

————— E-book —————

# How can organizational culture impact the day by day operations of your project?

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## INTRODUCTION

Organizational Culture is a very deep and interesting topic and there are lots of things we could talk about. The intention is to share some points and thoughts, with regard to project management. Yes, this topic is essential for any professional working in project management, something that is common to everyone, regardless of the type of methodology, the size of the project, the structure you use or the organization you work for.

Little is said about this, but how important it is to manage the culture of your organization! It doesn't matter if top management was worried about creating or maintaining a culture, the fact is that it exists and dictates the rhythm of the company. Cristina Junqueira, from Nubank, always says **"if you have people working together, there is always a culture"**.



No matter if it is a small family-run company or a multinational operating in several countries over time, each organization develops its own identity.

The word culture has its origin in social anthropology and usually widely translates the experiences of any human group, which is transmitted from one generation to another (Paschini, 2006). The classic definition of **culture is how people act, how they learn, how they make decisions.**

Organizations, **until the mid-1980s**, used to be seen as a way of monitoring and tracking groups of people (Robbins, 2002). Every organization has a purpose for existing. Thus, they need to coordinate a set of activities through division of labor, hierarchy of authority and responsibility so that everyone achieves a single goal (Schein, 1982).

## CULTURAL COMPONENTS

Culture is the most important part of a company, it dictates everything else. From culture derives the **company's strategy**, how you will hire, **what kind of people you will attract**, and even how teams will be organized.

There is a very common image when speaking about culture that has the components of culture related to an ICEBERG. Only 10% of the Iceberg is visible above the water, which are the behaviors, artifacts, and norms; they are tangible and visible items. The 90% below the surface, which are values, attitudes, beliefs and assumptions, are the less visible and rarely questioned parts.



*Artifacts, behaviors and norms are visible and tangible*

*Personal values and attitudes are less visible, but can be commented on.*

*The underlying beliefs and assumptions are subconscious, invisible, and rarely questioned.*

There is no way to talk about organizational culture, without bringing up two very important points: **values and beliefs**.

Daniel Denilson reports that many organizations seek to develop a culture based on core values, which came from some annual report or some trip in which the leader talked to other leaders and brought great ideas, among them: communication, respect, transparency, integrity, excellence, there are no contrasting arguments about the meaning of each value.

But for the values to be solid, it is necessary that the company, its leaders and the people they lead actually live these values. How many times have you been in organizations with beautiful values written in "stone", but in effect none of them are being used?

And this happens more often than we imagine and has serious consequences for the organization. Because, in fact, there is no point in having a wonderful values structure if, on a day by day basis, we are not sure to follow what we say and put these ideas into action. By bringing this to our day by day lives, I invite you to think about what actions you or your company take to make sure that the values are being put into practice.



Here are some important actions:

- a) At the time of hiring, check if the candidate has values compatible with yours, and if this translates or is seen in the actions and activities that he has already carried out. The similar counts a lot at this moment.
- b) When evaluating an employee, you can evaluate each value and identify actions that the employee performs in his/her day by day, checking their compatibility and adherence to each value.
- c) Provide appropriate feedback when an attitude or behavior is not compatible with the organizational values.



## TYPES OF ORGANIZATIONAL CULTURE

Great writers over the years have tried to characterize and define the types of existing organizational culture. For Schein (1982), organizations are composed of **formal** and **informal** groups. The formal ones are created by the organizations themselves to develop specific tasks, and the informal ones are created by the employees themselves. With this perspective, members of organizations present a series of **needs**, which can be satisfied by groups and can be classified as:

- **association** need, which can be perceived as friendship, support, love;
- need for **identity and self-esteem**, that is, our organizations can be a symbol of status, welfare, importance, and have great influence on who we are;
- need to **establish and test social reality**. Through discussions and information exchange between co-workers, we test our ideas and thoughts, and reduce the uncertainty of our actions;
- needs **to reduce the uncertainty, anxiety and helplessness**. When we have the idea that if we come together we will have more acceptance; support reduces desires and fears.

In some sense, organizational culture helps companies meet the **needs of individuals**. Schein sought to understand the needs of individuals as a shaper of culture.

