Chapter 12 Building and Managing Cultural Capacity

ABSTRACT

Cultural risks can be managed to create value, or they can be ignored to create liabilities. To manage cultural risks, organizations must have a cultural capacity from which to draw. Building cultural capacity is a three-pronged effort. It means building capacity at a strategic level, at an individual level, and collectively. Cultural capacity is achieved through strategic, collective, and individual actions. This chapter considers how organizations can build cultural capacity strategically, collectively, and individually.

CULTURAL CAPACITY – DEFINITIONS AND CHARACTERIZATION

Cultural capacity is an emerging concept. Cultural capacity is defined as the ability of an organization to manage and leverage its whole culture to support its goals and objectives. Cultural capacity means:

- Understanding culture at all levels
- Ensuring all information and business cultures support the organization's business and information strategies;
- There is an alignment of strategies and cultures at all levels of the organization;

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- That managers and staff know what culture is and the role it plays in supporting or impeding strategies;
- Every individual across the organization engages in and supports cultural assessment and growth.

Building cultural capacity is a three-pronged effort. It means building capacity at a strategic level, at an individual level, and collectively. What does this look like on a practical level? Cultural capacity building means that organizations should have a strong foundation of cultural capital and cultural capabilities. This means going beyond a simple one-time cultural assessment project or initiative to ensuring that culture is an essential element of the strategic, core, and enabling capabilities. It also means that cultural competencies are built into the organization's roles and responsibilities for leaders, for line managers, internal staff, and external stakeholders.

Cultures are dynamic – they vary with the business environment, the business goals of the organization, the organization's leadership, and all those other facts we reviewed in Chapter 5. Cultures play a critical role in supporting or impeding business strategies. Cultural risks can be managed to create value, or they can be ignored to create liabilities. To manage cultural risks, organizations must have a cultural capacity from which to draw. Cultural capacity is comprised of institutional support. Cultural capacity is achieved through strategic, collective, and individual actions. How do we build cultural capacity strategically? How do we build it collectively? And Individually?

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