The Culture
CONVERSATION

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ORXESTRA® INC.

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The TRANSEARCH
COVID BOOK SERIES

Welcome to **Part Two** of the TRANSEARCH book series. Recognising, as we move forward, how important organization culture is, **Part Two** unbundles *the Culture Conversation*.

Part one, *Coming Down the Mountain*, looks at how to come out of this crisis stronger. **Part Three** explores the need for leadership agility and what that implies: *Leadership Agility and Learning – The Way of the Dolphin*. Drawing on the reality that tomorrow's organization will be a team of teams, **Part Four** examines what it means to be an outstanding team: *Great Organizations Are Made Up of Great Teams*. **Part Five** moves beyond leadership as a philosophy and drills down into essential skills – *When the Trees Get Bigger and the Forest Gets Deeper, It's Time to Sharpen Your Saw*.

It's All About Culture

There has been a veritable avalanche of advice about how to get through the Covid crisis. The primary question being, "How do we manage our way through this?" It's a great question. The dilemma? It's incomplete. Two strategic (leadership) questions will, in the fullness of time, prove to be just as important. One: "How do we come out of this crisis stronger?" Two: "What do we need to start to do today, to create the business we need in the future?"

The majority of established businesses will find their way through this. The winners – those who steal a march on the competition – will be those that seize the opportunity to build a more competitive business. Which, in turn, means measuring both the culture as it is today and the culture the organization needs to support the emerging business model. The latter, a way to operate that delivers, at the right price, at the right time, what tomorrow's customers want to buy – and how they want to buy it.

Culture isn't an end in itself. It's the engine that enables the business to win in the marketplace. In a successful organization, it also shapes every aspect of the leadership conversation. And, if you get it right, it's the one thing the competition can't copy.

Moving beyond today's crisis isn't simply about having a better plan. To come out of this stronger means thinking differently about the business that will emerge. Some aspects, those that make the business special, must be protected. Other elements will have to be transformed. Elsewhere, the challenge means initiating "a new beginning."

Pulling everything together; the container that allows diversity to flourish; the system that provides meaning and supports momentum; the performance platform that enables a winning value proposition – are described by one simple term: "Culture." The challenge? The culture conversation we have now will determine not only what is possible but, more importantly … what becomes possible!

Culture Matters

Some time ago, I was asked to speak to an audience of CEOs about organization culture. I started by posing, to the 120 or so in the audience, a simple question. "On a scale of 1-10, how important is culture to the long-term success of your organization?" By a show of hands, the answer was, overwhelmingly, extremely important – 9 or 10 on the scale. "Now think about how much time the top team has spent on strategy, budgeting, financial planning and the like over the past six months. Score that a 10. By comparison, consider how much time the top team have invested in culture over the same period and, using the same scale, what would you judge that score to be?" By a show of hands, the response was 2 or 3.

Of course, there are always outliers – those who score the time invested in culture high – and in a smaller audience I get the opportunity to dig a little deeper. The reason for this response deviation lies mostly in the mistaken belief that the ubiquitous engagement survey is an effective measure of culture. The work on engagement (important though it is) addresses no more than 20% of the factors that make up the organization's culture.

Concerns regarding organization culture aren't limited to Europe and North America. In the fall of 2018, in Tokyo, I took a group of Japanese executives (from different organizations) through a workshop to explore the leadership competencies demanded of Japanese leaders in the future. The dominant theme (outcome)? The need, in Japan, to develop leaders who could "manage culture change." This from the country that brought us six sigma, kaizen and Muda, etc. When tomorrow will be different, it's not enough to continuously improve on what you have always done.

Two things are clear. One: today's leaders see culture as essential to future success. Two: though it may be important, top teams don't spend much meaningful time on it. The central question becomes "why?" That culture is perceived as a slippery and esoteric concept is the start of it. That measurement is largely ignored is also clearly part of it. But the heart of it? Top teams struggle in knowing how to have the culture conversation.

Seven Underpinning Truths

The book is about the culture conversation. As such, it covers a good deal of ground. Underpinning the book are seven fundamental principles. They are outlined here.

1. Horrific as the curse of Covid is, we will come down that mountain. The dilemma? The organization we created in the last century is a poor fit for the challenges we now face. Lack of agility, mismatched to the promise the emerging technology offers and struggling to keep abreast of social change, e.g., diversity, Black Lives Matter, social justice, the move to stakeholder capital – the organization we have come to rely on is linear and ponderous when compared to agility, responsiveness and speed of learning demanded. It's all about culture!

2. Culture is a system and, like any system, is only as strong as its weakest element. It's a mistake to work on one part of the culture (e.g., purpose, mission, values) without considering the rest of the system. Partial, incomplete or fractured cultural interventions will, over the longer-term, result in unintended consequences.

3. Power moves into a vacuum. If you're not managing your culture someone else is. A predatory supplier. A major investor. A group of senior executives who, because they created the organization as it is, would prefer things to stay the way they are. Middle managers who have been disenfranchised. A competitor with whom you are constantly playing catch up.

4. Our own research and that of others is that only 20% of organizations can be said to "manage their culture." The rest are caught up in, what is perhaps best described as, "culture drift" – the assumption that if we continue to do what we have always done we will eventually get to where we need to be. There is a reason why more than 50% of the organizations that appeared on the Fortune 500 at the turn of the century are no longer there.

5. Organizations that manage culture have significantly better results than those that don't. In the widest research study of its kind ever pursued, the evidence shows that CEOs who insist on rigorously measuring and managing all cultural elements that drive performance more than double the odds that their strategies will be executed. And over the long term, they deliver triple the total return to shareholders that other companies deliver.[1]

6. Responsibility for culture lies directly with the top team. Indeed, from my own experience, if culture is viewed as an HR project – essential though the HR team

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1   Carolyn Dewar, Martin Hirt, and Scott Keller. *The mindsets and practices of excellent CEOs* (October 2019).

are in steering culture change – the CEO is putting his/her career at risk. The role of the top team in culture is mandated by recent legislation. In the UK, corporations quoted on the London Stock Exchange must now report both "culture" and "the employee voice." Australia is following a similar track. Legislation in other jurisdictions is unlikely to be far behind.

7. What you don't measure, you can't manage. Measuring culture, meanwhile, isn't simply a matter of one-size-fits-all. To that end, we have found it necessary to develop different measures for different audiences. The Board, top team, a wide canvas of the organization – each warranting its own, bespoke approach. At the conclusion of the book you will find a measure of culture, which will help you define: (1) where your organization culture is today; and (2) where your culture needs to be to compete successfully in the future.

CONTENT

The Culture CARRIERS

Ask … Don't Assume. Challenge … Don't Confront. Prompt … Don't Provoke

Michigan's Upper Peninsula penetrates its northern neighbour's vast land mass like an unwanted thumb stuck into someone else's mouth. Rich in biodiversity and wildlife, the Peninsula is, at the last count, home to 845 nesting bald eagles. In recent years, shoreline erosion has attracted the attention of the Michigan Department of the Environment. To both chart and monitor that concern, the Department found their newly acquired drones to be an invaluable resource. Such was the ongoing activity when a group of naturalists watched an avenging eagle do what nature has so perfectly equipped it to do – it struck back. In defending its domain, the eagle dispatched the drone to a dark and watery grave.

As indicated in Part One of this series, a crisis has three stages: coming to terms with the crisis, navigating your way through it, and seeking to come out of it stronger. This third stage we have defined elsewhere as "Coming Down the Mountain." And this is where managing "what is" must give way to strategic leadership, planning ahead and outlining "what needs to be." It's no longer a case of what do we do next. It's what kind of business do we need to keep, change and/or create to be successful 18 months, or more, from now? It's also a time to keep top of mind that nature is programmed to strike back.

No one knows how COVID-19 will evolve. Will it be, like the flu, an ever-changing and ever-present thread woven into the human experience? Will it, as was the case with the Spanish flu in 1918, return a year later with even greater potency? Will a vaccine be of value to older workers? Will the number of "vaccination deniers" limit the overall effectiveness of even a successful vaccine? Will the challenging refrigeration needs for

some of the vaccines limit their use to the developed world? Are we prepared for the next pandemic?

And lest we forget – the environment; breakthrough technology; robotics; cobotics; new materials; a reshaping of the global economic order; sluggish organizations that, by way of design, are out of step with our emerging reality; the unprecedented manipulation and mental health issues associated with social media; social justice; opioid addiction; extended periods of drought; the bleaching of reefs; a veritable avalanche of plastic; and a host of other issues will only become more pressing concerns.

The implications are profound. A linear, unidimensional approach to planning – one that limits future options – is clearly dysfunctional. When agility and responsiveness are demanded, a strategic "straitjacket" is to hand the baton of future competiveness to the competition. Conversely, a scenario approach must, of necessity, embrace both the best and worst of times.

Meanwhile, a plan that can't be implemented is just another … plan. Supporting the organization's emerging value proposition, making the strategy come to life, marshaling the forces that combine or create a winning performance platform is why now, more than ever, the culture conversation must be front and centre. And it starts with coming to terms with what the key players – the culture creators – think about the organization's culture.

That a business topic is commonly referred to doesn't mean that there is, per se, a great deal of common understanding. Artificial Intelligence is a good example. Like fish swimming in water, most executives are little aware, other than in general terms, of the cultural context they are immersed in. Don't assume, therefore, that because the leader in question talks with authority that he/she has a robust understanding of what organization culture is and/or how to address it. Central to the knowledge/experience shortfall being that, for the most part, organization culture is ignored, poorly taught or inadequately covered in much that is described as "management education."

