



# Create a Powerful Culture: Wisdom from the Greats

Use these insights from great thinkers to produce a high-powered culture.

**By Don Knapp**

**W**hat traits make up your organization's culture? How does your culture dictate your organization's performance? What are the characteristics of a high-quality culture? In this article I've gleaned knowledge from thinkers who've addressed these questions. You can use these ideas to think more deeply about culture as well as to fine-tune your organization's culture and performance.

## Culture & Performance

It's hard to experience the news without hearing about declines in nonprofit performance caused by malfunctions in an organization's culture. Most people don't link culture with performance, but a flawed culture has huge consequences. Consider the lack of coordination among governmental and nonprofit groups in addressing the Katrina hurricane, the lack of information sharing among U.S. intelligence agencies before 9/11, and the estimate of the Institute of Medicine that 44,000 to 98,000 hospital deaths, to say nothing about infections, were caused in part by a culture that tried to hide mistakes.

In another stunning object lesson, investigation into the Columbia Shuttle explosion blamed NASA's culture, at least partially, for the tragedy. The board's report said:

"Cultural traits and organizational practices detrimental to safety were allowed to develop, including

- reliance on past success as a substitute for sound engineering practices (such as testing to understand

why systems were not performing in accordance with requirements)

- organizational barriers that prevented effective communication of critical safety information and stifled professional differences of opinion
- lack of integrated management across program elements
- the evolution of an informal chain of command and decision-making processes that operated outside the organization's rules."

These were large, well-publicized performance consequences. Many others happen in hundreds of smaller organizations all the time. All are related to organizational culture.

One of our leading authorities on organizational culture, Edgar Schein, author of *Organizational Culture and Leadership*, notes that culture ties rituals, values, and behaviors into an integrated whole. Culture includes the organization's norms, symbols, assumptions, habits, and beliefs. It surrounds people in the organization as they perform their daily tasks and as they dream their highest visions.

## The Key Ingredients of a High-Quality Culture

Over a long career I've observed how organizations function, how a quality culture becomes the engine of quality performance, and how a number of thinkers have shaped the principles of that culture. Here are the fundamentals

that add up to a beneficial culture, along with observations of some of the wisest thought leaders of our time:

## TEAMWORK

No one was better at building high performance through teamwork than the legendary UCLA basketball coach John Wooden, whose teams won 10 NCAA championships in 12 years even though not all those teams had superstars. Named by ESPN as the “Greatest Coach of the Twentieth Century,” Wooden always encouraged his players to share their ideas. In the preface of his book *They Call Me Coach*, his first words are, “Life is a united effort of many.” In the foreword to that book, Denny Crum, one of Wooden’s players and later coach of Louisville, said: “Coach never gave the impression that he knew everything; he was always open to changing and moving forward. It was his greatest strength as a coach, and that’s why he had such phenomenal success over the years with his teams and with individual players.”

Teams outperform individuals “especially when performance requires multiple skills, judgments, and experience,” wrote Jon Katzenbach and Douglas Smith in their book *The Wisdom of Teams*.

### **Does your organization’s culture promote teamwork and give team members the power to make decisions?**

Do you share your failures and successes and ask others to do the same? Do you listen to other perspectives and incorporate those diverse viewpoints into organizational decision-making?

## MOTIVATED PEOPLE

With the proper encouragement, all employees, including volunteers, can look forward to their work each day. My model is Dr. Frederick Herzberg, whose “motivation-hygiene theory” is described in the book *The Motivation to Work*. His team’s extensive interviews of employees revealed they were more motivated to work because of the opportunities they had on the job (for achievement, recognition, advancement, growth, and meaningful work itself) than the “hygiene” factors surrounding the job (working conditions, security, supervision, social contacts, status, and compensation).

**Take a good look at your organization’s culture. Is it one that motivates people** by helping them develop their highest potential? Are learning and education opportunities embedded in your organization’s culture?

## ADAPTIVE CAPACITY

One of our leading authorities on leadership was Warren Bennis, who wrote 28 books including *On Becoming a Leader*. Writing in the leadership issue of the *Harvard Business Review*, Bennis called adaptive capacity “the ruling quality of leaders.” Adaptive ability, he noted, allows leaders to make the nimble decisions that bring success.

