# Culture Self-Assessment Practice

## Defining Healthy Organizational Culture

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Unhealthy culture is at the heart of scandal. Daily headlines, soundbites, and tweets surface decisions made in organizations rife with practices that prevent people from acting ethically and environments allowing for adverse effects on the creation of value and other metrics of corporate performance. Using research that defines mental health in human beings, we can develop a definition of healthy organizational culture, providing people in workplaces a positive goal to work towards.

The key is integration. Attention paid to integrating relationships, functions, and introspection in organizations creates workplace environments that support ethical behavior. Ethics is about actions that contribute to human flourishing. "We study ethics in order to improve our lives."[1]

The good life involves many experiences of doing things in groups—as children, in school and in activities like sports; and for adults at work or in the community. When participating with others, a group culture emerges. Anecdotally, there is more information about unhealthy, dysfunctional cultures than definitions of healthy ones. This paper explores an analogy to human well-being and defines healthy organizational culture.

Dr. Daniel J. Siegel, psychiatrist, author, and executive director of the Mindsight Institute, captures the elements of human mental health by identifying the connections between healthy relationships, a healthy brain, and a healthy mind. These elements can also be used to describe cultural attributes for organizations to emulate. Dr. Seigel explores how each piece of the triangle of human potential—relationships, the brain, and the mind—interacts to create well-being and health. The key, he posits, is

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[1] Aristotle's Ethics." Stanford Encyclopedia of Philosophy (2001). Found at https://plato.stanford.edu/entries/aristotle-ethics/

integration—the linkage of differentiated parts. I believe we can use this same approach to identify health in organizations.

Dr. Siegel has explored integration within and between relationships, brains, and minds, to understand how people achieve a sense of well-being. This is how that integration translates to organizations.

1. Healthy organizations **foster empathetic relationships**, developing the capacity for interaction with others, both inside and outside of the organization.
2. **Integrating different organizational systems** makes it easier for organizations to function, as the brain integrates systems for the body. Integration refers to the cross-functional, collaborative, linking functions that coordinate various processes within the mind.
3. Like a healthy mind, as described by Siegel, organizations should **develop a practice of organizational introspection** that will help them become more flexible, adaptable, coherent, energized, and stable.

People in organizations with empathetic relationships, integrated functions, and organizational mindsight are more likely to behave ethically, almost without thinking about it, because the entity is designed for **ethical organizational reflexivity**. People in these organizations possess a shared set of expectations about what represents good action in, or on behalf of, the enterprise.

In this way, organizations also draw on this triangle of potential—how people within it interact, how the organization functions, and what the people in the organization "think" or learn as they reflect on the organization. Healthy organizations are integrated.

Albert Einstein also recognized the power of integration. He wrote, "A human being is a part of the whole, called by us "Universe,' a part limited in time and space. He experiences himself, his thoughts and feeling as something separated from the rest—a kind of optical delusion of his consciousness. This delusion is a kind of prison for us, restricting us to our personal desires and to affection for a few persons nearest to us. Our task must be to free ourselves from this prison by widening our circle of compassion to embrace all living creatures and the whole nature in its beauty."[2]

Einstein embraces interconnectedness in this statement as a reality, not just an aspiration. His vision of widening the circle of compassion describes a just society. In my opinion, executives who now ascribe to stakeholder capitalism embrace this reality. Stakeholder capitalism does not ask businesspeople to turn away from their responsibilities to shareholders, as the recently redefined statement of business

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[2] Walter Sullivan. "The Einstein Papers. A Man of Many Parts." March 29, 1972.

[purpose updated by the Business Roundtable](#)[3] clarifies.  Rather, it acknowledges how connected business returns are to the outcomes experienced by other stakeholders, including employees, customers, and the environment.

Siegel connects the understanding of how the brain's functioning works to that of other researchers[4] to conclude that neural integration is fundamental to self-regulation and the brain's ability to create a sense of self and to organize oneself in human beings. So, too, is integration in corporations fundamental to their ability to self-regulate, create a corporate identity, and organize to achieve results effectively.

