

ORGANIZATIONAL CULTURE & LEADERSHIP

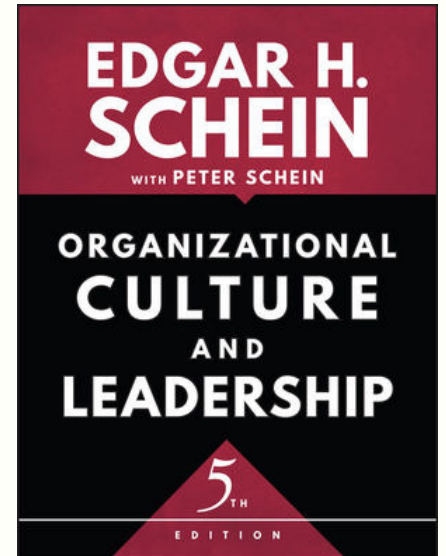
5th Edition by Edgar H. Schein with Peter A. Schein

SUMMARY

As technology improves, the society including business world and education field become more and more diverse. Due to this reason, on top of the theories and practices such as Ed Schein's three-level culture model that were mentioned in previous editions, he has apply these theories in a bigger multicultural scene in this edition. In this book, Schein (2017) emphasize on

"culture as what a group learns, the explanation of how leadership and culture formation are two sides of the same coin, and the fact that the role of leadership changes with the growth and aging of an organization" (p.xiv)

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SUMMARY CRITICAL EVALUATION DISCUSSION QUESTIONS

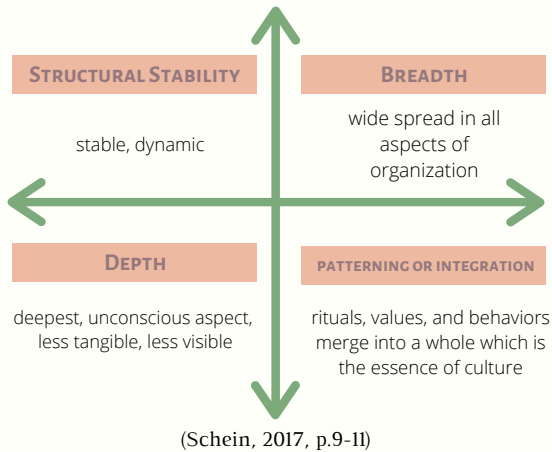
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Chp 1

How to Define Culture in General

There are many ways to define culture as it occurs in various levels of "observability". Schein (2017) included several cultural elements in the book and the most important one is accumulated shared learning. He also mentioned about culture is form through time together, past learning experiences, sharing same thoughts and emotions. He concluded four main culture elements in this chapter.

Four Main Culture Elements



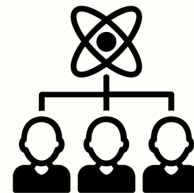
A Dynamic Definition of Culture

"The culture of a group can be defined as the accumulated shared learning of that group as it solves its problems of external adaption and internal integration; which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, feel, and behave in relation to those problems." (p.5)

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Taught to New Members: The Process of Socialization or Acculturation

- 1 shared assumptions
- 2 proven accurate
- 3 perceiving, thinking, and feeling in "accurate" way

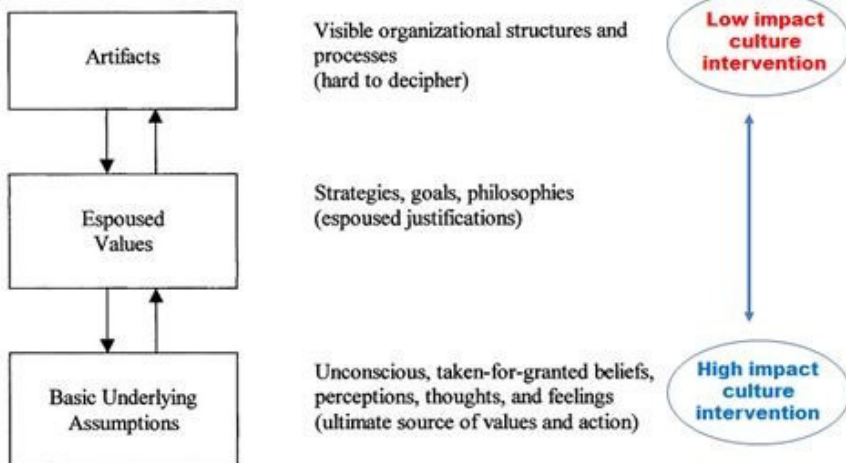


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The Structure of Culture

This chapter discussed the three levels of culture by Schein which can be utilized to illustrate and evaluate cultural circumstance including "an individual, a micro system, a subculture, an organization, or a macro culture" (p.29) and it is significant to understand the differences between these three levels.

Edgar Schein - Culture Structure - 3 Levels of Culture



"CULTURE AS A SET OF BASIC ASSUMPTIONS DEFINES FOR US WHAT TO PAY ATTENTION TO, WHAT THINGS MEAN, HOW TO REACT EMOTIONALLY TO WHAT IS GOING ON, AND WHAT ACTIONS TO TAKE IN VARIOUS KINDS OF SITUATIONS". (P.22)

Edgar H. Schein

Case 1: Digital Equipment Corporation in Maynard, Massachusetts



Digital Equipment Corporation (DEC) was a major American computer industry company that started around the mid-1950s. In the case here, it is seen as a young start up. Schein (2017) analyzed this case using the three level model, and the artifacts of this company was open and relax which was observed from the surface such as buildings and basic interactions, the espoused beliefs was *personal responsibility*, innovation and truth through conflict which was observed from company's slogan and daily meetings, and the basic assumptions is that small group meetings is just to achieve the goal, so even members had intense debate, they could have confidence and find out solutions. However, even DEC tried to adjust basic elements as company evolved, some remain unchanged and lead to its decline.

