’s Records and Identification (R & I) Division. This is a huge jump in responsibility since R & I is charged with supplying reports to all police divisions and the general public. R & I division consists of over three hundred employees. All records for investigation, court, or the public are kept in R & I’s file rooms.

Before you went on vacation, you had spoken with the former commanding officer of R & I, Bill Findley, who was retiring. Findley was proud of R & I; he told you how professional the clerks were and how the division was nearing completion of a new records management system. This would make the police department one of the first local law enforcement agencies to employ this technology. Findley also pointed out that almost all of the records clerks had advanced training in record keeping and most had received numerous commendations for their work. He was pleased to tell you that according to a recent audit he conducted, the error rate was way below last year despite a 20% increase in the workload.

During your career, you had heard differing views. Martin Santiago, a detective in Bunco Forgery Division, had told you that most detectives disliked going to R & I for their reports. “It’s always a hassle,” he said. “You know that.” You had heard similar complaints from other officers and the general public. Last week, you read about a pending lawsuit in the local newspaper. The suit charges that R & I is not releasing required information by the Attorney General’s guidelines and the Freedom of Information Act.

As you jogged out your front door to start your morning run, you noticed that your brand new Corvette was not parked in the driveway. A quick check of the whole street confirmed your worst suspicion; your car was stolen!

You called the police department and reported the theft of your car. The police officer took down your information, checked the computer, and informed you that your car had already been recovered and impounded in the Southwest Division. You telephoned Southwest Auto Detectives, hoping to find out your car's condition. The auto clerk at Southwest was helpful, but she said that the copy machine in their records unit was broken, so she didn’t have a copy of your vehicle recovery report. Original reports had, however, been mailed downtown to R & I.

The auto clerk suggested that you either call the impound lot to get an informal assessment from an employee there or call R & I to get a copy of the Recovered Vehicle Report. Since you didn’t want to encourage any tow yard employees to rifle through your new “Vette” and would need a copy of the reports for your insurance company anyway, you decided to call R & I.

You telephoned the number, hoping you could get a clerk to fax you both the stolen and recovered vehicle reports. The clerk answered quickly but said she could not release that information over the telephone. She recited the procedure to mail in a written request for reports, saying that a check for $13.00 per report must be enclosed. You asked how long it would take to get the reports by mail. The clerk responded, “We’re about thirty days now, ma’am.” You thanked her and hung up without identifying yourself.

You still didn’t know how much repair your car would need. Your mind raced through the possibilities of repair bills, impound fees, and rental car charges. One thing was for sure: you wanted to get everything started before your vacation was over. Besides, what if thirty days was too late to make an insurance claim? You decided to get the reports in person.

You took the bus downtown to R & I. You got in line behind several other people waiting to pick up their reports. You all stood in silence and patiently waited your turn. After about fifteen minutes, you arrive in front of a clerk.

“Yes?” she asked. The clerk wasn’t rude, but she sure wasn’t very friendly. You immediately realize she does not recognize you as her new commanding officer. As she filled out a form, she pointed to the wall and motioned for you to read the sign. The sign read, “A failure to plan, on your part, does not constitute an emergency on mine.”

You didn’t understand what that sign had to do with anything. Then, you realized that the clerk was referring to the sign immediately below: "Reports must be requested by mail unless exceptional circumstances exist. Please remember to enclose your check for $13.00 per report.”

“Since you’re here,” the clerk continued, “you must have some special problem. What is it?” In the face of this, you conducted a little customer service audit. Without revealing your occupation, you humbly requested a copy of your stolen and recovered vehicle reports, saying that your insurance company needed the information as soon as possible. After staring at you for a few seconds, the clerk asked for your identification and proof of ownership. You handed over your driver's license but meekly explained that the registration was in your car’s glove box. She shook her head and directed you to fill out a request slip. The clerk initialed the slip and told you to follow the yellow line painted on the floor.

The yellow line crisscrossed three other colored lines, and you met three other lost souls dutifully following them. You couldn’t help but feel like a rat in a maze. Finally, you arrived at a sign that read, “Crime and Miscellaneous Reports Section.”

You stood in front of another clerk who was busy entering data into a computer. On the wall behind her desk, you noticed several certificates for technical training and commendations for outstanding efficiency. Without moving her eyes from the screen, this clerk motioned to the corner of her desk and said, “Sign the ledger, take a seat, and wait for your name to be called.”

“But there’s no one else waiting,” you responded.

The clerk glanced up at you and asked, “Are you aware of our policy for issuing vehicle reports? Haven’t you mailed in a request?”

You quickly retold your story and mentioned the exception to policy you had been granted. You explained that the Southwest auto clerk had told you that your car was recovered and the paperwork was sent to R & I.

“Well, it’s not here yet. The reports from last night probably haven’t even arrived. Even if they have, I’m sure they haven’t been filed yet. If you have a good reason, you might be able to convince my principal clerk to look through the morning mail.” She returned to her typing and gestured toward the Principal Clerk’s office.

