Chapter 14

Shaping Culture and Values
Your Leadership Challenge

• Understand why shaping culture is a critical function of leadership.
• Recognize the characteristics of an adaptive, as opposed to an unadaptive, culture.
• Understand and apply how leaders shape culture and values through ceremonies, stories, symbols, language, selection and socialization, and daily actions.
Your Leadership Challenge (cont.)

• Identify the cultural values associated with adaptability, achievement, clan, and bureaucratic cultures and the environmental conditions associated with each.

• Act as an ethical leader and instill ethical values in the organizational culture.

• Apply the principles of spiritual leadership to help people find deeper life meaning and a sense of membership through work.
Culture

The set of key values, assumptions, understandings, and norms that is shared by members of an organization and taught to new members as correct.
Ex. 14.1 Levels of Corporate Culture

Culture that can be seen at the surface level

Visible
1. Artifacts such as dress, office layout, symbols, slogans, ceremonies

Invisible
2. Expressed values, such as “The Penney Idea,” “The HP Way”
3. Underlying assumptions and deep beliefs, such as “people here care about one another like a family”

Deeper values and shared understandings held by organization members
Importance of Culture

1. It integrates members so that they know how to relate to one another.
2. It helps the organization adapt to the external environment.
Culture Strength

The degree of agreement among employees about the importance of specific values and ways of doing things
Ex. 14.2 Adaptive Versus Unadaptive Cultures

<table>
<thead>
<tr>
<th></th>
<th>Adaptive Organizational Culture</th>
<th>Unadaptive Organizational Culture</th>
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<tbody>
<tr>
<td>Visible Behavior</td>
<td>Leaders pay close attention to all their constituencies, especially customers, and initiate change when needed to serve their legitimate interests, even if it entails taking some risks</td>
<td>Managers tend to behave somewhat insularly, politically, and bureaucratically. As a result, they do not change their strategies quickly to adjust to or take advantage of changes in their business environments</td>
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<td>Expressed Values</td>
<td>Leaders care deeply about customers, stockholders, and employees. They also strongly value people and processes that can create useful change (e.g., leadership initiatives up and down the management hierarchy)</td>
<td>Managers care mainly about themselves, their immediate work group, or some product (or technology) associated with that work group. They value the orderly and risk-reducing management processes much more highly than leadership initiatives</td>
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<td>Underlying Assumption</td>
<td>Serve whole organization, trust others</td>
<td>Meet own needs, distrust others</td>
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Ceremony, Story, and Symbol

**Ceremony**
- A planned activity that makes up a special event and is generally conducted for the benefit of an audience

**Story**
- A narrative based on true events that is repeated frequently and shared among employees

**Symbol**
- A object, act, or event that conveys meaning to others
Organizational Values

The enduring beliefs that have worth, merit, and importance for the organization.
Ex. 14.3 Four Corporate Cultures

- **Clan Culture**
  - Values: Cooperation, Consideration, Agreement, Fairness, Social equality

- **Bureaucratic Culture**
  - Values: Economy, Formality, Rationality, Order, Obedience

- **Adaptability Culture**
  - Values: Creativity, Experimentation, Risk-taking, Autonomy, Responsiveness

- **Achievement Culture**
  - Values: Competitiveness, Perfectionism, Aggressiveness, Diligence, Personal initiative

Flexibility

Internal focus

External focus

Stability
Ethics

The code of moral principles and values that governs the behavior of a person or group with respect to what is right and wrong.
Values-Based Leadership

A relationship between leaders and followers that is based on shared, strongly internalized values that are advocated and acted upon by the leader.
Spiritual Leadership

... is the display of values, attitudes, and behaviors necessary to intrinsically motivate oneself and others toward a sense of spiritual expression through calling and membership.
Ex. 14.4 Model of Spiritual Leadership

[Diagram showing the model of spiritual leadership with nodes for Leader Values, Attitudes, and Behaviors, Follower Needs for Spiritual Survival, and Organizational Outcomes. The diagram includes nodes for Performance (Vision), Effort (Hope/Faith), Reward (Altruistic Love), Calling (Make a Difference, Life Has Meaning), Membership (Be Understood, Be Appreciated), and Organizational Commitment and Productivity.]