Like human beings, organizations are complex systems. In complexity theory, systems move toward increasingly differentiated and integrated states[5]. When systems are coupled together in larger systems, integration allows for maximum complexity, as exemplified by the human body. Systems attain balance between continuity and flexibility by having the ability to modify constraints.[6]

Organizations where leaders recognize this need to balance between continuity and flexibility are more likely to foster healthy cultures where people are respected for their differentiation--their unique skills and attributes and their rights and moral autonomy as individuals—and their connections to one another in empathetic, well-supported relationships, capable of collaboration.

**Factors of healthy functioning for organizations**

Siegel's work explores a healthy brain, and focuses on the functionality we all get from our prefrontal cortex.[7]  For organizations to function effectively, they need capabilities similar to those provided by a healthy brain--the ability to regulate themselves, communicate, etc. For example, emotional balance is the brain's ability to remain stimulated enough to be aware of and engaged in surroundings and relationships, but not so stimulated that a person is overwhelmed by his feelings to a point he can't function. It is one thing for employees to feel excited and even nervous about their work, but more effective if this can be achieved without having them become fearful.

**Fostering empathetic relationships**

Workplace relationships are a significant piece of the entirety of each person's set of relationships. We spend a lot of time working. Empathetic relationships balance the

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[3] Business Roundtable.  Statement on the Purpose of a Corporation (August 19, 2019). Washington, D.C. https://s3.amazonaws.com/brt.org/BRT-StatementonthePurposeofaCorporationOctober2020.pdf

[4]  D.M.Tucker, P. Luu, K.H. Pribram, K.H. (1995) Social and emotional self-regulation.  Annals of the New York Academy of Sciences (1995).

[5] Mihaly Csikszentmihalyi. Flow: The Psychology of Optimal Experience. (New York: Harper Perennial, 1990), 42.

[6] Daniel J. Siegel. The Developing Mind: How relationships and the brain interact to shape who we are. (New York: Guilford Press, 1999), 222.

[7] Siegel, Daniel J.  The Neurobiology of "We": How Relationships, the Mind, and the Brain Interact to Shape Who We Are, 7 DVD set. Sounds True, 2011.

autonomy of one person with respect for the autonomy of others. "I accept your autonomy but I bring you into me and respond with some of me,"[8] Dr. Siegel says.

We are separate, but connected, and we are shaped by our relationships with other people. Siegel hones in on the nature of connectedness by defining resonance, with emphasis on how systems interact. "Resonance… is the property of interacting systems that defines the influence of each system's activity on the other."[9] We attune to one another and influence one another.

Our research suggests companies able to identify and accept their role in broader society—that what they do influences society and vice versa—are more likely to use ethics.[10] Additionally, companies that recognize the moral autonomy of individuals, both the ability and the desire of each of us to reason for ourselves what is good, and what actions are the right ones to take, also promote the use of ethics.[11]

People will drive for that feeling being part of an interconnected "whole" Einstein identified, in organizational settings. They influence and are influenced by their connection to the enterprise and its connection to society. Relationships are an integral part of the human experience and of organizational culture.

**Integrating organizational functions**

Within the brain, differentiated components—systems in the body—become integrated or linked to improve the brain's ability to function through regulation, attuned communications, emotional balance, response flexibility, insight, empathy, fear modulation, intuition, and morality.[12] Healthy organizations function in analogous ways. Like the brain, they can be more heavily right-brain oriented—able to divine strategic opportunity by seeing the big picture—or more left-brain oriented—strong in the execution of tasks. Organizations integrating both strategy and execution maximize their potential and function better. By cultivating a shared set of expectations about what constitutes good or ethical action, organizations can design workstreams and practices in ways that make ethical outcomes easier. This ethical automaticity is ethical organizational reflexivity.

**Developing organizational introspection**

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[8] Ibid.

