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Do you really know your organization's culture?
Lawrence Suda
Second Edition[1]

Do You Really Know Your Organization's Culture?[1]

By Lawrence V. Suda
CEO and Managing Partner,
Palatine Group, Inc/Management Worlds, Inc.

Introduction

The growing use of project management means that projects are no longer confined to the traditional industries where projects are a way of life. Organizations such as construction, aerospace, software development and others have long used project management and have developed strong project cultures. Today, we find project-based management approaches used in almost every business sector to manage a variety of projects.

It is not surprising that project management has become a popular management approach particularly as there are several potential benefits to be realized by these management methods in today's fast changing, complex and dynamic business environment. However, few organizations seem to know how to fully adopt the project management approach to achieve value and improve overall performance on all projects.

It is this author's opinion that properly introducing project management into traditional organizations is not only about developing and implementing standards, methodologies and software, but also about acknowledging and managing the cultural (soft) issues as well. It is about understanding how culture, strategy, and leadership must be aligned with our project management practices.

Failure to gain salient benefits from projects is mostly due to lack of attention to the prevailing culture and the ineffective fit with the organization's strategy and leadership. This does not imply that not all organizations can, nor should they, adopt practices that worked well in some other organization and expect for it to work well within their core culture. The effects of misalignment can have profound impact upon the way the project manager leads the project and the likelihood of project success.

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[1] *Second Editions are previously published papers that have continued relevance in today's project management world, or which were originally published in conference proceedings or in a language other than English. Original publication acknowledged; authors retain copyright. This paper was originally presented at the 2008 PMI World Congress North America in Denver, Colorado, USA and included in the congress proceedings. It is republished here with the author's permission.*

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Meaning and Elements of Organizational Culture.

Over the years, I have noticed that many managers in the most successful companies often refer to "our culture." They speak of something that "our culture calls for" or of some action taken in the business that is "not in accordance with our culture." In mentioning "our culture" they assume that everyone knows what "our culture" is. As the term is commonly used in this context, it seems to stand for the basic beliefs that people in the business are expected to hold and be guided by – informal, unwritten, guidelines on how people should perform and conduct themselves. Once a culture crystallizes and becomes the dominate "way we do things around here," it becomes a powerful force. When one person tells another "That's not the way we do things around here," the advice better be heeded.

Some typical examples of basic beliefs that serve as guidelines to action can help clarify the concept of "our culture." Although basic beliefs inevitably vary from business to business and even within a business, here are some examples that recur frequently in some of the more successful organizations:

- Maintaining high ethical standards in external and internal relationships is paramount for real success.
- Decisions must be based on informative, objective facts and a well thought-through, thorough approach to decision-making.
- The business must adapt to the forces of the environment and be innovative.
- People should be judged on the basis of their performance not their personality, education, or personal traits.
- The business and projects should be managed with a sense of competitive urgency.
- People should be empowered to influence decisions and contribute innovative ideas.

In fact, according to Rosebeth Kanter-Moss, "In the most influential corporations today, a foundation of values and standards provides a well-understood, widely communicated guidance system that ensures effective operations while enabling people to make decisions appropriate to local situations. This, rather than any traditional control system, is what enables IBM or CEMEX to operate as one enterprise in projects that span many countries and to share a culture that makes people inside external partners connect as an extended family." (1)

Thus far, what happens when good ideas and projects don't work? Why do some great innovative management ideas (projects) work and others wither and die? This article proposes several primary reasons why some good ideas work and others don't. They are:

- Organizations are basically social communities with a defined purpose.
- Organizational culture is the most powerful enabler for success
- Holistic solutions work far better then modular solutions

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- Projects tied to and aligned with business strategy, leadership and culture of the organization work; those not clearly tied to strategy, leadership, and core culture do not work.

Organizations Are Social Communities

Organizations are living social entities, each with its own culture, character, nature and identity. Every large and small organization has its own history of success, which reinforces and strengths their way of doing things. The longer that organization has been in business with continuous success, the stronger the culture becomes.

