

culturestrategyfit



Culture Change in Chaotic Times

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Culture-Strategy Fit Inc.

- 20+ years focused on strategy implementation and the people side of change
- Frustrated with available culture diagnostic and change processes
- Breakthrough learning with Sprint PCS merger
- Shifted to culture-specific work and invested in rigorous development of innovative methods
- Developed broad and deep capabilities to assess culture fit to strategy
- Provide consulting services and knowledge transfer to organizations on 4 continents



It's a time of transformative change

- Global financial crisis
- Economic downturn
- Emerging market slow down
- End reliance on oil
- Sustainable environmental solutions
- Aging population pressures

Business as unusual
is here to stay

Get rid of waste

Cost cutting

Process streamlining

Mergers & acquisitions

Divestitures

**Re-pricing and re-packaging
products/services**

Restructuring

New supplier arrangements

Protection of capital

Joint ventures

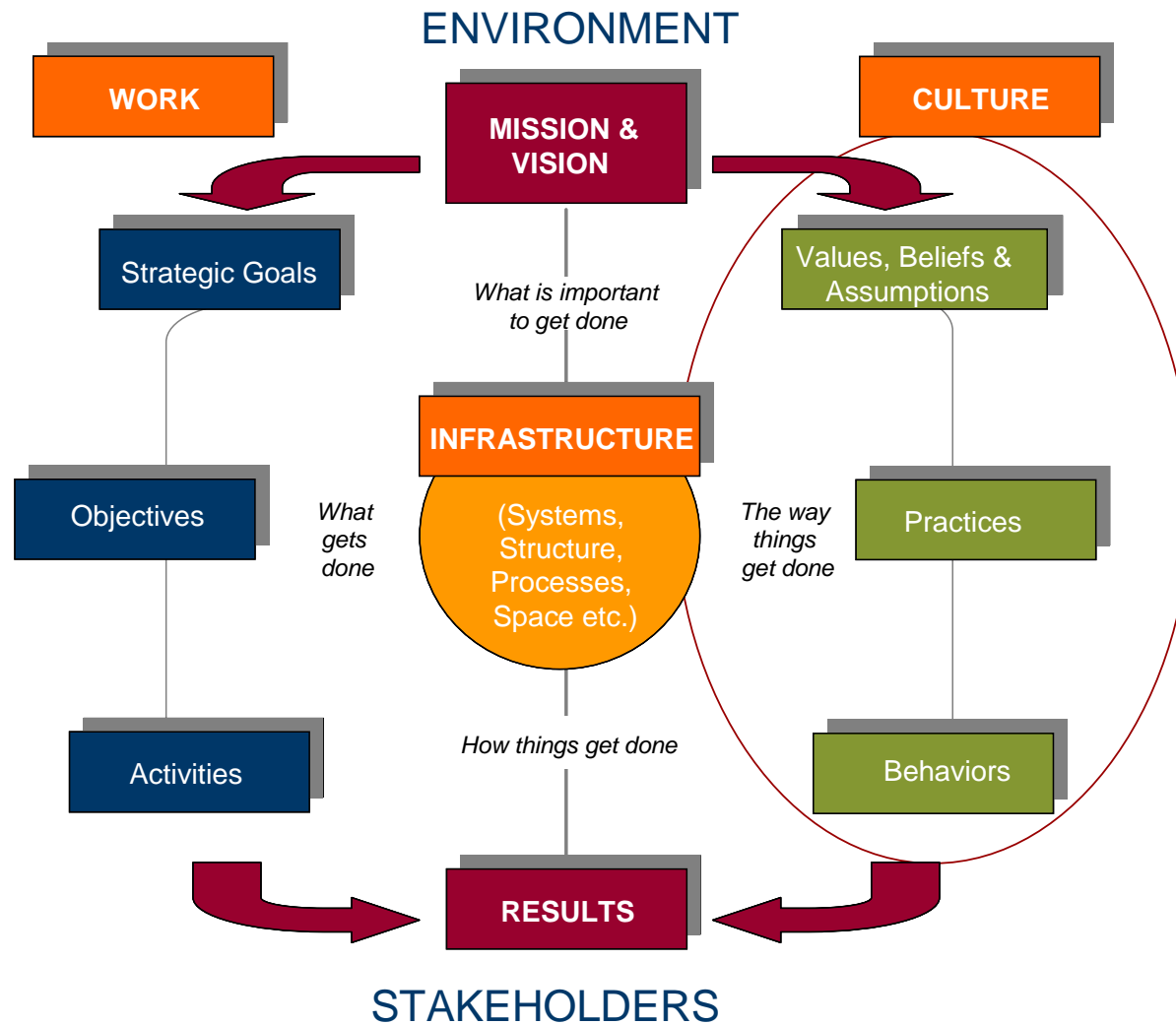


OD role

- Leaders shape culture through the practices and behaviors they use
- We can help them do this by design (by thinking more deliberately about the culture they need to create) or let it happen through default



Culture – The Missing Link



Five reasons why paying attention to culture is so pressing today



“the way things get done around here”

1. Culture stems from **fundamental ethical values** and subsequently, it structures **patterns of thought** and **perception**
 - It influences the range of choices that people see as rational or appropriate in a given situation
2. Culture is embedded in **practices** and evident in people’s **behaviors**
 - It influences how people perceive, think and act; the language they use and the decisions they make

Five reasons why paying attention to culture is so pressing today cont'd



3. Culture **dynamics** create advantage or culture drag
 - They shape how complex issues are managed, either supporting strategy execution or getting in the way

Five reasons why paying attention to culture is so pressing today cont'd



4. Culture is **'sticky'** – tenacious and difficult to change (i.e. Mason, 2004; Schon, 1981)
 - Culture patterns stay with the organization and are very difficult to change or duplicate (intangible asset or culture drag?)
 - Culture is more than the sum of the people; people can leave but the culture stays the same

“Get the culture right, and the need for moral courage recedes as a daily requirement of doing business. If NASA is successful in developing a new culture, it won't need the courageous whistle blowers it should have had in recent years” Ethicist Rushworth Kidder conclusions on the 2003 Columbia disaster

