



A Practitioner's Perspective

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That Squishy Culture Stuff

Are they Business Processes, Capabilities, Cases (adaptively handled), or what? I dealt with that in my last Column, concluding that they are either the same thing or different points on the same continuum. I ended by promising (threatening?) that this next Column would deal with what I tell executives in my briefings on “why you care about business processes.” That’s still a topic for a future Column, but I decided I couldn’t wait any longer to address the growing interest in the relationship between business process change and organizational culture. In this Column I want to set the stage for a series of Columns on that topic, which will eventually lead to an instalment on what I tell executives, and why. So, technically, I’m not breaking a promise – just delaying its fulfilment.

“I have some good news and some bad news.”

2011 was a great year to be a BPx consultant, and 2012 is looking even better – more and more organizations are deciding they have to get serious about their business processes. That doesn’t always mean they know what a “business process” is, or what their “business processes” are, but that’s probably why they’re reaching out for consulting assistance. Whatever the confusion, they understand that their performance is ultimately limited if they don’t align *how* their processes operate with *what* their strategic intention is.

A related development playing out in the BPM field is much more discussion of the importance of corporate culture in achieving business process change. Processes not only have to align with the mission, strategy, goals, and objectives of the organization, they also have to align with the organization’s culture. Any number of articles, blog postings, and presentations have stressed that understanding how to work with organizational culture is absolutely critical when working with business process change. The prevailing messages: you either must design process change to align with the prevailing culture, which is hard enough, or you must change the prevailing culture to align with new business processes. That’s even harder, notwithstanding the approach taken by the CEO who reportedly said “I wanted a happy culture. So I fired all the unhappy people.”

I’ve had a “good news, bad news” reaction to the attention being paid to culture. It’s “good news” to me because understanding and explicitly working with organizational culture has always been a key aspect of my approach to business process change. On the technical to squishy spectrum, I’m closer to the squishy end. Some specifics:

- Over the years, many of my clients have suggested that I’m more of an Organization Development consultant than a “process guy,” to the point that I’ve been added to the registry of OD consultants at some multinationals, and have occasionally been hired by the OD department to “do that thing you do;”
- I’ve spoken on the topic a lot, beginning a few years back with a presentation subtitled “What the Experts Forget” that looked at the so-called “soft issues” that many BPM professionals don’t include in their toolkits. In the last year I’ve done several versions of a

presentation called “The Soft Stuff is the Hard Stuff” that looked at specific techniques that we can use to take some of the mystery out of “culture.”

- This past year I launched a new course (enthusiastically received!) called “Advanced BPM – Aligning Process Work with Organisational and Cultural Factors.”

The “bad news” part is the sense that many of the commentators seemed to be throwing up their hands and saying “it’s squishy, and it’s hard to grasp, but maybe we’ll finally figure it out.”

Literally. Some of what we saw in the past year included:

- “It’s all so squishy...”
- “Cultural and organisational issues are the great mystery...”
- “Maybe this year we’ll crack the code...”

Alternatively, the message was simply “culture – it’s important.” Either way, we didn’t get much in the way of specifics on “what” and “how.” I intend over my next few Columns to provide some specific definitions of “what” corporate culture is, and some concrete techniques illustrating “how” to address it in the context of business process change. Here’s the plan:

- This Column kicks things off with a quick overview of what organizational culture is, focusing on definitions and the most widely-used frameworks.
- The next Column will cover two or three of the specific techniques I find useful in bringing together strategy, culture, and process, and in smoothing the path for business process change.
- A later Column will take a closer look at some of the frameworks introduced here, and their application to business process change.
- Somewhere along the line, I’ll review the main points I make during executive briefings. These always stress that failure to recognize cultural issues and other “soft stuff” are more often than not the primary causes of poorly performing processes and failure to successfully complete process change initiatives.

