**Why Leaders Should Care About Organizational Culture**

*A note for our readers: the views reflected by the authors do not reflect the views of ASPA.*

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By Troy Holt***:****ASPA member Troy Holt, MPA, has 25 years of public agency management experience in departments ranging from Police, Public Works, Transportation, Administrative Services and the City Manager’s Office. He is a graduate of Harvard University’s Kennedy School of Government Senior Executives in State and Local Government program, and he is currently the Director of Communications and Government Relations for the City of Rancho Cordova, California, the first local government agency to earn the distinction as a Fortune Great Place to Work. He is also a member of the ICMA Advisory Board on Graduate Education and can be reached via email at* *tgholt@post.harvard.edu**, followed on Twitter at* [*@TroyGHolt*](https://twitter.com/TroyGHolt)*, and LinkedIn at* [*linkedin.com/in/tgholt*](http://t.co/ILhxc2lFuk)*.*

Why should leaders care about organizational culture? Organizational culture is the foundation of employee engagement, empowerment and motivation. These elements can translate to improved citizen satisfaction.

**What is Organizational Culture?**

An organization is a type of family – and organizational culture is the all-encompassing expression of the family values. “An organization’s culture is a social reality that signals to employees what they should do, feel and think. It’s a set of behavioral, emotional and psychological frameworks that members adopt and perpetuate, often unconsciously. It is ‘the way we do things around here’,” states David Osborne and Peter Plastrik in their 2000 book, [*The Reinventor’s Fieldbook: Tools for Transforming Your Government*](http://www.amazon.com/The-Reinventors-Fieldbook-Transforming-Government/dp/0787943320/ref%3Dsr_1_1?ie=UTF8&qid=1368865101&sr=8-1&keywords=reinventers+fieldbook). Edgar Schein, in his 2010 book [*Organizational Culture and Leadership, Fourth Edition*](http://www.amazon.com/Organizational-Culture-Leadership-Edgar-Schein/dp/0470190604/ref%3Dsr_1_1?s=books&ie=UTF8&qid=1368865165&sr=1-1&keywords=Organizational+Culture+and+Leadership%2C+Fourth+Edition)*, w*rites, “Culture is to a group what personality or character is to an individual” and “[t]he essence of a culture is the paradigm by which people operate.”

What does a great organizational culture look like?  In many places, it appears as engaged employees who are invested in their jobs and committed to their employers. They are significantly more productive and they drive higher citizen satisfaction ratings.

**Does Culture Trump Strategy?**

No. Culture works in partnership with strategy and neither can be ignored. In the article, [*Culture versus Strategy – What’s More Important?*](http://www.forbes.com/sites/mikemyatt/2012/05/29/culture-vs-strategy-whats-more-important/)*,* Mike Myatt writes, “Every vibrant, healthy, inspiring, innovative and positive corporate culture I’ve witnessed has occurred not because culture has been placed ahead of strategy, but because it has been a key driver of the corporate strategy.” In their book, [*Great by Choice*](http://www.amazon.com/Great-Choice-Uncertainty-Luck--Why-Despite/dp/0062120999/ref%3Dsr_1_1?s=books&ie=UTF8&qid=1368866199&sr=1-1&keywords=great+by+choice+by+jim+collins), Jim Collins and Morten T. Hansen discuss the concept of “SMaC” which stands for Specific, Methodical and Consistent. The more uncertain, fast changing and unforgiving your environment, the more SMaC you need to be. A SMaC recipe is a set of durable operating practices that create a replicable and consistent success formula. It is clear and concrete, enabling the entire enterprise to unify and organize its efforts, giving clear guidance regarding what to do and what not to do. A SMaC recipe reflects empirical validation and insight about what actually works and why. Companies famous for great organizational cultures, like Southwest Airlines, are also very SMaC.

**Employee Engagement and Motivation**

A positive organizational culture creates a foundation for an environment of employee engagement and increases employee motivation. In the article, [*What Engages Employees The Most or, The Ten C’s of Employee Engagement*](http://iveybusinessjournal.com/topics/the-workplace/what-engages-employees-the-most-or-the-ten-cs-of-employee-engagement), Dan Crim and Gerard Seijts write that “an engaged employee is a person who is fully involved in, and enthusiastic about, his or her work.” In his book, [*Getting Engaged:  the New Workplace Loyalty*](http://www.amazon.com/Getting-Engaged-New-Workplace-Loyalty/dp/0973911204/ref%3Dsr_1_1?ie=UTF8&qid=1402012026&sr=8-1&keywords=Getting+Engaged%3A+The+New+Workplace+Loyalty)*,* Tim Rutledge explains that truly engaged employees are attracted to, and inspired by, their work (“I want to do this”), committed (“I am dedicated to the success of what I am doing”), and fascinated (“I love what I am doing”). Engaged employees care about the future of the company and are willing to invest the discretionary effort – exceeding duty’s call – to see that the organization succeeds. [Crim and Seijts](http://iveybusinessjournal.com/topics/the-workplace/what-engages-employees-the-most-or-the-ten-cs-of-employee-engagement) state that “…statistics also showed that employee engagement does not merely correlate with bottom line results – it **drives** results.”