It has been said that there are none so blind as those who cannot see. There is often a marked reluctance on the part of those who created the culture (culture carriers, those who have historically refereed how things get done) to challenge: (1) the culture that they created/supported; and/or (2) the culture that made them successful. Considering the echo chamber that exists at the top of many organizations, pushing back too directly is likely to derail the conversation.

The best way forward with reluctant culture carriers? Ask … don't assume. Challenge … don't confront. Prompt … don't provoke. Explore the scope and nature of change that society in general and business overall is facing. It's an undeniable reality that tomorrow **will** be different! Very different. A business can't thrive in a vacuum; it can't survive if a

philosophy of managing from the inside-out dominates the firm's thinking; if the status quo prevails.

The business press is quick to point out that there is a serious shortfall of talent. There is plenty of talent around. What's missing is TOP (tested,[1] outstanding, performers) talent – leaders who are equipped to deal with the reality that tomorrow will be different.

Leaders are readers. Leaders who: aren't naturally curious; find business reading a burden; are uncomfortable with ambiguity; lack resilience; lack digital literacy; don't embrace the maverick on their team; and are reluctant to challenge the status quo, are a poor fit for the world we are entering.

Key question(s): In simple terms, what is today's culture and, recognising that tomorrow will be different, what needs to change? What are key leaders doing to bring about that change? What leadership competencies describe a successful leader in your business three years from now?

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1   By experience.

Look, Listen, LEARN

Gossip is to Humankind What Grooming is to the Other Apes

Before delving more deeply into the culture journey, it is worth dwelling on the human condition, "How did we get here?" To understand today's culture we need to know who we were 40,000 years ago.

We descended from tree-bound habitats some four million years ago. For the next three million years, we existed (the operative word) at the lower end of the food chain. Our niche? Using rocks to extract the marrow from the bones of animals that large predators had abandoned.

We took a significant step forward 800,000 years ago when our ability to work with fire enabled us to predigest our food. The reduced digestive track, resulting in a larger brain. Unfortunately, a bigger brain afforded us little advantage over our, dozen or so, hominid competitors.

From that cultural soup, our kind, Homo sapiens, emerged 300,000 years ago. Sophisticated tools, the exodus out of Africa and being able to outcompete our various cousins, e.g., Neanderthals, still lay in our future. And then, 70,000 years ago, what emerged was, what evolutionary psychologists refer to as, "a cognitive revolution." No one quite knows why – possibly accidental genetic mutation – but we took the first critical steps that moved us to the top of the food chain.

Language that allowed us to think beyond the concrete (what you can see and touch vs. imagery that is creative and/or imagined) evolved to embrace, what today we would readily recognise as: story, negotiation, symbolism, myth, purpose, religion, values, loyalty, trust, leadership, collaboration and teamwork.

Who we were then is who we are today. The 11,000 years that have passed since we started planting crops represent but a punctuation point in a long essay describing our hunter-gatherer past. There are invaluable cultural insights we can take from all of this:

1. We are a team animal. While the cost saving in remote working is difficult to ignore (and essential during the Covid crisis), face-to-face interaction is not only an

essential building block in innovation and breakthrough thinking but an expression of who we are as a species. Every time you add someone to the team you have, essentially, created a new team.

2. Regardless of the activity, there is not much that can be achieved without trust. Trust is initiated, or not, in the first 30 seconds of meeting someone.

3. We explore the world through metaphor and learn through stories. Any intervention focusing on change that ignores the power of language is a mistake in the making.

4. We are "copying machines." Leaders live in a goldfish bowl. The more senior the leader, the greater the magnification. How those in key roles act is more (far more) than anything that they say. Arrogance, self-interest, lack of truth and/or ego-driven behaviour are to the organization's culture what a spoonful of strychnine is to a freshly brewed cup of coffee.

5. Gossip is to humankind what grooming is to the other apes. We are also great "at making stuff up." This speaks to the power of the informal organization and the need to keep people informed. Somewhere in that communication nexus is the reality that people don't so much resist change as they resent having new ways to act forced upon them.

6. The most effective form of organization follows a design that, given the choice, is how those involved would choose to work together. The size of a relationship-based organization tops out at 150 people or less. What allows us to organize communities/organizations comprised of many thousands is some form of imagined and shared reality. A combination of myth, vision, purpose, values, rules and/or reinforced norms become the glue that binds people to a common cause.

7. From our earliest origins, the tribe exhibited the need for a shaman. The shaman's role and title differed but might well include: healing (caring), sacrifice, maintaining tradition, interpreting unusual events and telling the future. You can make a case for leaders to meet each of these needs today … especially "telling the future." People want to know what's happening, how they are doing but above all else,

where they are heading. In today's world, "a visionary" takes people to places they would otherwise not go. Without a visionary that people can believe in, the team/organization is lost.

The balance of the chapter is an invitation to better understand the culture you are immersed in by looking deeper, listening harder and reflecting longer. In pursuit of that quest, it is helpful to keep in mind that, although the people you meet had a role in creating what you are observing, the underlying social architecture draws much from our ancient past.

There is a visceral, intuitive, practical aspect of culture. Simply put, understanding culture draws heavily on personal experience. For that reason, the initial interaction around culture should be a discussion focusing on "what the organization's culture is" – not conceptually – but pushing for a deeper understanding about how the business operates – Why do today's customers buy the company's product or service? What are the customer's future needs? What threats are on the horizon?

A new leader, HR partner, Board member, etc., is also advised to be something of a cultural detective. In this we are aided by the reality that culture is a hologram – scratch a part of it and you get a legitimate sense of the whole. Read between the lines on the annual report. As you walk into the reception area, what does it tell you about how things happen around here? Are the offices open plan? What is posted on the notice boards? Best of all, use the product, shop in one of the retail outlets, dig deep into their website, talk to past employees and connect with customers. And if you really want to learn something about the culture, get there early and watch people arrive at work. The energy level, whether people look happy to be there and, indeed, whether employees get there on time are invaluable expressions of the culture. Note: depending on where in the world you live, many of these options are, as a result of the Covid crisis, unavailable.

Here, I feel compelled to share an anecdote. My early career was spent in industrial relations in the UK and later in the US. In one of the plants I was responsible for there was an ongoing dispute about employees leaving early. The unions having vociferously denied this, we set up video cameras. Indeed, there were employees leaving early … but they were all "supervisors." We were guilty of being trapped by unhelpful assumptions. In the culture conversation, care should be taken not to categorise people, fall into the trap of bias, and/or be held captive by assumptions based on mental preconditioning.

Culture is made up of: artifacts (what you can observe, what is overt and obvious); the organization's underpinning values[2] (the pre-determined behaviours to influence how

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2   It's important not to confuse the organization's values with personal values. The former should be seen as "guiding principles." The notion, as some preach, that you can align the way the organization acts with the personal values of the people who work there may have merit in a truly homogeneous society but in a multi-cultural environment it is an impossible dream.

people make decisions – especially key leaders); and mindset (how people see the world, what they believe to be true). Two central factors are important to understand. One: the country in which the organization sits has a profound impact on the culture. A business that operates in both Canada and the US that, to all intents and purposes, looks the same will, in subtle ways, be quite different, especially when it comes to the implementation of new ways to be. Two: culture change that does not seek to address/reframe mindset is likely to be found wanting. It's not enough to know what's next … those involved in the change have to **believe**. See **Figure Two**, The Orxestra Change Model, at the end of the text (page 38).

Key question(s): If I was to visit one of the more difficult parts of the organization to get to, as I walked around, what would the environment tell me about the culture?

The Building BLOCKS

Culture is a System

Working on culture demands rigour. By way of example, it's essential to challenge views and opinions that trivialise culture. Culture is a dynamic system and, like any system, only as strong as its weakest part. Think of a clock (a fixed, mechanical system). If a piece is missing, no matter how well the rest of the clock fits together, it won't work.

Interventions that focus on only part of what culture represents (e.g., purpose, values, strategy)[3] can create the illusion that all is moving ahead meaningfully but the unintended consequences – of not considering all of the elements that shape culture – will almost certainly lead to commercial frustration.

This is not to suggest that you can work on everything at once. Initially, address those issues/processes that will create the greatest cultural impact, but keep all of the others in focus. Think about the last time you took a family photograph. Mom and Dad were at the centre but you needed to ensure that all of the kids were also in the picture.

In facilitating/introducing the culture conversation (especially at the top of the house), the following building blocks (of culture as a dynamic system) are important to understand.

1. Culture is the often overlooked, all-pervasive, enterprise-wide, changing, organizational DNA that dictates whether your strategy lands … or if your brand sustains. It's "a way to be" shaped by the past but continuously influenced by the emerging business, social, economic, political, technology and competitive context. Keep in mind that, although Uber and Airbnb are nominally in the taxi and hotel business, the reason that they have been able to reinvent the category is their innovative approach to the *knowledge of knowledge*. Think Bloomberg – not Hilton.

    The business does not (cannot) live in a bubble. The organization's culture will change whether you want it to or not. The problem? The overwhelming majority of organizations that find themselves playing "catch-up" … never do actually catch

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3   This is in no way takes anything away from the power of a compelling purpose, the need for meaningful values and/or the focus derived from a well thought through strategy.

up. Simply put: if the culture conversation isn't, in no small measure, focused on serving/creating tomorrow's customer, you are doing it wrong. In recognising the unprecedented upheaval that society is facing, that statement applies, no less, to the public sector.

