



Talking
CULTURE
just for a
CHANGE!

WE LIKE TALKING ABOUT CULTURE

Business and workplace culture to be precise. But more than that, we love making a difference to an organisation's culture.

We all know that a great working culture is a really important factor for businesses. For improved performance, employee engagement, shared purpose, motivation etc...

However, changing, building, or sustaining a successful workplace culture takes effort and understanding.

**CHANGE
=
EFFORT**

**NO EFFORT
=
NO CHANGE**

**WRONG EFFORT
=
MINIMAL CHANGE**

So where do you put that effort?

Where do you start?

What should you be looking at?

Our Culture Change team have successfully managed and led a number of culture change initiatives with different organisations, from start-ups to large global institutions going through mergers.

We thought we'd share some of these stories to help give you a clearer picture of Culture Change and provide some insights and direction into how you can best steer your own culture change journey.

These 4 short chapters will tell you how to get under the skin of business culture and gain a deeper understanding of how to build a sustainable culture for your organisation.

CHAPTER ONE:
Understanding Business Culture

CHAPTER TWO:
Generating a Purpose-Led Culture

CHAPTER THREE:
Energising Culture Change

CHAPTER FOUR:
Embedding Culture Change

CHAPTER ONE:

UNDERSTANDING BUSINESS CULTURE

A prospective client asked us if we had a questionnaire that would help them understand their current culture. The idea being they could easily identify the current pattern of norms and behaviours and determine the gap analysis against their future strategy. This would then allow them to implement an action plan that would help them deliver their culture and achieve their strategy.

CURRENT MINDSET VERSUS DESIRED MINDSET

It's helpful to consider the assumptions that lay behind a client request. The way they frame the challenge can offer insights on the current culture and mindsets that lay behind them. This particular request was coming from an organisation that sees culture as a thing to be managed. Do the analysis, devise the gap, and put in place the actions.

The questionnaire is seen as a first step, offering a statistical analysis on behaviours and norms that people currently exhibit in the business. It might even be possible to categorise the culture against some norms from other businesses, which might short circuit the identification of actions needed, and even allow you to measure success.

GETTING UNDER THE SKIN OF BUSINESS CULTURE

To understand a culture, you need to get deeper than just a summary of what is currently visible. In our experience, a questionnaire is of little or no value in the inquiry.

There are many layers to culture, with only the artefacts and behaviours visible. They are informed by the mindsets and assumptions that people hold, which in turn are impacted by their history. To understand and consider how to shift culture, you need a more qualitative approach, recognising that each culture is unique.



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GATHERING CULTURAL DATA

We recently worked with managers in a global bank at Canary Wharf. The artefacts were visible when approaching its huge glass tower. People worked in long rows of standard desks. The meeting rooms were well equipped, but utterly featureless. The artefacts spoke of efficiency and scale as important to the culture of the business.

In contrast, we visited a fast-growing software business in a small office in Amsterdam. Their offices were brightly coloured with some interesting art, and the entrance was rather informal. Many consumer branded goods businesses that we visit have meeting rooms named and decorated after their various brands, with relevant images and colours. They are proud of what they do and the value it brings to their consumers.

Website and marketing literature can also inform us about the culture of a business. You can also examine how the business represents itself to its stakeholders e.g. customers, shareholders, employees and potential recruits. Of course, there are also the goods and services they provide. All of these offer insights into the underlying assumptions and values of the business.

MUTUAL EXPLORATION

To get deeper into behaviours, you need to move beyond observation into mutual exploration. This is partly to surface the information, but also to engage people in the process of change. As soon as you start to explore the current culture of an organisation, you are intervening and potentially making a difference to it. We typically use 4 approaches to help surface the behaviours, as well as the mindsets, assumptions, motivators, and emotional ground:

- **Interviews** - with customers, suppliers, professional advisors, and senior leaders. These are usually structured around current and future desired culture.
- **Focus groups** - virtually or face-to-face. The key is to engage people in exercises that surface both current behaviours, along with what may lay behind them; the stories that are told and the history. Exercises might include things like the tips people will give to new joiners around survival and success. Facilitation is key to draw out the threads; exploring what lays behind the responses offered, building the deeper picture of how things are, etc.
- **Descriptor analysis** - take some of the words in the organisations literature and combine with a bank of generic terms to generate a page of words that might be used to describe the current culture.
- **Analyse survey data** - such as customer and employee data. We are still surprised at how few firms look at such data together; Are there patterns emerging? What is said about the business externally in the media can offer clues as well.

Working with the business to build insights into its culture is a key starting point for change. Information from several sources is vital, but it's a mistake to ignore the snippets that might also uncover something significant.

We need to remember that an organisations culture varies by geography and function. The process should help people in the business to see something they already know through intuition, but that may not be clear in their minds. What is most powerful is not just the descriptions of how things are, but the exploration of the assumptions, motives, and emotional ground that lay behind this.

It's only by working at these levels that you can begin to create a meaningful shift in culture.



