CULTURE

A GUIDE TO ORGANISATIONAL BLIND SPOTS AND CULTURE CHANGE
There is a quote by the author David Foster Wallace that speaks directly to company culture:

“There are these two young fish swimming along and they happen to meet an older fish swimming the other way, who nods at them and says, ‘Morning, boys. How’s the water?’ The two young fish swim on for a bit, and then eventually one of them looks over at the other and goes, ‘What the hell is water?’

Culture is to humans what water is to fish. It is the water we swim in every day. Across the following pages we explore how your organisation can be more intentional about the culture it wants to create and how to deliver on purposeful change.

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Culture

n: The shared values, norms and expectations that govern the way people approach their work and interact with each other.

Organisational culture may be defined as a set of ‘shared mental assumptions’ that guide behaviours in the workplace.

Climate

n: The sense, feeling or atmosphere people have in an organisation.

If culture refers to ‘the way we do things around here’, climate refers to the feel of the environment, i.e. employee engagement.

Norms

n: Written and unwritten rules about how people should behave in a system.

Norms are the informal rules, expectations and understandings that guide the behaviour of its members in any given situation.
What is Culture?

Driving culture change ranks among the top 3 global leadership priorities of C-level leaders and yet is arguably the least understood. The vast majority of what you hear about culture is actually focused on the environment. Indeed, most ‘culture’ surveys and diagnostics only measure aspects of the organisational climate.

Climate is very important, but gives you lag indicators, similar to driving with your eyes fixed on the rear view mirror. Gaining an understanding of the underlying culture is critical for accelerating change efforts and delivering sustainable results.

From the moment your organisation had more than one employee, it began to nurture a set of shared behaviours that defined how you work together. Culture is built through shared learning and mutual experience. It is the expectations for behaviour established through organisational structures, systems, technologies, communication processes and leadership practices.

According to Professor Edgar Schein, there are three levels of culture – artefacts (what is observable), values (what is stated) and underlying assumptions (not stated anywhere but people instinctively follow). Most leaders focus too much on artefacts or values and fail to understand what holds the culture together. If you are to know what to preserve and what to change, then it is critical to understand the underlying cultural norms or expectations that are driving the observable behaviour.

The behaviours you tolerate determine your real culture. Who gets hired, fired, and promoted is more powerful than any written rules.
Cultural Blind Spots

Blind spots are ‘a part of an area that cannot be directly observed under existing circumstances’. Cultural blind spots are the information and practices embedded within our behaviour and practices that we take for granted and typically overlook when paying attention elsewhere, thus risk neglecting.

All humans and organisations have blind spots, even the best of us. To illuminate our blind spots, we must slow down and examine the things that are present but don’t always see, which is exactly what you are doing by reading this book.
MYTH BUSTER: You Can Magically Create an Innovation Culture

ASK YOURSELF

Do you embrace challenging new approaches to your business model from within, regardless of the tenure or rank of the source?

Are you comfortable to end projects that are not delivering?

Does your current environment allow people to fail fast without negative consequences?

IF YOUR ANSWER IS ‘NO’ then you’re not building an...

- innovation
- creative
- or entrepreneurial culture
How do blind spots play out at work?

Have you ever worked for a company that rewards fitting-in over being extraordinary?

The blind spot here could be, “Playing by-the-rules matters more than the customer” or “bosses reward mediocre employees and fear top performers.”

Perhaps you have been blamed for something at work that wasn’t your fault. Did it leave you ostracised by your work colleagues? Scapegoating is inevitable in a climate that venerates business leaders as heroes. If organisational leaders are framed as heroic, then they have to have monsters or villains to slay. It’s part of the narrative.

What if you are a senior leader and you want to tap into the energy of someone lower down in the organisation - do you need to invite that person’s boss? When hierarchy takes control, spontaneity and creativity suffers.

Blind spots create unwritten ground rules. If a person goes out of their way to help a colleague and no one recognises that extra effort, then an unwritten rule might be, “Around here, it’s not worth your while to help others out.” If a boss says, “In this organisation, we care for our people,” and then treats someone without respect, an unspoken rule becomes “Management say one thing and mean another.”

TOP TIP: Successful leaders typically embark on their own personal transformation journeys. Consider coaching your Chief People, Ethics, Marketing, Information, and Digital Officers early on.
To identify blind spots in your system, look out for...