A caveat – I’m certainly not claiming to be an expert, or even an amateur, on the formal techniques of working with corporate culture. I might qualify as a dilettante. Accordingly, you should treat this as a layman’s introduction and take it with a grain of salt. If you need expert help, make friends in the OD department.

“I can’t define it, but I know it when I see it.”

Actually, you can define it. For a BPM professional who hasn’t studied the field of organizational or corporate culture, it can appear... well, mysterious and squishy. In fact, it’s a well-studied field with a much longer history than BPM, and there is a wealth of material available from both academic and industry sources. Perhaps “overabundance” is a better phrase than “wealth.” A survey of the literature reveals many definitions of what culture is, and what elements define it, but central themes emerge.

Basic definitions

Edgar Schein is widely credited as having created the phrase “corporate culture” in the 1960s, so it stands to reason that most of the definitions appear to draw on his 1985 definition:

“a pattern of basic assumptions - invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration - that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.” Another definition credited to Schein is:

“the sum of the distinctive behaviors, intentions, and values that people develop over time to make sense of the world. It includes the shared history, expectations, written and unwritten rules, values, relationships, and customs that affect everyone’s performance.”

A somewhat shorter definition is found in Webster's Dictionary, which defines corporate culture as *"the shared values, traditions, customs, philosophy, and policies of a corporation"* and *"the professional atmosphere that grows from this and affects behavior and performance."*

The definition I usually use is

"the underlying beliefs, values, and assumptions held by members of an organization, and the practices and behaviors that exemplify and reinforce them."

The management consulting firm McKinsey & Company offers a widely quoted and succinct definition:

"The way things get done around here."

But what is it, really?

Essentially, corporate culture is the personality of an organization, and is manifested in the way the organization and its people conduct themselves. It is:

- evident in the behaviour of individuals and groups;
- exemplified and amplified by the behaviour of leaders;
- reinforced by stories, mythology, symbols, rituals, routines, incentives, rewards, celebrations, and other aspects of day-to-day life in the organization.

A critical element is that culture is a *learned set of behaviors* that is common knowledge to all the participants. I emphasize "learned" because whether it is explicitly taught, or is picked up by osmosis (the usual path,) people learn what it is. Both of Schein's definitions address this, one noting that culture is "taught" while the later one notes that "people develop (it) over time."

Often, people will be unable to articulate what the culture is, but that doesn't mean it *can't* be articulated. Organizational Development (OD) professionals, including Edgar Schein, have developed methods and frameworks for discovering and describing corporate culture. Once you're familiar with these, they'll help you understand what to look for so you can make a basic assessment of prevailing culture. That won't be a substitute for a culture assessment conducted by an OD professional using their chosen assessment instrument, but it will often be very useful.

Let's take a quick look at some of these. A more in-depth examination will appear in a future Column, including specific examples of how they relate to business processes.

Common frameworks

Following are the factors considered in five popular approaches. Each has its differences, but you'll notice common themes, such as the relative importance of achieving outcomes:

1. Achievement, customer-centricity, one-team, innovation, people-first, and greater good;
2. Stability, innovation and risk-taking, attention to detail, outcome orientation, people orientation, team orientation, and aggressiveness;
3. Communication style and processes, leadership style and role model, goal-setting and decision-making processes, role clarity and structure, performance style and task orientation, teamwork, and, finally, symbols, language, stories, and legends;
4. Stories and myths, symbols, power structures, organizational structures, control systems, rituals and routines, and *processes*;
5. To describe national cultures, Hofstede considers small vs. large power distance, individualism vs. collectivism, masculinity vs. femininity, weak vs. strong uncertainty avoidance, and long vs. short term orientation

Some factors will be immediately apparent; others will only become clear after observation and interaction. A widely used analogy to explain this is that culture is like an iceberg – most of it is below the surface and is therefore invisible. In this analogy, what is visible are the formalized, overt aspects of culture: the symbols, ceremonies, stories, slogans, mission statement, strategic goals, *stated* values, organization structure, routine behaviors, style of dress, physical

environment, and so on. Stanley N. Herman, who articulated this analogy in 1970, described this as “the way we say we get things done.” Lurking beneath the surface is “the way we *really* get things done,” which he described as the informal, covert aspects. These include elements such as the norms, values, assumptions, beliefs, attitudes, expectations, and feelings that are held by members of the organization.