This case had showed that "a young company's culture provides identity, meaning, and daily motivation. If the company is successful, that culture will become very strong and explicitly part of its identity" (Schein, 2017, p.41) and culture should not be generalized unless fully understand the company.



Case 2: Ciba-Geigy Company in Basel, Switzerland

The Ciba-Geigy Company was a Swiss multinational decentralized chemical industry company in the late 1970s and early 1980s, and ultimately merged with Sandoz become Novartis. This company was mature and culturally diverse. Schein (2017) evaluated that the artifacts of this company was rank and status which was observed from different treatment such as dining room and food depending on the rank, the espoused beliefs and values was employee often just follow what their boss said while not debating with them which was observed from meetings are just for announcement and information gathering, and the assumptions was it seems like it was somehow lack of innovation and new ideas which were observed from they have little lateral communication happening between different department in the company. It also had developed "a systematic rotation of future executives into overseas assignments so that an effort to become more international would be reflected in all of its managers" (Schein, 2017, p.56).

This case had revealed that artifacts and norms of an organization are not able to be deciphered unless assumptions and interrelationship were discovered. Schein (2017) also mentioned that "culture is deep, pervasive, complex, patterned, and morally neutral" and we should overcome our "own cultural prejudices" (p.57) in order to others culture.

Case 3: Singapore's Economic Development Board



The cultural elements of Singapore's Economic Development Board (EDB) has showed how Singapore has developed from a third country to a rich industrial country rapidly. The artifacts in this case was dictatorial repressive political regime, the espoused beliefs and values" was their shared vision, and the assumptions were somehow a combination of traditional Chinese values with Western values. Schein (2017) has categorized the "assumption about the role of government in economic development" which are "State Capitalism", "Absolute Long-Range Political Stability", "Collaboration among Sectors", "An Incorruptible, Competent Civil Service", "Primacy of People and Meritocracy" and "Strategic Pragmatism", and "the cultural paradigm of the EDB as an organization" which are "Teamwork: Individualistic Groupism", "Cosmopolitan Technocracy", "Boundaryless Organization: Modulated Openness", "Non-Hierarchic Hierarchy: The Boss as Patron, Coach, and Colleague", "Extended Trust Relationships: Clients as Partners and Friends" and "Commitment to Learning and Innovation" (p.63-72).

Conclusion of Three Cases

From these three cases, we learned about each organization's cultural components, and how these components influence the company as it evolved. In conclusion, as Schein (2017) suggested that

"we will not need analyses at the level of complexity of these cases, but we will need a process for quickly identifying which cultural elements will help us manage the desired changes and which ones will hinder us and become targets of change" (p.74)

Dimensions of The Macro-Cultural Context

This chapter presented several major dimensions of macro culture such as national and ethnic cultures in order to allow better understanding in cultural variation and sometimes to solve specific issues. Schein (2017) had also "reviewed the major ways in which language, reality, time, space, truth, human activity, nature, and relationships can be categorized" (p.103) and suggested that stereotyping countries just by regarding few easily visible dimensions that were proposed by survey-based models should be avoided. He also mentioned that "the rules that govern relationship across hierarchical and functional boundaries are perhaps the most important area to explore when multicultural groups try to work together" (Schein, 2017, p.103).

ETHNOGRAPHIC, OBSERVATIONAL, AND INTERVIEW - BASED RESEARCH

Language and Context

- **High context** - word or phrase is hard to be interpreted, their meanings are different depend on context
- **Low context** - the word or phrase meaning is clear and more rigorous

The Nature of Reality and Truth

- **Physical reality** - "can be determined empirically by objective" (p.87) or by scientific test
- **Social reality** - consensus by group members, does not need to be empirically determinable
- Both Moralism and Pragmatism's approaches are used to test reality
- **Moralism** - "seeking validation in a general philosophy, moral system, or tradition" (p.87)
- **Pragmatism** - "seeking validation in their own experience" (p.87)
- **What is "Information"?**
 - When a group tests for reality are being conducted and make decision, all the involved constitutes data, information and knowledge should be consensus

(Schein, 2017, p.85-88)

Basic Time Orientation

- **Basic Time** - group has a basic orientation tend to consider about the past, present, or future
- **Monochronic Time** - only one thing can be done at a time, and work are done by sequence (linear time concept)
- **Polychronic Time** - several things can be done at the same time, its more about achievement but not length of time working (cyclical time concept)
- **Planning Time** - leaders see this time more in a monochronic way which time is manageable and can be planned, and seeks for a closure
- **Development Time** - ""things will take as long as they will take," referring to natural biological processes that have their own internal time cycles" (p.91), and concept is more open-ended

The Meaning of Space: Distance and Relative Placement

- **Distance and Relative Placement** - distance and space are aspects of macro culture, and are consensus among groups. For example, the distance when people talk to each other depends on their relationship which formal relationships often have distance of several feet, while intimate relationships will only have few inches
- **The Symbolic of Space** - to show organization culture and leaders' values and assumptions which it has symbolic function and often being utilized to guide members' behavior
- **Body Language** - utilizing "gestures, body position, and other physical cues to communicate our sense of what is going on in a given situation and how we relate to the other people in it" (p.94)
- **Time, Space, and Activity Interaction**
 - "Monochronic time assumptions have specific implications for how space is organized" (p.95).
 - Polychronic time assumptions "requires spatial arrangements that make it easy for simultaneous events to occur" (p.95)
 - Depending on the work pattern, both distance and time are considered in the physical layout. (Schein, 2017, p.88-96)