- What happens when mistakes are made?
- What happens when problems arise?
- What happens when decisions need to be made?
- How does information flow around the organisation?
- What happens when unsafe work practices are ‘easier’ than the safe approach?
- How do we handle people who are ‘different’?
- How do we treat our suppliers?
- How do we treat each other?
- What do I have to do to get noticed?
Culture is a genuine source of competitive advantage in today’s economy. The ability to have your employees bring their full energy, intellect, passion, curiosity and desire to participate to your organisation is the ultimate business impact.

“If you get the culture right, most of the other stuff will just take care of itself”
Tony Hsieh, CEO of Zappos.com

Tony Hsieh is right. When you have the right culture, the customer issues, employee hassles, and vendor problems go away.

Culture influences everything that goes on in the organisation. As a consequence, it is the best predictor of your organisation’s ability to execute its strategy. It will either work for you or work against you.
Culture has a significant role to play in...

- Strategy Execution
- Profitability
- Productivity
- Safety
- Innovation
- Risk Management
- Sustainability
- Customer Service
- Quality of Product/Service
- Long Term Growth
- Employee Experience
- Teamwork
MYTH BUSTER: You Can Copy a Culture

Each individual culture has evolved to succeed under the very special set of circumstances and market conditions in which they exist.

Unless your organisation is a carbon copy of their market sector, organisational history, leadership attitudes and experience, partner and supplier network, union and employee relationships, you are never going to copy their culture.

Look to them for inspiration but create your own story.
By itself, strategy cannot resolve the cultural dynamics of complex
terpersonal relations, cognitive blind spots, unconscious behavioural
patterns and habitual mental responses. It is too much for one way of
leading, or one model to handle.

While linear solutions may appear to work at first, the inertia or
difficulty will return, often deepen and expand, until a system
perspective and methodology are used to resolve it. To address
the cause, the underlying hidden structure of a relationship
system needs to be examined to illuminate hidden loyalties, the
blocks, limiting dynamics and challenging behaviour.

It’s worth remembering that successful solutions are based on the
principle that resolution occurs by fostering the positive, and not
attacking the negative. As Socrates said, “The secret of change is
to focus all of your energy, not on fighting the old, but on building
the new.”

TOP TIP: People need to be engaged in the process. Create
a vocabulary around culture change and what it
means for people. Storytelling, the use of metaphors,
scenarios, and ideal future state all form part of this.
Define your Target Culture

Your company has a culture, whether you actively influence it or not. If you want a great culture, you will need to make a conscious effort to create it.

<table>
<thead>
<tr>
<th>NOT AT OUR BEST</th>
<th>AT OUR BEST</th>
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<tbody>
<tr>
<td>Departments work in silos</td>
<td>Effective communication and information sharing across functions and groups</td>
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<tr>
<td>People do not seem to ‘want to use their initiative’</td>
<td>People take personal accountability and ownership</td>
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<td>There is a lot of ‘office politics’ in the organisation</td>
<td>There is a sense of ‘one organisation’ and conflicts are resolved constructively</td>
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<td>Management wonders if they only hear what people think they want to hear</td>
<td>People feel safe to speak up and be a truth to power</td>
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<td>Poor safety/risk management</td>
<td>Adherence to safety requirements is through commitment rather than control</td>
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Inability to adapt to change and innovate

Inability to match competitors' performance no matter how hard you try

The organisation or team works best in a 'crisis' situation

Employees talk about 'just doing my job'

Customer complaints

Lots of creativity and use of individual and team initiatives

A real emphasis on quality not quantity

Teams move from an 'Aim ready fire' to 'Ready aim fire' mentality

Employees work in line with the purpose of the organisation and gain a high personal sense of accomplishment from doing their jobs

People show up as representatives of the customer instead of representatives of the organisation

**TOP TIP:**
Culture is also about the systems, structures and processes that have led people to believe they should behave in certain ways. Whilst it is seductive to focus on the behaviour, the focus in the early stages needs to be on the overarching reinforcement systems, processes and procedures that drive that behaviour.
As you evolve towards an ‘at our best’ culture, involve those who are part of networks and coalitions. A partnership with influential people and groups will help you make momentum and progress.