[9] Daniel J. Siegel. The Developing Mind: How relationships and the brain interact to shape who we are. (New York: Guilford Press, 1999), 281.

[10] Cecilia Martinez, Ann Gregg Skeet, Pedro M. Sasia. "Managing organizational ethics: How ethics becomes pervasive within organizations." Business Horizons, October 21, 2020, found at doi:10.1016/j.bushor.2020.09.008.

[11] Cecilia Martinez, Ann Gregg Skeet, Pedro M. Sasia. "Managing organizational ethics: How ethics becomes pervasive within organizations." Business Horizons, October 21, 2020, found at doi:10.1016/j.bushor.2020.09.008.

[12] Daniel J. Siegel. The Developing Mind: How relationships and the brain interact to shape who we are. (New York: Guilford Press, 1999), 173-177. Daniel J. Siegel. Mindsight: The New Science of Personal Transformation. (New York: Bantam Books, 2012), 26-30.

Cultures have various elements: declarative, structural, symbolic, and normative.[13] Research the Markkula Center for Applied Ethics at Santa Clara University has done with the ethics center at Deusto, the Jesuit university in Bilboa, Spain, indicates that companies who use a mix of these elements are more likely to create environments that promote ethics.[14]

Healthy systems are always moving toward complexity, where a balance between rigidity and chaos creates a state of harmony. Siegel uses an acronym, FACES, to describe the flow of moving towards integration in the mind.[15] Healthy organizations, like healthy minds, are flexible, adaptive, coherent, energized and stable.

**F**lexible: able to be easily modified to respond to altered circumstances or conditions.
**A**daptable: able to adjust to new conditions
**C**oherent: united as or forming a whole; logical and consistent
**E**nergized: motivated, stimulated, vital
**S**table: not likely to change or fail; firmly established

Organizations with these capabilities organize themselves in ways promoting sustainability over time.[16] To identify the existence or absence of these conditions requires regular evaluation of conditions within the organization.[17] This can begin with a review of the organization's history. It should include regular self-assessment of how the organization currently exists. People in organizations with a regular practice of organizational introspection use it to develop the ability to be forward-looking, aiding others in the organization to identify and manage realms of uncertainty. Such introspection allows artificial boundaries within the organization to fade away and enables people to see they are part of an interconnected whole.[18]

**Realizing the organization's full potential through integration**

Healthy organizations build all three capacities—an understanding of their relationships and connections inside and outside of the corporation; the capacity to integrate strategic and tactical functions; and the capacity for self-awareness and reflection. Empathetic, supportive relationships are fostered between people within the organization and beyond it; functions are integrated across the organization regularly and with ease; and people in these organizations develop a well-defined, positive image of themselves and how they work together.

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[13] Enrique Javier Gutiérrez Díez. "Evaluation of culture in the organization of social education institutions." [Unpublished doctoral dissertation] Complutense University of Madrid; (1996).

[14] Cecilia Martinez, Ann Gregg Skeet, Pedro M. Sasia. "Managing organizational ethics: How ethics becomes pervasive within organizations." Business Horizons, October 21, 2020, found at doi:10.1016/j.bushor.2020.09.00.

[15] Daniel J. Siegel. Mindsight: The New Science of Personal Transformation. (New York: Bantam Books, 2012), 70.

[16] Daniel J. Siegel. Mindsight: The New Science of Personal Transformation. (New York: Bantam Books, 2012), 69.

[17] Cecilia Martinez, Ann Gregg Skeet, Pedro M. Sasia. "Managing organizational ethics: How ethics becomes pervasive within organizations." Business Horizons, October 21, 2020, found at doi:10.1016/j.bushor.2020.09.008.

[18] Daniel J. Siegel. Mindsight: The New Science of Personal Transformation. (New York: Bantam Books, 2012), 58.