Five reasons why paying attention to culture is so pressing today cont'd

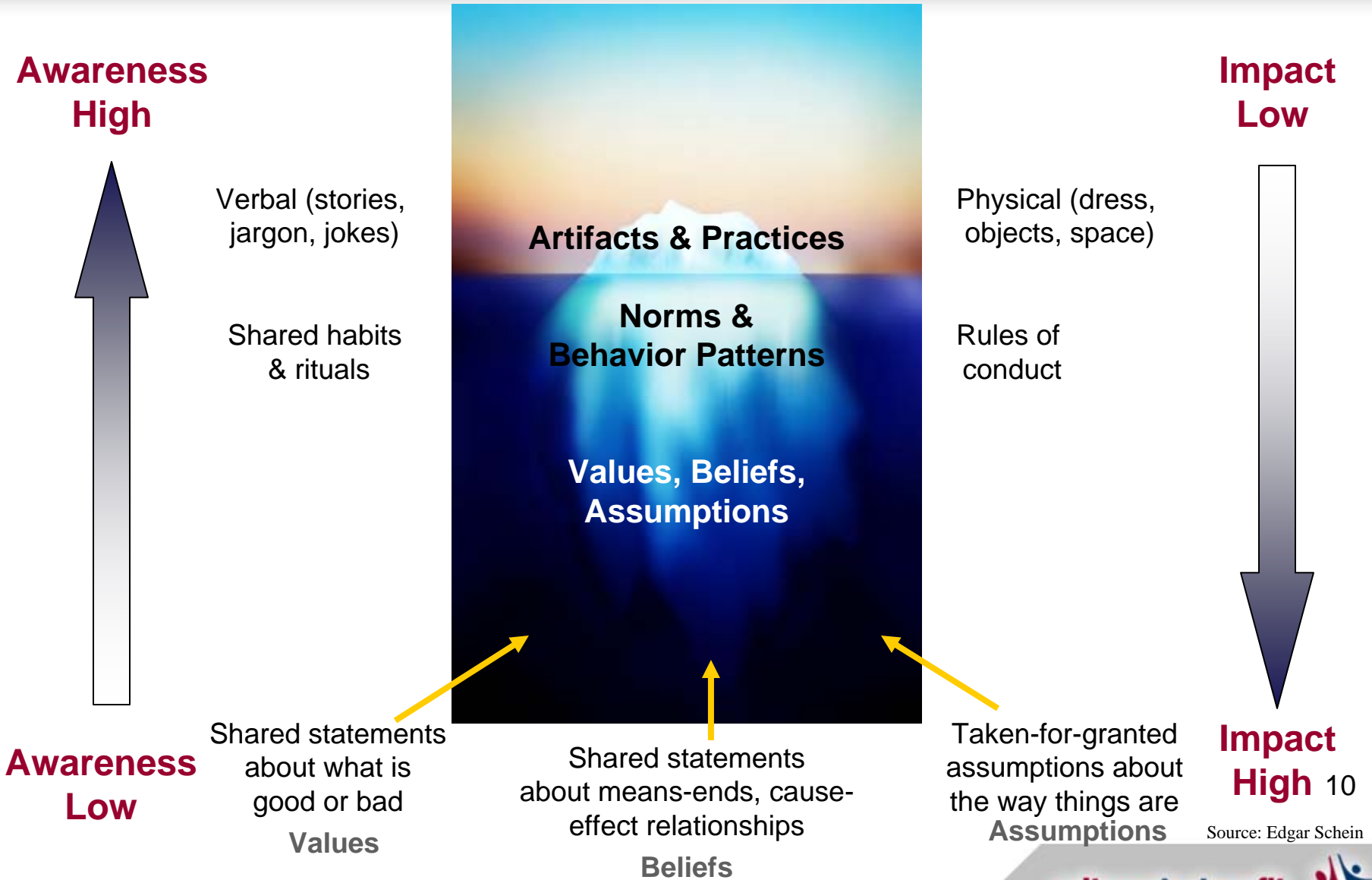


5. Systems seek to maintain themselves –

Dynamic Conservatism

- Culture is imbued with emotions: provides identity and rules of engagement
- Defensive reactions occur when the ‘the rules’ appear to be threatened

The challenge of culture change



Lessons learned with C-suite

- Culture must be seen as part of **strategy execution**
 - Clearly linked to future-state capabilities and needs
 - Culture dynamics that create drag that impacts strategy need to be made explicit
- Leaders must see shaping culture as part of **their role**
 - Amplifying effect on culture
- **Their experiences** are different
 - Need to help them see assumptions, beliefs and norms at play at other levels – case for change
- **Must narrow** the field of play to 1-3 specific aspects
- A **culture measurement system** is needed so there are feedback loops and impact of change can be assessed

How to shape culture fit to strategy?

1. Develop an **informed lens** for looking at culture
 - Deep understanding of your own perspective on culture and that of others
 - Focus on what is most important for future success
 - Maintain a broad view – not just engagement!



Ask a goldfish that lives in a fishbowl what the ocean is like and he'll describe a bigger fishbowl