According to Gareth Jones and Jennifer George in their book, [*Contemporary Management*](http://www.amazon.com/Contemporary-Management-Gareth-Jones/dp/0078029538/ref%3Dsr_1_1?s=books&ie=UTF8&qid=1402013237&sr=1-1&keywords=Contemporary+Management), employee motivation is the “psychological forces that determine the direction of a person’s behavior in an organization, a person’s level of effort and a person’s level of persistence.” Motivation is also a strong stimulus to enhance an employee’s drive to seek purpose. Leaders in local government agencies can leverage this natural human tendency to seek purpose. People want to contribute and be part of a cause greater than them. Daniel Pink, in his book, [*Drive: The Surprising Truth About What Motivates Us*](http://www.amazon.com/Drive-Surprising-Truth-About-Motivates/dp/1594484805/ref%3Dsr_1_1?ie=UTF8&qid=1394641752&sr=8-1&keywords=daniel+pink+drive), calls this the “purpose motive.” This is a high level of intrinsic motivation that moves beyond the reward that financial compensation can achieve. Local government leaders must be skilled in the ability to ignite intrinsic motivation by tapping into each employee’s natural purpose motive. It takes more skill to inspire this level of motivation, and it’s certainly more difficult than simply using extrinsic motivators such as bonuses, pay for performance, etc. Once achieved, however, the results can be harmonious with what citizens expect – improved service, increased creativity, greater innovation and the ability to make our communities better places to live.

**Incubator for Innovation**

A great employee culture can be a wonderful incubator for innovation. This concept has been tested repeatedly. Historical examples include the success of Lockheed Martin’s Skunk Works. Clarence “Kelly” Johnson created a culture that was unique and invigorating. His engineers produced some of the greatest accomplishments in military aviation – the P-80 Shooting Star, U-2 Dragon Lady, SR-71 Blackbird, F-117 Nighthawk, F-22 Raptor and F-35 Lightning II. Kelly gave his engineers a high degree of autonomy unhampered by bureaucracy, and tasked them with working on advanced or secret projects.

Silicon Valley giants such as Google have learned from earlier examples like Johnson’s Skunk Works. Google expects each person to be a hands-on contributor and feel comfortable sharing ideas and opinions. Google places employees…called “Googlers” … in a [unique environment](http://www.google.com/about/company/facts/culture/) that is conducive to creativity and innovation. Offices and cafes are designed to encourage interactions between Googlers within and across teams, and to spark conversation about work as well as play. Leaders can use the lessons learned at Google to develop experimental working environments that encourage employees to explore new ideas and possibilities. That could mean giving them a few hours a week or perhaps one day a month to work on projects for which they are passionate. Encourage employees to establish an “innovation salon” in the spirit of the 18th century coffee houses.

**Measuring Culture**

How do you measure a great organizational culture?  One way is FORTUNE’s [Great Place to Work](http://www.greatplacetowork.com/our-approach/what-is-a-great-workplace) program that ranks employers via criteria including credibility (of leaders), respect, fairness, pride and camaraderie. According to FORTUNE, great workplaces are built through the day-to-day relationships that employees experience — [not a checklist of programs and benefits](http://www.greatplacetowork.com/our-approach/how-do-you-do-it). The key factor common in these relationships is ***trust***. From the employee’s perspective, a great workplace is one where they trust the people they work for, have pride in what they do and enjoy the people they work with. From the leader’s perspective, a great workplace is one where they achieve organizational objectives with employees who give their personal best and work together as a team/family in an environment of trust.

**Results**

Leaders should care about organizational culture. Creating a great organizational culture can lead to remarkable results. In [*The Culture Cycle*](http://www.amazon.com/Culture-Cycle-Unseen-Transforms-Performance/dp/0132779781), James Heskett demonstrates that an effective culture can result in a 20-30% positive differential in performance. Heskett describes the advantages of a great culture with the “Four Rs”: Referrals, Retention of employees, Returns to labor and Relationships with customers. For public agencies, this means higher productivity with fewer resources in less time and with an increase in citizen satisfaction ratings.