



Culture eats strategy for breakfast.

This old saying, usually attributed to Peter Drucker, gets to the heart of the importance of organizational culture. The Corporate Governance Institute explains it means that “no matter how brilliant a company's business plan is, it will fail if the daily workplace culture does not support it. Even the best blueprint for success becomes useless if the people executing it suffer from low morale, mistrust, or resistance to change.” A healthy, vibrant, productive, and supportive culture is your one true road to success.



About the Author

TJ Titcomb has been helping organizations manage change, develop leaders and prevent problems for more than forty years. She holds a master's degree in counseling psychology and a PhD in organizational development. Now mostly retired, Dr. Titcomb is sharing workbooks from presentations she has given at conferences.

Understand Culture



Edgar Schein, perhaps the most influential theorist on organizational culture, points out the challenge of the issue:

We agree “it” exists and that “it” is important in its effect but we have completely different ideas what “it” is.

Culture is the deep, pervasive and complex series of patterns that make each human system unique. Deal and Kennedy suggest that culture is . . .

- . . . how we do things around here
- . . . the unwritten norms that tell us how to behave
- . . . the glue that holds us together

Every organization has a culture, created each day by the people within it.



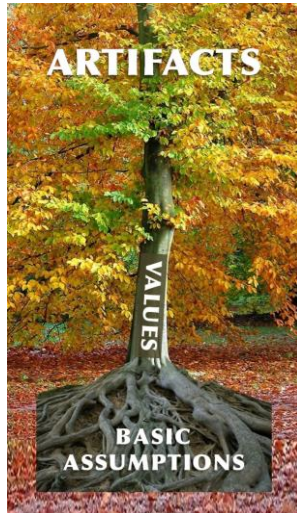
Human beings in groups tend to create unique cultures marked by unwritten rules for behavior and communication. Everything is geared to an endless series of subtle and overt tests to determine **US or NOT US**. The tests provide security and connection for the insiders. Culture is a powerful but almost always unconscious force that seeks stability. It acts to prevent new and contrary values, norms, and ways of seeing from coming into the group. Almost any kind of change is seen as a threat to *who we are, what we do, and what we stand for* . . . The unwritten rules of a culture will inevitably trounce formal policies and management actions.

Organizations actually have many cultures: the org as a whole and subgroups of departments, work groups, occupational disciplines, and so on. Additional informal cultures arise around shared interests of members.



Glimpses of Culture

Culture has multiple layers. On the surface of the system are cultural **artifacts** – everything you see, hear and feel when you come across a new group. They are the most obvious symbols of the organization although their meanings can be very difficult to decipher.



The Three Levels of Organizational Culture

as proposed by Edgar Schein who was a professor at the MIT Sloan School of Management, a pioneer in organizational psychology, and widely considered to be the father of organizational culture.

Much of what is written on culture just focuses on this surface level. You can influence culture by changing artifacts – but it will be slow, painful and resisted if you don't go deeper. Culture is much more than these surface realities. Artifacts are derived from shared **values** – the deeply held beliefs about what is worthwhile. Some orgs have a gap between the *stated values* – what they say they believe – and *values in action* – what people actually say and do.

The roots of the culture and the source of values in action are the unconscious **basic assumptions** – shared, taken-for-granted guesses and premises about people and the world. They define what to pay attention to, how to react to what is going on, and what actions to take in various situations. Assumptions are the most stable, most hidden and the most difficult elements for a work group to change.



Look at the Leaves

When you're new to an organization, there are often confusing and fascinating things you notice. You see that things are different than what you're used to ... but you have NO idea what all this means. It helps to have a seasoned employee who can serve as your "cultural translator." Listen for how people explain, justify and rationalize: *the way we do things around here is ... because ...*

Think back to the unusual or perplexing **artifacts** you encountered when you entered a new org culture. Consider the common categories of speech, actions and objects. How did you learn what they meant – or are you still trying to figure that out? Do the artifacts reflect the org vision, mission, and values?

SPEECH

jargon – buzzwords – "in" terms
memo style and language
slogans – pet phrases
nicknames (people/equipment)
jokes – humorous anecdotes
beliefs – superstitions – rumors

ACTIONS

practical jokes – initiation pranks
celebrations – parties – food sharing
team meetings – social + work routines
rituals – rites of passage – ceremonies

OBJECTS

design of workspace – office furnishings
quality and allocation of equipment
org charts – manuals – newsletters
bulletin boards – displayed memorabilia
uniforms – standard attire – dress code
decoration of personal workspace

We're starting to tune in to artifacts when we ask ourselves, *What's going on here? What does this mean?* Leaders need to



take an active role in assessing the impact of artifacts on team members. Do daily speech, common actions and everyday objects reflect your values? They convey who you are ... but are they also in alignment with **who you want to be**?



Stated Values v. Values in Action

Many organizations have defined their Core Values in the last 25 years. These statements are framed on the wall, posted on the website and used in marketing activities.