HUMAN ESSENCE AND BASIC MOTIVATION

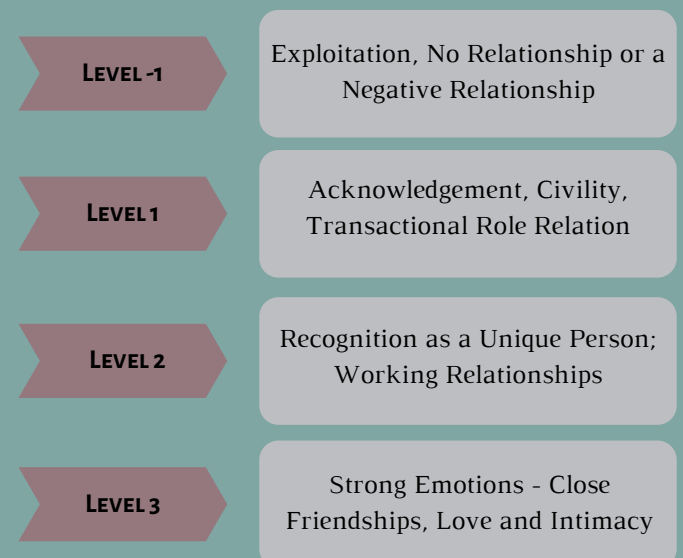
Assumptions about Human Nature

- "Workers as **rational-economic** actors"
- "Workers as social animals with primarily **social needs**"
- "Workers as **problem solvers and self-actualizers**, whose primary needs are to be challenged and to use their talents"
- "Workers as **complex and malleable**" (p.97, as cited in Schein, 1980)

Assumptions about Appropriate Human Activity

- **The "Doing" Orientation** - Humans should be in charge and vigorously have authority of own environment and fate
- **The "Being" Orientation** - Humans should be fatalistic as nature is not able to be effected, so we must accept and enjoy the moment we have.
- **The "Being-in-Becoming" Orientation** - This orientation exist between two extreme orientations as stated above which "the individual must achieve harmony with nature by fully developing his or her own capacities, thereby achieving a perfect union with the environment" (p.99). (Schein, 2017, p.96-100)

Assumptions about the Nature of Human Relationships (Four Levels of Relationship in Society)



(Schein, 2017, p.100-101, Exhibit 6.4)

This chapter suggested that leaders or people who attempt to join an organization will require a more applied and specific method (Schein, 2017). Multicultural collaborations will be more and more common in the future, and it might be mostly communicating remotely by technology due to geographically distributed. Schein (2017) described two kinds of situation which a team having members from different nationalities and a team having members from different occupations with hierarchical variation, and these groups are managing both national and status variation. Therefore, Schein (2017) suggested that "they must discover the norms and underlying assumptions that deal with *authority* and *intimacy*, because common ground in those areas is essential to developing feasible working relationships" (p.106), and the concept of "levels of relationship" is needed to be utilized in this situation. As most of the multicultural groups often interact in the Level 1 transactional modes because they do not want to offend others, but it will actually risks errors and low productivity. There was two ways to solve the multicultural issues which are educate member about assumptions of culture or emphasize on cultural capacities and learning skills, also called *cultural intelligence*. However, these approaches are not practical as multicultural evolved, new methods will be needed. Therefore, content below will more practical ways on solving multicultural relationships issues.

How to Foster Cross-Cultural Learning

"To achieve a sufficient level of empathy and a context in which the group is motivated to engage in a mutual search for common ground requires a temporary suspension of some of the rules of the social order" (p.108)

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The Concept of a Temporary Cultural Island

Cultural island is a setting where face should be temporarily withdraw so self-concepts including values and assumptions surrounding authority and intimacy can be discovered. Assumptions in micro culture also should be *personalized* to allow reflection and understanding, so that profound assumptions of the macro cultures can be recognized. Then, a *review* should be conducted so that hierarchy can be minimized and open communication can be maximized within cross-cultural or status groups. Cultural island settings change depends on the purpose of the practice, and conversation in *dialogic* format is necessary to achieve the goal of cultural island setting.

Focused Dialogue in a Cultural-Island Setting

The main purpose of "dialogic conversation is to create a setting in which participants feel secure enough to suspend their need to win arguments" (Schein, 2017, p.111). The process of conversation has rules such as "not interrupting, talking to the symbolic campfire instead of to each other, limiting eye contact, and, most important of all, starting with a "check-in"" which all the members will talk about own "mental state, motivation, or feelings" (p.112) to make sure everyone has contribute to the group and assist on building the group. Lastly, symbolic campfire encourages members to be reflective and emphasize on contributing to create collective group.

Using Dialogue for Multicultural Exploration

Dialogue conversation allow members to discover cultural variation as it allows members to explore cultural differences and experience the variation immediately in meetings. Schein (2017) suggested that "*This learning is achieved by using the check-in to focus on the critical issues of authority and intimacy*" (p.112-113) and dialogue is useful because cultural issue can be *personalized*.

