

**You've Got to Conform to Create:
The Implications of Corporate Culture on
Innovation in the Canadian Federal Public Service**

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Workshop on Innovation in Government

February 9 and 10 2002

**Sponsored by:
The Innovation Journal, É
cole nationale d'administration publique, the
University of Ottawa, Carleton University and
the City of Ottawa**

You've Got to Conform to Create: The Implications of Corporate Culture on Innovation in the Canadian Federal Public Service

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That organizational or corporate culture is important, we all seem to agree. Culture has become something of an "in" term in the public service, spoken of at important occasions, in serious tones: "it's because of our culture . . . to understand properly these issues we need to look at our culture . . . we cannot just tinker with quick fixes, we've got to change the whole culture!"

The idea that there exists a larger context or force influencing daily work of the public service makes intuitive sense. Especially when discussing change and innovation, culture seems somehow crucial.

As to the nature of corporate culture or how exactly it is important, however, opinions vary considerably. To some, corporate culture is synonymous with the values of the people in the organization. To others, it is a core, unchanging mission. To others, it is the style of the organization - "the way we do things here." In the end, practical applications of culture are rare; for all its interest in today's public service, culture remains an enigma enjoying essentially no common meaning. If culture can be defined, and its role clarified, perhaps the concept can better fulfill its promise in helping support and shape innovation and renewal in the public service.

This paper attempts to shed light on corporate culture toward that end. The paper is divided into three parts. First, corporate culture is defined. Second, a model of the culture of the Canadian federal public service is proposed. Third, implications are explored for innovation in the public service in light of its corporate culture.

What is Corporate Culture?

Edgar H. Schein² is perhaps North America's leading researcher and authority on corporate culture. His definition of corporate culture stands up against any organizational test, in any sector, remaining unambiguous, practical and complete. Schein states that an organization's culture is the pattern of shared, fundamental beliefs held by the leaders of the organization.

These are beliefs about such matters as: the correct basis for decisions; the organization's relationship with its external environment; human nature; and, human relations.

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² See *Organizational Culture and Leadership*, Edgar H. Schein (1985, 1992), San Francisco: Jossey Bass, Inc., Publishers.

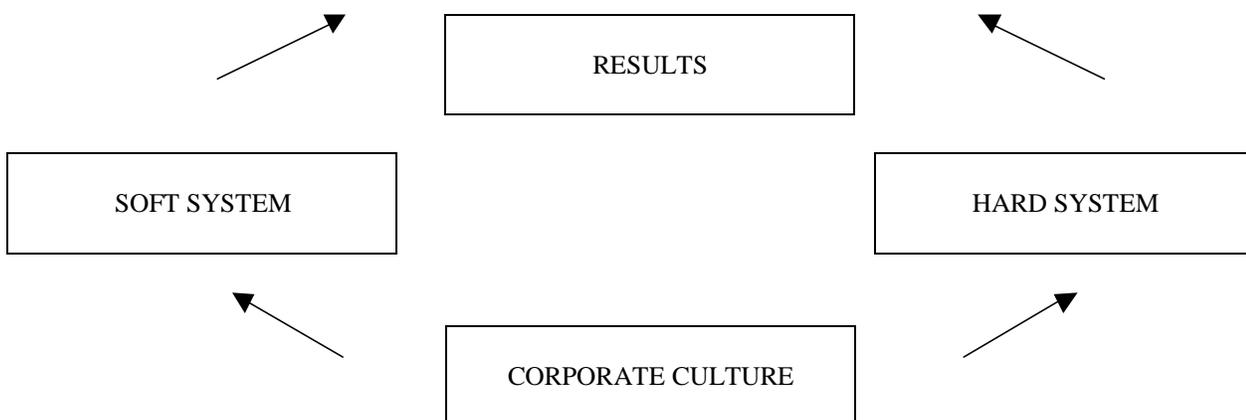
Beliefs are different from organizational symbols and cultural artefacts. Artefacts are the visible manifestations of underlying assumptions, e.g., behaviour patterns, rituals, aspects of the physical environment, dress codes, stories, products, etc.. Beliefs are also different from the organization's values - the espoused reasons for why things should be as they are, e.g., charters, goal statements, codes of ethics, company value statements, etc..

