

RSOG Seminar

Building a High-Performance Organizational Culture

with

Professor Charles Fine

When : 13 September 2015
Where : Razak School of Government
Speakers : Professor Charles Fine

About the Workshop

“A leader is one who knows the way, goes the way, and shows the way” – John C. Maxwell. Whilst the quote sounds simple, doing it seems a tall order for many leaders. Professor Charles Fine through his research and experience, noticed that understanding culture is often a prelude in discussing about leadership, strategy, performance, and innovation. Organisations are culturally shaped and generally seen as an institution that exhibit a symbolic system of meanings, artefacts, values, and routines. Informal norms and traditions exert a strong influence on behaviour. Their leaders display considerable capabilities in sense making, relating, visioning, and inventing. Sense making is essentially about understanding the world around us. Relating is about developing key relationships within and across organisations. Visioning creates compelling picture of the future, and finally, inventing the path to realise the vision. Research has also shown that successful organisations showed a lot of respect to their people and has a good balance between Creativity and Discipline.

Summary

The word culture is a unique and interesting one. Set aside agriculture, aquaculture etc., culture signals the level of integration one has with the surroundings. For instance, one is often referred to as cultured for displaying good gestures and manners. On the contrary, one is called in the state of culture shock if he or she is out of place with the surroundings.

More often than not, discussions on culture is anchored around the fame Hofstede's Cultural Dimensions Theory. Professor Charles Fine through his action research and experience offered five dimensions that he believes have an influence in shaping a high performance organisation.

He divided it into 5 layers of understanding organizational culture. This consist of culture eats strategy for breakfast, Yin and Yang of Organizational Balance, Three lenses for organizational understanding, Four Leadership Capabilities and Five Points of the STAR.

The term **culture eats strategy for breakfast** is uniquely coined to describe the great importance of culture in an organization and it determines how things get done. He stressed that culture is a fundamental factor that should be consistently evolved and innovate according to the changing of times.

The Yin Yang symbol describes the hypothesis that organizational success today requires both creativity and discipline. The 2nd hypothesis describes that the organizational culture today requires both respect for people and innovation and improvement. For example, it is well known by many people that Finance Management can be characterized as “hard” discipline while the Human Resource management is characterized as “soft” discipline when compared to finance. Finance could be understood as the yang energy where as Human Resource can be understood as the yin energy. Both are important in an organization and creates a balance as finance is related to the operation of the organization while human resource is more on staff welfare.

The **3 lenses for organizational improvement** include Strategic, Political and Cultural. The word **Strategic** connotes the idea that organizations are machines/mechanical system crafted to achieve a defined goal. Each organization has its own mission/vision statement on the purpose of its existence and what it aims to achieve. The term **political** is used to define organization as a social system encompassing diverse and sometimes contradictory interests and goals. In the **cultural** context, an organization is a symbolic system of meanings, artefacts, values, and routines.

The **Four capabilities for Leadership** is essential to lead an organization successfully. **Sense making** is important to understand the current needs of the people in a global context and relate it to the key activities of the organization. A department in an organization will not be able to function alone Hence it is important to develop key relationships within and across organizations (**Relating**) for the exchange of ideas, business strategy and collaboration or partnership to provide quality services to the public. One of the main attributes of a good leader is to have good vision (**Visioning**) skills on what the organization aims to be in the next decade or so. Does it want to achieve a target sales of a certain amount? Or establish itself as the leading provider in a particular industry? These are some of the questions that a leader in an organization has to ask themself to determine the next steps. In the current trend,

innovation (**Invention**) is key in an organization. Organizations have to constantly innovate to avoid being obsolete and ensure competitiveness in the industry. Innovation should be applied across the organization including the process, work flow, strategy and staff development.

Prof. Charles illustrated some of the main characteristics of leadership which is distributed, involves personal and organisational development, a process to create change and develops over time. He added that organizational culture co-exists with the components of business model. He conceptualized the “**Star Model**” to describe the working relationship between these 2 components. This consist of Strategy that takes into account the **Vision/Mission** of the organization, **Capabilities** of the staff and **Competitive Positioning** in the market. **People/Partners** are vital for selection and training relationships. **Measures and Rewards** are an integral part of an organization and it involves goals, scorecards, metric performance, compensation and extrinsic incentives. An organization is built on the foundation on how the **people involved organize themselves**. This includes the chain of command (power and authority, reporting lines/matrix) and organizational goals. **Team** dynamics in an organization determines the success or failure of the organization. Many modern organizations are compartmentalized and fragmented. Hence, it is important to ensure that the flow of processes are in place, networks between departments are strengthened and positive team behaviours are cultivated and encouraged.

Conclusion

In conclusion, Professor Charles stressed the importance of developing a proactive organizational culture to ensure growth, sustainability and productivity. He added that it is important for a leader in an organization to be a driving force to manage the people and steer the organization to achieve success.

Issues Raised

- The 5 layers of Understanding Organizational culture is an innovative way of understanding the fundamentals that develops the strength and identity of an organization.
- The various attributes of leadership is important and empowering to ensure continued development, innovation and productivity in an organization.
- The concept of Star Model describes the relationship between organizational culture and components of business cultures.
- Strategy and structure complements each other. To make it legitimate, different cultures embodies different domain. Consensus is important. The government needs to be accountable and responsible to the public who are the main stakeholders.

- Whilst thinking culture is encouraged in an organization, it depends on the job position as well as the organization. Some jobs requires a person to think and innovate while other 9-5 jobs are routine work that does not require much thinking to be done.
- It is important to note that complacency is not correlated with age. Old or young people can be complacent or hardworking. It has nothing to do with age. In his opinion, it actually depends on the nature of the job and the environment that determines if a person is complacent or hardworking.

About the Speaker

Professor Charles Fine is the President and Dean of the Asia School of Business and Chrysler Leaders for Global Operations Professor of Management at MIT's Sloan School of Management. He was a founding co-director of both MIT's Communications Futures Program and the Tata Centre for Technology and Design at MIT. His research has focused on supply chain strategy and value chain road mapping, with a particular focus on fast-clock speed manufacturing industries. He holds an AB in Mathematics and Management Science from Duke University as well as an MS in Operations Research and a PhD in Business Administration from Stanford University.

Contact

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