CHAPTER TWO:

GENERATING A PURPOSE-LED BUSINESS CULTURE

The CEO of a business in financial services asked us to work with him and his team as they looked to shift the culture of their business to meet the strategic needs of the future.

The business is a large and important subsidiary within a wider group. It is performing well; just had its best year ever. Its current revenues come from its traditional activities, but these are expected to decline as digitisation drives change across the market.

On the upside, this change also creates massive opportunities, with the ability to look at risk across the group and offer services to the market that are not available now.

Whilst the business is settled and secure around its traditional approach, it also knows that growth lies in new areas that require a different expertise and way of working. So how does a business get ready for the change it needs to grow for the future?

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GETTING ENERGISED FOR CHANGE

Most organisations we talk to want to shift their business culture in the context of substantial changes in their market places. The drivers for change are the volatile, uncertain, complex and ambiguous (VUCA) world and in particular, the impact of digitisation on business models and markets.

In Chapter One, we explored how you can develop an understanding of your current culture. The next step is to develop an understanding of your desired future culture.



WHAT'S YOUR PURPOSE AS AN ORGANISATION?

If you want to shift a culture, you have to look to the past as well as the future and you have to engage people across the business and its stakeholders from the outset.

You also need to recognise this is an emergent process, not a simple, logical, sequence of steps. A central start point is connecting to purpose. Purpose is the main business driver for the 21st century. It creates collective shared meaning, and it attracts and motivates people, both as employees and partners, stimulating creativity and inspiring people to be at their best. It aligns how the company creates shared value for all its stakeholders and connects leadership, strategy, and culture.

It's important to look for purpose 'outside in' and 'future back'. You have to understand how others see the business, as well

as what they want from it. That includes customers, partners, and employees, but also wider society, regulators, and the planet that sustains us all.

This means finding ways to engage people around the business in the inquiry, not just the outcomes. It means you have to listen and explore.

Culture is built by individuals who are driven by connecting personal purpose to the organisational purpose.

It is also important to consider the history; why was the business founded, and what has it stood for in the past? The motivational roots of a business and those engaged in it can often resonate now and for the future.

In the financial crisis of 2008, it was clear that many people in banks had moved a long way from the Quaker values from which many of the banks had emerged. Yet the values still resonated for many employees and customers; albeit in a more modern language.

In thinking about how to help our financial services client, a key starting point was to revisit its purpose. Why was it created? How did it add value to the business itself, to its clients, and the wider community? How do the changes in technologies enable it to stay aligned to that purpose, but in a new market context? Getting people engaged in the dialogue and hearing the views of others - inside and out - will help them to buy-in to the strategy and what it means in terms of skills, expertise, and ways of working.

Of course, there are still challenges.

Some will see a safe, secure role as threatened, and may recognise the scale of the gap in their expertise against that future need. It is generally easier to manage such issues when people have engaged with and recognise the need for change, rather than arguing about why we are doing this.

In our experience, people throughout a business (especially those close to the customer) often have a good sense of the threats and opportunities. It is not just the strategists that can see what's happening now and scan the future.

ENERGISING CULTURE CHANGE

For culture change to be a success, senior teams must recognise that they need to lead. Changes have to start with how they are behaving, and the mindsets and assumptions they have may energise or derail this.

External consultants or even internal specialists cannot lead this, though both may have a role to play to inform, challenge, and facilitate. It's important that it is more than just the senior team that take on the challenge.

LEADERS GET THE CULTURE THEY BEHAVE

Leaders cultivate culture through their behaviour; which often means changes are needed in individual and collective leadership behaviour.

Many approaches will help this in practice. Changes to the underlying policies, processes, and structures are important, but often lag the early adoption of the need to change; they are part of the embedding process that follows after enough leaders embrace the change.

To energise change, our experience tells us that three approaches are particularly valuable.

- **Team coaching** to work alongside the senior teams as they progress through change; holding the mirror to their behaviour in the moment, supporting and challenging them as they engage with each other, with their stakeholders and other teams.
- **A specialised leadership** development process that helps leaders understand the need for change and what this might mean for them individually and collectively.
- **Individual coaching** for key influencers in the system who can help to accelerate the journey. They are not about telling people how they need to be different, but standing alongside them as they work through both recognising the need and trying new approaches.

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CHANGE IN ACTION

We worked with a global, business-to-business engineering firm that had grown rapidly through acquisition. They had to integrate the legacy businesses to realise the benefits of these investments; creating a 'one company' culture.

Our work started in partnership with an internal change group, and focused initially on the Executive team; how they needed to do things differently. This meant some deep work to build mutual understanding and trust; including surfacing their doubts as well as their motivators and what they might need to let go of.

This released the energy for the challenge, and they recognised that they needed to lead it. Their next challenge was to engage and energise senior leaders in teams reporting to them and beyond that.

We developed a leadership engagement and development process in which the members of the senior team had a leading

role. This included helping them facilitate much of the activity. We mixed people from different parts of the business so that we began to build the one culture live in the room.