Unless your name happens to be Steve Jobs, managing the culture from the inside-out is the commercial equivalent of driving down a busy highway wearing a blindfold. Xerox, Nokia, Northern Telecom, Kodak, Blackberry, Lehman Brothers, the record industry, Blockbuster, Carrefour, the Australian banking sector, British Home Stores, MoviePass, Google Glass and retail businesses reliant on "bricks" come to mind. In terms of their attempts to cheat the public regarding their emissions controls, you might want to add Volkswagen to the list.[4]

2. There are four essential, supporting pillars of culture: (1) Mission/compelling purpose (why do we do what we do?); (2) Diversity (diversity fuels innovation); (3) Brand (why buy from us?); and (4) Speed (**F**ocus – **A**nticipation – **S**implicity – **T**echnology). The four pillars act like the foundation of a house. If they are poorly constructed nothing will stand for very long. And ignore one and constantly recycling the past is the best that can be hoped for.

Purpose. Employees want their work to be meaningful; for their contribution to make a difference. They need to see the sightlines between what they do and who benefits. And the flatter the organization, the more agility is demanded, the further from the decision-making core of the business key employees are – the more important a compelling purpose becomes. You can't just conjure up "purpose." It's not the outcome of a weekend retreat (video conference). The "why we do this" has to be authentic, aligned with the brand promise, factored into how leaders make decisions and as clear to everyone concerned as the name on the masthead. Without a meaningful "why," the underpinning tenets of engagement and inclusion – intrinsic motivation, self-directed learning, loyalty, attraction and retention – are subject to how strong and from where the commercial winds happen to be blowing on any particular day. In the culture conversation, exploring "Why do we do what we do?" is the behavioural base camp in any attempt to move the organization

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4   Volkswagen's enormous diesel emissions cheating cost the company $18 billion in 2015 alone. VW lost far more than money, however. Reputation, once lost, is very difficult – if not impossible – to reclaim.

to higher ground. And, don't be surprised if those in key leadership roles have difficulty articulating the purpose.

Diversity. Why is diversity a cultural pillar? For a system to even sustain itself, it needs at least as much internal variety as exists in the environment in which it sits (context).[5] It's also the best way to purge the organization of institutionalised bias. To that end, culture is a container for diversity. If you look around your organization[6] or team and, for the most part, the people all look, think[7] and sound the same, know that you are ill-equipped for a changing world; for a business environment where creative tension and new ways to think are the lifeblood of tomorrow's success.

Brand. Marketing is the organization's lighthouse in the dark. Social media is the digital sheepdog that drives potential customers to your website. A winning brand answers a fundamental question, "Why should you buy from us?" Every single interaction with a client and/or potential client either reinforces or dilutes the brand message: **B**etter **R**esults **A**nd **N**o **D**isappointment. A winning brand is far more than a promise to the customer. Brand is the organization's culture brought to life. It's the organization's story simply told. If emotionally invested in that story, even when advised that there are better products/services out there, the buyer will continue to work with the supplier. Most important of all … if your brand doesn't live inside your own business … it cannot live in the marketplace.

If there is one thing that emerged at the start of the coronavirus it is that … every crisis represents an opportunity. An opportunity, that is, to show that you care! Appearing to care for your customers is an empty promise if you don't care – and show you care – about every member of your team. Product quality, similarly, counts for naught if quality of work life isn't a central plank in how every member of the team is treated. Key questions in the culture conversation. One: "Why do today's customers choose you?" Two: "How will that change in future and, specifically, what are you doing to meet those emerging needs?"

Speed. If your development cycle, lead times, speed to market and/or response to service concerns fall below the competition's offering, you don't have a problem … you have a crisis. Meanwhile, while you are still dealing with the shock of Amazon suddenly becoming a competitor, they are working aggressively to not only do what you do but to do it ever-faster.

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5   The Law of Requisite Variety, as formulated in 1956 by Ross Ashby (1903-1972), an English psychiatrist and a pioneer in cybernetics.
6   Especially at the top of the house and/or at the Board level.
7   Cognitive diversity.

Technology might well be thought of as a cultural pillar. Indeed, in a tech business it undoubtedly is. In a more traditional business, because the same technology is available to all, technology, although a critical culture driver, is not an underlying culture pillar. See #4.

3. The four pillars are braced – they are made stronger – by the organization's values. An organization without values is a ship without a rudder.[8] Values give people permission to act. They shape how decisions get made. They have primacy in making hiring, promotion and/or succession decisions. The values represent the CEO's and top team's leadership point of view. Co-creating the values – involving as many people as possible in drawing up the values – sounds like a good idea but there is a reason the expression "a camel is a horse designed by a committee" came into being. Ask, involve, confer and listen but don't abdicate.[9] That said, the organization's values must hold meaning for all of the stakeholders, especially the customer. Purpose without values is to understand the "why" but make the "how" up as you go. Diversity without values is confusion. Brand without values is "manipulation." Speed without values is an accident that hasn't yet happened. Culture conversation questions? One: "Describe a key decision you made recently where the organization's values were integral to that decision? Two: "Who was separated in the past year because he/she didn't live the organization's values?"

4. The four pillars, when married to the organization's values, frame the context – the broad cultural canvas if you like. The most impactful brush strokes on that canvas – the "culture drivers" – being: vision and strategy; measurement and rewards; the talent management system (e.g., who gets hired and/or promoted, the leadership development agenda); and technology (quickly becoming an irresistible force). Indeed, in a tech company it would be hard to ignore technology as one of the supporting culture pillars.

It was not the intent to do a deep dive into technology here. There are several important questions that come to the fore, however. What is the strategy regarding the organization's digital direction? What is the future potential for AI in the business? What is the organization's policy on security and privacy? Is the technology being developed in line with the organization's values? How is technology being employed to better understand who buys the company's products/services and why? How is data governance enacted? Does the organization design support/fully enable the emerging technology?

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8 A good many organizations have values but, in many cases, they represent little more than window-dressing for their website.

9 To avoid the confusion between personal and organizational values, it's often a good idea to refer to the latter as "guiding principles."

5. Bringing the intended culture to life means working on: structure; product design; core processes; how people learn (learning how to learn, speed of learning); candour; and the nature and degree of freedom to act (how decisions get made and who makes them).

6. A "cultural anchor" is so called because it describes behaviour that, unless reframed with tomorrow in mind, puts a brake on progress. If the "culture anchors" aren't addressed, stasis is assured. Prominent amongst the things that will hold the organization back are: behaviour at the top of the house that is misaligned with tomorrow's culture;[10] mindset; myth;[11] metaphor; not letting go (as needed) of past history; symbolism; language; and storytelling.

7. In any conversation around culture, language isn't important … it's everything. Our mind works in a very specific way. Language creates imagery and imagery shapes our behaviour. Same old language … same old behaviour. The choice of language is, thus, essential. Although it's part of the established leadership lexicon, it's not always helpful to talk about "culture change." Imagine this scene: a new leader stands up at an all-staff meeting and tells those gathered, "We have to change the culture." First, the language used is both threatening and disrespectful to those who have invested part of themselves in making the workplace the way it is. Second, "change" implies being one thing one day and something very different the next. Culture evolves, we shape culture, we "align" how we work together with tomorrow's value proposition. We reimagine tomorrow's success, share that vivid imagery and then find meaning for all of those involved.

8. A vibrant and meaningful culture supports two value propositions. One: why you should buy from us. Two: why you should work here. Of the two, the latter is the more important. Without employee support; without commitment; without a culture that provides meaning, aligns capability with opportunity, delivers freedom to act and is customer-centric – the customer-facing value proposition amounts to little more than marketing hype, manipulation and/or relationship management. Adding, rather than creating value. Making the sale, not making the customer's business better.

9. Story is culture and culture is story. Everything outlined about culture so far folds into and supports the organization's story. See **Figure One**. At the end of the day,

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10 What leaders do is far more important than anything they might say. Top leaders throw a **much** bigger shadow than they realise.

11 An example of a myth that had a profound impact on culture was the notion that Donald Trump, in that he was a "successful" businessman, would make a great President. There is no evidence – in fact the research contradicts the view – that being successful in business equates to being an effective politician. Churchill was a terrible businessperson and Lincoln was no better.

customers don't buy your product or service; they make the purchasing decision based on whether or not they connect with your story. The dilemma?   Even if you have a great story, you have to know how to share it. And it's not just sales that suffer from a poorly told story. Recruitment, retention and everything that falls in between are less than they might be if "the story" lacks authenticity with those the organization depends on most. And the individual whose role it is to surface, protect, share and nurture that story? The CEO and, by implication, his/her team. The CEO is the storyteller-in-chief, whose primary role is to breathe life into the organization's culture – present and future – every single day. To lead is to inspire. And in a departure from our past allegiance to shareholder capital – in the stakeholder environment we are moving into – to inspire means moving beyond simply employing the head and engaging the hand. It means also engaging the heart and enriching the spirit. Especially, to engage the heart and enrich the spirit.

10. Addressing the white space on the organization chart – the informal organization – completes the picture. That white space isn't a vacuum; it's full of noise – a cacophony of often confused and conflicting babble that you need on your side. If trust is missing not only are missteps magnified but the malcontents and

CULTURE IS A SYSTEM

The emerging context

Brand — Vision/Strategy — Purpose

VALUES

Mindset, myth, metaphor, history, symbolism, language, story

Value proposition(s)
STORY

Structure, design, process, learning, candour, freedom to act

Speed — Diversity

Measurement/ Rewards — TECHNOLOGY — Talent management

Leadership

The customer's voice

Figure One

miscreants gain the airtime needed to manipulate their peers. If you don't manage the informal organization, it will manage you!