Many methods categorize culture into the 2 x 2 matrix beloved by consultants everywhere. One of the most popular, illustrated below, is the Organizational Culture Assessment Instrument (OCAI) developed by Professors Kim Cameron and Robert Quinn. See if you can identify which of these is the dominant cultural characteristic of your organization, or an organization you're familiar with.

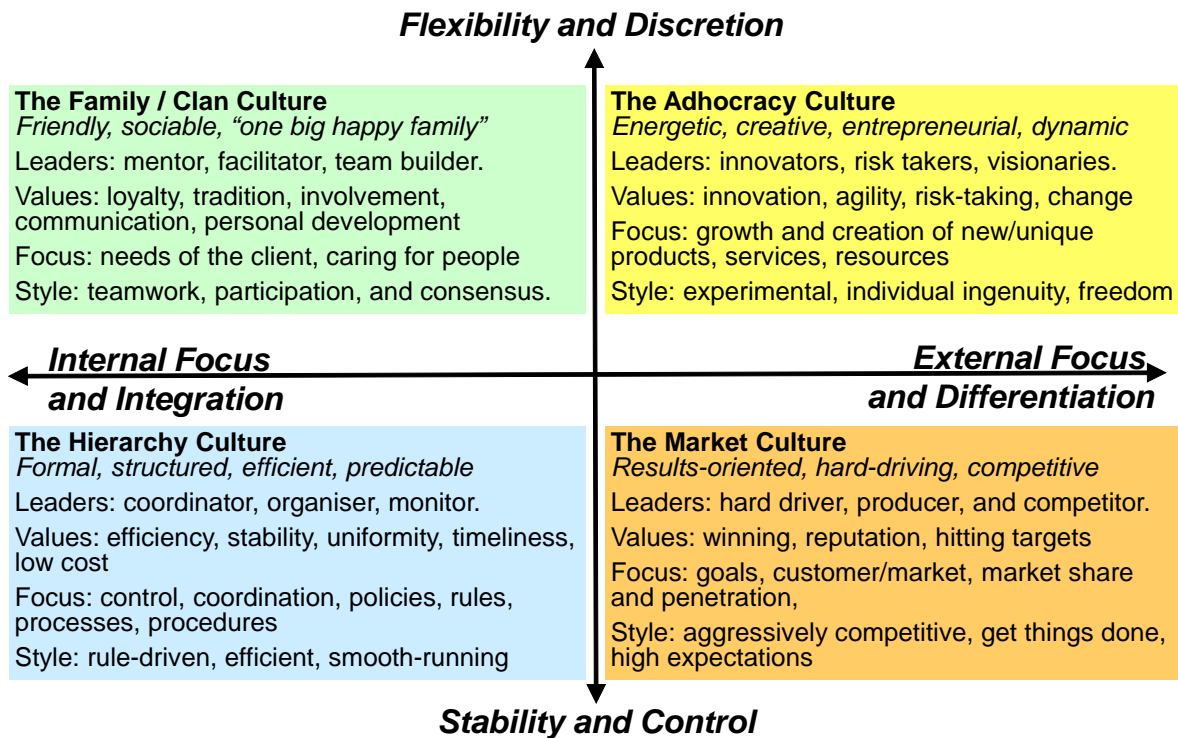


Figure 1: Cameron and Quinn's "Organizational Culture Assessment Instrument" (OCAI)

Here are five of the quadrant-based frameworks, with the first being the OCAI presented above. OCAI and the last two are the most widely used:

