

BUILDING A HIGH PERFORMING CULTURE

A White Paper on Building and Sustaining the Energy and Involvement of the People

The Culture Wheel



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ORGANIZATIONAL CULTURE: THE HEART OF THE PEOPLE

Leaders everywhere know that the culture in their organization is pivotal to its success and vitality. They know it is intimately tied to leadership. They also know it is 'how things get done' because the culture drives the norms, beliefs and behavior of the organization. What they don't know is how to refine and change a culture that has inborn weaknesses or does not fit their world today; nor do they necessarily know what they - as leaders - should do about the changes that need to be made.

Leaders in the Total Quality Management era found that all the tactics about installing mission/vision, improving process and measuring results meant nothing if the people of the organization did not buy into a new way of operating and could not see a future state that was significantly better. What leaders sometimes did not realize was that there existed a pressing need to look specifically at culture and systems as part of the foundational underpinnings of change needed for greatness to truly grow. What they also did not see clearly was the need to focus on fully deploying, then integrating and linking, change efforts into a cohesive whole that fit the vision of the future.

This lack of understanding led to false starts and confusion, not performance excellence. In the end, people were often discouraged, even though they had worked hard at the piece they had been asked to embrace.

HOW CULTURES ARE FORMED

How leaders believe things should get done is a key driver of culture. The leaders belief system helps the people picture how things ought to be overall. Leaders establish culture consciously, or unconsciously, through their own personal motives and resulting behaviors. External forces can forge culture change, also. Leaders care about what it takes to succeed, and their perception of those needs will impact their behaviors and expectations. The most obvious external impact today is technology. Nothing is going to impact how we behave more than the current transformation brought on by the internet and other advanced forms of technology.

Another good example - in government today - is the external pressure to perform 'more like a business'. This is different than the old paradigm of operating as a good steward of the citizens' monies. The result of this new pressure is that government leaders are coaching and teaching their people to run their programs competitively, measure results, build business cases for change, plan strategically, create customer value and so on. There are clearly ramifications to the culture, and therefore, the management systems and/or practices.

How does culture impact the management system? Easily, by determining how an organization impacts its work, by how it structures work groups, by how performance is managed and what results leaders deem priorities, for example.