When companies are young and small, the values come from the founder and s/he actively affects the corporate values just by modeling and proximity. Direct interaction with the key leaders diminishes as the organization grows. Outsiders are brought into leadership roles and they may not support or embody the founding values. It becomes increasingly challenging for an organization to live its values as it becomes larger, more diverse and more dispersed. Gaps appear between espoused values and how people actually behave – and how policies and practices fit the stated values.

One of the key strategic roles of every leader is creating and monitoring alignment between **stated values** and the **values in action**. You can uncover an organization's real values by observing what it rewards and punishes – this reveals what it really cares about. Values are powerful forces in an employee's decision to stay or leave.

In 1981 the co-chair of global financial giant Goldman Sachs said this statement was their foundational corporate motto. CEO David Solomon received \$47,000,000 in total annual compensation for 2025, compared to a median global employee compensation of \$160,667, resulting in a pay ratio of approximately 293-to-1.



Espoused values are always presented in noble terms, but actual values can be hidden and even nasty.

– Ken Hultman



**People are
our most
important
asset.**



Examine your Roots

Basic assumptions form the deepest level of organizational culture. They serve as the sources of both values and artifacts. When basic assumptions are shared by a culture, they are very powerful. Ponder some of the areas suggested by Schein as the shared (but unconscious) beliefs and assumptions within a culture:

The nature of REALITY and TRUTH ... what is real and how one determines or discovers what is real ... is it real and true because ... we've always done it this way OR because wise authorities have told us OR because it works OR because reason and logic tell us so OR because it's proven by scientific method OR it's profitable OR ...

The nature of TIME ... orientation toward the past, present, the near-future, the far-future ... time is monochronic (only one thing can be done at a time) OR polychronic (defined more by what is accomplished than by a clock and several things can be done at once) ... pacing ... urgency ... closed-ended planning OR open-ended development

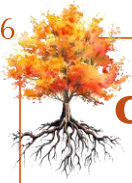
The nature of SPACE ... meaning and use of space is very subtle because it operates outside conscious awareness ... distance ... space symbols (size of office, quality of equipment) ... body language (gestures, body position, touch, and other physical cues)

The nature of HUMAN NATURE ... are humans basically good OR flawed ... must we simply accept what we are OR can we redeem ourselves through hard work or faith ... are we capable of change ... are individuals responsible for their actions ... what motivates people

The nature of ACTIVITY ... *doing* orientation (the proper thing for people to do is take charge and actively control their environment) OR *being* orientation (since one cannot influence nature, one must become accepting and enjoy what one has) ... *doing* focuses on the task, on efficiency, on discovery ... *being* focuses on here and now, individual enjoyment, accepting what comes

The nature of RELATIONSHIPS ... the proper way for individuals to relate to each other in order to make the group safe, comfortable and productive ... how to resolve issues of power, influence and hierarchy ... of intimacy, friendship and peer relationships ... individualism OR groupism





Consider the Impact of Beliefs

Researcher Chris Argyris calls these assumptions “theories in use.” They tell members how to think and feel about things – what to pay attention to, how to react to what is going on, and what actions to take.

COMPANY A | B COMPANY

EMPLOYEES WANT TO

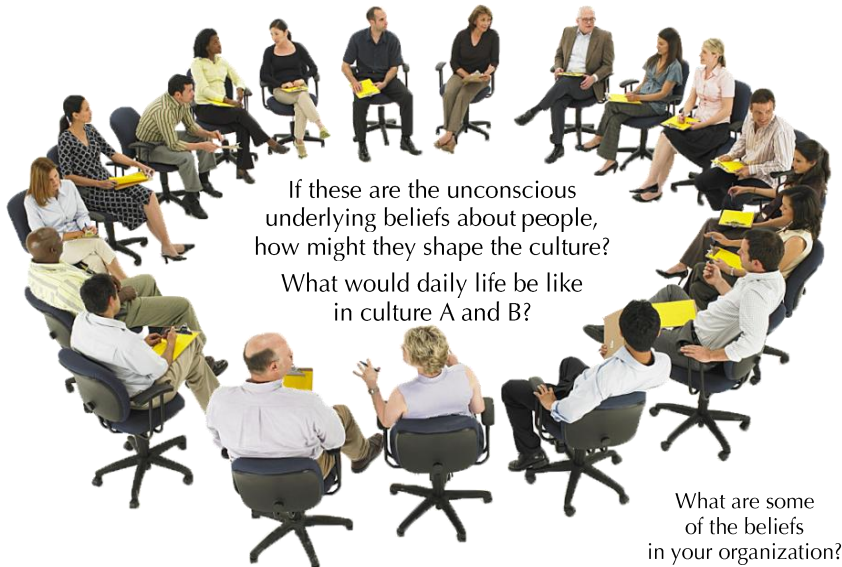
work as little as possible	do a good job
be told what to do	be successful
get away with what they can	make a contribution

EMPLOYEES NEED TO

follow procedures	be treated with respect
be closely monitored	receive appreciation & support
be held accountable	be recognized for their work

MANAGERS SHOULD

make sure emp do their work	serve as leaders
keep people focused on task	set an example
enforce the rules	coach their team members



How We Influence Culture

Edgar Schein reminds us that there are many ways to influence organizational culture. Unfortunately most orgs put most of their energy into approaches that are less impactful:

SECONDARY WAYS to influence culture:

org design & structure	org systems & procedures
rites & rituals of the org	design of physical space
stories about imp events and people	formal statements of vision, mission & values

PRIMARY WAYS to influence culture:

What you pay attention to, measure and control
 Leaders' reactions to critical incidents and events
 Deliberate role modeling, teaching and mentoring

Observed criteria for resource allocation

Observed allocation of rewards and status

Observed criteria for recruitment, selection, promotion, shunning and disciplinary action



used with permission

We must not, in trying to think about how we can make a big difference, ignore the small daily differences we can make which, over time, add up to the big differences that we often cannot foresee.