James Collins and Jerry Porras explored the same ideas in *Built to Last: Successful Habits of Visionary Companies*.

Successful organizations make a distinction between two key things, they explained:

1. values and purpose, which never change
2. operating practices and strategies, which change constantly in response to a changing world.

**Is yours an adaptive culture?** Does everyone in your organization embrace mistakes so they can continually learn and adapt to changing times?

## MARKETING

Marketing is far more vital than many nonprofits realize. Often misunderstood as just promotion, marketing is integral to your organization’s culture.

The purpose of an organization, said legendary Harvard Business School professor Ted Levitt, is “to create and keep a customer.” That means continuously developing relationships, and that means marketing.

“Marketing,” according to Jan Norman in *Marketing Your Own Business*, is everything your organization is and does – your ethics, work environment, hiring practices, attention to quality, and customer service. The more you appreciate the interconnectedness of all these elements, the better your marketing and the more productive your culture.

Co-author of *The Essentials of Marketing*, Jerome McCarthy defined marketing as the integration of the four P’s – product, place (the delivery system), price, and promotion. Referred to as the marketing mix and based on customer preferences, the four P’s provide an outline for a marketing plan that each organization should customize.

**Do you understand how marketing is interwoven throughout your organization’s culture?** Do you view marketing as relationship building, which is the essence of fundraising? Do you put everyone involved in your organization to work as mini-marketers?

## INNOVATION

“In this world of intensified competition,” wrote Harvard Business School professor Rosabeth Moss Kanter in *Learning Organizations*, “organizations can no longer afford to be followers, to wait for somebody else to innovate.” For Twyla Tharp, who has choreographed more than 160 dances, innovation is a regular practice. In *The Creative Habit*, she describes how new ideas are apt to come from the right brain and in times of solitude:

“You’re seeking thoughts from the unconscious and trying to tease them forward until you can latch on to them. An idea will sneak into your brain. Get engaged with that idea, play with it, push it around – you’ve acquired a goal to under-pin this solitary activity. You’re not alone anymore; your goal, your idea is your companion.”

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**Is your organization an innovator?** Do you give all staff members opportunities for reflection and brainstorming? Do you encourage employees to follow up on creative breakthroughs? Do you try out their suggestions and reward them for sharing their ideas?

**SYSTEMS THINKING**

Quality guru W. Edwards Deming became a legend by encouraging people to manage production not as a collection of separate parts but as a system in which the parts interact with each other, managed by cross-functional teams. From Deming’s book *Out of the Crisis* are his principles for transforming organizational life. These include:

- When something goes wrong, look at how you can fix the system rather than blaming individual workers.
- Drive out fear by encouraging everyone to speak up. Then listen without judgment.
- Work toward constant improvement.
- Break down barriers between departments.
- Institute a vigorous program of education and self-improvement.

Systems or holistic thinking is becoming pervasive in the nonprofit world. Consider the Malcolm Baldrige National Quality Awards. My friend John Evans, Professor of Business at the University of North Carolina, Chapel Hill, and former board chair of the Baldrige program, told me:

“Organizations that have developed a natural conceptual foundation that recognizes and strengthens linkages are

qualitatively different from organizations that treat the various components of their approach to quality as merely independent building blocks.”

**Examine your own thinking about your organization.** Is it based on the conceptual foundation Evans describes? Once you have that wholistic understanding, you will be able to zero in on your organization’s culture and use it to advantage. **S**

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**Putting the Pieces Together**

Solving the puzzle of culture is simple when you add the right pieces (NonprofitWorld.org):

- How to Use Your Organizational Culture as a Competitive Tool** (Vol. 20, No. 2)
- What Makes a Great Team?** (Vol. 32, No. 6)
- The Best Marketers Money Can’t Buy** (Vol. 32, No. 3)
- How to Make Mistakes** (Vol. 30, No. 2)
- Creating a Climate for Innovation** (Vol. 29, No. 4)

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