WHY CULTURE IS IMPORTANT RIGHT NOW

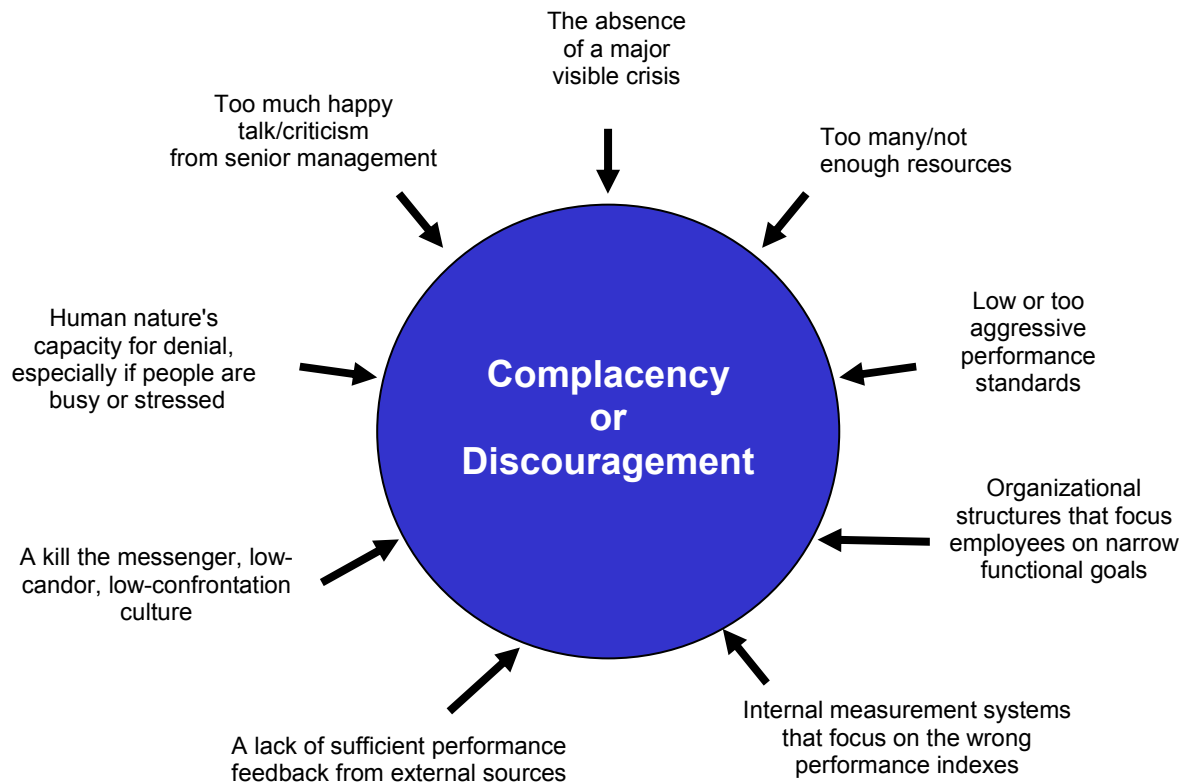
Culture provides consistency for an organization and its people, a critical need in organizations where leaders change due to job rotation practices, mergers and acquisitions, etc. Knowing 'what matters around here' helps people feel they are working with some stability and predictability in a changing world. It also provides order and structure for activity in that the 'internal way of life' - its bounds, ground rules, norms, even its communication patterns and conditions for reward and punishment - are understood.

Culture also determines the power within the organization. In more traditional cultures, power rests with management; in more nurturing cultures, power is more widespread, etc. Culture may also impact who can report to whom. It also often limits what the organization's strategies can be. It is because of the pressing need for change today that many organizations need to refine their current culture because it thwarts innovation and excellence.

This may be the case for many organizations at this point in time. Changes have been implemented in the past decade, but too often, deployment is a problem. Employee complaints are being heard – and at times, not heard – due to the need for better communications about expectations, the 'rules of the game', the integration of initiatives with daily service delivery, the big picture, etc. Many of the issues being surfaced by today's workers have cultural implications.

Yet, changing the culture has not often been an initiative itself, resulting in a sense of complacency or discouragement. This diagram, adapted from John Kotter's book Leading Change, describes the lack of a sense of urgency needed to successfully implement change.

Sources of Complacency or Discouragement



WHY CULTURE IS HARD TO CHANGE

Organizations are 'systems', that is to say that the members are not autonomous entities that just happen to be together. Instead, people are a part of a larger whole and anything of significance that occurs to that larger whole can affect each and every member.

It may take time and money, but a technology system can be updated and changed. And despite the fact that people may know that the new system will be faster, more effective, etc., there will be resistance to it. So, the heart of the matter is people – once again.

An understood fact in private industry is the knowledge that a merger or acquisition could take place, which would mean a change in leadership. This could lead to an erosion of belief in such important values as continuous improvement. Why change if my job might not be around in another year or so? It could also thwart important new endeavors such as the recent development of knowledge sharing strategies. Does this preclude change and imply a dependency on the status quo? Of course not; but it does imply the need to begin to create a sense of urgency and actively involve the middle managers of the organization.

In another sector, the political arena of government, it is accepted that 'leaders change with the next election'. This strongly supports a key government workforce belief that 'this, too, shall pass'. What does this mean to any kind of change? This reality means that making change in government may well be more difficult or take more time than in private industry. Does this preclude change in government? Of course not; there are many exciting examples of major turnaround and/or transformation in government today.