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How to shape culture fit to strategy?

Develop an **informed lens** for looking at culture cont'd

Organizational Culture Patterns

Agility	Direction	Engagement	Execution	External Orientation
Adaptability	Future Focus	Empowerment	Execution Discipline	Cyber Security
Ambiguity	Strategic Thinking	Identity	Planning Discipline	Customer Focus
Expert Decision-Making		Involvement	Problem Solving	Employee Focus
Flexibility		Learning & Development	Process Discipline	Supplier Focus
Resilience		Purpose		
Speed				
Innovation	Performance Orientation	Risk Management	Teamwork & Collaboration	Trust
Idea Generation	Accountability	Compliance	Building Relationships	Authenticity
Idea Sharing	Excellent Alignment	Mindfulness	Collaboration	Fairness & Equity
	Individual Performance	Problem Management	Consultation	Power Dynamics
	Team Performance	Risk Orientation	Managing Conflict	Transparency
	Results Focus	Sustainability	Responsiveness	Trust
		Systems Thinking		

How will culture dynamics support and/or get in the way of future success? Where are the levers?

What do we need for a strong foundation? What are strategic culture strengths do we need?

Legend:
Culture Dimension
Culture Pattern

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How to shape culture fit to strategy?

2. **Envision** a future-state culture with leaders and stakeholders



How to shape culture fit to strategy?