Organizations are "communities of people with a mission" not machines. They do have machine like qualities, but these must serve the wider communities within their operating environment. They exist to accomplish a mission and by fulfilling that mission contribute to the larger communities inside and outside the immediate enterprise. They exist for all stakeholders they serve including communities, employees, vendors, customers, and shareholders. It is a fact that organizations are now being held accountable for more than just their profit margins. Sustainability has become a global watchword and meta-goal. Although there is a debate about what sustainability means, a consensus is developing that it involves a rigorous assessment of the enterprise's investments and business practices against the three Es: economy, ecology and equity. This framework has been called "triple bottom line" accounting. As Peter Drucker notes, "Good management means doing the decent thing by both workers and consumers, not just amassing profits for bosses. An organization is a human, a social, indeed a moral phenomenon." (2)

When we view the organization as a living social entity, we see its fundamental constitution as a powerful force that is more potent than work processes, financial systems, strategy, vision, information technology, sales plans and Wall Street's analyst reports. These are important measures of how well an organization is performing, but they are less essentially important than organizations as a social framework. This is critically important for the selection of the right projects within the organization. When projects are selected that take into consideration the impact to the social entity, the project has a better chance of succeeding. When they do not consider the social entity, the probability of failure is high. The more a project operates from the paradigm of organization as machine the greater the likelihood that it will not work. The more machine-like the project strategy, the more the living social system will resist it and find ways to neutralize it.

Organization Culture is a Powerful Enabler and Key Lever for Achieving Results

The pattern of dynamic relationships in organizations is its culture. It is a very powerful force because it is the essence and is concentrated deep down in the very core and nature of the organization. It is the organization's soul, spiritual center, character and personality. It is so powerful that it has a profound impact on organization performance

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and its economics. (3) The work of Collins and Porras showed that organization culture is at the center of what differentiates visionary companies from their comparison companies who had significantly greater economic performance over the long term. (4)

Culture is "how we do things around here in order to succeed", an organization's way, identity, pattern of dynamic relationships, reality. (5) No project, no matter how good and well-intentioned, will work if it does not fit the culture. An organization can have a great strategy and select great projects with maximum benefits and value to that strategy, but if its culture is not aligned with that strategy, the projects will either stall or fail. Culture establishes and underpins order, structure, membership criteria and conditions for judging performance, communication patterns, expectations and priorities. While no organization has a pure culture at every level, every successful organization has a "Core" culture. The core culture is central to the functioning of the organization. It forms the nuclear core for how that organization operates in order to succeed.

There is a world of research and literature on the concepts and content of organizational culture. The contribution that I have found to be most useful is William Schneider's research indicating four generic core cultures: Control, Collaboration, Competence, and Cultivation. Schneider states that leaders create one of these four core cultures, consciously or unconsciously, from their own personal history, nature, socialization experiences and perception of what it takes to succeed in their environment. (6) Each of the four core cultures emerges from the following social archetypes:

- Control: military system; power motive
- Collaboration: family and/or athletic team system; affiliation motive
- Competence: university system; achievement motive
- Cultivation: religious systems; growth, or self-actualization motive.

A **control culture** is important for companies in mature commodity businesses, mature service industries; such as accounting and utilities, where profit margins are small and reliably producing standard outputs with consistently low costs is the key to success. This culture would also be suitable for operations centers for nuclear facilities and air traffic controllers.

A **cultivation culture** is the polar opposite of the control culture and places high value on recruiting, retaining, and nurturing creative employees to produce novel products. Media companies, advertising agencies, and boutique consultants are archetypes of cultivation type cultures. Hewlett-Packard's "The HP Way" of bottom-up, consensus driven decision making is another example of cultivation work.

A **competence culture** believes in the "Field of Dreams" principle: make great products and people will flock to buy them. It values technical excellence above all else. Companies with a strong competence culture are typically headed by engineers, scientist or strong technical leaders. Many start-up technology companies have competence cultures.

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A **collaboration culture** is the polar opposite of a competence culture. It places great value on understanding the unique needs of each customer. Companies with strong collaboration culture prefer their product offerings and features to be pulled by the customer requirements, rather than pushed by the unique technical competence of their hardware or software engineers. Service-oriented businesses and businesses that develop and deliver custom hardware and software solutions must generally develop collaboration cultures to be successful.

There is a strong connection between strategy, culture and leadership. The fundamental connections are summarized and shown in Table 1. The four epistemologies that correspond to each of the four cultures are also listed. The epistemologies represent the primary and central way that each core culture knows and understands. This is particularly important for any kind of project. The more a project adapts to the epistemology appropriate to the core culture, the more probable that project will take hold, be successful and significantly impact the organization.