You trod over to the Principal’s office, feeling like you were in grade school all over again. Once again, you retold your story. This time, you mentioned that it was your last day on vacation and that you were looking forward to taking command of the R & I Division.

“Well,” the principal clerk, Jenny Rogers, said, “We’ve got some of the best records people in the business, and we have enough of them for once. We finally got a system where we can concentrate on our duties without getting bogged down by people wanting unnecessary reports. By the way, here’s yours.” She handed you both of your coveted documents.

“Unnecessary reports?” you asked. Jenny elaborated that six months ago, the division had an influx of detectives wanting all kinds of reports. They fixed this by requiring the detectives’ commanding officer to initial all report requests.

“Well, as you can imagine, this worked great. It cut down on the requests dramatically. We’ve followed up on that great idea by implementing a system that one of the clerks came up with. Now, if the reception clerk feels that a requested report is really unnecessary, she marks ‘NN’ on the request form. That way, everyone in the division knows to ‘put the person off’ until we have some spare time to handle low-priority items. We use this a lot with requests from outside the department—you know, lawyers, reporters, and the like. This really saves us a lot of hassle.”

You mentioned the rumors you have heard about detectives not liking the service they receive from R & I. “Yeah, I’ve heard that too. But if you check it out, you’ll find that it’s the same old story. Everyone here can tell you how the detectives never follow our procedures and how they are insensitive to our problems. Those sworn guys get upset if civilians don’t jump every time they say ‘Boo’.” As you walk out the door toward the bus stop, reports in hand, you begin to think about what you will do Monday morning.

I*.* ***Identify*** the **Areas of Interest**.

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

(If necessary, continue listing **Areas of Interest** on another page.)

II. ***Analyze*** the situation using Organizational Culture concepts.

What is the relationship among the Areas of Interest listed above? More specifically, is there a chronological order or **logical chain of events** that helps you make sense of the facts you have? If so, outline the time sequence of events.

What messages are being communicated by the organizational culture that may influence individual or group behavior?

What are the cultural artifacts of this division?

What values or intrinsic beliefs do members share that set them apart from other people or groups? Do they view outside people as inherently good or bad? (Theory X or Y)

Do they dominate, submit to, or coexist equally with their environment?

Are they proactive, reactive, or non-responsive to changes in their environment?

III. ***Explain*** how the underlying assumptions identified in your analysis influence people to support or work against the organizational mission.

What relevant experiences do members have in common that people in the external environment do not?

What is the primary mission (technical core) of this division?

What positive norms does this culture contain?

What dysfunctional norms does the current culture promote?

What is theconnectionbetween the culture of the R & I Division and problems in other divisions within the police department? How is the culture in the R & I Division detracting from the technical core of other divisions?

Are there elements of the R&I division's existing organizational culture that detract from accomplishing its technical core? Please describe.

Do the facts of the case and your explanation form a pattern that allows you to identify a fundamental or **root cause** (i.e., is there something in the case information that suggests it is the underlying cause of all or most of the Areas of Interest)?

IV. ***Select*** an appropriate theoretical leader strategy(or strategies) that might be used to influence the organizational culture to enhance the accomplishment of the organization’s mission.

Which Embedding Strategies and Reinforcing Mechanisms should the leader use to shape this organizational culture?

V. ***Apply*** the theoretical leader strategy(ies) to the situation in the form of a specific leader plan that addresses all Areas of Interest. Address all the Areas of Interest you have identified and translate the theoretical leader strategies into specific actions you would take and communications that you would send to the employee(s) of interest. What will you do and say to whom, when, where, and how? What do the theoretical leader's actions look like in practice?

VI. ***Assess***the effectiveness of your leader plan and revise as needed.

After your leader plan, list the measures you would use to evaluate your actions.

In this step, leaders need to ask, “What information do I need to tell whether or not my leadership is having the desired effects? How will I obtain the information I need? How can it be generated? Who can help me get what I need? How often should I collect data and in what form?”

How are you going to know that the plan you propose is going to be successful?

Name:

**Complete a Student Journal entry** for Shaping Organizational Culture.

Think about your current work group. What messages are being communicated by the organizational culture that may influence individual or group behavior? What evident artifacts symbolize what the organization is about? What espoused values and values in use (i.e., group norms) are evident in the organization? What underlying assumptions are operating in the organization? How do your underlying assumptions influence people to either support or work against the organizational mission? Would you say that the organizational culture in your work group is functional or dysfunctional? How could a leader use embedding mechanisms and/or reinforcing mechanisms in your work group to influence the organizational culture in order to enhance the accomplishment of the organizational mission? How could a leader assess whether or not the proposed leader plan would be successful?

**References**

Schein, E. H. (1996). *Organizational culture and leadership*. Jossey-Bass.