Legitimizing Personalization in Cross-Cultural Conversation

As stated above, people often stay at Level 1 transactional mode as it is secure, so Schein (2017) proposed that "a more systematic process for mutual cultural exploration had to be provided as part of their education" (p.115), and he did an experiment on it. The results suggested that a certain amount of length of time on Level 1 relationship building and a facilitator that establish a secure environment is required to lead to Level 2 conversations.

The Paradox of Macro Culture Understanding

To enhance cross-cultural learning, the concept of a temporary cultural island that can be formed by leaders was introduced which the setting has rules of suspending face work to empower mutual learning. Example that was provided by Schein (2017) provided example that revealed that when two groups from different cultures face emergency problems and showed themselves instead of just formal roles, and eventually when they solved problem together, they developed better collaboration.

Echelons as Macro Cultures

Besides national cultures, rank levels hierarchy also have issues of miscommunication and misunderstanding. These issues include "misunderstood instructions and orders", "lost information, which causes productivity, quality, and safety problems not to be noticed or addressed effectively" (Schein, 2017, p.118) and when the industry is more technical and complicated, there will have more possibility having these problems. Therefore, Schein (2017) advised that "procedures" and "checklists" work the same as dialogue conversation in cultural islands setting if list is being checked (culturally neutral process).

How Culture Begins and The Role of The Founder of Organizations

As Schein (2017) proposed that "culture is ultimately a characteristic of a group, just as personality and character are ultimately characteristic of an individual" (p.127), so "group dynamic theories and models" (p.127) are necessary to understand culture. Founders of organizations often did not realize and subconsciously dealing with dynamic issues and these issues are important components of forming certain culture. Therefore, in this chapter, Schein (2017) discussed how culture is build in new groups and the role of the founder in the culture forming process by also providing examples from 6 different organizations. The conclusion of this chapter is that basic issues that new group deal with could develop their own culture and meanwhile, founders as leaders apply "their own beliefs, values, assumptions, and behavioral rules on their subordinates; if the organization is successful, they become taken for granted and a culture is born" (p.146).

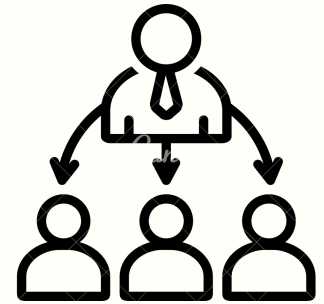
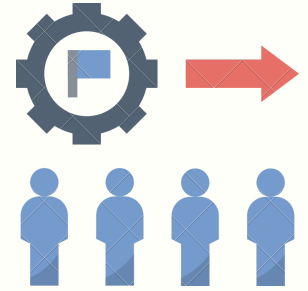
A MODEL OF HOW CULTURE FORMS IN NEW GROUPS

In the United States, Tuchman (1965, as cited in Schein, 2017) had described the model of the stages of group evolution as "forming, storming, norming, and performing" (p.127):

- Stage 1, Forming: Finding One's Identity and Role
- Stage 2, Storming: Resolving Who Will Have Authority and Influence
- Stage 3, Norming: Resolving at Which Level of Relationship We Want to Operate
- Stage 4: Performing: The Problem of Task Accomplishment

THE ROLE OF THE FOUNDER IN THE CREATION OF CULTURES

Founders with strong leadership often have their own theories on how to organize a group and will always choose members that have common ways of thinking, and if the theories works out , it will be a new culture for the organizations. Due to the rapid changes in the society nowadays, changes in leaderships are required too which "if those changes produce success for a group and the leader's vision and values are adopted, a culture evolves and survives" (Schein, 2017, p.131). Lastly, Schein (2017) also suggested that "founders usually have a major impact on how the group initially defines and solves its external adaption and internal integration problems" (p.131).



Ex. 1: Ken Olsen and DEC Revisited

The founder of DEC emphasized on openness and rewarding and punishing behavior which he thought that good ideas are the one that survived from active debates. Due to the success of this assumptions in 1990s, it remained unchanged in the organization and eventually become dysfunctional in other situations in the late 1990s.

Ex. 2: Sam Steinberg and Steinberg's of Canada

This case revealed the conflicts in the leader's culture that were applied in the organization and lead to lack of stability. Due to his Jewish macro culture that has tight family connections on working on enterprise, the business situation declined and eventually resulted sale of company due to none of his children were able to take over the business.

Ex. 3: Fred Smithfield: a "Serial Entrepreneur"

This case showed that the founders do not unconsciously apply their values on the organizations which the pattern of culture creation is not from founders' beliefs. Also, a professional manager will be replacing the founder as the organization develop and will build a new culture, so "in a mature organization may therefore be the result of the work of several leaders over a long period of time.

Ex. 4: Steve Jobs and Apple

One important reason that lead Apple to succeed is bringing Steve Jobs back even after Apple had experienced many CEOs which the company then get back to focus on creating attractive products and combine with excellent marketing and good quality technology that only Steve Job could drive. Now, Apple is embedded in a diverse and compound international environment which will assist its culture to develop.

Ex. 5: IBM — Thomas Watson Sr. and His Son

This case showed that IBM did not start as an engineering-based organization, instead succeed by its leaders' marketing mentality as an outsider that assist the company to re-stimulate its original identity, but not exactly alternating the company culture.

Ex. 6: Hewlett and Packard

HP was founded by two leaders with different backgrounds which Hewlett was more on technical while Packard was more on business. Their effective collaboration had allowed HP to succeed and "teamwork" became a central value in the company. Then, an outsider CEO, Carly Fiorina's strategy of abandoned some original values to fit with the market as it evolved had achieved global success for HP. However, due to the current splitting of the company, not only a macro HP corporate culture is reflecting its products and services but also their subcultures.