These are concepts both ancient and fresh. From St. Ignatius of Loyola, living 500 years ago, "Work as if everything depended on you, pray as if everything depended on God,"[19] to Eckhart Tolle, living today, "At the deepest level of Being, you are one with all that is," [20] grappling with how we think about ourselves as differentiated individuals, yet understanding and accepting our connection to others, occupies our thoughts and our activities.

The human system's senses are a useful organizing principle for corporate culture. People often access awareness of their bodies using these senses. And, people more aware of their bodies are more empathetic.[21] In addition to the five original senses that we learn the body possesses when we are in elementary school—taste, touch, sight, smell, hearing—Siegel identifies additional senses humans develop that are also found in healthy organizational cultures:

A 6. sense, or ability to perceive the internal state;
A 7. sense, the ability to perceive the mind and reflect on experiences[22]; and
An 8. sense, the awareness of interconnectedness with other people.[23]

Using what we have learned from Seigel, Einstein, and St. Ignatius, to name a few, we can define a healthy culture for organizations. Such a definition provides us with a positive outcome to aim for when providing leadership in organizational settings. Integration, Siegel found, is the key mechanism people use to find balance between dull rigidity on the one hand and explosive chaos on the other[24], a purpose it also fulfills in organizations. Rather than focusing on what is unhealthy or not working in an organization, we can aim for a desired, integrated future state.

**Healthy culture defined**

**A healthy culture** is one that is integrated; in which individuals can thrive and participate in supported, empathetic relationships, when they are part of groups, teams, or organizations.
An integrated culture is flexible, adaptable, coherent, energized and stable.
Organizations, like other healthy complex systems, have the ability to perceive the

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[19] Attributed to St. Ignatius (found at https://www.ignatianspirituality.com/work-as-if-everything-depends-on-god/)and also St. Augustine of Hippo (found at: https://catholic-link.org/quotes/pray-though-everything-depended-god-best-quote-saint-augustine/)and sometimes reading in the reverse. "Pray as if everything depended on God, work as if everything depended on you."

[20] Eckhart Tolle. The Power of Now: A Guide to Spiritual Enlightenment. (Novato, California: Namaste Publishing and New World Library, 1999).

[21] Daniel J. Siegel. Mindsight: The New Science of Personal Transformation. (New York: Bantam Books, 2012), 62.

[22] Daniel J. Siegel. Mindsight: The New Science of Personal Transformation. (New York: Bantam Books, 2012), 234.

[23] Siegel, Daniel J. The Neurobiology of "We": How Relationships, the Mind, and the Brain Interact to Shape Who We Are, 7 DVD set. Sounds True, 2011.

[24] Daniel J. Siegel. Mindsight: The New Science of Personal Transformation. (New York: Bantam Books, 2012), 64.

organization's internal state, to reflect on experiences, and encourage interconnectedness between people. In other words, they have capacity for self-awareness, reflection or organizational introspection, and connection.

**Ethical organizational reflexivity** is the ability of people in organizations to act automatically using ethics. Corporations that possess it have honed their decision making practices and responses to different stimulus so that participants know instinctively how to respond in an ethical way, a way that serves the mission and the values of the organization, allows people to flourish, and mitigates harms. I define **positive organizational reflexivity** as the ability of organizations to act automatically using ethics and in supporting of human well-being.  Organizations that have reinforced connections to people both inside and outside of the organization, integrated internal functions and developed a practice of organizational introspection, building in time and resources to allow for reflection, create conditions favorable to the development of ethical organizational reflexivity.

Siegal proposes domains of integration[25] that humans can strive for to maintain their health and fully realize their potential. Through research, I find reasonable corollaries in the domains of integration identified by Siegel to make the following set of recommendations for building healthy culture.