Since the idea of change being constant is becoming more and more evident, people need help in understanding the vision and their part in it. They also need to be involved in making the change happen. They also need education and support to help them overcome myths such as:

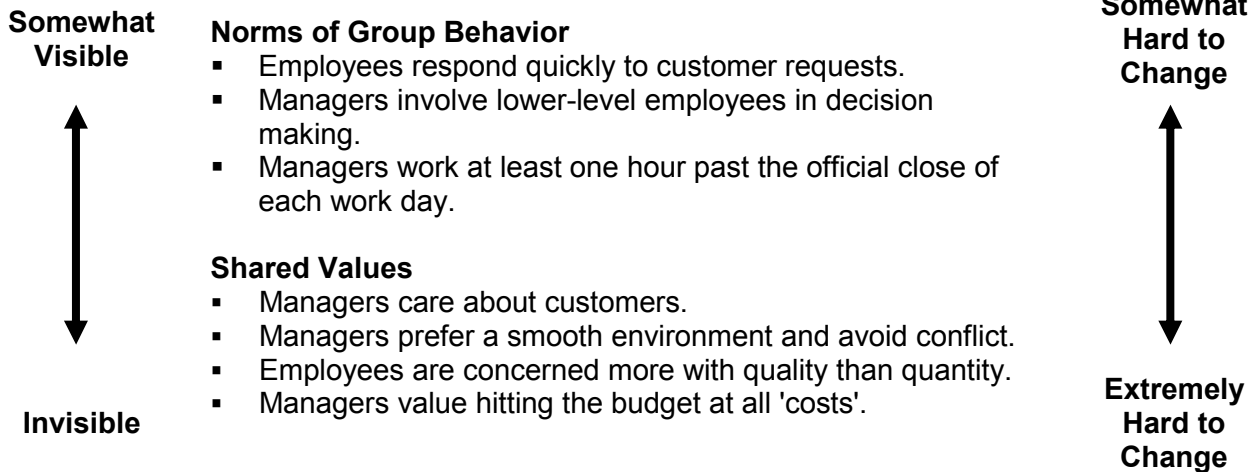
- "If I get upset, maybe I can stop this",
- "It might impact others, but it won't impact how I do my job", and
- "I'm not in a position to make these changes work; that is senior management's job."

Given people's natural resistance to change, a leader must think that the change needed is worth the pain. He or she must also be willing to stay the course, for it may feel – at times – like navigating through (or even drowning in) whitewater.

To elaborate for a moment on what types of behaviors might be exhibited which reflect the culture, the following graphic depicts some examples.

Components of Corporate Culture:

Some Examples



HOW PEOPLE NEED TO ASSUME ACCOUNTABILITY FOR CHANGE

With a little help, people can learn that:

- They need a positive attitude
- They have to take ownership of some of the change
- They need to choose battles carefully
- They need to be tolerant of 'management mistakes'
- They need to keep a sense of humor
- They need to determine if what were strengths are now obstacles
- They need to support management in its vision of the future
- They need to help in inventing the future
- They need to manage stress and pressure

HOW LEADERS NEED TO ASSUME ACCOUNTABILITY FOR CHANGE

With a little help, leaders need to:

- Clearly articulate a vision of the future
- Create a 'burning platform' or 'sense of urgency' to help people jump ship
- Solicit others input/involve others in how to get there
- Educate and explain the changes needing to happen
- Hold people accountable for progress toward the new state by tracking their utilization of what they learn and what they are asked to do
- Consider both the task/work changes and the emotional, people needs, carefully crafting the human side of change so that it is inculcated into the fabric of the organization
- See the whole picture and develop implementation plans for change which accept that the 'execution' is as important as the 'plan' for change

OUR APPROACH TO CULTURE CHANGE

Working with an internal steering/design team, the external consultants will gather and assess initial information which will act as the foundation for change. The following nine steps are key to determining the issues and the underlying foundational changes that need refinement or adaptation to help the organization thrive. Those include:

Phase One

- 1. Understand the current cultural state and the key issues thwarting performance and spirit in the workplace.**
 - a. Gather information which currently exists; create initial issues map.
 - b. Validate issues with representative sample of employees and customers. (Using a quiet, focus group technique.)
- 2. Establish a sense of urgency.**
 - a. Discuss approaches to change already attempted and review their success.
 - b. Develop a new approach that touches the heart of the people.