Successful organizations don't work on culture simply because it appears to be the right thing to do. Outstanding leaders focus on culture because they understand that what they do today determines whether or not the business will win tomorrow. From a leadership perspective we are describing two essential, twenty-first century leadership competencies. The first is "cultural reach" – the ability to work successfully in very different cultures on the same day; the capacity to introduce, as needed, a range of strategic scenarios, structures, processes, measurement tools, leadership approaches and team interventions.

The second essential leadership competency is "culture savvy." Without curiosity we negate the ability to challenge our own thinking. When the status quo remains undisturbed, opportunity remains unfulfilled. As a species we are copying machines. What we observe shapes what we do. How we act shapes what others do. We capture "what's possible" through the metaphor(s) we introduce. We navigate the way forward through the stories we share. A compelling symbol cuts through the clutter.

A great question makes people think slower, in order that they can act faster. Where humility is missing, a helping hand comes across as hubris. Until we listen to others – really listen – we can't listen to ourselves. Without reflection there is no learning. When we coach others, we tap into the best of who we are. In affirming others, we give them permission to act. Wisdom is insight tempered by experience. To address ambiguity without wisdom is to court confusion without capability.

The term "inspiration" comes from the Latin *spiritus* – to breathe life into. Successful leaders breathe life into tomorrow's culture every day, in *every* way. Responding to that challenge may well be the single most important thing that a leader does.

We used to talk about management being about the "hard stuff" (a focus on results) and the "soft stuff" (everything to do with people). Well, we have entered an era where the soft stuff is now the hard stuff.

Key question(s): Beyond what is already happening, what would it take for the culture conversation to become a cornerstone in the organization's competitive advantage?

Is the Organization MANAGING Its Culture?

An Organization Doesn't Have a Culture, It is Its Culture

Is the organization in question currently "managing its culture?" The simple answer to that lies in the degree to which people from across the organization can answer five central questions.[12]

1. Where is the organization heading (critical, strategic priorities)?

2. Why do we do what we do (compelling purpose)?

3. What are the organization's values and can you give an example of a recent decision that was shaped by those values?

4. What makes the organization special (unique capability)?

5. How does the organization make a difference in society (giving back, the environment, building bridges to the local community)?

Who to ask? Clearly you want the top team to be in agreement. The acid test, however, is how middle managers respond. If they are not all on the same page, culture is, at best, an afterthought.

Who owns the culture? When I ask this in culture workshops the responses tend to be "everyone," "the top team" or "the CEO." My own response would have been along similar lines until we brought a puppy into our home. A cute little guy. What was difficult to ignore was his attachment to my wife. Wherever she went, along went the puppy. Why? The answer is simple: she feeds him. This begs the question, who "feeds" the bulk of the workforce? The answer: middle management. The most important group in the organization when it comes to actually delivering the needed culture? Middle management.

The dilemma here is that if one views engagement scores from both sides of the Atlantic, the group that is least engaged — middle managers. It's a group that, taken overall, is disappointed, disengaged, disheartened and discouraged. And when it comes to culture, if you don't get middle managers on board … no one is on board.

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12 The five questions posed are just as meaningful to a small consulting firm as they are to a multinational.

Why have middle managers become disconnected? Top leaders have forgotten the basic law of gravity: effluent flows downhill. And after the best part of a generation of downsizing, rightsizing and upside-down–sizing – where the "Middle Kingdom" is constantly asked to do more with less – the typical supervisor is standing knee deep in it. There is a simple message here. "Invest your next dollar, euro, pound, whatever, in the training, education and coaching of the one group that 'owns' the culture." Paraphrasing Winston Churchill, "Give them the tools and let them get on with the job."[13]

You can't meaningfully impact the role of middle managers without asking, "Are all of the communication channels – especially those preferred by employees who inhabit the informal organization – fully brought into play?"

The only time the formal hierarchy dominates the informal organization is for a brief time every 29th of February. And never before lunch. Perpetuated through a need for inclusion, self-protection and loyalty to one's immediate group, fluid and highly adaptable informal networks are remarkably effective. Lack of attention to these networks (informal communication channels) is a problem in progress.

Three issues are vital here. The first is the extent to which the business builds bridges to the organization's informal leaders. The second is to recognise that traditional, corporate-sponsored, trickle-down communication is like going into the fray armed only with a water

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13 Churchill's Give Us The Tools speech. February 9th, 1941.

pistol when those who would seek a different outcome (malcontents and cynics) come armed with a fire hose (social media). The third is to act on the knowledge that millennials now make up at least half of the workforce.

An organization doesn't have a culture, it is its culture. Is the use of social media, blogs, interactive technology and any other means effective enough to provide the organization with a voice loud enough to interrupt the communication pollution that we are all drowning in? Is the "why" that points to tomorrow's culture clear? With a big enough "why" you can change the world. Where that "why" is missing, more of the same is the best that can be hoped for.

Leadership is a dream with a deadline.[14] Is that dream alive and well across the organization? In town hall meetings, is tomorrow's culture brought to life in the room? Are story, imagery and metaphor seen as invaluable leadership skills? Do the company's reception area, lunchroom, website, training sessions grab people emotionally? Do they capture the company's story? Do they remind front-line workers that without satisfied customers there would be no business? Do they build pride in what makes the organization successful? If not, there is work to do.

Key questions(s): How would those in the middle of the organization respond to the five questions outlined in paragraph one. Unsure? In an informed way? Consistently? How can middle managers be educated, trained, involved, supported and inspired in order that they will be able to successfully deliver their central role in creating tomorrow's culture?

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14 This is attributed to numerous sources. I first came across it from, the late, Warren Bennis.

What Makes the BUSINESS SPECIAL?

How Do We Make Money?

Culture isn't an adjunct, a sideshow or a sandbox for those with a love for all things abstract. Culture is real, practical and central to what makes a business endure. For the business to sustain, the culture has to attract top talent, retain outstanding leaders, provide the agility needed for different strategic scenarios to be realised, create the space for innovation, move best practice across the organization, accelerate learning, nurture risk, empower those closest to the customer to make key decisions, ensure that the environment is a priority and align the organization's resources with why the customer buys – today **and tomorrow**.

A business exists primarily to create tomorrow's customer.[15] Profit is obviously important but it's ultimately an outcome of delivering a winning value proposition. The organization's culture delivers both the *outward-looking* (why buy from us?) and the *inward-facing* (why work for us?) value propositions. Of the two, the latter is the more important.

If the customer-facing brand promise doesn't live inside the organization it can't live in the marketplace. If employees don't support the organization's promise within the customer space it matters not how strong the product or service offering is. As identified earlier, brand simply means **B**etter **R**esults **A**nd **N**o **D**isappointment. A disappointed employee = a disappointed customer. And based on the business sector, the multiplier effect (number of customers a market-facing employee can influence) may well be 50, 100 or even 1,000 to one.

If the inward-facing value proposition is found wanting, expect to spend more money on employee churn than on innovation; expect to lose your best people to a competitor who does have a culture that people connect with. In the complex equation that defines excellence in talent management, nothing is more important than an environment that builds a sense of belonging.

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15 Peter Drucker.

It's easy to become obsessed about "what we need to do differently." Indeed, the enthusiasm to create "the new" can easily obscure elements of the culture that have historically made (and currently make) the business successful. A man who doesn't read is no better off than the man who can't read. And an organization that loses touch with what makes it special is no better off than an organization that doesn't have anything that makes it special.

If you don't know what makes the business successful – assuming it's central to future success – you can't protect it. Why do people buy what we deliver? Why do our best people stay? What is our core competency? What has made us successful to this point? What is our distinct point of differentiation? What do we do that the competition doesn't? What is sacrosanct? How do we make money? And the answer to that last question isn't always clear.

Beginnings start with endings. Change is about letting go. In the culture conversation, the history that you need to move away from is always an important consideration. That said, if your business has been around for a while and you are still standing, something special brought you this far.

In extended culture workshops, to surface what participants hold dear, I ask teams to express their feelings/insights using images captured beforehand on individual smart phones. I also suggest, as part of that preparation, that they use their imagination. If it's an emotion or a concept, I prompt them to draw a simple sketch and take a picture of it. If it's a specific individual or team, I ask them to take a picture of that person/team. A unique product, a notice board, a letter from a customer, kids' pictures in the lunchroom … nothing is off limits.

In small groups, participants share and discuss the pre-printed images. They identify the six or seven images that carry the most meaning for the group. A plenary session follows. The resulting montage of images – often filling one wall – provides the backcloth to a unique and important conversation. One insight that often emerges, however, is that what those at the top suggest makes the business special isn't always what those on the front line take pride in.

None of this is to suggest that the organization's distinct competitive advantage is written in stone. Today's winning offering is often tomorrow's commodity. And customers certainly don't want a broader offering if it takes away from excellence in what you do best.

Key question(s): As you move forward on the culture journey, what attributes of past success are you working to retain? How have you identified what those key attributes are? What are you doing to nurture/protect/evolve what it is that makes you special?

One Culture or MANY?

Being Different But Being the Same

Is it possible for an organization to have only one culture? In a multidivisional organization, it can be assumed that the different divisions will have somewhat different cultures. It's also the case that, even within the same division, the likelihood is that there will be sub-cultures (manufacturing vs. sales). And in the network organization, different entities that do the same thing may well work *(successfully)* very differently. An international dimension only complicates things further. Where the businesses are very different there may well be a case to take a portfolio approach.