How External Adaption and Internal Integration Become Culture

Culture also formed by the lessons from solving "problems of external adaption and internal integration" (p.149). According to Schein (2017), studies showed that "all groups, whether small decision-making units or entire nations, have the same two fundamental problems: (1) how to organize themselves to deal with the environments in which they exist (what I have called the *external* problems of survival) and (2) how to organize themselves *internally* to deal with the inevitable human problems that arise in collective life" (p.149). Leaders often focus on changes but not external and internal issues, and the cluster of issues in both of these aspects is called a socio-technical system. Therefore, this chapter included categories of "external adaption and internal integration" that have distinguished influence on forming culture.

External Adaption

- **Mission:** Obtaining a shared understanding of core mission, primary task, and manifest and latent function
- **Goals:** Developing consensus on goals, as derived from the core mission
- **Means:** Developing consensus on the means to be used to attain the goals, such as the organizational structure, division of labor, reward systems, and authority system
- **Measurement:** Developing consensus on the criteria to be used in measuring how well the group is fulfilling its goals, such as the information and control system
- **Correcting and repairing:** Developing consensus on the appropriate remedial or repair strategies to be used if goals are not being met

(Schein, 2017, p.150)



Internal Integration

- **Language:** Creating a common language and conceptual categories
- **Identity and boundaries:** Defining group boundaries and criteria for inclusion
- **Authority:** Reaching consensus on the distributing power, authority, and status
- **Trust and openness:** Developing norms of relating to each other
- **Rewards and punishments:** Defining and allocating rewards and punishments
- **The unexplainable:** Developing concepts to explain the unexplainable

(Schein, 2017, p.151)



How Leaders Embed and Transmit Culture

In previous chapters, the book talked about leaders will either consciously or subconsciously apply their "beliefs, values, and assumptions " when forming organization cultures, and this chapter will discuss about they way that leaders install their "beliefs, values, and assumptions" in order to establish environment to form, stabilize and evolve culture (Schein, 2017). This book concluded 12 mechanisms of structure including primary and secondary mechanisms to embed and transmit culture (see figures below). The mechanisms will convey culture to new members either way and leaders only have choice to manage it which either in a direct or indirect way. Moreover, the secondary mechanisms of structure were only assistance for young company, but when the company become mature and stable, it will become primary mechanisms and important criteria if it works well for the company. Therefore, the reflection of successful case in socialization process gradually become factors that determine new culture, but not new leaders (Schein, 2017). In conclusion, Schein (2017) mentioned that "the dynamic of the "midlife" organization are, therefore, quite different from those of the young and emerging organization" (p.205).



How Leaders Embed Their Beliefs, Values, and Assumptions

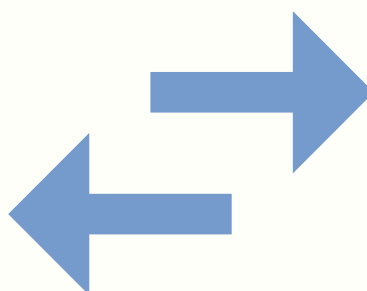


Primary Embedding Mechanisms

- What leaders pay attention to, measure, and control on a regular basis
- How leaders react to critical incidents and organizational crises
- How leaders allocate resources
- Deliberate role modeling, teaching, and coaching
- How leaders allocate rewards and status
- How leaders recruit, select, promote, and excommunicate

Secondary Reinforcement and Stabilizing Mechanisms

- Organizational design and structure
- Organizational systems and procedures
- Rites and rituals of the organization
- Design of physical space, façades, and buildings
- Stories about important events and people
- Formal statements of organizational philosophy, creeds, and charters



(Schein, 2017, p.183, Exhibit 10.1)

The Culture Dynamics of Organizational Growth, Maturity, and Decline

As organization become mature, the initial founders will also age or pass away, so new leaders will be replacing them depending on whether they decide to keep private ownership or develop to public ownership. In the case of going public, the role of leadership of the organization will become more spread out as the leader will be a promoted CEO, and new CEOs will have limitation to change the basic-assumptions of culture in the organization. Before they change the culture of the company, they will have to first discard the existing culture (Schein, 2017). In addition, Schien (2017) also mentioned that, as organization become bigger, there will have differentiation in subcultures as there will have different subgroups with various occupational and national backgrounds which it is mostly divided into the *operator subculture*, *engineering subculture* and *executive subculture*. Hence, "the leader's task is to find ways of coordinating, aligning, and integrating the different subcultures" (Schein, 2017, p.229).

Schein (2017) discussed the "issues arise in the normal cultural evolution that accompanies success, growth, and age" (p.207) and "the differentiation and the growth of subculture" (p.211) in this chapter.

General Effects of Success, Growth, and Age

- Face-to-Face Communication and Personal Acquaintance Is Lost
- "Functional Familiarity" Is Lost
- Coordination Methods Change
- Measurement Mechanisms Change
- Pressures for Standardization Increase
- Standardized Methods Become More Abstract and Potentially Irrelevant
- The Nature of Accountability Changes
- Strategies Focus Becomes More Difficult
- The Role of Central Functions and Services Becomes More Controversial
- Growth of Responsibility for Others Increases
- Decision Making Becomes Biased by Responsibility for Others
- Family Feeling Is Lost
- A Common Culture Is Harder to Maintain

(Schein, 2017, p.208-210)

Differentiation and the Growth of Subcultures

- Functional or occupational differentiation
- Geographical decentralization
- Differentiation by product, market, or technology
- Divisionalization
- Differentiation by hierarchical level

(Schein, 2017, p.211)

"Building an effective organization is ultimately a matter of meshing the different subcultures by encouraging evolution of common goals, common language, and common procedures for solving problems" (p.229-230).