Phase Two

- 3. Develop a concrete vision of the future state.**
 - a. Conduct a large search conference to communicate the vision and develop potential strategies for achieving it.
 - b. Determine what strategies for action will be adopted when.
- 4. Communicate and gain buy-in to the vision.**
 - a. Determine the vehicles to use to inform and continuously reinforce the vision of the future state.
 - b. Determine specific ways that management and the steering/design team can begin to role model expected behaviors.

Phase Three

- 5. Empower broad-based action for change.**
 - a. Identify obstacles to change; get rid of them.
 - b. Identify structures and systems sapping the performance capability of the organization; create action plans for change.
 - c. Develop reward and recognition programs/processes for encouraging new behaviors, innovation and idea-sharing.
- 6. Generate milestones to celebrate change.**
 - a. Plan for visible improvements in performance and spirit.
 - b. Create milestones and short - term wins.
 - c. Reinvigorate the change effort and reward people who made the wins possible.
- 7. Review progress and plans; evaluate the newly forming state to 'fit' with the strategic vision.**
 - a. Conduct progress review with employees, customers and other key stakeholders.
 - b. Assess leadership and each members progress toward the new behaviors; assess change sponsorship effectiveness.
 - c. Review the steering/design team's progress and effectiveness as a change agent.
 - d. Highlight individual's progress toward the new state.

Phase Four

- 8. Continue on-going initiatives to adapt the culture further toward the future state.**
 - a. Formally review plans for action; create milestones and continue the effort.
 - b. Add new and innovative ideas to the plan based on employee/customer input or other external environmental factors.
 - c. Celebrate visible improvements.
 - d. Stay the course.
- 9. Anchor new approaches/efforts in the desired culture (future state).**
 - a. Link new initiatives with the future state vision, ensuring people see how the pieces fit.
 - b. Continue to refine programs, processes and systems to fit the strategic vision.
 - c. Change statute, if necessary, to support the vision.

It is our experience that **Phases One and Two** above are best achieved with support from outside experts. Once the strategic effort moves into Phase Three, senior management, the steering/design team and the internal consulting staff have enough momentum that they can carry the torch effectively, with much less external support.

CULTURE CHANGE CONCLUSION

There is much that can be said about the stages of change. Your organization may well have been endeavoring to make significant changes over the past several years. It is likely that progress have been made, but perhaps, it has not been easy. Employees may not be clear how all the initiatives fit into the big picture. The actual future state may not be clearly understood. Communications may have been fragmented. Perhaps, even deployment has been fragmented.