The assumption that different business entities – regardless of location, history, clock speed, product and/or customer base – should behave/operate in the same way is undesirable and unworkable. That does not mean that a degree of "oneness" cannot be achieved. A common, compelling purpose, shared values, an overall push for diversity, inclusion, being customer-driven, a mutual philosophy around collaboration, the discipline that goes into talent acquisition, support for the local community, the need for candour, pooled best-practice and leaders who care can all build "sameness" while still recognising the value of "difference." Conversely, attempts to enforce one approach with regards to, for example, compensation and/or talent management can create a degree of coercive tension that is less than helpful. "Tight – loose" is a useful metaphor.

Being "different but being the same" is found in African drumming. Firstly, the "ensemble" will be made up of different drums. At the same time, complex, changing and complementary rhythms can be heard from groups of different players. What brings it all together? What makes it work? Dominating everything is a bass drum that beats out the

time. Played by a master/lead drummer, the bass beats out a meta rhythm that all of the other drummers follow. Think harmony and not alignment.

A variation on the need to embrace different cultures is found in, what can best be described as, "parallel structures." A design engineer works within the established structure four days a week, but on the fifth he/she is given freedom to create customer value outside of any established goals, traditional boundaries and/or direct supervision (3M). An assembly line worker works a regular eight to four shift. Other than to stop the line when there is a quality or safety issue, he/she has little personal discretion. At the end of the shift, however, he/she joins a team of colleagues to "improve/change" the processes that dictate how they work during the course of the day (Toyota). Don't expect people to innovate if they have to work in a straitjacket. If you hire the best, if you have a stable of thoroughbreds, you have to let them run free, for at least part of the time.

Moving beyond the parallel structure we have the "alternative structure." Tomorrow **will** be different. We know we have to organize and approach delivering value for the customer differently but we can't simply throw all the cards up in the air and start again. And how do we move forward if we can't change everything at once? The answer? The "innovation garage" – a carefully chosen part of the business is parked separately to the rest of the organization. The goal? With tomorrow's customer in mind, explore and experiment with: (1) what it means to be customer-driven; (2) tomorrow's organization design; (3) future technology; and (4) the most effective way to work. In other words, create tomorrow's culture, today.

Attempts to build "one culture" may be a forlorn hope but it's important to identify and understand the different cultures involved. Measurement is a case in point. "Exactly what are we measuring?" See Chapter Seven.

Key question(s): Do you have one culture or many and, if the latter, how do you manage that difference?

MEASUREMENT

Movement Without Measurement is Momentum Without Meaning

Historically, there have been three levels of change: (1) transactional – do more of what we have always done better; (2) transitional change – significant change but we have time to evolve; and (3) transformational change – reinvention and do it now. A fourth – exponential change – is knocking loudly on the door.[16] The latter is a series of continuous step changes, where each step is significantly greater in scope and intensity than the one that went before. Any successful change agenda that moves beyond being better at what you have always done is, literally, about changing the culture. The engine of that change? A leader who first knows how to successfully introduce the culture conversation.

How important is culture measurement? You can't manage what you don't measure. If you don't know where you're going … don't be surprised if you don't get there. No less problematical, it's difficult to raise the bar if you don't know how high it is. Think of it this way – not measuring culture is to buy something online with the assumed belief that if you didn't choose the size it will, nevertheless, fit you when it arrives. Without measurement, culture drift can be assumed.

In the culture conversation, it's important to relatively quickly capture the culture the organization has today (roots) and the culture that is **needed** (wings) for the firm to be successful in the future (two years out being a meaningful time-frame). A measure of culture that identifies today's culture but doesn't clearly capture where you need to be is just another way to say, "We know where we are, but other than that, we are pretty well lost."

Intellectually appealing as many of the sociological, linguistic and approaches focusing on values congruency may be, if the cultural journey isn't described in business terms, the top team – keeping in mind that most senior teams have a notoriously short attention span –

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16 Exponential change as it applies to developing technology describes today's reality. As it applies to *implementing* technology it is something of a modern myth. No matter how quickly new technology becomes available there will be a needed lag time for society to catch up. Think of a series of sigmoid curves and not a straight line. In supermarkets around the world, although autonomous technology to totally replace hundreds of thousands of check-out employees (cashiers) has been around for a number of years, it has yet to be implemented.

will quickly move on to the next topic. To wit, language that sounds as if it belongs in a third-year psychology class belongs in a third-year psychology class.

Today's level of unprecedented uncertainty, meanwhile, demands a culture that is both strong and agile (StrAgility).[17] Strong enough to build commitment to the culture the organization needs moving forward. Agile enough to "enable" the right change scenarios to unfold. In addition to measurement, a "strong" culture draws on: a compelling purpose; the organization's values; ensuring that "the customer" sits in every meeting;[18] a sense of urgency; middle managers who connect strategy with action; tough-mindedness when demanded; and clear goals supported by the discipline of delivery.

"Agility," meanwhile, draws on: trust; diversity; inclusion; the right organization design; an ethos of innovation;[19] psychological safety of the team; ongoing coaching; appropriate freedom to act; a risk-orientation; and leaders who know how to work at the level of mindset. As to the future, only an optimist standing on stilts would dare to even imagine that things are going to slow down any time soon.

It's not a matter of one-size-fits-all.[20] A conversation with the Board benefits from its own way to shape the conversation – and thus measure – the organization's culture. Working with the top team, similarly, must be approached differently. Assessing culture as central to talent acquisition? Here we are describing a third type of measurement. And when it comes to company-wide assessment of culture – again, its own measurement approach is necessary. See one such assessment of culture starting on page 41.

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17 "StrAgility" is a word created by the author to describe the emerging culture challenge.

18 With the customer in mind, I like the notion of having an empty chair at every meeting. A card with "the customer" printed on it, in front of the empty chair, acting as a constant reminder that being anything other than customer-driven isn't an option.

19 Innovation = curiosity x dissatisfaction with the status quo x creativity (conceptual and/or experimental) x propensity for risk x speed of learning.

20 We have evolved several unique and proprietary ways to measure culture. One approach works perfectly with the Board; a different process is perfect for the top team to go through (half-day Culture Workup); a third approach was designed for company-wide input; and a variation on the Culture Workup is central to culture fit in talent acquisition. For the new CEO, or the seasoned CEO who recognises that tomorrow's organization culture is a leadership imperative, the half-day, Culture Workup represents a one-of-a-kind opportunity.

The challenge implicit in any approach to measurement is to steer the conversation away from a discussion/assessment around an aspirational culture (what those involved would like to see … an easy trap to fall into) to one where the future being described is both pragmatic and meaningful. We **need** to make this change. Is the change outlined attainable? Are the priorities clear? Are the timelines outlined practical? Do we have the team to do this?

Key question(s): Movement without measurement is momentum without meaning. How do you measure culture?

Strategy VERSUS Culture

Culture Enables Strategy

How do strategy and culture complement each other? First, it's important to emphasise that in a world where today represents the fastest things have ever been – but the slowest they will ever be – it's untenable to think that strategy can drive culture. The new reality? "Culture enables strategy."

What does "enable" mean? It's a mistake to even think about developing a meaningful strategy until you have first identified the culture you need to compete successfully in the future. In a turbulent world, strategy is, at best, a work in progress. It represents agreed signposts on the journey but the organizational path you have to create and follow is ultimately defined by your culture.

It would be foolish to suggest that you don't need a strategy.[21] It's just that it must always be subordinate to, and informed by, the culture you need (not want) to create in the future. What will be around long after strategy has been shredded is your culture. The implications?

1. Although it's been a mainstay of academic teaching for several decades, it's a misstep to define the strategy and then ask, "What sort of culture do we need to land the strategy?" If you seek to change the culture every time you have to revisit the strategy, fail now … it will save time later.

2. When subordinate teams lack insight and commitment – strategy is less impactful than it *might be*. When peer teams lack emotional buy-in – strategy is less effective than it *should be*.   But when **tomorrow's** culture doesn't enable it – strategy amounts to little more than what *could be*.

3. A "black swan" (unexpected and sweeping economic disruption) running into the road is assured. If strategy and culture collide there will be only one winner.

4. Competitive advantage is fleeting. Today's point of difference is what it will take tomorrow just to get in the game. The only truly sustainable competitive advantage is how quickly the organization learns (culture).

5. In a business climate marked by turbulence, the value of developing strategic scenarios is compelling.

Key question(s): What role does culture play in the business when developing a winning strategy?

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21 Not having a strategy is like standing on the first tee and not knowing where the hole is.

A Team of TEAMS

If You Don't Grow the People in the Business, You Can't Grow the Business

It is already evident that there is a significant disconnect between the opportunity digitalisation offers (cost, speed, productivity and agility) and a way to organize that has its roots in the last century (hierarchical structure). It took a third of a century for new organizational forms to emerge in the twentieth century and, in like vein, it's still not clear what lies ahead for organization design in this one. In the meantime, overtures suggesting that the immediate future lies with the absence of hierarchy, self-managed teams and a "boss-less" workplace should be labelled "adopting this could be extremely dangerous to your organization's health."[22]

As technology becomes ever more pervasive, the meta question becomes, "What is an organization?"[23] What is clear is that tomorrow's organization will be Flat, Fast, Focused, Flexible, Followership dominated, and Fertile (to new ideas). It will also be a team of teams. Teamwork has always been a critical issue in building a successful organization. Moving forward, it will be even more so. Work on culture poses the following questions:

1. If you don't grow the people in the business, you can't grow the business. Is the coaching that takes part on the team – especially when team members coach each other – informed by the culture the organization is working to create? How could you ensure that is the case?