3. **Evaluate:** Uncover culture strengths and dynamics



Use photography methods for a 'do it yourself' culture probe!

Pictures elicit beliefs and experiences



A range of teas and cereals in coffee room

- *My thoughts were immediately - around here diversity is valued.*
- *We'll never go hungry. We're well taken care of. Even when we're working late we can have something to eat - even if it's only a bowl of cereal. We are cared for so we care for each other and our clients.*
- *The little extras – attention to detail. That's us.*

- *Things are swept under the rug. We forget things that went on in our projects and just focus on the results. We don't look for what was messy that we can learn from.*
- *We give an illusion that things are okay but the reality is very different.*



Clean desk with hidden junk area

Use data to illuminate strengths



Process Discipline - Practices and behaviors that promote consistency, efficiency and effectiveness in core processes

Process effectiveness - Our processes help to make sure that our work is done right the first time	Group	Average	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	N/A
	Demographics	3.10	0	4	1	5	0	0
	Executive	3.00	0	4	1	4	0	0
	Vice President/Director	4.00	0	0	0	1	0	0

Monitoring process performance - We carefully monitor process performance to identify opportunities for improvement	Group	Average	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	N/A
	Demographics	3.30	0	4	0	5	1	0
	Executive	3.22	0	4	0	4	1	0
	Vice President/Director	4.00	0	0	0	1	0	0

Coordination of changes - Changes to critical work processes are rigorously coordinated to ensure that they are implemented consistently	Group	Average	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	N/A
	Demographics	2.96	2	3	0	4	1	0
	Executive	2.78	2	3	0	3	1	0
	Vice President/Director	4.00	0	0	0	1	0	0

Consistency of process implementation - Processes are implemented consistently	Group	Average	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	N/A
	Demographics	3.00	0	4	0	5	1	0
	Executive	3.00	0	4	0	4	1	0
	Vice President/Director	4.00	0	0	0	1	0	0

Culture Scorecard

Agility	Direction	Engagement	Execution	External Orientation
Adaptability	Strategic Thinking	Empowerment	Execution Discipline	Customer Focus
Flexibility		Identity	Planning Discipline	External Focus
Speed		Purpose	Process Discipline	
			Putting Ideas Into Action	
Innovation	Performance Orientation	Risk Management	Teamwork & Collaboration	Trust
Idea Generation	Accountability	Problem Management	Collaboration	Transparency
Idea Sharing	Excellence		Consultation	Trust
	Goal Alignment		Managing Conflict	
	Results Focus			