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Natural and Guided Cultural Evolution

Schein (2017) suggested that organizations have different stages which mainly divided into early, maturity and decline stage, and often some of the culture of the organization will become socially impaired during the last two stages, so organizations will need to innovate some organization culture as the it evolves. The methods that leaders use to guide changes are various as the situation of the stages are different too. Therefore, this chapter described the approaches that leaders guide culture evolution in three different stages.

Founding and Early Growth

Incremental Change through General and Specific Evolution

- General Evolution - "development involves diversification, growing complexity, higher levels of differentiation and integration, and creative syntheses into new and more complex forms" (p.234-235)
- Specific Evolution - "results from the adaption of specific parts of organization to their particular environments and the impact of increasing macro-cultural diversity on the core culture" (p.234)

Self-Guided Evolution through Insight

- "the culture became a focus of attention and was perceived as a source of strength" (p.236)

Managed Evolution through Hybrids

- "one mechanism of gradual and incremental change is the systematic promotion of insiders whose own assumptions are better adapted to the new external realities" (p.236)
- before conducting this mechanism, leaders need to understand the needs of changing and "what needs to be changed and what in their culture is missing or is inhibiting the change" (p.237)

*The first two approaches are to keep and enhance current culture, while the last one is to force the group to change the culture.

Transition to Midlife: Problems of Succession

Taking Advantage of Subculture Diversity

- "assessing the strengths and weaknesses of different subcultures and then biasing the corporate culture toward one of those subcultures by systematically promoting people from that subculture into key positions of power" (p.240)

Changes in Technology

- use the introduction of new technology system to bring influence little by little, and it might also have unexpected results on changing the cultural assumptions

Culture Change through Infusion of Outsiders

- "shared assumptions can be changed by changing the composition of the dominant groups or coalitions in an organization" (p.242)

Organizational Maturity and Potential Decline (Culture Change)

Culture Change through Scandal and Explosion of Myth

- happen "where incongruities exist between espoused values and basic assumptions" (p.247)

Culture Change through Mergers and Acquisitions

1. two cultures are independent and continue to develop in their own approaches.
2. "one culture will dominate and gradually either convert or excommunicate the members of the other culture" (p.248)
3. Select some cultural elements from both cultures, then integrate it

Culture Change through Destruction and Rebirth

- when key culture carriers are discharged, the culture will be destroyed or eliminated
- get rid of some original cultural elements to assist on reorganizing new culture that contain adaption
- achieve whole group reorganization through mergers, acquisitions or bankruptcy proceedings

(Schein, 2017, p.234-248)

Chp 13

Deciphering Culture

Deciphering culture is necessary when information is needed to illustrate issues, and it is extremely difficult to decipher culture to the basic assumptions level. The reasons of deciphering culture also depends on individual's role, and the figures below will describe the three different roles that decipher culture. In addition, there are also risk and potential costs during culture decipher which assessment could be either intervention or helpful analysis for company. Therefore, leaders should be aware whether to allow to conduct an assessment.

Deciphering from the Outside

- Role - job applicant, customer, journalist
- process is not able to be standardized, only can focus on observation
- need to be aware not to get too involved until experienced at the artifact level

Deciphering in a Researcher Role

- Role - researcher
- getting entry need to go through proceeding steps before being able to gather information
- will always be an intervention for the organization
- time-consuming, difficult to put data together

Clinical Inquiry: Deciphering in a Helper or Consultant Role

- Role - as a helper, volunteer or paid consultant
- able to "ask questions that the insiders might normally consider intrusive" (p.260) and able "to ask all kinds of questions that can lead directly into cultural analysis, thereby allowing the development of a research focus as well" (p.261)



(Schein, 2017, p.255-261)

Chp 14

The Diagnostic Quantitative Approaches to Assessment and Planned Change

It is meaningless to assess culture if the leaders do not want to change, and if the leaders have plan on culture changing, they will need to determine the culture to ensure whether it will assist or interrupt the change process. There are two ways to conduct this assessment which are "seeking insight by measuring specific dimensions of culture or looking for various typological model of culture — what we called *diagnostic quantitative* approach" (chapter14) and "seeking insight by using internally focused observations combined with individual or group interviews—what we call the *dialogic qualitative* approach" (chapter 15) (Schein, 2017, p.271).

In this chapter, several kinds of typology (typologies that focus on assumptions about authority and intimacy, and typologies of corporate character and culture), and its the strengths and weaknesses are included. The advantages are it can "simplify thinking and provide useful categories of sorting out the complexities we must deal with when we confront organizational realities" (Schein, 2017, p.293). However, this is also its weaknesses which it might oversimplify and provide meaningless categories that will result perspective limitation because an organization might have strong subcultures that do not fit in it. In addition, some typologies focus on minimizing categories, while some emphasize on several aspects separately which both of these may not attain deep cultural basic assumptions. Therefore, change leader should carefully consider and be aware of the measurement approach (quantitative or qualitative) that they are using.