Otherwise, between 1967 and 1973, Hofstede (1984) conducted research in more **than 50 countries** in which he identified **some common characteristics of organizational culture**. He classified them into four dimensions:

1) **Power distance**: indicates how less powerful members in an organization or society accept and even expect power inequality. "Societies are unequal, but some are more unequal than others." (Hofstede, 1984:390 apud Hofstede, 1980:136).

2) **Individualism versus collectivism**: the member's approach is individual rather than collective; in this type of culture, the focus will be first on one's own goals rather than on integration among members, as in collectivism.

3) **Masculinity versus femininity**: this type of culture relates the social rules between two sexes, men and women. In such cases, men are expected to be ambitious, assertive and competitive; women are expected to take care of their quality of life and - what matters - to be happy.

4) **Aversion to uncertainty**: highlights how uncomfortable members feel in the face of uncertainty; in organizations where uncertainty is greater, they tend to be active, intolerant, aggressive, and seek greater security.



Robbins (2002) highlights two basic characteristics, which identify the essence of a company's culture. These are:

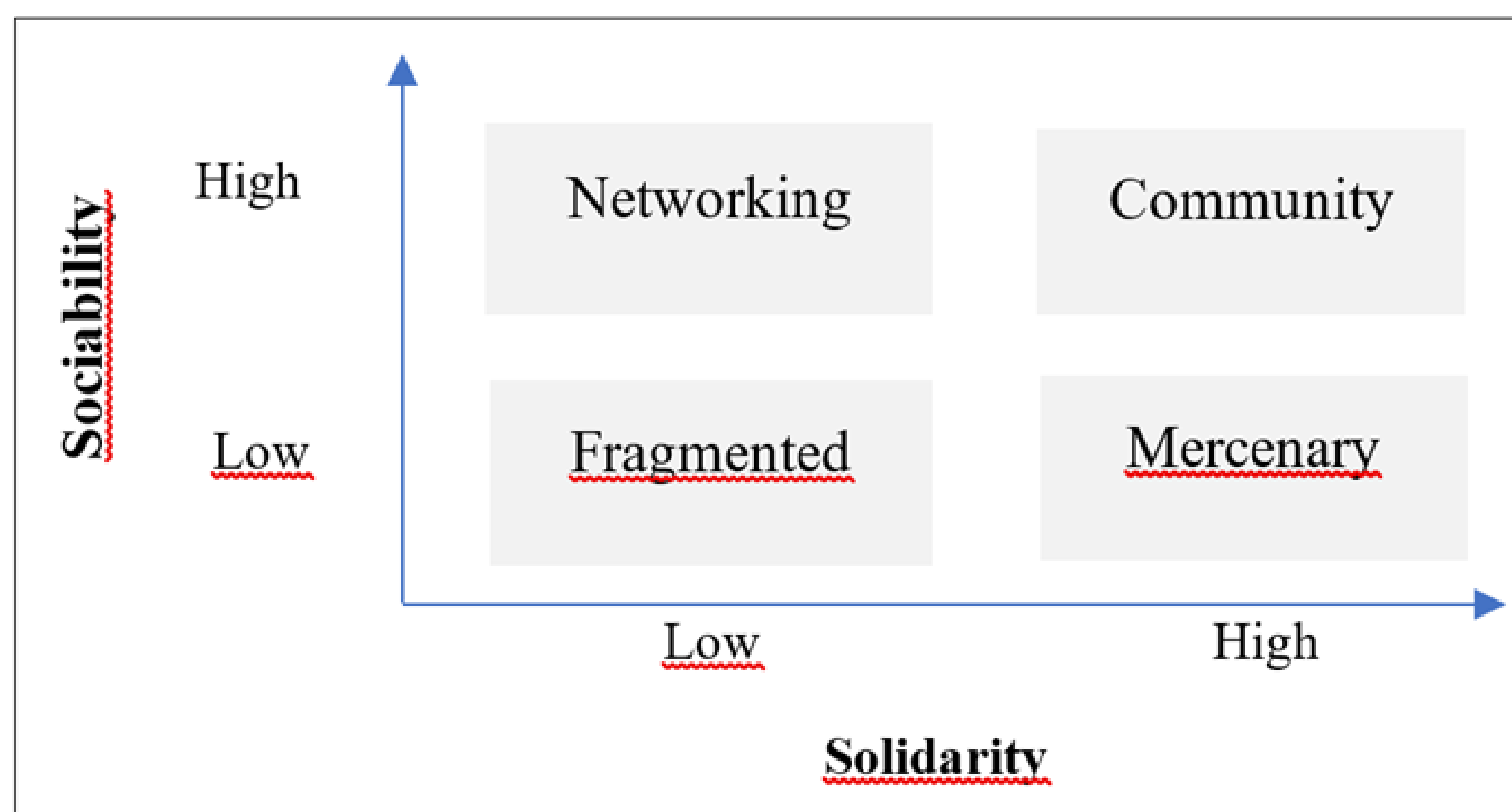
1) *Innovation and risk taking*



2) *Stability.*



Figure 1: Matrix with two dimensions



Source: Robbins 2002:515 apud Adapted from R. Goffee y G. Jones, The Character of a Corporation (Nova York: Harper Business, 1998:21).

The figure above shows a matrix with these two dimensions, classified as high or low (Robbins, 2002):

1. **Networking culture** (high sociability, low solidarity). The organization sees its members as family and friends. They are always ready to help each other and exchange information openly. The main negative aspect is the focus on friendship, which can lead to low performance and the creation of political panels.

2. **Mercenary culture** (low sociability; high solidarity). These organizations are focused on their goals. People are intense and determined when it comes to achieving their goals. The downside is that it can lead to almost inhumane treatment of people whose performance is rated low.

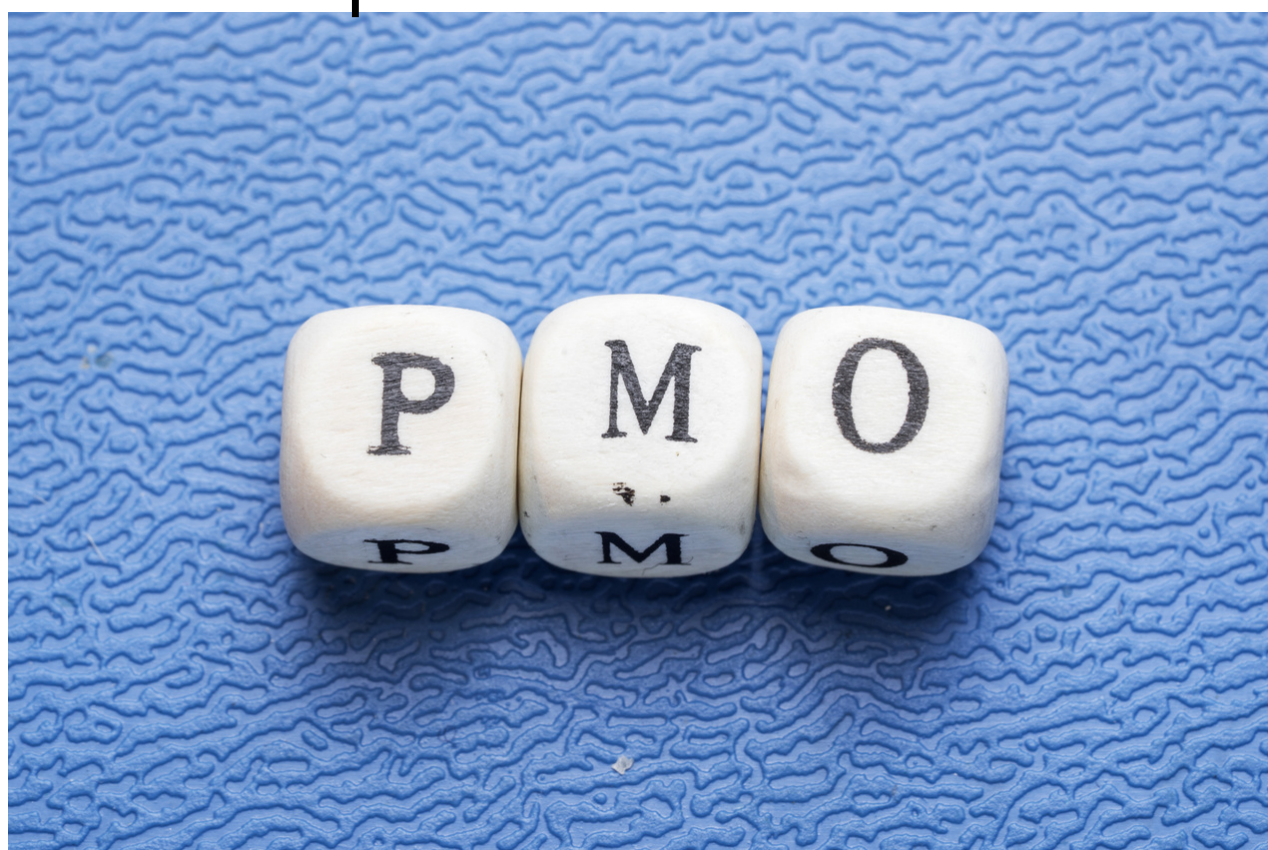
3. **Fragmented culture** (low sociability; low solidarity). These organizations are composed of individualists. The state employees are judged by their productivity and the quality of their work. A negative aspect of this culture is that it is overly critical of people and lacks fellowship.