2. Is it normal for team members, regardless of status, to challenge other team members if the way that a colleague behaves or if the actions suggested aren't supportive of the organization's values? What would it take for that to happen?

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22 Formal or not, all relationships are about power. Assumptions that power can be distributed equally are naïve. The organization's vision, investment decisions, agreement regarding the strategy, hiring top talent, succession and when to move the production offshore demand an established hierarchy. As we move forward, it might need to change, but hierarchy is part of our nature.

23 There is already speculation regarding the, so called, "Decentralised Autonomous Organization." It's the year 2030. Imagine a technology enabled, crowdfunded business with no bosses, no staff (other than external auditors) and no debt – that provides 24-hour uninterrupted service. Think of a fleet of autonomous vehicles supported by blockchain-backed agreements and where the vehicles check themselves in for repair and/or service.

3. Is the hiring process (external and internal) appropriately skewed to deliver "team fit" – short and longer term? What actions, if any, are needed?

4. You can't manage what you don't measure! Is there an effective and proven way to regularly assess team effectiveness? Is it recognised that when someone new joins the team there is, essentially, a new team? What do you need to do to ensure that new hires understand the culture the organization is moving towards?

5. In developing business, a transactional mindset leads the seller to ask him/herself, "How do we make money from this?" In developing *the* business, the seller asks him/herself, "How do I transform this sale into a long-term relationship? Is it understood that developing a lasting relationship with the customer is a team game? How will you create that mindset?

6. Beyond some form of collective osmosis, it's pretty difficult to grow and improve as a team if there is no agreement around what team success looks like. Do teams across the organization have both *performance* and *team success criteria*? The latter describing four to six "descriptors" – developed collectively by the team – that capture the behaviour needed for the team to be successful. Team success criteria

should be posted in the room where the team meets, reviewed at the end of every meeting and revisited when someone new joins the team. It's entirely misleading to suggest you can change the organization one person at a time. Changing the organization one team at a time, however, is both possible and essential. How and when will you introduce team success criteria? Note: in meetings that involve team members working from home, the suggestions in this paragraph are more important than ever.

7. Is creating/nurturing psychological safety (comfort with speaking out, candour, challenging the status quo, asking tough questions) a performance requirement for even the most junior team leader? How will you make that happen?

8. Is it clear that in much that can be described as "leadership," the leader works for the team? This also implies knowing when to lead and when to follow. What needs to change?

9. Is it understood that in the "art of change," nothing is more impactful than "catching people doing it right?" What will you start to do tomorrow to bring the spirit of affirmation to your leadership?

10. Is the difference between cooperation and collaboration fully understood? Cooperation is two or more people sharing a common goal and where the assumption is that all of the parties will share, more or less equally, in the value/benefit/profit accrued. Collaboration is two or more people, sharing a common goal, where the underlying assumption draws on a good deal of altruism – "your success is more important than mine." Cooperation is a perfectly good way to respond to the customer's immediate needs. Breakthrough thinking, reinventing the game, creating the market – demand collaboration. How will you nurture collaboration?

**Key question(s):** Beyond the obvious (the results), how do you measure team success?

Without **LEADERSHIP** You Ain't Got Much

Leaders Must Lead!

There is no substitute for inspirational leadership: someone who takes people where they otherwise would not go; who employs the head, empowers the hand, engages the heart and enriches the spirit; who builds a great team; who creates tomorrow in the room today; who is skilled in orchestrating "change." To those core attributes add resilience, digital savvy, coaching mastery and all that is implied by the F word (focus).

Here the waters are somewhat muddied by a past body of work defined as "change management." Its origins lie in a time before digitalisation, before ongoing disruption, before today's blazing speed of change and before the need to continuously reinvent possibility. Still an overriding theme in many organizations and, no doubt, invaluable in the past, it is a body of work that needs to be revisited.

Change *changes.* As a measure of how the world has moved on, in his best-selling book, *Good to Great* (2001), Jim Collins points out, "We were quite surprised that fully 80% of
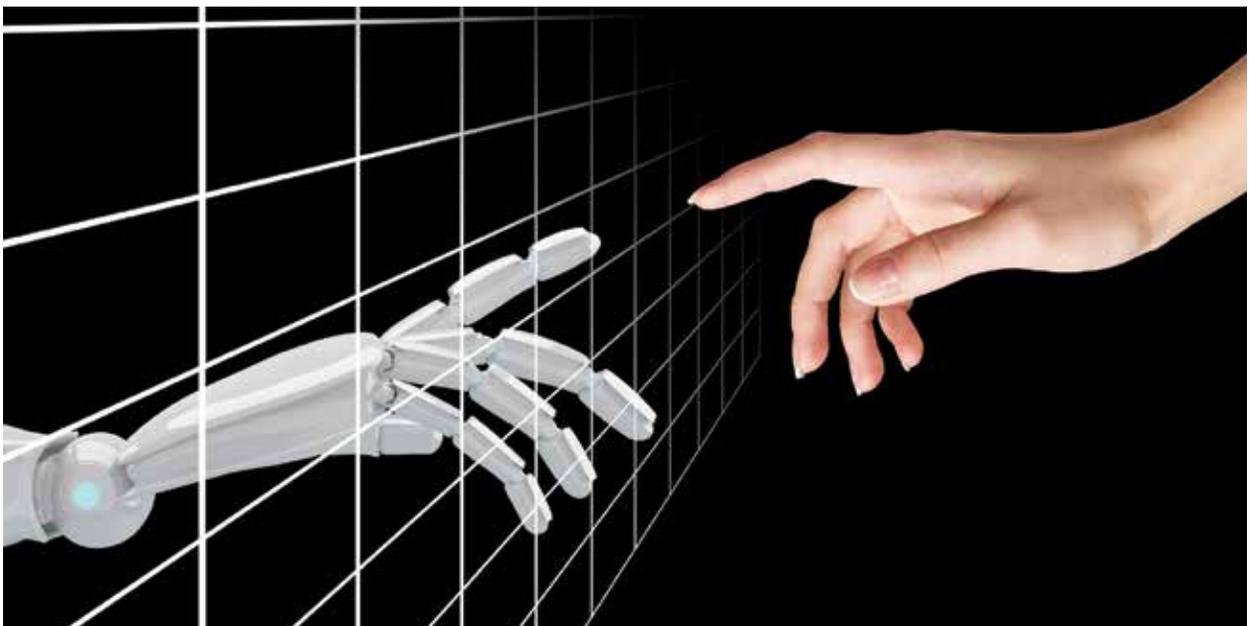
the good-to-great executives we interviewed didn't even mention technology as one of the top five factors in the transition."

Push technology aside today at your peril.[24] That is not to suggest – as many appear to do – that digitalisation/technology/AI, etc., are, on their own, a source of lasting competitive advantage. Culture is a dynamic system and technology an integral part of that system. Culture is the stage – technology one of the lead players. And sitting in the audience? The ever-vigilant customer.

The resilient nature of culture is that it is essentially a series of deeply enshrined habits.[25] And changing a habit doesn't happen overnight. Culture will thus, especially in the short-term, always have primacy. For that reason, launching new technology into a culture that doesn't fully support it is a pretty good way to destroy value. For example, although AI has the potential to move the business to a whole new level, implementation is lagging expectations. A 2019 *Harvard Business Review* article[26] notes, "Artificial intelligence is reshaping business – though not at the blistering pace many assume."   "Despite the promise of AI, many organizations' efforts are falling short."   As to why, the CIO 2020 executive survey reported the following – "disruptive technologies continue to represent a challenge for most companies, with 73.4% reporting an ongoing adoption challenge, and 90.9% citing cultural issues, including people and process, as the principal obstacles."

A further word about technology and change. Simon Sinec introduced us to his three concentric circles.[27] "What" being on the outside. "How" describing the middle circle. "Why" in the centre. Although in selling, framing their value proposition and in introducing change most leaders start from the outside-in (what we do), Sinec points out that truly inspirational leaders always start with why. In introducing breakthrough technology, organizations need to similarly start with a rich and compelling why. For an intervention that will, literally and irrevocably, change their lives – higher productivity, faster response times and/or a greater understanding of who buys the company's product and/or service are, on their own, a tough sell to the typical employee. Motivation without meaning is change without commitment.

Character is destiny.[28] There is a profound difference in the way the West views technological breakthrough and the underlying belief system in Japan. On both sides of the Atlantic, the message focuses on the tens of millions of jobs that will be lost. In Japan, technology is

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24 One need look no further than Boeing to see clear evidence of this.

25 "Changing the culture" means creating new habits. A new way to think about what it means to be a leader, reviewing the strategy, rebuilding trust, renewing the commitment to the organization's values, revisiting the performance management process, reframing the nature of candour, reworking the relationship with the customer, reinventing the organization (design), repositioning talent management, reengaging middle management, recalibrating the speed at which things happen, etc.

26 *Building the AI-Powered Organization.* November 2019.

27 *Start With Why* (2009).

28 From the Greek philosopher, Heraclitus

seen as an opportunity to reinvent society, to strip out soul-destroying jobs and to redirect labour into roles that have meaning and value. Two things shape this thinking. One: an aging workforce declining in size. It has shrunk 13% since 2000. Two: Shinto as an indigenous religion. In Shinto, all things – animate and inanimate – are imbued with a spirit – including rocks and robots. Robots aren't merely mechanical objects equipped with advanced software; they are viewed as a natural and readily accepted part of the world around us. If you visit a bank in Japan expect to be served by a robot.

