Organizational culture: what it is, what kind we need, how to get there

Prof. Paul S. Adler

Marshall School of Business

Feb 23, 2018

What is organizational culture?

Artifacts: symbols of culture in the physical and social work environment

Values:
Espoused: what members of an organization say they value
Enacted: reflected in the way individuals actually behave

Assumptions: deeply held, perhaps unconscious, beliefs that guide behavior and interpretation

Why does org culture matter?

- can help **individual** performance by…
  - providing a sense of identity
  - increasing commitment to the organization
- can help **organizational** performance by…
  - providing a shared sense-making device that fits the environmental challenges
  - setting expectations for behavior that fit the organization's strategy

USC's strategic priorities
(from 2018 USC Strategic Plan 2/7/2018)

To be the great 21st century research university, we must lead through…

- **values** – reaffirming our commitment to our core academic principles, to our code of ethics, and to each other, while adding new voices and exploring new, equitable ways of acting in the world.

- **people** – nurturing a cadre of faculty, students, and staff who embrace not just the entrepreneurial spirit, but the inclusive spirit and the convergent spirit as well.

- **impact** – seizing opportunities and solving the intractable problems of our city and the world, supporting the underserved who wish to improve their lives and the lives of others, and reinventing medicine and caregiving to improve health and wellness for all.

- **transformation** – asking how we might reimagine higher education, elevate the value of a university degree, expand access and opportunity for those of immense talent who will make us the most prosperous society in the world, and reimagine the college experience to prepare graduates to face world challenges with optimism and purpose.

USC's enacted culture (what I hear)

- Within units: too many dark pockets
  - Bullying
  - Fear of retaliation
  - Disengagement
- Across units: our culture is…
  - Fragmented
    - Horizontally: siloed
    - Vertically: perception-gap between University level and lower levels
  - Weak
    - Little sense of shared purpose
    - Little sense that the University leadership cares enough to change
    - So "We go along to get along"
    - "Which means we'll never be a great university."
  - Poor fit with our Environment and Strategy
    - Rankings/fund-raising pressures encourage Instrumental-rationality over Value-rationality: a "corporatized university"

What USC-wide culture do we need?

- Not…
  - Bureaucracy
  - Tradition
  - Charismatic leadership
  - Collegiality
  - Competition among units
- But rather: Collaboration towards our shared priorities

Towards real collaboration

Mission-driven vs. rule-driven	Yes, procedures help, but our decisions always keep in view our ultimate purpose
Results-oriented vs. process-oriented	We measure faculty, staff, and program performance by their contributions to our shared purpose
Improvement-directed vs. status quo-oriented	Faculty and staff continually seek to be more effective in pursuit of our purpose
Relationship-centered vs. individual-centered	This is about we, not just me – about our ability to work together to advance our shared purpose
Participation-based vs. authority-based	Yes, leadership matters, but we need everyone's creativity and initiative

Changing culture requires…

- Top leadership commitment
- Wide engagement
- Persistence over time
- Careful attention to selection and retention
- Change in other features of organization design

Forces shaping organization culture
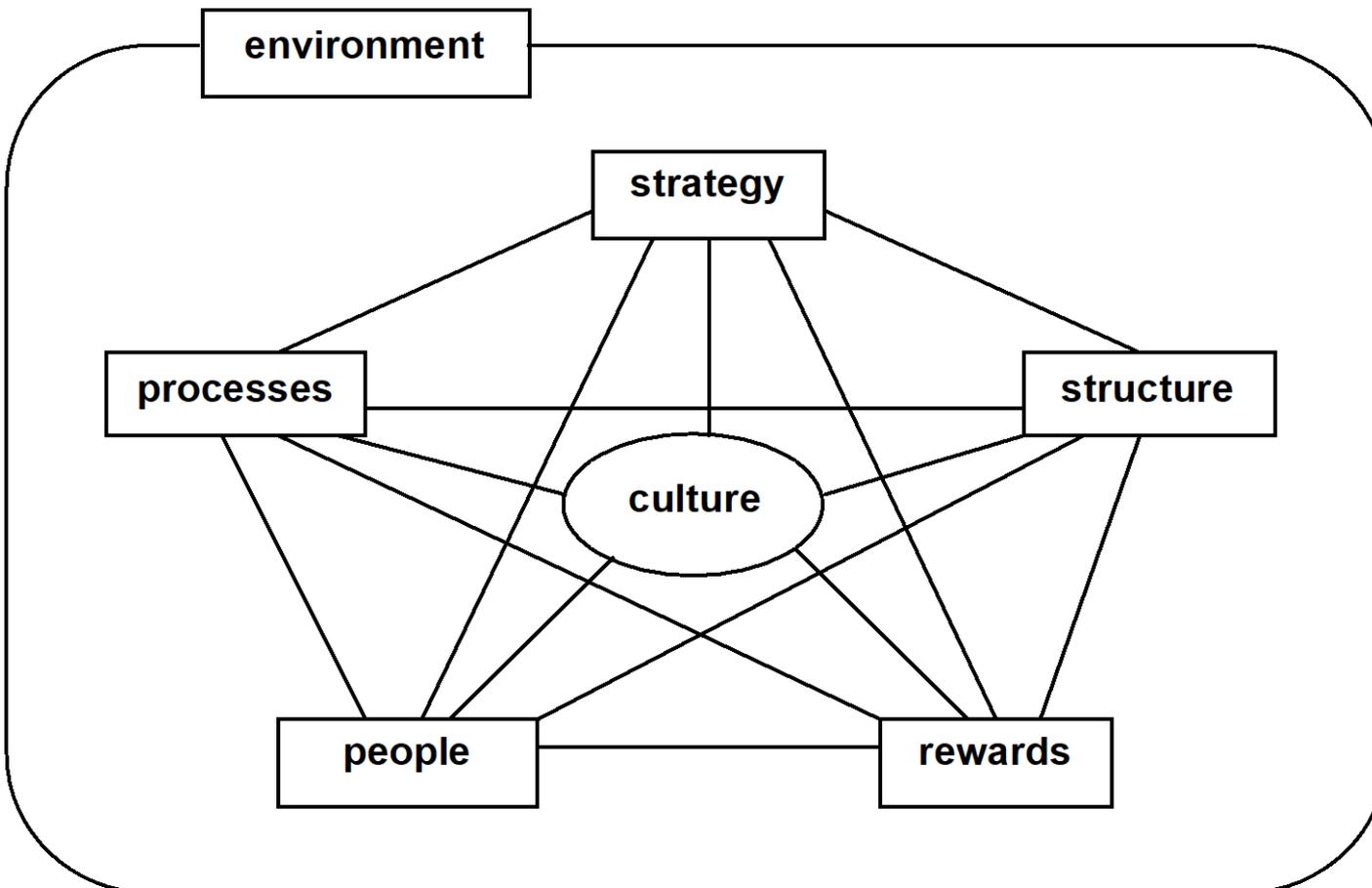
Discussion

Backup slides

Organization design for a collaborative culture

Culture	Ethic of contribution to shared purpose
Structure	Participative centralization
Processes	Participative formalization for process improvement
People	T-shaped skills
Rewards	360° evaluation of contribution
Strategy	Ambidexterity: both innovation and efficiency

USC's espoused culture
(from 2018 USC Strategic Plan 2.7.2018)

- four pillars:
  - free inquiry,
  - Trojan Family:
    - caring and respect for one another as individuals
    - appreciation of diversity
    - team spirit
    - strong alumni networks
    - commitment to service
  - targeted experimentation
  - ethical conduct