CULTURE vs CLIMATE

The culture and climate of an organization are the natural forces which leave an imprint on the organization. Both have a strong impact on the organization, particularly during transformational change. Leaders who introduce transformational change into an organization easily can be discouraged if they focus too much attention on culture alone. What is required is a more manageable task but one which will affect cultural variables. The concept of organizational climate offers a more definable and measurable vehicle for implementing change.

Change in an organization calls for its leaders to recognize and balance both culture and climate dimensions

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CULTURE

Culture can be divided into five components: values, beliefs, myths, traditions and norms.

Values are the ways in which individuals assess certain traits, qualities, activities or behaviors as good or bad, productive or wasteful. High levels of service, for example, might be a core value of a particular organization. Its value might be reflected in such things as the organization's motto, response time, reliability or actual quality performance measurements.

Beliefs – though frequently unstated – reflect individuals' understanding of the way the organization works and the probable consequences of the actions they take. In some organizations, people may champion new service/product ideas in the belief that innovation is the way to get ahead. In other organizations, people adhere to rules in the belief that controlling risk is the way to get ahead. These generally held beliefs are rarely based on a clear statement of values; more often, they are based upon who are perceived to be "stars" in the organization.

Myths are the stories or legends that persist within the organization. For example, there can be the myth surrounding the danger of taking initiative in presenting new ideas – considered to be unwelcome intrusions. Such a story is not a piece of trivial information – it is part of a body of clues or signals that transmits what

new members can or cannot do and impacts any change efforts.

Traditions are repetitive significant events such as celebrations, special awards, retirement parties and holiday dinners. These events inject predictability into the organizational environment and are a basic means of perpetuating cultural values, whether they honor tenure, advancement or appreciation of a special accomplishment. They highlight what is held in high esteem in the organization.

Norms are organizational informal rules regarding communication processes, dress, work habits, work hours and implicit codes of interpersonal behavior. Does the organization encourage open and honest communication with an emphasis on the positive or does it allow rumors and gossip to prevail? These "rules of conduct" are not written down in any employee handbook, but accepted as "the way things are".

These components are difficult and almost impossible to measure and even harder for people to articulate but they are real and have to be managed as part of the process of changing the organization. Corporate culture in itself cannot be mandated. There are too many variables, too much out of the leader's control. It is like punching a pillow; a lot of energy is exerted but the results are transitory. Nothing seems to really change and it is difficult to determine the next best actions.

The consequences of corporate culture are more observable than the culture itself – through the organizational climate.

CLIMATE

Climate is the label used to describe the dimensions of the work environment that can be measured with relative precision. A variety of factors determine the climate of an organization.

Leadership his the single most important determinant of organizational climate is the day-to-day leadership

style of the leader. The leader has a powerful influence on the expectations and behaviors of everyone in the organization.

Optimally, knowing how to anticipate, lead and manage change is an art form. A leader needs to strategize as much about the changes needed to compete in the future as well as the best ways to engage everyone in the organization to gain buy-in and commitment. To the degree that a leader and his/her management team address these dynamics will be reflected in exponential gains made.

Organizational Structure is an equally powerful determinant of climate is organizational arrangements – the formal/informal ways in which work is accomplished. How the organization organizes itself is a direct reflect as to what it considers critical to its success and speaks volumes with regard to its commitment and value of its employees. Much is written about streamlined structures and cross-disciplinary teams. These take sustained effort to achieve but the ROI is enormous.

Historical Forces have a strong impact on its culture that develops over time and impacts its climate. The circumstances surrounding the organization's founding; the manner in which crises were faced and resolved; the organization's role models influencing the ease and/or difficulty of change transformation. If an organization was founded by highly innovative individuals to provide leading edge services, these circumstances may continue to influence cultural values and a climate characterized by high levels of creativity. On the other hand, if the organization has neglected innovation and resisted change, priding itself on its ability to maintain the status quo, it is predictable that when change is introduced, the impact on the organization's culture and climate will be dramatic and most likely result in fallout of individuals unwilling or unable to let go.

Standards of Accountability measure the ways in which individuals take responsibility and are held accountable for both what they do (performance) and how they do it (behaviors).

Standards of Behavior are best defined in terms of what will be observed and heard. Leaders can mandate acceptable behaviors and reinforce those behaviors through performance measurement processes. For example, a desired behavior may be treating each other with mutual respect. A violation of that behavior may be observed through statements made to others; shouting; lack of cooperation. Adhering to holding people accountable for both job performance and behavioral measurements and the courage to dismiss those who do their job but violate the organization's values, sends an important message and puts "teeth" towards the desired climate.

Communication is an important component of desired behaviors, measured by the organization's communication patterns. Acceptable behaviors are reflected in direct, constructive and timely feedback; open communication; mutual respect; and use of conflict (differences) as an asset. Lack of acceptable behaviors such as blaming others; focusing on problems rather than solutions; allowing rumors, gossip and criticisms to prevail corrupt the corporate climate.