And what does a great *why* sound like? I recently asked a group of young executives in a bionics company in Toronto why they do what they do. They answered, "To make the wheelchair redundant." Where do I sign up?

None of this takes anything away from the value of a holistic template (model) – one that captures how all of the various elements of change come together. Indeed, the further you venture into the upper levels of management, the greater the degree to which *learning how to learn* comes to the fore. Provide that map but recognise that leaders must lead. Acknowledge that leaders, real leaders, do lead!

With the above in mind, see the Orxestra Change Model (Figure Two, page 38). Note the five key elements that are invariably missing from traditional change management practice: (1) The power of context; (2) Change must be future oriented and driven from the outside-in (e.g., tomorrow's customer); (3) The need for measurement; (4) the role of technology; and (5) speed of learning.

Key question(s): Assuming a focus on a successful tomorrow involves a degree of change – in all probability a significant degree of change – what interventions, processes and ways to move forward describe how that change will be enacted?

"In a complex and turbulent world, to lead is to be in the emotional transportation business."
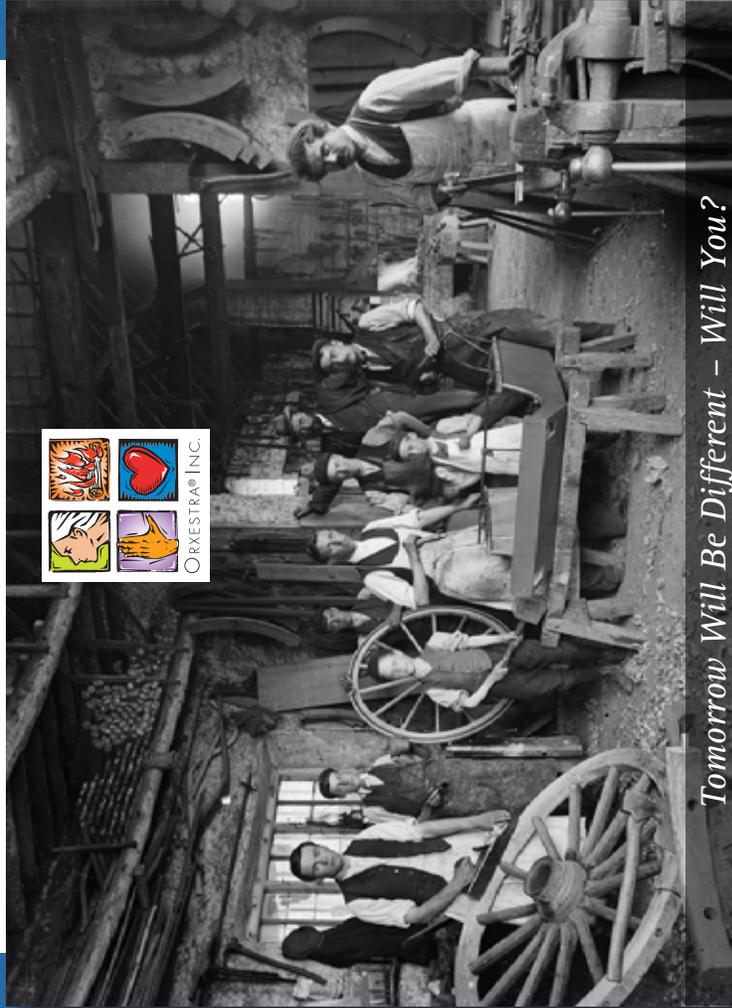
Tomorrow Will Be Different – Will You?

Knowing is not enough ... you have to BELIEVE!

(Wider context + what will the customer be prepared to pay for tomorrow + dissatisfaction with the status quo + measure the culture we have and the culture we need + technology, innovation, structure, processes, talent and leadership needed to get there) x speed of learning

"Speed of learning is the only truly sustainable competitive advantage."

John O. Burdett © 2021

Figure Two

"An organization
doesn't have a culture,
it is its culture."

CULTURE ASSESSMENT

Creating tomorrow's culture, TODAY.

TRANSEARCH
YOUR WORLD PARTNER IN EXECUTIVE SEARCH

John O. Burdett

ORXESTRA® INC.

Coming Out Of This
CRISIS STRONGER
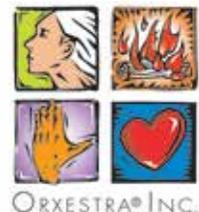
Assessment

There is a veritable plethora of advice about how to get through this crisis. These suggestions tend to run along the lines of, "How do we manage our way through this?" It's a great question. The dilemma? It's incomplete.

A follow-up, complementary, strategic (leadership) question will, in the fullness of time, prove to be even more important, "How do we come out of this crisis stronger?" We can assume that the majority of established businesses will find their way through this. The winners – those who steal a march on the competition – will be those that seize the opportunity to build a more competitive/agile business model.

There are three levels of "getting stronger" as a business: (1) addressing issues that are clear and obvious – overt behaviour, systems and/or processes; (2) why things happen – established habits, what does it mean to be a team, the role of the informal organization, what has primacy when it comes to decision-making; (3) mindset – the thought process people access to shape their reality. Together they define the "organization's culture."

Moving beyond today's crisis isn't simply about having a better plan. To come out of this stronger you need to think differently about the business that will emerge. The organization culture we shape will determine not only what is possible but, more importantly, what becomes possible! The assessment draws out today's culture (roots) and the culture needed (wings) to create and initiate tomorrow's success, today.

When we are through this – and we will get through it – how do you want to be remembered? As a "me too" manager who endorsed the status quo … or a leader who made the business stronger? Following the band … or enhancing your own brand?

Tomorrow Will Be Different – Will You?

Creating Tomorrow's Culture, **Today.**

Go through the assessment either individually or with your team. Review the assessment with two central questions in mind. "Where are we today on the 5-1-5 scale?" And using the same scale, "Where do we need (not want) to be?"

Consider, which descriptor best describes where your organization is today? Score (X) to capture your level of agreement with that statement (5, 4, 3, 2, or 1). A "5" suggests you strongly agree. Repeat to describe where you believe you need to be (✓). How far you look into the future is a factor of the business sector you are in. A good default assumption, however, would be 24 months. It is quite possible, that on any single question, where you are is where you need to be.

In thinking through "Where do we need to be?" consider the following:

- What did you learn from the Covid crisis?

- What is special about your business that you must retain?

- What do tomorrow's customers want to buy and how do they want to buy it?

- What would it take to attract the customers that are currently out of reach?

- What would it take to attract and retain the very best people?

- Digitalisation isn't simply a matter of investing in technology. How are you going to "rewire" the organization in order that you optimize the return on investment from that technology?

- What do you need to do to become more agile?

- What will it take to move faster?

It is also important to ask: "Do we have the leadership in place to make this happen?" "Are all of those in pivotal roles totally committed to this degree of change?" After going through the assessment (including any "From What to What?" dimensions you may have added) identify: 1. What elements of today's culture are critical to tomorrow's success (Roots); and 2. The five to seven key changes demanded if we are to start to create tomorrow's culture, today (Wings). More than seven will make the challenge overwhelming.

Joining the points that describe where we are and, similarly, joining the points that describe where we need to be, will give a very helpful, visual "map" of the cultural journey.

Tomorrow Will Be Different – **Will You?**

From What To **What?**

1. We have a history where performance slippage has become acceptable.

   5 4 3 2 1 2 3 4 5

   Across the organization, nothing less than performance excellence is acceptable.

2. Our vision is clear to those at the top but has less impact as we move down the organization.

   5 4 3 2 1 2 3 4 5

   Those who meet the customer every day understand and totally buy into our vision.

3. If they deliver results, we tend to tolerate those who don't always consistently live our values.

   5 4 3 2 1 2 3 4 5

   Regardless of level, we confront and, where no change occurs, move out those who don't consistently live our values.

4. People don't always feel free to speak up.

   5 4 3 2 1 2 3 4 5

   Even using a digital platform, team members feel free to speak up.

5. Because we lack a common purpose, teams and individuals have to find their own reason to be.

   5 4 3 2 1 2 3 4 5

   The "Why we do what we do" is clear. A compelling purpose underscores everything we do.

6. Our values amount to little more than a statement of intent that few buy into.

   5 4 3 2 1 2 3 4 5

   Our values are current, relevant and the bedrock of tomorrow's success.

7. Our leadership ranks are dominated by one gender and/or those with a similar background.

   5 4 3 2 1 2 3 4 5

   Recognising that it positively impacts business performance, we take every opportunity to build a diverse workforce – starting at the top.

8. We have a traditional, linear and unidimensional approach to strategy. One plan.

   5 4 3 2 1 2 3 4 5

   We recognise that disruption and uncertainty frame future success. As a result, we have adopted a scenario-based approach to strategy. Several future strategic alternatives.

9. The connectivity we need is handicapped by the technology available.

5 4 3 2 1 2 3 4 5

The technology we have access to is not only outstanding but the training provided is exemplary.

10. We focus all-too-often on what isn't working.

5 4 3 2 1 2 3 4 5

Affirmation and catching people doing it right is how we do business.

11. Our structure is centralized, hierarchical and overly influenced by a silos mentality.

5 4 3 2 1 2 3 4 5

Our structure is Fast, Flat, Focused, Flexible, and Fertile to new ideas.