– Marian Wright Edelman



Consciously Shape Your Culture

If we don't take conscious action to shape the culture, it may evolve into one that doesn't fit the vision and mission. Consider all aspects of your organization that touch employees. Ask yourself, *is this who we want to be? Do our words and actions align our mission and values?* Look closely at:

- ❑ **Employee Handbook** – *tone, focus, emphasis*
- ❑ **Specific Policies**
- ❑ **Performance Review** – *form and process, what do we focus on and measure?*
- ❑ **Rewards** – *what are they based on?*
- ❑ **Recruitment** – *assessment for Values Fit*
- ❑ **Orientation** – *how are new folks enculturated? what do we do to ensure they feel included and part of us?*
- ❑ **Promotion** – *do people who move up live the values?*
- ❑ **Leadership** – *do all leaders live the values?*
- ❑ **Consequences** – *for words and actions not in alignment with the values*

What's the real solution? Draw a line in the sand and

Don't hire, don't promote, don't retain anyone who doesn't live the values.



Trying to Change Culture

Leaders and team members in every organization quickly discover that culture change is really tough. Cultures do not change easily. Culture change is a slow, complex and often painful process that will take years. It will never be successful if you don't consider and address the basic assumptions.

It's all well and good to say, we want to push decisions down to the lowest levels and encourage employee engagement. What is likely to be the outcome of that effort if the hidden, unconscious, shared belief is that line employees need to be watched, directed, and controlled?

Schein tells us, *"When we advocate 'changing' culture, we are, in effect, asking that entire groups and communities alter one of the shared characteristics that may be central to their identity. No wonder it is so difficult."*

Start by identifying artifacts – ask the newest members of the org what it was like to come to work here. What artifacts did they notice? Next, look at your espoused values and compare them with the artifacts.

Schein suggests that the way to deeper cultural levels is through identifying the inconsistencies and conflicts you observe between the artifacts and the stated values:

"You must then identify what is really driving the overt behavior and other artifacts. This is where the important elements of the culture are embedded."



"Focus most of your energy on identifying the assumptions that can help you ... take advantage of the positive supportive elements of your culture."



Make it safe for people to change

Remember that one of the main reasons human beings create cultures is to avoid uncertainty and unpredictability. Expecting people to jump onboard the culture change train means you're asking them to give up basic assumptions that have provided meaning, security and predictability. With most org change, you're also asking them to embrace something new with no specifics about how the change will affect them. Schein tells us we must provide *psychological safety* that lets folks know *it is safe to abandon your old behaviors and attempt to learn the new ones*.

Schein's recommendations are to . . .

- ▶ Define a compelling positive vision – people must believe they and the org will be better off
- ▶ Provide formal training that involves the learners
- ▶ Promote informal training of the relevant “family” groups and teams because resistance to change is often embedded in group norms
- ▶ Encourage coaching and practice
- ▶ Ensure there are effective positive role models
- ▶ Create ongoing support groups during the process
- ▶ Design systems and structures consistent with the desired changes – reward and discipline systems and org structures must be consistent with the new ways of thinking and working

In his YouTube video providing a helpful overview of Schein's theories on the influence leaders have on culture, David Burkus says to look at ...

1. who they hire
2. what they measure
3. how they react
4. what they fund
5. how they act
6. what they reward



Resources to Learn More

- 📖 Chatman & Carroll, *Making Organizational Culture Great: Moving Beyond Popular Beliefs*
- 📖 Coyne et al, *The Culture Code*
- 📖 Coyne, *The Culture Playbook: 60 Effective Highly Actions*
- 📖 Deal & Kennedy, *Corporate Cultures: The Rites and Rituals of Corporate Life*
- 📖 HBR's Must Reads, *On Building a Great Culture*
- 📖 Kotter & Cohen, *The Heart of Change*
Cohen, *The Heart of Change Field Guide*
- 📖 Schein, *The Corporate Culture Survival Guide*
- 🏠 Corporate Governance Institute, *What Does “Culture Eats Strategy for Breakfast” Mean?*
- 📺 David Burkus, *How Leadership Influences Organizational Culture*
HR Exchange Network, *The 4 Keys to a Positive Corporate Culture*
Simon Sinek, *Influence Change at Any Level*

The only thing of real importance that leaders do is to create and manage culture. If you do not manage culture, it manages you, and you may not even be aware of the extent to which this is happening.

- Edgar Schein