Table 1: Strategy, culture and leadership connections

Culture	Strategy	Leadership	Epistemology
Control	Market share dominance Commodity or Commodity-like High distribution intensive Predictability	Directive Authoritative Conservative Cautious Definitive Commanding Firm	Certainty Organizational systematism
Collaboration	Synergistic customer relationship Close partnership with customer High customization Total solution for customer Incremental, step-by-step, relationship with customer	Team Builder First among equals Coach Participative Trust builder Integrator	Synergy Experiential knowing
Competence	Distinction Excellence Extremely unique One-of-kind offering Create market niche Constant innovation to stay ahead Typically, carriage trade markets	Standard setter Conceptual visionary Taskmaster Assertive Convincing persuader Challenger of others	Superiority Conceptual systematism
Cultivation	Growth of customer Fuller realization of potential Enrichment of customer Raise the human spirit Further realization of ideals, values, higher-order purposes	Charismatic Catalyst Cultivator Commitment builder Steward Appeal to higher-level vision	Enrichment Evaluation knowing

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Holistic Solutions Work Far Better Then Module Solutions

Any project must fit the system, the core culture, the nature of the organizational and social communities. If it does not, the chances of it beneficially impacting the system are marginal at best. Module solutions that do not fit the core culture of the organization pull the organization off center. In the short-term, they take resources away from more important core culture projects, and in the long-term they fade away as they lose energy and the commitment from others. In the intermediate, they waste time, money and worst of all leave employees confused and less respectful of the organization's leadership.

This is not to say that all projects should not be initiated if they do not fit the core culture. It's important to make the distinction between practices and principles. The principles of any module focused project may be very valuable for the organization. The practices of the module centered solution are another matter. For example, "empowering the workforce" is a useful concept for all core cultures. It can help generate healthy dialogue that can trigger many beneficial and innovative product or service projects. Empowerment is what the cultivation culture is all about. Irrespective of, the practices of an empowerment change initiative (project), would not work well in a control culture. Nevertheless, the principles rooted in empowerment are relevant to control culture, i.e. more innovative ideas, acquiring good information from people who do the work, etc. The key question then becomes: How do we implement this empowerment project in our core (control) culture?

Projects Aligned With Strategy, Leadership and Core Culture Work Better Than Those That Are Not

When it comes to a project adding value and benefiting the organization, the critical factor is strategy. All projects need alignment with the strategic intent and mission of the organization. Until a project can be clearly linked to the strategy of the organization, it must be viewed critically and skeptically. If the project cannot be clearly aligned with the business strategy, it is best to drop it. There are most likely more projects that can be clearly linked that would benefit all stakeholders. Initiating projects that are not aligned pulls the organization off-center and both employees and the organization lose focus.

Alignment between strategy, culture and leadership is critical for success. There are many research studies that indicate this alignment as the definition of organizational effectiveness. When Collins and Porras announced their results regarding visionary companies, their conclusion and the most distinguishing feature of those visionary companies, was that they constantly emphasized alignment. (7)

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About the Author

Lawrence V. Suda

Author

Lawrence Suda is the CEO and an Officer at Palatine group/Management Worlds, Inc. with over 30 years project

and program management consulting and training experience to numerous government and private sector companies. The Palatine Group/Management Worlds specializes in creating computer-based simulations for project management and leadership training. Larry's career emphasis is on organization behavior, project management, operations management, strategic management and enterprise-wide project management for leading companies and government agencies throughout the world, including: NASA, US Navy, Departments of Commerce, Treasury, Energy, Health & Human Services , Agriculture, DAU and others and in the private sector to such companies as General Electric, Proctor & Gamble, ALCOA, URS, Verizon, Boeing, Lockheed/Martin, Hewlett-Packard, Perot Systems, PPG Industries, United States Steel and others. Before founding Palatine Group/Management Worlds, Larry worked in the private and public sectors at the US Environmental Protection Agency and was an Assistant Professor at the University of Maryland. Mr. Suda is a frequent speaker at PMI and IPMA Conferences in the United States and Europe and has led workshops for PMI's Seminars World in various locations around the World. He is an adjunct professor at Drexel University teaching Global Project Leadership. He can be contacted at lsuda@thepalatinegroup.com.