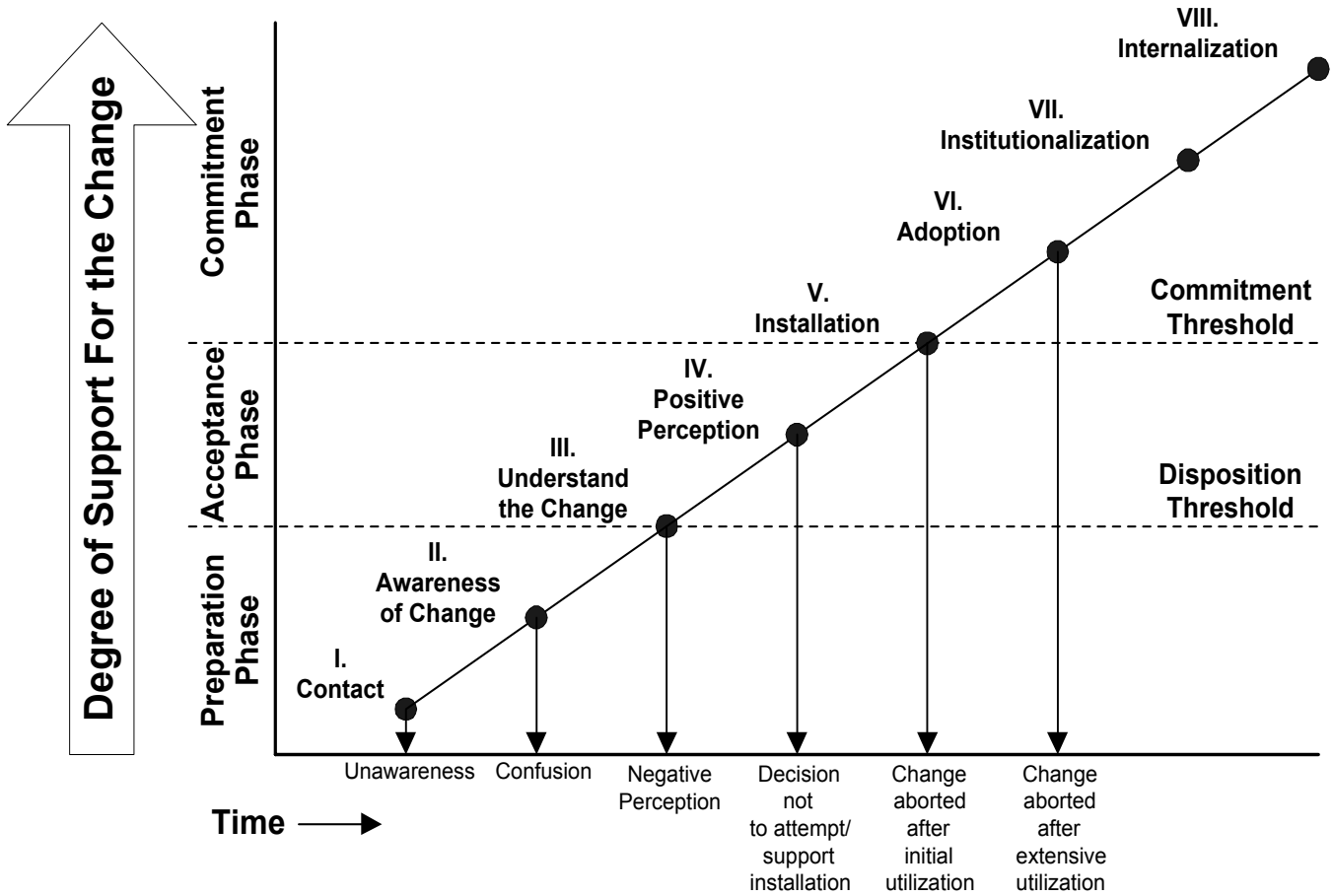
It is crucial to understand that large scale change takes time. To think that just two-three years will 'internalize' culture change is to misunderstand the actual nature of large scale change itself. Change of this size and as significant as that envisioned by today's leaders requires a long-term commitment.

If your organizational culture change at this point in time is only a few years young, it likely has shallow roots. Do the people of the organization realize this? Do they buy-in to the nurturing and watering it will take to not just adopt, but internalize the change? Do they believe that they themselves can be a force to move the organization to new heights?

If your organization culture change is five or more years old, perhaps the deployment has been weak. Strong sponsorship and management is needed throughout the journey. Has your organization built in the strategies and tactics needed to institutionalize the future state, or has it taken for granted that it will continue to deploy on its own?

A model offered by Darryl Conner, one of this team's 'gurus' in change excellence, may assist the readers in diagnosing where, in the stages of change, the organization currently rests.

Stages of Change Commitment



Source: Daryl R. Conner, *Managing at the Speed of Change* (New York: Villard Books, 1993).