Issues in the Use of Surveys to "Measure" Culture

- Not Knowing What to Ask
- Employees May Not Be Motivated to Be Honest
- Employees May Not Understand the Questions or May Interpret Them Differently
- What Is Measured May Be Accurate but Superficial
- The Sample of Employees Surveyed May Not Be Representative of the Key Culture Carriers
- The Profile of Dimensions Does Not Reveal Their Interaction or Patterning into a Total System
- The Impact of Taking the Survey Will Have Unknown Consequences, Some of Which May Be Undesirable or Destructive

When to Use Surveys

- Determining Whether Particular Dimensions of Culture Are Systematically Related to Some Element of Performance
- Giving a Particular Organization a Profile of Itself to Stimulate a Deeper Analysis of the Culture of that Organization
- Comparing Organizations with Each Other on Selected Dimensions as Preparation for Mergers, Acquisitions, and Joint Ventures
- Testing for Subculture Differences
- Educating Employees about Certain Important Dimensions that Management Wants to Work On

Automated Culture Analysis with Software-as-a-Service

- *TinyPulse*
- *Glint*
- *CultureIQ*
- *RoundPeg*
- *CultureAmp*

(Schein, 2017, p.288-290)



(Schein, 2017, p.273-277)

Schein (2017) mentioned that three important basis are needed for the dialogic qualitative approach to determine culture, including "the purpose of the assessment is to help the change leader make an assessment that will help move the change process forward", "it is crucial that the change leader engage in an assessment process that will reveal the elements of the culture that bear on the change problem", and "consultant must be very clear about the change implications of the assessment process itself" (p.297). He also suggested that rather than the outside expert, it is more significant for the change leader to understand the issues of the culture. The intervention energy is also used to assist leaders to acquire insight into the effect of culture to the change process. As there are no fixed methods for the dialogic qualitative process due to "the nature of the problem, the macro-cultural context, and the kind of relationship that is built up between the client and helper" (p.298), so Schein (2017) had demonstrated this approach through some example cases. Schein (2017) also mentioned that quantitative assessments from previous chapter can be a supplement for this qualitative processes but it is not necessary.

Case 4: MA-COM—Revising a Change Agenda as a Result of Cultural Insight

The CEO started this assessment because he or she wants to create a common corporate culture. Schein started a one-day qualitative intervention to determine present culture with the planning group, then other things will be decided after that. The result of analysis showed that their basic assumptions culture is mainly relevant to business issues, and "the resolution of the business problem did not require any *culture* change"(Schein, 2017, p.301). Therefore, culture assessment does not always have to be conducted for culture change but also for "an *evolution* of that existing culture" (Schein, 2017, p.301).

Case 5: U.S. Army Corps of Engineers Reassessing Their Mission

Culture assessment was conducted in this case "because of concerns that their mission was changing and they were uncertain what the future sources of funding would be" (Schein, 2017, p.301), and the results suggested valuable perspectives on future vision but not the key points of the particular approach to conduct in the future. Therefore, "a culture assessment need not lead to culture change even though that might have been an initial goal"(Schein, 2017, p.306).

Case 6: Apple Assessing Its Culture as Part of a Long-Range Planning Process

Apple conducted a culture assessment because they want to focus on human resource issues for a long-range planning exercise. They focused on "the task of figuring out how Apple's culture would influence growth and what impact it might have on the kinds of people who would be attracted to it in the future" (Schein, 2017, p.307), and the results revealed that there are no important changes which suggested that "a group can get the essentials of its culture very rapidly" (p.310). The motivated insider group figured out central basic assumptions rapidly and "the earlier description from 1991 is still largely valid" (Schein, 2017, p.310) as it evolves as time goes by.

Case 7: SAAB COMBITECH –Building Collaboration in Research Units

In this case, cultural analysis was conducted because there were many common technology problems and processes, and there were many strong subcultures in the organizations which collaboration could actually be extremely helpful for them. Schein (2017) then conducted a three-day workshop to provide culture education and the ways to collaborate with each other. On the third day, it revealed that the workshop "evolved each of the subcultures by creating linkages that enabled each of them to do their job better" (Schein, 2017, p. 312). Therefore, this case had showed that the culture change process will be better if working with insiders and if the clients are willing to change.

Case 8: Using A Priori Criteria for Culture Evaluation

This approach is quite different which it has criteria for cultural analysis, and it is divided in 10 dimensions. It is conducted by visiting the company and interviewing members. Specific checklists for the 10 dimensions were also created to ensure the scoring is objective. It was showed that the results of the culture evaluation had committed in their success and allow them to be in a strong position when there are challenges.

Case 1, 2, 3: DEC, Ciba-Geigy, and Singapore

DEC: "lacked of the "money gene" in its cultural DNA"

Ciba-Geigy: "its central assumptions about long-range strategy became more focused around a narrower product set"

Singapore: "a great deal of effort has gone into stimulating entrepreneurship, the one area that had been identified by me and other as being a weak link in their economic development chain" (Schein, 2017, p.314)

A Model of Change Management and The Change Leader

"A desire of change, for doing something differently, for learning something new, *always begins with some kind of pain or dissatisfaction*" (p.322). Schein (2017) had included how leaders can change cultures through a general change model, and how can they "initiate a culture assessment to determine how the culture will aid or hinder the change process" (p.339) in this chapter.