12. We tend to be product-driven.

5 4 3 2 1 2 3 4 5

We are, unquestionably, customer-driven.

13. The employee experience: constrained, stifled, held back.

5 4 3 2 1 2 3 4 5

The employee experience: challenged, trusted, engaged.

14. Although there are lots of good ideas in the business, they either aren't listened to or don't get implemented.

5 4 3 2 1 2 3 4 5

Innovation is our stock in trade.

15. Fitting in, going along and swimming with the tide is how you get on around here.

5 4 3 2 1 2 3 4 5

We make room for people with unusual and/or creative gifts, for the mavericks and those who challenge the status quo.

16. The role of the centre is to monitor, measure and approve (or not) requests from the operations.

5 4 3 2 1 2 3 4 5

The role of the centre is to support the operations in their quest to become better businesses.

From What To **What?**

17. We are slow to respond to changes in the market place.

5 4 3 2 1 2 3 4 5

We are agile, responsive and create distinct value in the way we respond to the customer's emerging needs.

18. We all-too-often hire from the outside when faced with key leadership openings.

5 4 3 2 1 2 3 4 5

We act on the belief that to grow our business we must first grow our talent.

19. Too many rules and/ or inefficient processes for things to get done without delay, frustration and compromise.

5 4 3 2 1 2 3 4 5

Middle managers are stretched, trusted, encouraged to be decisive and given the freedom to act.

20. We recognise that as a business what we offer is basically a commodity.

5 4 3 2 1 2 3 4 5

Our unique point of differentiation is clear to suppliers and customers alike.

21. "Tell and listen" and "tell and sell" dominate the way leaders act.

5 4 3 2 1 2 3 4 5

Coaching mastery is alive and well across the organization.

22. Keeping employees informed: we rely heavily on "trickle down" communication from the top.

5 4 3 2 1 2 3 4 5

Keeping employees informed: we use social media, interactive websites, blogs and other tools to nurture the grapevine.

23. We are trapped by constantly fixing the day-to-day.

5 4 3 2 1 2 3 4 5

We have built the capacity such that, where and when needed, we reinvent ourselves.

24. Sustainability and the environment takes a backseat to short-term profitability.

5 4 3 2 1 2 3 4 5

Recognising its growing importance to employees, customers and the community, "being green" is a strategic imperative.

25. We have a "one-size-fits-all" approach to compensation, benefits and terms of employment.

5 4 3 2 1 2 3 4 5

Our compensation, benefits and overall terms of employment reflect the needs of different groups.

26. Decision-making rests in the hands of the few.

5 4 3 2 1 2 3 4 5

Wherever possible, decisions are made as close to the customer as possible.

27. Information technology focuses largely on becoming better at what we already do.

5 4 3 2 1 2 3 4 5

Information technology is the means through which we surface and then shape tomorrow's possibility.

28. Our thinking around brand is focused almost exclusively on the customer.

5 4 3 2 1 2 3 4 5

We act on the sure knowledge that if our brand promise doesn't live inside the organization it cannot thrive in the marketplace.

29. Top leaders tend to be isolated from the day-to-day and thus hear what people think they want to hear.

5 4 3 2 1 2 3 4 5

Top leaders, regardless of role, regularly meet informally with: (1) front-line employees; and (2) customers.

30. We tend not to celebrate success.

5 4 3 2 1 2 3 4 5

Celebrating success and a sense of fun define who we are.

31. Manage the business from the inside-out.

5 4 3 2 1 2 3 4 5

Manage the business from the outside-in.

32. We assume that if a team is delivering results it is operating as "a team."

5 4 3 2 1 2 3 4 5

We regularly assess (measure) how even our most successful teams work together "as a team."

33. We tend to be a predictable, steadfast, "steady as you go" organization.

5 4 3 2 1 2 3 4 5

A sense of urgency runs through everything we do.

34. We use traditional marketing channels to get our message across.

5 4 3 2 1 2 3 4 5

We use a range of marketing vehicles including: social media, e-mail, mobile marketing and unique applications.

35. A push to deliver the "numbers" (and not much else) is assumed to inspire people.

5 4 3 2 1 2 3 4 5

Successful managers bring the dream to life, they believe it will happen, are great storytellers and act as role models.

36. Our leadership competencies better reflect where we have been, rather than where we are heading.

5 4 3 2 1 2 3 4 5

Our leadership competencies are fully aligned with tomorrow's success.

37. We suffer from a "scattergun" approach to setting performance priorities.

5 4 3 2 1 2 3 4 5

We focus (laser-like) on those performance drivers that make a real difference.

38. "A collection of tribes:" sameness, protect your turf and a philosophy of exclusion – define who we are.

5 4 3 2 1 2 3 4 5

"Community:" diversity, cross-functional integration and inclusion – describe who we are.

39. We pretty well rely on tried and true ways to distribute our services/products.

5 4 3 2 1 2 3 4 5

We constantly seek more effective and more efficient ways to distribute our services/products.

40. Collaboration has to be pushed and shoved before things happen.

5 4 3 2 1 2 3 4 5

Collaboration and sharing best practice is the norm.

41. Hiring focuses on the role as it is today (a replacement mentality).

5 4 3 2 1 2 3 4 5

In hiring, we seek to identify those who will succeed in tomorrow's culture.

42. Design and development are almost exclusively carried out "in-house."

5 4 3 2 1 2 3 4 5

We utilize crowdsourcing and other tools to make the customer part of our business.

43. Our marketplace philosophy is that of "If we make it they will come!"

5 4 3 2 1 2 3 4 5

We lead our competitors in recognising the customer's desire for choice, uniqueness, and intimacy.

44. Far too many of those in key roles think of the organization as a safe and protected harbour.

5 4 3 2 1 2 3 4 5

Our managers think and act like entrepreneurs.

45. Teams are expected to find the way forward on their own. If they meet the goals established they are assumed to be operating effectively.

5 4 3 2 1 2 3 4 5

We regularly assess team effectiveness, insist on coaching excellence and can define, specifically, what each key team needs to do to move to the next level.

46. Our service mindset is all about how we respond when things go wrong.

5 4 3 2 1 2 3 4 5

Our success in delivering service excellence lies in anticipating problems before they arise.

47. As often as not, employees have little insight into how what they do impacts others further down the value chain.

5 4 3 2 1 2 3 4 5

Meaning: the sight-lines between the work people do and how that makes a difference in other peoples' lives is something we work at constantly.

48. Our approach to remote working, although fully addressing day-to-day issues, limits our future potential. Our people tolerate it.

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Our approach to remote working endorses inclusion, stimulates innovation and embraces collaboration. Our people love it.

49. If it's not the safe option, risk free, and based on what we have done in the past, people will say, "It can't be done."

5 4 3 2 1 2 3 4 5

Our tolerance for ambiguity and a willingness to explore new possibility are extraordinarily high.

50. Although, as a business, we have a great story, we don't always tell it well.

5 4 3 2 1 2 3 4 5

Be it in recruiting talent, business development, our website and/or in communication generally, we present a consistent and inspiring story.

Creating Tomorrow's Culture, **Today.**

"The fight is won or lost far behind the lines, in the gym, and out there on the road – long before I dance under those lights."

Muhammad Ali

ROOTS: The Cultural Characteristics We Must Retain

Note: In addition to those characteristics brought up in the assessment, add any other cultural roots that have to be retained

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WINGS: The Change We Have To Deliver

Note: Add any "what to what" changes not covered by the assessment

1. ← FROM: From What To **What?** TO: →
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2. ← FROM: From What To **What?** TO: →
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4. ← FROM: From What To **What?** TO: →
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WINGS:

5.

← FROM: From What To **What?**   TO: →

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Scope of change: Check one (✓)			
	Transactional	☐	Do what we have always done, better
	Transitional	☐	Orchestrate change – evolve
	Transformational	☐	Sweeping change – act now

Overall time line for achieving the above

☐ 6 months   ☐ 12 months   ☐ 18 months   ☐ 24 months   ☐ 30 months   ☐ 36 months
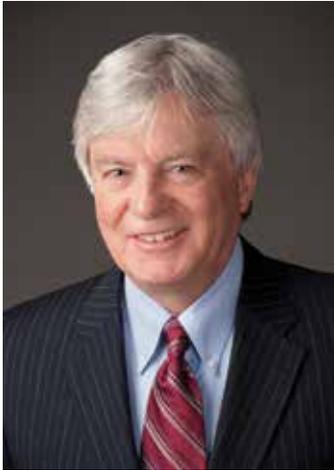
John Burdett has worked in over 40 countries as an executive and as a consultant for businesses that are household names. He has worked on and continues to work on leadership development and organization culture for some of the world's largest corporations.

His ongoing partnership with the Bedford Consulting Group and TRANSEARCH INTERNATIONAL means that his proprietary work on talent acquisition, in any one year, successfully supports many hundreds of top leadership appointments on six continents.

He holds a doctorate in management development and since 2000 has published more than a dozen books (a number of them best-sellers) on various aspects of leadership and organization culture. His Talent Trilogy was completed in 2016. The first in the series, *Attract, Select, Develop & Retain TALENT,* was published in 2013. The second, *TEAM: Align, Build, Connect and Develop*, came out in early 2015. *The Empty Suit*, in 2016. *The A-Z of Organization Culture* came out in 2017. *Tomorrow Will Be Different – Will You?* was published in 2020.

John has a number of books available for download. Go to any of the major, online bookstores. Access using author's name: John O. Burdett

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