The beliefs comprising an organization's culture tend to be unique to that organization - even though long-standing members may take them for granted and consider them to be universal truths. For instance, in one organization decisions may be based on tradition ("it has always been done this way") and authority, i.e., what the leaders and experts state. In another organization decisions may be based on scientific research ("what do the numbers say?") and what has been shown to work on the front line. These organizations have different cultures yet people in each would probably assume their beliefs about how decisions are best made to be right and true. In fact, they would probably assume that other organizations operate in the same manner as does theirs.

The culture of an organization - the shared beliefs of its members - evolves over time as members solve (a) problems of survival in the environment and (b) problems related to how they are going to work together. Cultural beliefs are different from individuals' privately held beliefs in that they are deemed to work well enough to be taught to new members as the correct way to perceive, think about and feel about organizational life. Once shared beliefs exist, they function to provide meaning to daily events and make organizational life predictable.

Culture is reinforced primarily through leader behaviour. In particular culture is reinforced by what is rewarded by leaders, leader reactions to critical incidents, and leader role modelling. Culture is also reinforced by criteria for advancement.

Culture influences virtually every aspect of the organization including, ultimately, its success. But the influence is indirect and mostly invisible. For this reason culture is often left out of models of organizations. One way of depicting the relationship culture has with the organization is as follows:



The "soft," or informal, system is comprised of skills, leadership style, communication patterns and methods, levels of trust and respect, behavioural norms, how individual differences are handled, how conflict is managed, team relations, and so on. The "hard," or formal, system is comprised of policies, procedures, reward structures, reporting lines, technology, administrative systems, equipment, physical space, and so on.

Results are a function of the two main systems of the organization³. Results are measured in terms of such dimensions as accomplishment of goals, client satisfaction, productivity, efficiency, "bottom-line," etc..

Culture influences and delimits the hard system and the soft system. For example, the shared belief that the organization is dominant over its environment may result in insular behavioural norms (e.g., that it is important to focus on the work of the organization and unimportant to pay attention to what is going on in the outside world) and few environmental scanning mechanisms. The opposite belief - that the organization is subordinate to its environment - would result in the encouragement of outside consultation and the proliferation of market analysis tools. The shared belief that people are generally self-motivated and honest will lead to high levels of trust in the soft system. The opposite belief - that people are lazy and try to get away with whatever they can - would lead to an emphasis in the hard system on monitoring and control mechanisms⁴.

Remember, cultural beliefs develop as the organization forms and evolves. They are learned as problems of survival and integration are solved. They are "correct" for the organization, even if they are the opposite of what is found in other organizations. In these matters there are in fact few, if any, universal truths.

The focus of this paper is on innovation. In particular the question is: What can our understanding of corporate culture tell us about innovation in the federal public service? To answer this question we must first address another, perhaps deeper question: Can corporate culture be changed? By this point in the paper the answer should be fairly self-evident. Cultural change is extremely slow and rarely radical. In a large, established institution such as the federal public service, it is in fact unrealistic to expect any near-term change in corporate culture.

Therefore, our focus must move to the question: What does the existing corporate culture of the federal public service support in terms of innovation? What is supported by the culture will have a better chance of taking root and flourishing. What is not supported – despite the best of intentions – will eventually wither and die. (How many attempts to install more open communication, empowerment and other worthy new behavioural patterns have failed due to an unsupportive corporate culture?) Let us now examine the corporate culture of the Canadian federal public service for clues as to what is, and is not, supported.

³ External forces, outside of the control of the organization, also influence results. Our model, here, focuses only on internal forces.

⁴ The reader may recognize elements of MacGregor's Theory Y and Theory X here. Indeed, MacGregor's model provides a good depiction of two archetypal cultures.

