

Solving the Culture Enigma Realign your organization's culture by Ira M. Levin



THE VAST MAJORITY OF large-scale organization change efforts undertaken by companies fail to fully achieve their goals. Such failures are often not the result of lack of diligent planning, insufficient resource allocations, the absence of senior leadership commitment, or even poor execution. Rather, it is the result from a single, powerful, and somewhat invisible culprit: organization culture, an insurmountable obstacle to implementing strategic change in organizations. However, when attended to systematically and guided appropriately, culture can accelerate the achievement of desired results and enable optimal levels of performance.

Organization culture is an unsolved riddle to many leaders. I define culture as: the shared beliefs and values that influence thinking, attitudes, and behavior of members of an organization as they go about managing their business and running their operations. These beliefs and values affect what information is attended to, how that information is understood, and choices made regarding what actions to take to fend off competition and grow the business.

The visible manifestations of culture include business strategies, performance targets and metrics, management structure configuration, operating policies and practices, and the informal rules that govern actions often referred to as norms. Less overt means of expressing culture include company traditions and rituals, stories, organizational jargon, design of workspace, and various accoutrements of power, prestige, and status.

But these represent the culture; they are not the culture itself. While different cultural expressions reflect the underlying beliefs and values, once established they serve to reinforce those beliefs and values resulting in a

powerful reciprocal chain of influence that resists change.

Culture Is Hard to Change

It is not surprising that culture is difficult to change deliberately. First, one of its key functions is to provide continuity with the past and stability; it perpetuates the status quo and opposes change. Second, culture promotes coordinated and aligned action through conformity and marginalizing deviance.

Third, culture is the product of success. The company's founders and early leaders dictated how business was conducted and the organization managed. As these beliefs and values lead to success, they are confirmed and become more deeply codified. Fourth, culture operates out of immediate awareness, yet creates widely accepted habits. As the beliefs and values are repeatedly tested against emergent business challenges and continue to work, they are deeply embedded in organizational life. This "success syndrome" can breed a sense of arrogance, complacency, risk avoidance, and resistance to change. Finally, culture exerts its influence outside of immediate awareness. Most organizational members do not attribute their behavior and actions to the culture within which they are immersed.



Culture-Changing Strategies

Changing culture is like "herding cats." However, it can be shaped and guided to support and reinforce strategic change aims. It requires a patient, disciplined, integrated, comprehensive, and sustained campaign.

The first four strategies reflecting an approach for leading culture realignment efforts follow. Next month, part two will feature four more strategies.

Strategy 1. Establish formal management oversight. Culture realignment requires the same degree of rigor and discipline used to manage other important business initiatives. It is essential to establish a management

infrastructure—a Culture Realignment Council (CRC)—to ensure ongoing governance of culture realignment. The CRC is charged with accountability for managing and stewarding the long-term effort. The executive team should sponsor the formation of a CRC comprised of a subset of their team members, members of the extended leadership team, and informal leaders from across the organization. This more inclusive and diverse team helps build broader commitment and ownership of the work ahead and mobilize more broad-based action. The Council develops a strong business case for culture change and a detailed plan outlining the sequence and timing of the work to be conducted. In addition, the CRC is responsible for establishing key metrics for measuring progress, ensuring adequate staff and resources are dedicated to the work, generally monitoring the effort to keep it on track, and stepping in as needed to remove any obstacles that may arise. An important responsibility of the CRC is the development and execution of a communications plan in support of the effort. The CRC commonly commissions a variety of Initiative Teams to conduct different facets of the work outlined in the plan.

Strategy 2: Define desired culture.

Successful organization culture realignment efforts begin with reaching agreement among senior leaders and key stakeholders about the desired future culture required to help successfully achieve business goals. This definition describes the key characteristics of the desired future culture and serves as an important reference point for guiding the effort and gauging progress. For example, if "customer-focus" is a desired cultural characteristic, behaviors demonstrating it might indicate "everyone knows who are their customers (internal and/or external), stays informed of their customers' needs and expectations, and is fully responsive to anticipating and meeting those needs and expectations." Leaders must examine and often modify their current operating assumptions and beliefs, as well as potentially reframing the company's espoused values to align them with related goals. While organizational values are often published, core beliefs are rarely made explicit. Such beliefs should be stated clearly in the desired culture definition. An example may be,

“that those closest to the customer should be empowered to make real time decisions to satisfy customer needs,” or “a business should contribute to the well being, health, and sustainability of the communities within which it operates.” Making core beliefs transparent allows managers and staff to translate these into their daily work behaviors and practices.

Strategy 3: Conduct a current culture audit. The next major piece of work is to conduct an initial audit of the current culture. Determine the magnitude and focus of change in the current culture required to actualize the desired culture. Rarely do culture realignment efforts require a complete change in all aspects of the current culture. Identify aspects consistent with the desired culture and can be leveraged. The culture audit is best conducted using a combination of approaches—individual and group interviews, surveys, structured observation, and document analysis. A combined methods approach maximizes the advantages and minimizes the limitations of employing alone any one approach. For example, while surveys can gather a great deal of information rather quickly and allow for comparisons across business units divisions, and work groups, individual and group interviews gain a deeper understanding of the nature and dynamics of the culture. This audit helps focus the culture realignment on select priorities for action.

Strategy 4. Leadership modeling and accountability. Culture realignment work cannot be delegated; it has to remain the primary individual and collective accountability of all senior leaders. Organization members take their cues from leaders as to what is important, desirable, and appropriate. Members watch their leaders closely—what they pay attention to, what they measure, what they reward and sanction, and how they respond to emergent challenges and critical incidents—during times of transition and change to understand both how serious and committed their leaders are. Leaders need to model the desired culture, hold themselves accountable for doing so, and proactively teach and coach others through the change. Senior leaders should receive feedback from others regarding the extent that they are viewed as “modeling” the specific behaviors and practices that comprise the desired culture. This will

expose gaps in leadership alignment and reinforce accountabilities. LE

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ACTION: Achieve strategic goals; change your culture.