We deepened this by taking people to the parts of the world where the future growth would come from; building an active awareness of these markets. The process worked through what it might mean for all stakeholders, including the leaders themselves. The senior executives were able to role model the changes in behaviour needed in the way they facilitated the groups, and shared their own continuing stories of change.

Part of the work was identifying the business initiatives that already mattered in the business. The next layer of leaders were leading on these with sponsorship from the senior executive team. We worked alongside them as they used these projects as vehicles for enabling change in the culture, as well as delivering on necessary business outcomes.

The change was coming through doing their work differently; not trying to apply something learned in the abstract.

The combination of these approaches energised the change journey and kept it grounded and relevant to the real work in the business.

They created the space to reflect and inquire; to understand how each person needed to understand what they might need to let go of as well as what they needed to embrace.

A lot of this was about shifting their sense of identity from the legacy, acquired business, to the new business that offered future possibilities.

It created the mutually supportive environment that enabled people to make the transition and to share the challenges and frustrations as well as keeping sight of the opportunities.

This is not a simple blueprint for all culture change; every business and strategic context is different.

It does illustrate, however, that an essential step is for all leaders to have an opportunity to engage with the needs for change, and to reflect on what it means for them. They need to have ways to explore and experiment with the different patterns in an environment that both supports and challenges them.

Finally, they [leaders] need to recognise that they have to own the journey; **this is the job of leadership.**

EMBEDDING CULTURE CHANGE

We spoke to the HR Director in a large financial services business about the next phase of their culture change journey. Digitisation impacts how they work, and allows new competitors to enter their market and cherry pick opportunities. They have been a stable business with a strong brand and a comfortable workforce for many years.

They have many strengths to leverage, but they need to disrupt the ways of thinking and working if they are to thrive in the future.

The challenge is they are currently doing well financially; so there is a recognition of the need for change, but not the felt sense of urgency. There is also a need to sustain what is working well now whilst creating the future.

There is no one right route to embedding change. Every business is different, with its own history and market position that has shaped its culture and provides the context for change. We have talked elsewhere about the need to understand your existing culture and what shaped it (Chapter One); the need to engage leadership and people in shaping the future culture (Chapter Two).

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ENGAGE YOUR PEOPLE. MAKE THEM PART OF THE CHANGE.

A central theme is the value of engaging people with the business challenges before trying to devise solutions. A second theme is that the people in the business and key stakeholders need to be part of the process for developing solutions if they are going to land successfully.

These steps are essential to working out what needs to change in the underlying architecture and plumbing of the business, e.g. processes, structures, policies. People recognise the blockages and the places where change is needed to support new ways of working.

In our experience, they are often the consequence of a shift in culture, rather than the cause. For instance, introducing collaborative tools does not lead to greater collaboration. The drive and hunger for greater collaboration will pull through the tools needed to support and enable it.



THE KEY TO EMBEDDING CULTURE CHANGE STARTS WITH BUILDING THE HUNGER FOR CHANGE



WHERE THERE'S A WILL, THERE'S A WAY!

People are natural innovators; they will source what they need to achieve what matters to them. The key to embedding culture change starts with building the hunger for change and the willingness to experiment with new and different approaches.

Some things can get in the way and inhibit change. If the desired shift is from individual performance to collaborative working, then retaining a strong individual reward system is likely to pull you back to the old paradigm.

If you have integrated businesses and want to create a "one company" approach, then you need to have the common financial systems that support this. These may take time, and will need to be implemented with a mindset that is focused on achieving the new ways of working.

Again, you can implement an integrated financial system, but it will not necessarily drive a 'one company' mindset. It may be necessary, but is not sufficient; it depends on how it is used.

For the financial services client we started with, it is likely they need to work harder with their people to understand and engage with the need for change. They might start work on some of the enabling business changes in terms of structures, processes etc., and these may help or may be a distraction. It is likely to be more valuable in the short term to listen to how people see things now. What engages them, and where are

their fears? Do they understand how their business might be re-shaped by the changes in the environment?

If they have internalised this, they will take the lead and pull through the changes needed in response.

Finally, it can be a mistake to think that the change process is about a one-off transition; "we just need to do these few things and then we will be set-up for the future." It assumes we can predict the future context, decide how to be, and make it happen.

In practice, we can map a direction, but will need to adjust to the emerging reality, which will mean accepting further changes. Human institutions have always changed and evolved as the world has changed. Usually this happens in bursts with periods of stability between, mirroring the pattern of evolution in the natural world.

We are now in a period of discontinuity driven mainly by technology changes. It is unclear if or when we will reach a new stability. Many see accelerating change as the new norm, though this may just be the sign of an unstable system.

THE END OR MAYBE ITS JUST THE BEGINNING

Wherever you are on your **Culture Change** journey
get in touch with our Culture Change team:

e: emea-enquiries@gpstrategies.com

t: +44 (0)8085 734 734