The Culture of the Public Service: A Proposed Model

Countries have distinct, identifiable cultures. So do industries or sectors; e.g., the manufacturing sector, the high-tech sector, the not-for-profit sector, the public sector, etc.. At the level of the federal public service of Canada there is an overall culture (which may be considered a subculture of the overall Canadian culture and a derivative of the general public service culture).

Each department may also have a distinct culture that is part of the larger public service culture while containing its own distinguishing features. Within a given department, there can be branch and other unit sub-cultures. There are professional sub-cultures.

At any given point of contact in the public service, one or more of these cultures may have influence. Indeed, many managers are proud to point out that their particular unit is special and unlike the rest of the bureaucracy. Yet in the end it is the culture of the public service as a whole that has the largest impact and, most importantly for the purposes of this paper, determines the span of possibilities by way of innovation. We shall thus consider the public service - including the government of the day - as the organization with whose culture we are concerned.

Schein identifies six major dimensions of corporate culture. Knowing the shared beliefs of the leaders of the public service - i.e., today's ministers, deputy ministers and other key senior public servants and culture carriers - on these six dimensions would provide a good start in defining the culture of the public service. It is not impossible to find out such information, but to do it well would be difficult and perhaps will be the subject of a future study. For now, let us generate informed propositions about what may constitute some of the key shared beliefs so that we may continue the exercise and examine implications for innovation.

The Nature of "Truth" and the Basis for Decisions. The first dimension defining culture concerns the nature of truth and the basis for decisions. Is something right because it has always been so, or because it has recently undergone and withstood rational testing and debate? At one end of the continuum we find belief in tradition and dogma. In the middle we find belief in the wisdom of leaders and authorities and what is declared right by the legal process. At the other end we find belief in what comes from scientific research and what is demonstrated to work.

PROPOSITION 1: In the federal public service, diversity of opinion is respected and sought. It is believed that truth is that which survives debate and is declared correct by the rational/legal process, although there are numerous cases in which the declarations of leaders or authorities take precedence.

The Organization's Relationship with its Environment. What do members of the organization believe about the organization's relationship with its environment? Does the organization dominate, does it harmonize with, or is it subordinate to, its environment? What are the environment's salient components?

PROPOSITION 2: The pervasive belief in the public service is that the public service is dominant over its environment. This shows up in a very complex internal language (virtually undecipherable to outsiders) and a lack of feedback mechanisms. Note that this

belief is probably common to the general public sector culture and should be looked at *relative* to the private sector culture⁵. In the case of the latter, feedback, in the form of profit or loss, is synonymous with results.

The Nature of Time. Beliefs about time can be among the most important in defining an organization's culture. Do people focus on the past, present or future? Is time viewed as "monochronic" (only one activity can be done at any one time) or "polychronic" (several activities can be done at once)? Is time subordinate to the task, or is task subordinate to time?

PROPOSITION 3: The public service is oriented to the near future (linked primarily to the annual budget cycle but also, significantly, to the four-year election cycle). Time is viewed as monochronic, which is typical in Western cultures. In terms of symbolic value, time takes precedence over the accomplishment of tasks. In other words, when the deadline arrives, the task must end, whether it has been completed satisfactorily or not.

Assumptions about Human Nature. Does the organization consider people to be lazy and selfish or hard working and generous? Can people change?

PROPOSITION 4: In the public service it is understood that people differ. But the dominant belief is that, to be safe, it is best to assume that an individual cannot be trusted until he or she proves otherwise. It is believed that people can change (or, perhaps, be changed) with the best evolving into revered authorities and leaders.

The Nature of Human Activity. What is assumed to be people's natural stance toward life? Are we in control of our destinies, or subject to the will of fate? In Asian cultures, the dominant belief is that people are perfectible, and it is one's life goal to develop one's talents as fully as possible.

PROPOSITION 5: North American's generally prescribe to a proactive, humans-overnature, take-charge orientation. The federal public service would appear to be no different. Indeed, it seems to be taken for granted that simply focussing the best available minds could solve any problem, no matter how complex.