**9 Recommendations for Executives to Build Healthy Cultures**

**To foster empathetic relationships:**

1. **Nurture empathy.** Cultivate awareness of the various "states of mind"[26] within the organization at one time. For example, certain parts of a company may be well-established and in periods of relative stability and others may be newly created or emerging in their role in the organization.  Acknowledge and communicate these differences to signal that they are normal and acceptable. Give high-potential employees who will serve in future leadership positions experiences in different realms—roles in traditional, well-established parts of the company and in the more innovative, emergent parts. Also provide them opportunities to experience what the customers or clients of the organization experience. This *empathetic relationship development* will increase the capacity of people to work internally and outside the organization in supported relationships.
2. **Create community consciously.** Be intentional about creating a community where individuals have a sense of responsibility for having healthy relationships with other people in the organization. This *conscious community building*

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[25] Daniel J. Siegel. Mindsight: The New Science of Personal Transformation. (New York: Bantam Books, 2012), 71-76. Siegel, Daniel J.  The Neurobiology of "We": How Relationships, the Mind, and the Brain Interact to Shape Who We Are, 7 DVD set. Sounds True, 2011.
[26] Daniel J. Siegel. Mindsight: The New Science of Personal Transformation. (New York: Bantam Books, 2012), 74.

reinforces the individual responsibility each person has in connecting with others, both inside and outside of the organization, and modeling it. Employees are less likely to have good relationships with one another if the C suite does not. Students in schools where the teachers do not have a healthy community are less likely to experience one themselves. Leaders should model the community building behaviors they want others in the organization to embrace.

3. **Tell stories**. Encourage integration through storytelling, inviting executives and managers throughout the organization to bring a sense of themselves into their leadership. *Narrative integration*[27] enhances the ability of people to make connections with one another and identify desired behavior by relating personal and organizational stories.

### To integrate organizational functions

4. **Create an organization-wide framework for ethical decision making**: Focus on integration vertically within the company. How can the most senior executives and those in outward-facing or frontline roles be unified by a common set of practices and decision-making frameworks? The Markkula Center offers a tool for customizing our framework for ethical decision making to fit a specific organization.[28] Using such tools develops an organization's *ethical organizational reflexivity*, the ability of people in the organization to act automatically using ethics.

5. **Connect the silos**. Design opportunities for *intentional horizontal connectivity* within the company, encouraging easy and frequent collaboration across workstreams. Create opportunities for people in different parts of the organization to work together in cross-divisional teams. Highlight integration by honoring strategic and executional divisions of the organization equally and frequently. Rotate people into roles in various divisions of the company.

6. **Always connect to the mission and vision**. Dr. Siegel use the term transpiration to describe a human domain that he says is the "integration of integration itself".[29]  The literal translation is to "breathe across" and in the human, it means we are aware that, though we are separate individuals, we derive meaning from our connectedness to entities greater than ourselves.  In corollary fashion, provide people in the organization with an understanding of its greater purpose and mission so they can experience their connection to it, thus creating *organizational coherence*.

### To develop organizational introspection

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[27] Ibid., 73-74

[28] Ann Skeet. Create an Ethical Decision Making Framework for Your Organization. Santa Clara, California: Santa Clara University, Markkula Center for Applied Ethics (2017).

[29] Daniel J. Siegel. Mindsight: The New Science of Personal Transformation. (New York: Bantam Books, 2012), 76.

7. **Celebrate the organization's history**. Intentionally cultivate the organization's memory of its shared history and desired legacy. Curate a set of examples that capture organizational potential realized. Capture learning in models that can be referred to in the future to reinforce positive outcomes. Such *historical integration* helps develop learning organizations.

8. **Conduct regular organizational self-assessment**: Expand the organization's awareness of itself. Use a mix of tools--surveys, cultural element inventories, focus-group based [assessments],[30] and other organizational sweeps to understand the current state of the company. Create opportunities for reflection. Together these will build the organization's capacity for introspection and its ability to adapt based on what it has learned about itself.

9. **Acknowledge uncertainty and change**. *Temporal integration*[31] is the ability of humans to manage an uncertain future and function with acceptable levels of risk. We can plan for the future even though we aren't certain what it will be. As humans, we struggle with living life fully present in the moment with the knowledge that we will die someday. A similar level of uncertainty exists in organizations, particularly as corporate mergers and acquisitions occur with regularity in today's business environment. Uncertainty about the time horizon of an organization, or a portion of the organization, is a realistic aspect of work life. Executives can manage change more effectively by acknowledging this tension.