The Stages and Cycle of Learning/Change

Stage 1 Creating the Motivation to Change (Unfreezing)

- Disconfirmation
- Creation of survival anxiety or guilt
- Learning anxiety produces resistance to change
- Creation of psychological safety to overcome learning anxiety

Stage 2 Learning New Concepts, New Meanings for Old Concepts, and New Standards for Judgement

- Imitation of and identification with role models
- Scanning for solutions and trial-and-error learning

Stage 3 Internalizing New Concepts, Meanings, and Standards

- Incorporation into self-concept and identity
- Incorporation into ongoing relationships

(Schein, 2017, p.323, Exhibit 16.1)

Creating Psychological Safety

1. Provide a compelling positive vision
2. Provide formal training
3. Involve the learner
4. Train relevant "family" groups and teams
5. Provide resources
6. Provide positive role models
7. Provide support groups in which learning problems can be aired and discussed
8. Remove barriers and build new supporting systems and structures

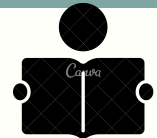
(Schein, 2017, p.327-329)

Cautions in Regard to "Culture" Change

1. The change goal must be defined concretely in behavioral terms not as "culture change"
2. Old cultural elements can be destroyed by eliminating the people who "carry" those elements can be learned only if the new behavior leads to success and satisfaction over a period of time
3. Changes in the basic assumptions of the culture always require a period of unlearning that is psychologically painful
4. As task complexity and systemic interdependency increases, change becomes perpetual

(Schein, 2017, p.337-339)

The Change Leader as Learner



As development of globalism and technologies has resulted the society become more and more complex and diverse, it is necessary for leaders to become perpetual learners and culture executive. Therefore, this chapter had described the characteristic of learning culture, and the role, features and skills of leaders in different stages of the organization.

Characteristic of Learning Culture

1. Proactivity
2. Commitment to "Learning to Learn"
3. Positive Assumptions about Human Nature
4. Belief that the Environment Can be Managed
5. Commitment to Truth through Inquiry and Dialogue
6. Positive Orientation toward the Future
7. Commitment to Full and Open Task-Relevant Communication
8. Commitment to Cultural Diversity
9. Commitment to Systemic Thinking
10. Belief in the Value of Internal Cultural Analysis

(Schein, 2017, p.343-349)

Changes of Learning-Oriented Leadership in different stages

In Culture Creation

- have vision, needs persistence and patience
- open to change
- able to undertake anxiety
- provide temporary stability
- supportive

In Organizational Midlife

- have "the insight and skill to help the organization evolve into whatever will make it most effective in the future"
- "analyze the culture in sufficient detail"
- "have the intervention skills to make desired changes happen" (p.352)

In Mature and Declining Organization

- "create a succession process to find and empower a potential leader who may have enough insight and power to overcome some of the constraining cultural assumptions" (p.352)
- "need to listen, to absorb, to search the environment for trends, to seek and accept help, and to build the organization's capacity to learn" (Schein, 2009, p.353, as cited in Schein, 2017)
- "the ability to see and acknowledge the full complexity of problems becomes critical" (p.353)

(Schein, 2017, p.350-353)

Summary

The Organizational Culture and Leadership fifth edition had mainly discussed the three levels of culture analysis which are artifacts level, espoused beliefs and values level and basic underlying assumptions level. To fully understand the culture of an organization and make changes or create new culture as a leaders, understanding of basic assumptions level is necessary.

This book also mentioned about the four levels of relationship in society, and it is important for multicultural groups to develop level 2 relationship instead of just staying at level 1 transactional mode. The most effective way to foster cross-cultural learning is utilizing dialogue format in a cultural island setting which is a setting that members have to temporarily get rid of their face work and allow mutual learning.

In addition, it also provided the role of leaders and the methods and process of leaders could use to form culture in new groups in mainly three different stages of growth which are early stage, maturity stage and decline stage. Therefore, as the society is changing rapidly, Schein (2017) mentioned that it is crucial for change leaders to learn culture consistently.

"Cultures are learned *patterns of beliefs, values, assumptions, and behavioral norms that manifest themselves at different levels of observability*" (p.1)

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Discussion Questions

- 1** In the organization that you are in, what are the characteristics of the culture? Do you identify these cultural elements as artifacts, espoused values or basic assumptions? Why?

- 2** As a leader of an organization, how would you make sure that the culture of the organization is up-to-date enough to fit in the contemporary society? and what would you do to assist the culture to evolve if needed?

- 3** Think about your own cultural background and how you would decipher the various cultures you have come from: family, peer group, school, jobs, community?

- 4** Regarding to the three different stages of growth of the organization, determine which stage and which process was most difficult.

Critical Evaluation

This book showed valuable theories and practices on organizational culture and leadership that I can identify with, and it also provided many evidences and examples to support its theories. Although I did not have full time experiences and might not have understanding of basic assumptions level of the companies that I worked at, I believed that I have a certain level of understanding on the culture of the department that I worked at as a part time. For instance, I worked at a railway company as a part time travel consultant for about 2 years with colleagues from more than 10 countries. The department clearly showed their central of culture to new members by emphasizing teamwork and actively organizing events which had allowed members to develop level 2 relationship rapidly and fostered cross cultural learning. With the strong collaboration in this diverse group, this department has been very productive at serving customers from all over the world in the world busiest train station, Shinjuku station in Tokyo, Japan. Therefore, I can relate my real life experience with what Schein (2017) mentioned in chapter 7 about "a focused way of working with macro cultures" (p.105) and fostering cross-cultural learning. What I have experienced might just be a subculture of the whole company which understanding of artifacts and espoused values level is efficient enough for me, but I believed that it is extremely important for full time employees and leaders of the company to understand basic assumptions level of the company culture for it to evolve as time goes by.

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