The Nature of Human Relations. Is social order determined by formal hierarchy, group consensus, or individualism? Is the ideal organizational form autocratic, paternalistic, consultative, participative or delegative?

PROPOSITION 6: In the public service, it is believed that tasks are more important than relationships. Group welfare takes precedence over individual need. The ideal organizational form is believed to fall somewhere between autocracy, paternalism and consultation.

⁵ Some might argue that the public service or the government as a whole is attuned to public will. Consultation and polling have become more common and, after all, the government has to answer to the electorate every four years. Yet in comparison to market driven private companies that simply stop manufacturing products that are not selling and launch entire new business lines on a moment's notice based on new research, the federal public service must be viewed as inward-focused.

In sum, the central theme of the culture of the federal public service is its insularity and the undisputed authority of, and faith in, senior members of the organization, i.e., cabinet ministers, senior advisors, deputy ministers and assistant deputy ministers.

Two key sub-themes are (a) the pre-eminence of the task or problem over relationships and the pre-eminence of time - deadlines, schedules, accountability and service cycles - over tasks and problems, and (b) the belief that major problems should be tackled one at a time. The culture, as described, is consistent with many of the visible hard-system mechanisms, policies and procedures and soft-systems norms and activities present in today's public service. The question now is: What does such a culture mean for innovation?

The Implications of Corporate Culture on Innovation

An initial impression of the above model of the corporate culture of the Canadian federal public service might be that it is profoundly un-innovative. After all, conventional wisdom tells us that innovation thrives in open, un-hierarchical, team-based organizations where there are few rules and the only pressure is the pressure to excel.

Yet our understanding of culture in general tells us that culture forms as a result of success. Despite whatever criticisms it may attract, the federal public service must be viewed as a successful organization. (It has outlived nearly every organization in Canada.) It continues to offer attractive career possibilities and generally perform its functions effectively. It must, by definition, have evolved a workable structure and set of services and it must, in some way, foster innovation. How the culture fosters innovation and how this can be illuminated and better exploited is now our question.

First, let us examine those aspects of the culture, which would appear to inhibit innovation. Our model tells us that innovations, or work on innovations, have the potential to be undermined by decisions made by senior executives and ministers – i.e., the rug can be pulled from under projects at any time. Also, innovations based on ideas coming from outside of the public service are likely to be treated with suspicion (this is sometimes termed the “not-invented-here syndrome”). It will be difficult to keep a project team together for a long time, as working relationships are seen as relatively unimportant. In order to be adopted, innovations will have to travel up the hierarchy for approval. Long-term projects will generally not be supportable. And, the system demands conformity to accepted rules and procedures – non-conformity will be frowned upon and possibly penalized.

What features of the corporate culture of the federal public service, then, work in favour of innovation? First and foremost, it would appear that the belief in the ability of individuals to solve any problem, no matter how complex, twinned with the belief that truth is discovered through rational means form the foundation for innovation. Indeed, these core beliefs have probably played a fundamental role in the advancement of the public service.

In order to effectively exploit these aspects of the culture, however, measures must be taken to overcome some of the inhibiting factors. These measures could include the following:

Work within the rule structure and hierarchical system and, where possible, build support at the top.

Break large projects up into a program of independent small projects, sequenced one-at-a-time, that can each be completed in less than a year.

In order to keep key people involved in the project, ensure that members of the team become inextricably linked to the project and known as *the* experts in the area.

To conclude, if one accepts as valid Schein's definition of corporate culture, if one accepts the premise that it is easier to work within an existing culture than to attempt to change it, and if one accepts our proposed model of the culture of the federal public service, a detailed and useful picture emerges. It is true that the public service contains a number of features constituting obstacles to innovation. It is also true, however, that given the right approach, the public service will support innovation.

Innovators are valued as rational problem-solvers. They need only be aware of, and develop means to cope with, other aspects of the corporate culture in order to be successful. Innovators who insist upon operating as if in a different culture will become frustrated. Innovators willing and able to work within the existing culture will thrive and could make a significant contribution to the continued advancement of the federal public service.

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