Activating these recommendations helps organizations leverage empathetic relationships, organizational integration, and organizational introspection to use ethics. By doing so, executives are more likely to design workplace environments that close the gap between good intentions and good action[32] and provide meaning that contributes to human well-being.[33] This, I believe, is the leader's task—to develop the sense of interconnectedness that is "at the heart of living a life of meaning and purpose."[34]

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[30] Markkula Center staff. Culture Self-Assessment Practice. Santa Clara, California: Santa Clara University, Markkula Center for Applied Ethics (2019).

[31] Daniel J. Siegel. Mindsight: The New Science of Personal Transformation. (New York: Bantam Books, 2012), 75.
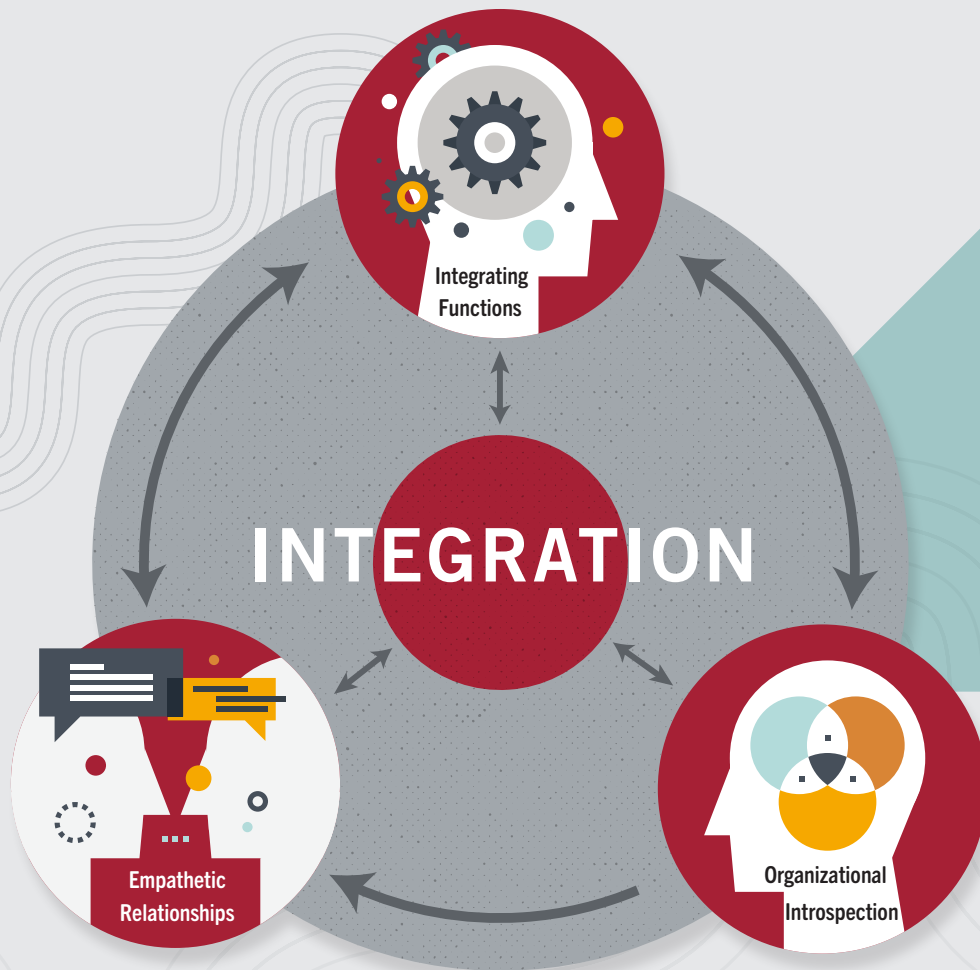
[32] N. Epley & D. Tannenbaum, D. (2017). "Treating ethics as a design problem." Behavioral Science & Policy, 3(2), 73–84.