1. X axis – (from left to right) from internal/integration to external/differentiation
 Y axis – (from bottom to top) from stability/control to flexibility/discretion
 the culture quadrants – (counter clockwise from lower left) Hierarchical (or Bureaucracy,) Market (or Rational,) Adhocracy (or Developmental,) and Clan (or Family)
2. X axis – from people oriented to company oriented;
 Y axis – from possibility oriented to reality oriented;
 the "culture quadrants" – Cultivation, Competence, Control, and Collaboration.
3. X axis – degree of risk from low to high
 Y axis – speed of feedback from low to high
 the culture quadrants – Process, Bet-Your-Company, Macho, Work Hard / Play Hard
4. X axis – from person oriented to task oriented
 Y axis – from hierarchical to egalitarian

the culture quadrants – Family (power oriented,) Eiffel Tower (role oriented,) Guided Missile (project-oriented,) and Incubator (fulfillment oriented.)

5. X axis – from flexibility to stability
Y axis – from internal focus to external focus
the culture quadrants – Involvement, Consistency, Mission, and Adaptability

Again, you'll notice some recurring themes – “does the culture focus on the people or on the work?” and “does the culture value stability or flexibility?”

A central point is that in any of these frameworks, organizations always possess elements of each cultural archetype (quadrant) but one will be dominant. The more sophisticated assessment instruments, such as OCAI, will rank the relative strength of each culture and identify one as dominant, and will also identify the gap between the current and desired cultures.

It would be interesting to know if anyone is courageous enough to formally identify disconnects between the *stated* culture and the *actual* culture. I've sometimes been struck at how divergent the “our culture and values” posterware is from the reality of the organization's culture and values. Of course, nobody is ever fooled by these statements and the expectation that leaders will routinely make statements that are patently false becomes, ironically, an element of the culture. An observation – the organizations at which this happens are the same ones that festoon their walls with “motivational” posterware featuring eagles, rowing teams, and helpful slogans like “there's no 'I' in team.” This explains the universal appeal of the “demotivational” posters offered by despair.com.

Coming up – applying this

In last month's Column on capabilities, I included the enabler-based framework (Figure 2) that is central to how I assess current-state processes and evaluate potential features of future-state processes. “Culture” is critical because if a process design goes against the prevailing culture, it has little chance of success. The two most important enablers, in my experience, are “Motivation & Measurement” (or, as some call it, “reward and punishment”) and “Human Resources and Organization.” If they aren't always the most important, they are certainly the most commonly ignored, so either way the potential impact of address them is large. The reason they don't always get the attention they deserve is that they could be classified as “soft stuff,” the subject of this series of Columns, unlike “Workflow Design” and “IT” which qualify as “hard stuff.” These enablers may actually become “disablers” if they aren't aligned with process goals and organizational culture. Next month, we'll look at some examples of how to apply this framework.