4. **Community culture** (high sociability; high solidarity). It values both camaraderie and performance. People have a sense of familiarity, while there is a relentless focus on achieving their goals. The downside is that it completely consumes people's lives.

## MANAGING CULTURE

There are various authors and several ways to characterize or identify organizational culture. Another important point that should be noted is how organizations can identify their culture or the gap between the company's current and the desired culture.

In project management it is very common that the Project Management Offices of the organizations, whether public or private, make an analysis of maturity in project management comparing the company's practices with the benchmark of the best market practices.



To this end, Daniel Denison led a study in several organizations around the globe, in which he sought to understand the cultural that lead organizations to perform well or poorly. With over twenty years of systematic study, this model was created for companies to focus on aspects that go beyond satisfaction research (Denison, 2013). The research was divided into four axes:

1. **Mission:** organizations that are successful have a clear mission, that provides a purpose for goals and strategies to be fulfilled. Three aspects were investigated: strategic orientation and purpose, mission, goals and vision.

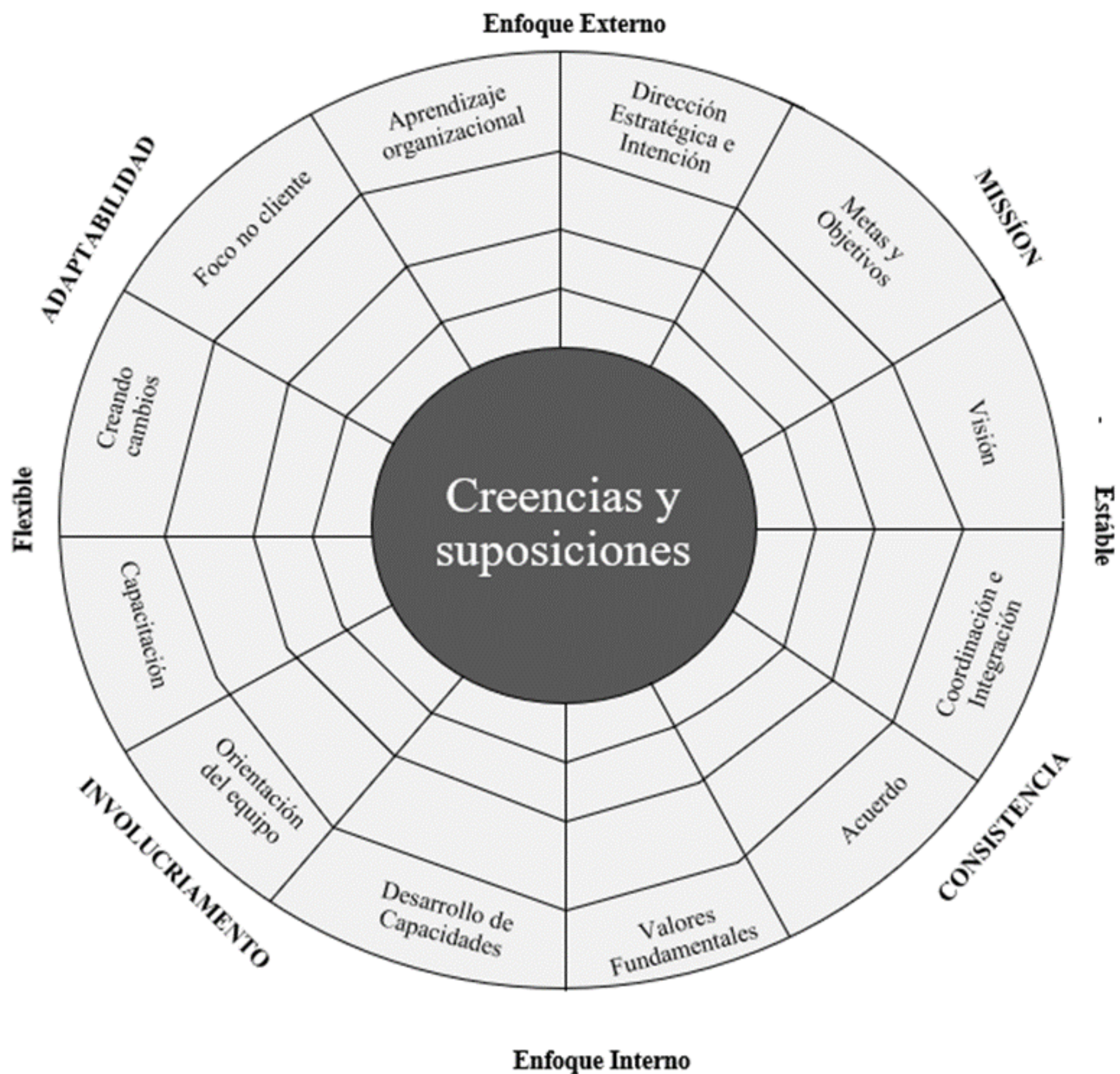
2. **Adaptability:** involves knowing how change-friendly organizations are and how this can be translated into action.