[33] Paul Litchfield, Cary Cooper,Christine Hancock, Patrick, Watt. "Work and Wellbeing in the 21st Century." (2016) International Journal of Environmental Research and Public Health. 13. 1065. 10.3390/ijerph13111065. Gordon Waddell and A Kim Burton. Is Work Good for your Health and Well-Being. Norwich, U.K.: TSO, 20060

[34] Daniel J. Siegel. Mindsight: The New Science of Personal Transformation. (New York: Bantam Books, 2012), 76

# HEALTHY ORGANIZATIONS

**Integrating Functions**

**INTEGRATION**

**Empathetic Relationships**

**Organizational Introspection**

**HEALTHY CULTURE:** One that is integrated; in which individuals can thrive and participate in supported relationships. Organizations, like other healthy complex systems, have the ability to perceive their internal state, to reflect on experiences, and encourage interconnectedness.

## How organizations interact

Organizations should remain aware of their role in society and promote supportive relationships internally via:

- Cross-silo relationship development to nurture empathy, job rotations
- Conscious community building
- Narrative organizational integration to leverage personal stories to motivate ethical behavior

## How organizations function

Organizations should coordinate up, down, and across different structures and stakeholder groups through:

- Ethical organizational reflexivity to create organization-wide frameworks for ethical decision-making
- Intentional horizontal connectivity that integrates silos
- Organizational coherence to tether to a defined mission and vision

## How organizations think about themselves

Organizations should remain flexible, adaptable, coherent, energized, and stable by employing:

- Historical organizational integration to celebrate a shared history and desired legacy
- Ethical organizational reflection to promote regular self-assessment
- Temporal organization integration to acknowledge uncertainty and change

# How to Build Healthy Organizations

## To foster empathetic relationships

### 1 Nurture empathy

- Cultivate awareness of both parts of the organization that are well-established and those newly created
- Acknowledge and communicate these differences to signal they are normal
- Give high-potential employees experiences in both the stable and emerging realms of the organization
- Provide opportunities to experience what the customers or clients of the organization encounter

### 2 Consciously create community

- Be intentional about creating a community where individuals have a sense of responsibility for having healthy relationships with other people in the organization
- Reinforce the individual role each person has in connecting with others, both inside and outside of the organization
- Model healthy relationships

### 3 Tell stories

- Encourage narrative integration through storytelling
- Invite executives and managers to bring a sense of themselves into their leadership

## To integrate organizational functions

### 4 Create organization-wide framework for ethical decision making

- Unify employees from senior executives to outward-facing or frontline employees by using a common set of policies and decision-making framework http://bit.ly/createyourframework
- Ensure it is linked to mission and values

### 5 Connect the silos

- Create opportunities for people to collaborate in cross-divisional teams
- Tell stories to create a shared history
- Honor strategic and executional divisions of the organization equally
- Rotate people into roles in various divisions of the company

### 6 Always connect to mission and vision

- Provide people in the organization with an understanding of its greater purposed and mission so they can experience their connection to it and derive meaning from it

## To develop organizational introspection

### 7 Celebrate organization's history

- Intentionally cultivate the organization's memory of its shared history and desired legacy
- Curate examples that capture organizational potential realized
- Capture learning in models that can be referred to in the future

### 8 Conduct regular organizational self-assessment

- Use a mix of tools to understand the current state of the company such as surveys, focus-group based assessment
- Be intentional about creating opportunities for reflection
- Develop self-assessment tools for employees and reward self-assessment

### 9 Acknowledge uncertainty and change

- Acknowledge uncertainty as a way of helping people to manage change
- Provide images of a future desired state the organization is striving for while acknowledging how things might change
- Anticipate downstream risks

**Markkula Center** for Applied Ethics at Santa Clara University