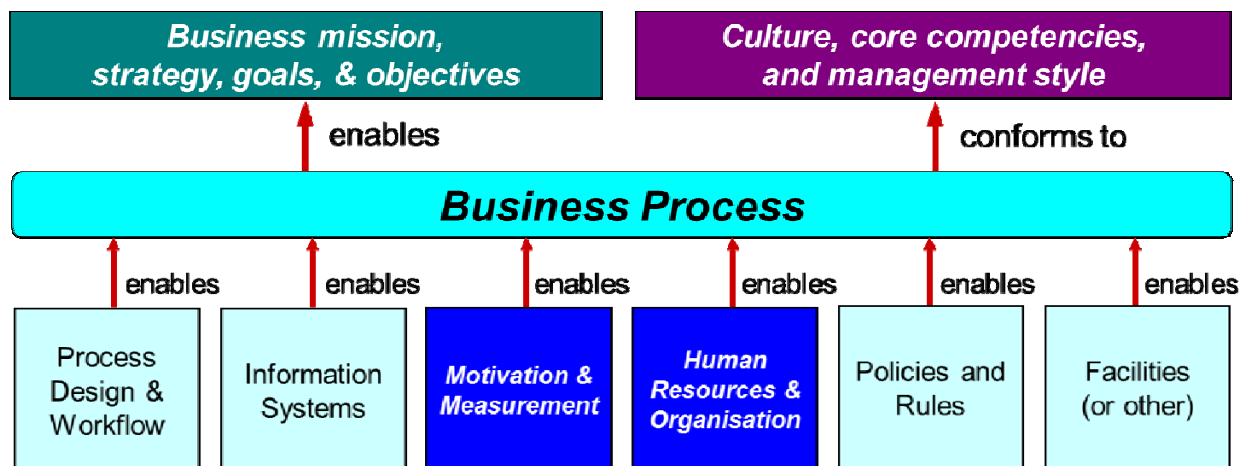


Figure 2: An enabler-based framework for working with business processes

When I consider culture with respect to current or hoped-for business processes, I find it useful to think of it as the answer to the question “what is good?” Is it good to unquestioningly follow orders, or is it good to challenge them? Is it good to “just get it done,” or is it good to always follow the accepted way of getting it done? Is it good to be flexible and innovative, or is it good to value stability and consistency? The prevailing culture provides answers, or at least guideposts, for questions like this, which are clearly of interest when understanding *why* an as-is business process behaves the way it does, and *how* a to-be process should behave. One way to articulate “what is good?” is through the concept of “strategic differentiators,” which we’ll also look into next time around.

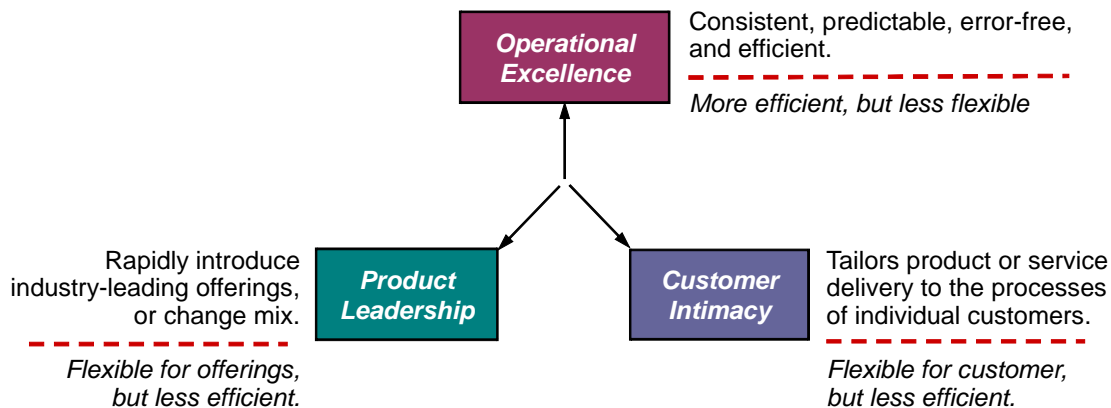


Figure 3: The “strategic differentiator” as a way to understand “what is good?”

Wrapping up

I hope your New Year is off to a wonderful start. Mine is, and I have some engagements coming up in wonderful locations like Spain, Switzerland, England, New Zealand, and Australia. Some that will be of interest to the BPM community include:

- On Feb 23 & 24, and Oct 11 & 12, IRMUK will be hosting public offerings of our popular “Working With Business Processes” workshop in London. <http://bit.ly/bno3ll>
- During March, Software Education will be hosting our new two-day workshop “Advanced Business Process Management – Aligning Process Work with Strategic, Organizational, and Cultural Factors.” Locations are Auckland, Wellington, Melbourne, and Brisbane. <http://bit.ly/vJUJzH>
- On April 02 & 03, Leonardo Consulting will host a two-day workshop on “Data Modelling for Business & Process Analysts” in Sydney. Check the brochure they’ve created – love those Aussies! <http://bit.ly/tG8JKj>

With luck, and budget, I’ll see some of you there!

From the Trenches
Alec Sharp

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