3. **Engagement:** for organizations to be more effective, they need to involve and train their employees, so that they can commit to the business and participate in decisions. For this, training, staff orientation, and capacity building were evaluated.

4. **Consistency:** organizations must be coherent and well-integrated. The more consistent an organization is, the more powerful stability and internal interaction will be. In this topic the following core values were analyzed: agreement, coordination and integration.

Daniel Denison's Four Axes are shown in the following figure:

Figure 2: Daniel Denison's Four Axes



Source: Denison (2013:30)

Inside our projects or our teams it is also essential that we seek to manage how culture impacts our daily lives. According to the PMBOK 7th edition, there are many factors that affect project tailoring, namely: product/delivery, project team, and culture.

It is also noteworthy that in order to evaluate culture it is necessary to observe the following considerations:

- **Endorsement:** is there acceptance, support and enthusiasm for the proposed delivery approach?
- **Confidence:** are there high levels of assurance that the project team is able and committed to deliver the project results?
- **Empowerment:** is the project team reliable, supported and convinced that they can develop their work environment, their agreements and their decisions?
- **Organizational Culture:** do the values and culture of the organization align with the project approach? This includes empowerment versus specification and verification, trust in local decision making versus request for external decisions, and so on.



Peter Drucker, considered the father of modern management, has a statement that relates perfectly to culture: "Culture eats strategy for the breakfast".

When joining or building a team, whether it is permanent or by project, it is important to observe the organization's culture and create ways of working, routines, and artifacts that fit and adapt to the way the organization works.



You can perfectly plan your project and decide on the delivery of value. But if you don't know the structure of the organization, its mission, its values, the beliefs of its employees - and often this will not be said or written - it needs to be perceived.

It's no use having a PMO, a tool, a methodology and training if the teams and employees don't adhere to the project management culture that is being implemented.

To strengthen the project management culture, rites and ceremonies can be an allied, reinforcing good practices, interactions, involvement, and engagement of the team.

Rituals are a fundamental element of the culture of any organization; through them, it is possible to create incredible moments, generate memories and feelings that mark the employee's life.



Some examples of **rituals** can be:

- a regular time to relax over a cup of coffee or to discuss something;
- a book club, where the team chooses a book to read and then discusses it;
- technical meetings so the team can learn together;
- one on one meetings, where you can discuss projects and share feedback;
- Happy hours;
- group games.