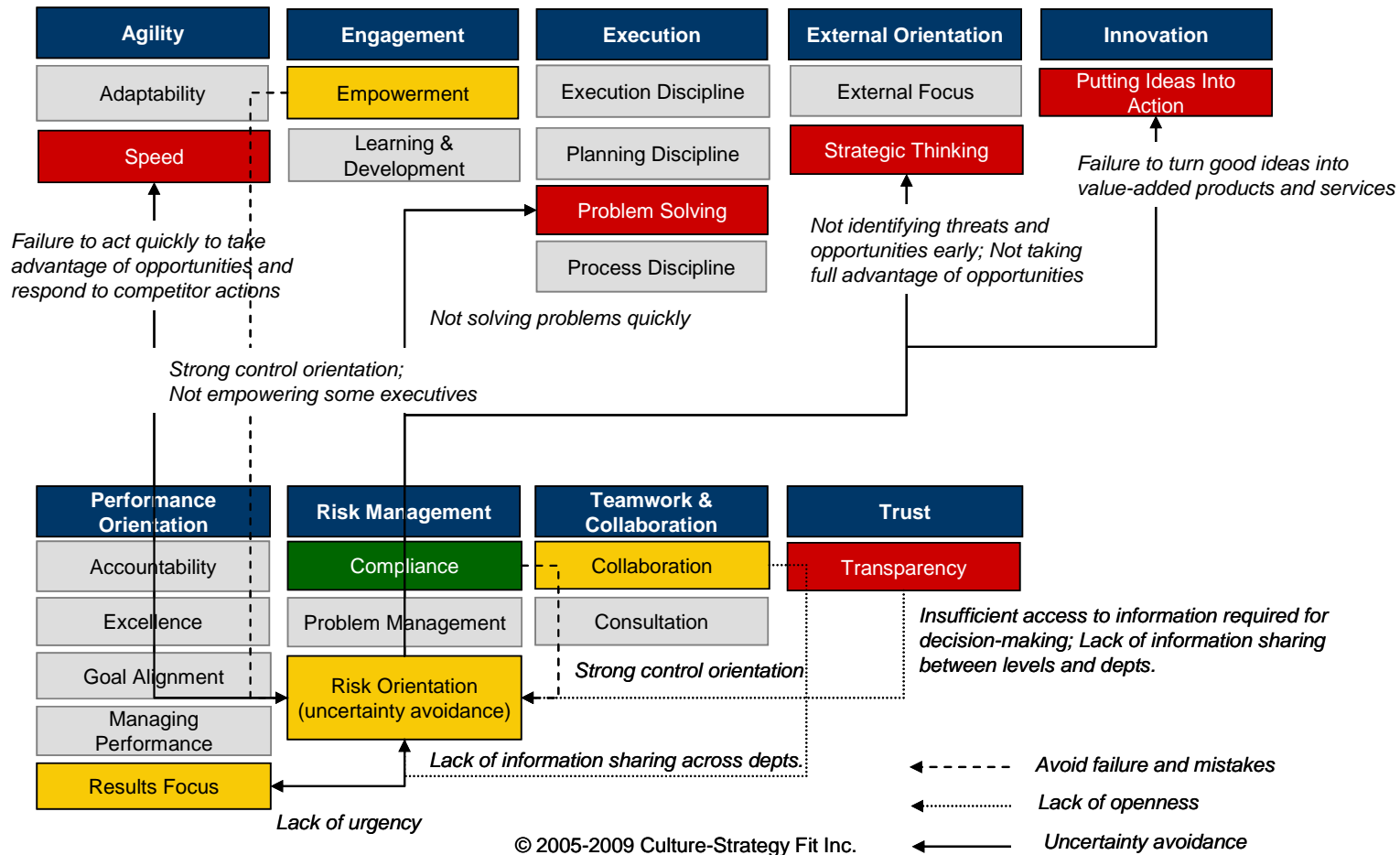
LEGEND

- Culture Dimension (Blue)
- Culture Pattern Strength (Green)
- Culture Pattern Monitor (Yellow)
- Culture Pattern Opportunity (Red)

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And... interpret to find causal factors

Dynamic #1: Uncertainty avoidance affects speed and agility



How to shape culture fit to strategy?

4. **Explore:** Develop a **culture roadmap**

- Narrow the field of play to **1 or 2** culture dynamics
- Hold **Round Tables** to explore practices where the dynamics play out
- Focus on changes to **practices**
 - Short, medium and longer term
 - Reconstruct key practices to reflect beliefs and group norms of behaviour for strategic outcomes
 - Prototype and learn
 - Connect strategy, leadership, culture, structure and systems
 - Plan how to track and recognize progress



How to shape culture fit to strategy?

5. **Expand:** Implement the Culture Roadmap

- Establish leadership cohesion – Leader Forums
- Build leader capability to role model and coach
- Install new ways that ‘things get done around here’
- Communicate frequently focused on the dynamics to be shaped
- Focus on core groups then spark chain reactions



How to shape culture fit to strategy?

6. **Embrace:** Install culture sustainment strategies

- Align structures and systems to reinforce progress
- Monitor progress with qualitative research methods such as use of story, photography, critical incident reviews
- Install culture feedback loops
- Create new heroes, legends and myths to reflect future state
- Measure impact
- Make back-sliding difficult



A last thought for the day

“Most efforts at **culture change fail** because they are **not linked** to improving the business’s outcomes. The ideas and tools of culture change are fuzzy and disconnected from **strategic and operational realities**. To change a business’s culture, you need a set of processes – **social operating mechanisms** – that will change the beliefs and behaviours of people in ways that are **directly linked to bottom-line results**.”

Larry Bossidy and Ram Charan, Execution

Presented by Sherrill Burns, Partner



905-887-8781

1-866-550-8781

sherrill@culturestrategyfit.com

www.culturestrategyfit.com