**CULTURE CHAMPIONS**

These people already role model aspects of the desired culture. You can involve them in a variety of change activities like focus groups, think tanks, workshop facilitation, video blogs (vlogs), and knowledge sharing sessions.

**KEY INFLUENCERS**

These are the people whose impact is larger than their role or position because they are listened to or play a central role in the company. They can be the receptionists, a leader whom everybody respects, someone who has been in the organisation for years, the IT people, or a cleaner.
Businesses are made up of micro-cultures and climates. This includes networks and coalitions of employees that are not visible on the organisation chart.

Not all who fall into the informal organisation will be willing to partner with you, but all must abide to the same rules. Don’t get caught dealing with their resistance before engaging those who are willing to listen and partner. Eventually you will want to disentangle the complex relationship dynamics, but for now it will create a drag on momentum.

**TOP TIP:**
There is no one ‘magic solution’. Organisations must adopt their own change strategy if they are to deliver on the strategic aspirations of the business.
Purposeful Change

Research shows that 70 per cent of complex, large-scale change programmes don’t reach their stated goals.

Common pitfalls include a lack of employee engagement, inadequate management support, poor cross-functional collaboration, and a lack of accountability. Sustaining a transformation’s impact requires purposeful change to create an intentional culture.

A change management process is essential for developing and implementing a plan, but if you do want to embark on culture change, don’t let the process overshadow the ‘human touch’. Change as we experience it in corporations is masculine (focus, drive, action), and requires feminine attributes (empathy, relationship building, open communication and vulnerability based trust) to bring it to life. People will willingly support when they are involved and it touches them at the deepest level of feelings, emotions and thinking.

TOP TIP: Culture starts at the top – for culture change to become a reality it requires exemplary modelling by the CEO and the leadership team. Everybody in the company has the ability to impact the culture, but it is senior management’s responsibility to articulate the desired culture.
87% of employees globally are not engaged in their role.

Highly engaged workforces outperform their peers in earnings by 147%.

Here are some symptoms of a culture that is in dysfunction - a culture where the artefacts, values and basic assumptions are out of sync:

- Turnover and attrition
- Cost of hiring
- Employee absenteeism
- Safety incidents

**MYTH BUSTER:** Culture is a “Feel Good” Exercise With No Business Impact.
The Role of Leaders

Culture has to be led from the top. If the leaders do not role model the desired behaviours, there is little value in asking others to do so.

Lasting change requires unwavering commitment of the top team. Not to mention, the top team has the biggest stakes in terms of letting go of status, entitlement and perceived power. Employees expect the CEO to live up to Mahatma Gandhi’s famous edict, “For things to change, first I must change.”

CEOs who give only lip service to a transformation will find others doing the same. Only the boss of all bosses can ensure that the right people spend the right amount of time driving the necessary changes.

The CEO helps a transformation succeed by articulating the case for change, communicating its significance, modelling the desired changes, building a strong top team, and getting personally involved. People will go to extraordinary lengths for causes they believe in, and a powerful transformation story will create and reinforce their commitment.

As the company’s transformation progresses, a powerful way to reinforce the story is to spotlight the successes. Use stories to help employees connect to the need for change. Sharing such stories helps crystallise the meaning of the transformation and gives people confidence that it will actually work. Emphasising what works well and discussing how to get more out of those strengths taps into creativity, passion, and the desire to succeed.

Ultimately, the impact depends on the CEO’s willingness to make the transformation personal, to engage others openly, and to spotlight successes as they emerge. Once the story is out, their role becomes one of continuous reinforcement. Lean towards over-communicating. When facts are scarce, share what you know.
Measuring the Impact

Measuring culture has long been a challenge. Regular review forums will enable the leadership to compare the results of the transformation programme with the original plan, identify the root causes of any deviations, celebrate successes, help fix problems, and hold leaders accountable for keeping the transformation on track, both in activities (are people doing what they said they would?) and impact (will the programme create the value we anticipated?).

Creating a dashboard that uses both efficiency and effectiveness metrics, demonstrates the impact of the work stream against business outcomes and its commerciality. Regular reporting with a clear and accessible narrative, give greater insight and confidence to all stakeholders that the board and management understand these dimensions of their business.
READY TO EVOLVE YOUR BUSINESS?