Leaders can mandate and reward what they require as acceptable behaviors; they cannot mandate values

Rewards measure competencies in tangible ways. Reward systems characterized by a balance of task and behavioral competencies are powerful messages. Ongoing constructive feedback offered on a quarterly basis helps reinforce the seriousness of purpose in building a results AND values-driven organization. Anything less sends a message that there are no real consequences.

Leaders are very willing to address lack of competencies; however, if leaders fail to address unacceptable behaviors, neither the culture nor climate will change.

Trust reflects the prevailing feelings of mutual respect and support within the organization. Trust is high when individuals sense that their input is valued; their actions backed by others; and support is direct and constructive. Trust diminishes when individuals break agreements; miss deadlines impacting others; and do not give each other the benefit of the doubt. The resultant disappointments damage trust; making it difficult to rebuild. Over time, the lack of trust has a profound negative impact on the organization's climate and its ability to achieve its goals.

Commitment reflects individuals' sense of pride in belonging to the organization, and their degree of support to the future of the organization. Strong

feelings of commitment are associated with high levels of productivity, energy and actions. Low levels of commitment make change efforts difficult. Individuals feel disengaged; compliant and unwilling to participate.

Vision and Strategies are statements of the organization's desired future. They set the context and focus for the organization. If an organization has chosen an aggressive, far-reaching vision and has aligned successfully its strategies, goals, priorities and resources with its vision, the organizational culture and climate will, over time, reflect the same.

Organizational Connectiveness of all parts of the organization is complex. Individuals tend to affiliate within their professions and occupations; departments and teams. As such, powerful subcultures can develop. Cutting across the organization and bringing into alignment individuals with different points of view are essential for a healthy organizational climate. This can be done with cross-functional team projects and/or other strategies which drive inter-dependence.

External Environment also influences an organization's culture and climate. Factors such as government regulations, economic conditions, competitive industry forces and ongoing change create pressures on the organization. These factors manifest themselves in measurably different culture and climate profiles.

The determinants of culture and climate provide leaders with leverage points for shaping the organization's work environment.

Leadership practices are the best way to affect the climate and thus, change the corporate culture.

13 Factors To Achieve the Desired Organizational Culture and Climate

1. A far-reaching vision that both excites and captures the imagination of individuals. A vision is the idealistic future of the organization that can renew or transform an organization. Individuals need to find meaning in their work. They need something to which they can commit, a challenge worthy of their best efforts.

2. A set of values in alignment with the vision that proclaim the organization's beliefs. Values are the abstract ideas that influence the thinking and actions in the organization and can also shape assumptions about the future and the range of choices to be considered. For example, a value regarding shared leadership can be reflected in a streamlined organizational structure affording individuals decision-making authority.

Leaders must acknowledge their own values since those will determine the authenticity and acceptance of stated organizational values.

3. Accountabilities for both performance and behaviors along with consequences when standards of performance and behaviors are not met. The most difficult decision a leader faces is firing individuals who achieve their performance objectives
but do so in a way that is the antithesis of the desired behaviors.

4. High performing teams that work interdependently and put the needs of the organization before their personal needs. These teams have a common sense of purpose; encourage out-of-the box thinking; build synergies; and work effectively across organizational boundaries.

5. Value-added communication to establish the tenor/tone/energy of the organization. Communication is timely, informative and widely shared with all stakeholders.

6. Rewards/Recognition – both extrinsic rewards and intrinsic acknowledgement for quality performance and behavioral integrity.

7. A "stake" in the organization – everyone gains or loses on the ability of the organization to achieve its goals. Internal competition among departments and functions is destructive and dysfunctional. The end result is duplication of efforts; distrust, and missed opportunities.

Focusing competitiveness externally is a healthy way in which build the organizational climate.

8. A new vocabulary in the organization helps support the climate. Key words, phrases, mottos, etc. are important.

> Language is the great enforcer of intent. It can reinforce behaviors, emphasize corporate values, and be a reflection of what the organization believes is truly important.

9. Intellectual capital is vital. On-going talent development, retention and promoting from within are potent messages of the organization's culture.

10. Change management protocols in place for the next change(s) to support the organization's abilities to anticipate and move quickly to take advantage of market conditions.

11. A "public relations" campaign specific to the change initiatives can contribute to building a critical mass of supporters to the change. Change needs to be a topic for discussion throughout the organization. There is no such thing as over-communication during any major change
initiative. Consistent, frequent repetition is an essential ingredient for successful change implementation.

12. Organizational alignment makes the difference in measuring the successful implementation of change. A change in any area of the organization shifts all other parts of the organization. Misalignment can be costly in terms of duplication of efforts, lost customers, interdepartmental conflicts, etc.

13. A results-driven environment with everyone performing at their best. Goals are clear and individuals' talents are tapped. There is an atmosphere of energy, collaboration and joy.

> The future we predict today is not inevitable. We can influence it, if we know what we want to be. We can and should be in charge of our own destinies in a time of change. – Charles Handy

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