In the midst of the pandemic, keeping these rituals and the communication open and transparent with the team was one of the great challenges to the maintenance of the culture. Organizations had to adapt. An article published in the Nubank Blog reports some measures implemented to keep collaboration active and ensure well-being. Among them:

- transparency of leadership and open communication;
- maintaining rituals;
- creating routines of conversation and organization;
- have flexibility;
- providing emotional and structural support;
- try, listen, and improve.



Finally, we conclude with some important considerations. It can be seen that the use of good practices to manage projects has been growing increasingly in the world, and in organizations it can be seen that their effective use brings countless benefits. Humanity has working with projects for many years (the pyramids in Egypt are an example of this), but only since 1969 the first entities professionalized their management started to emerge. With the increasingly frequent need for adaptation and increasingly complex projects, aspects such as culture have become essential to be identified and managed.

Many authors have studied the culture of organizations for years. Among them are: Schein, Robbins, Denison, Goffee, Schneider. All of them indicate that culture - regardless of being strong or weak, good or bad - is an important path to organizational success. Culture defines the way people work, behave, and organize themselves. So be sure to consider this very important aspect in the strategy of your organization and your project.



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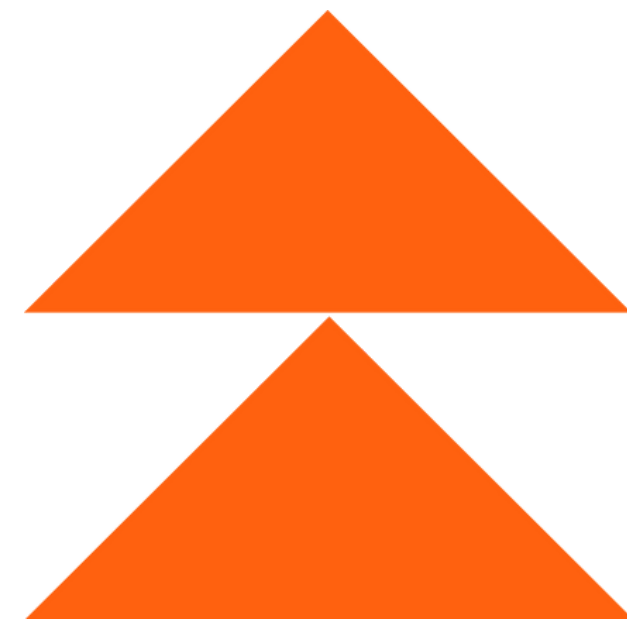
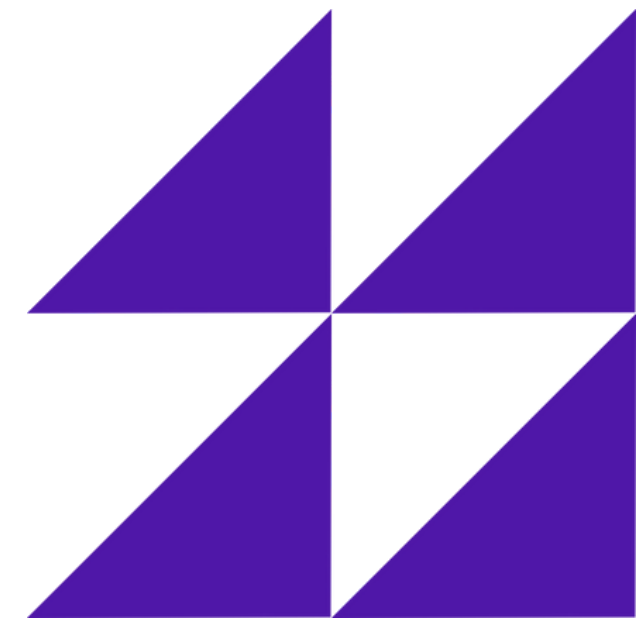
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## AUTHOR

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I am a passionate and motivated individual with an appetite to develop and learn. I did a master's degree in business administration at Uruguay, and I studied how organizational culture influences project management.



I'm fortunate enough to be working at Magazine Luiza as a Research and Development Coordinator. I have a lot of experience with project management, relationship management, leadership, change management, team and culture building in several clients and industries.

I was the first woman to be elected at PMI-DF (Project Management Institute – Chapter Distrito Federal) as a President in 20 years. I am passionate about projects, and I believe they can change the world. In 2021, during my 2020 management at PMI-DF was considered the best chapter in the world.