

16 LESSONS IN TRANSFORMING CULTURE

Research shows that only 25% of organisational culture transformation projects deliver the expected results and business benefits. Make sure you're one of them. By Michael Greyling

The reason many business executives continue to embark on this journey in the face of a one-in-four chance of success is that in an increasingly commoditised environment, customer experience and a well-defined customer value proposition is widely recognised as the key differentiator.

How leaders and staff behave (i.e. organisational culture), has an undeniably

large impact on delivering a positively memorable customer experience and delivering against the defined customer value proposition. As such, culture transformation continues to command significant attention in boardrooms across the world.

In our 16 years of specialising in the field of people development and organisational culture transformation, we've learnt 16 key lessons at Grow Consulting. Here they are.



1 The process requires active sponsorship right from the top.

Culture transformation is not the kind of project that can be outsourced to an organisational development consultant or delegated to the human resources director to implement, with bi-weekly status updates in an executive or steering committee meeting. Culture transformation requires energy and commitment over and above the day-to-day operational responsibilities of the business. If the process is not driven right from the top, it will slip down the priority list.

2 The required culture needs to be defined in the context of the strategic intent of the business.

Culture transformation can only exist with clearly defined strategic intent shared by the entire leadership team. Driving culture transformation that does not have clear strategic direction will at worst create or exacerbate confusion across the entire business and at best end up as some nicely designed posters with little impact on a cultural shift.

3 Leaders need to approach the process with 'big minds', taking a perspective of what the broader organisation requires, rather than just a functional view.

In the case of culture transformation, senior leaders need to elevate their thinking and focus beyond their realities to fulfil their roles as organisational leaders. Debates and decisions need to be underpinned by what is best for the organisation in its transformation journey, not what the individual leaders' specific functional or operational priorities dictate.

4 If leaders do not change, the culture will not change. Each leader needs to complete his or her own journey, which may include the 'unlearning' of behaviours.

Effective culture transformation requires leadership transformation. Every leader needs to change, own the process and drive it in an active and engaged manner. A leader improving what he/she already does as a leader is not good enough – not because it's wrong – but because it is inadequate. If leaders do not change, the culture will not change.

5 You can cascade strategy (what we need to do around here) through top down channels, but require strong bottom up involvement to co-define culture (how we need to do things around here).

Although leadership teams need to set strategic direction and actively drive change and renewal in the business by strongly setting direction, there is a risk in assuming the same directive alignment and communication mechanisms will be as effective in a culture transformation journey. Even though senior leadership may opt for defining and communicating the required culture, sustainability in culture transformation is greatly enhanced by allowing staff the opportunity to co-create the desired culture.

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6 Leadership alignment within the top team is critical.

The culture journey is a challenging endeavour that does not need the added complexity of leaders pulling in different directions. It's not an easy process and requires a highly committed and aligned senior leadership team to have any shot at success.

7 Rigorously understand the current reality and plan comprehensively.

For culture transformation scenarios, a detailed analysis of the current reality enables organisations to identify what initiatives will be required to overcome any obstacles and what organisational

strengths can be leveraged to facilitate this. These initiatives must form part of an integrated culture transformation plan with key deliverables and critical time lines with effective project management.

8 Leaders need to make themselves vulnerable and acknowledge both the good and the bad of the current reality.

Facing the current reality and admitting your contributing role to both the good and the bad by means of a structured assessment/survey of the existing climate and culture is critically important for leadership. This not only ensures a solid change imperative as a basis for the transformation, but also starts the process of re-establishing leadership trust and credibility, which often gets compromised in a less than optimal culture.

9 Ownership and accountability for the success of the process needs to be instilled at all levels in the business (not only at the top).

In the context of leaders acknowledging the current reality, it's easy for staff to lay the blame squarely on the shoulders of top leadership and adopt a wait and see approach. This can be debilitating to the culture transformation journey. As such, effort and energy needs to be focused on getting staff to play an active part in realising the desired result (i.e. what can you do at your level to transform the way we do things around here?)

10 Leaders need to play a key role as story-tellers and meaning makers. Leaders need to share the desired culture vision frequently in a simple, memorable format.

Our corporate landscapes are cluttered with an inordinate amount of messages from shareholders, marketing departments, sales campaigns, functional priorities, legislative updates etc. Whether you want to know this or not, your culture transformation 'story' will be competing for 'airtime' in your company with all these other initiatives. The simpler the message, the more frequently it is repeated, and the closer the link to all the other company initiatives, the more relevant and top of mind the culture journey will be. →

← **11** A transformation process cannot be managed by executing a recipe. Driving transformation is as much an unfolding art as a science. Leaders need to keep their finger on the pulse and adjust as necessary.

No matter how well you plan, any change process is 'messy' – especially a process that is focused on sustainably shifting behaviour. It can never be a linear process where the entire journey, with key successes, potential challenges and pitfalls, is clear from the onset. As such, structured feedback loops need to be built into the process to enable you to have a constant view of where the organisation is in its transition. This enables you to take corrective action as and when required.

12 People need to be willing and able to make the transition. It's important to build commitment and the skill associated with the desired behaviour.

Sustainable behaviour shift is both a head and a heart game. As an example, we all know what 'healthy living' looks like, but often find ourselves making the wrong decisions when faced with the choice between a slice of chocolate cake or fruit salad for dessert. It's important to structure

your transformation process in such a way that you not only target the rational reasons why you need to shift the culture (i.e. how it will support the strategy and make you more competitive), but also have a defined work stream targeting the development of skills, attitudes and behaviours required at each tier of the business.

13 Ensure that organisational systems and processes are aligned with the desired culture to ensure entrenchment of the desired behaviours.

Even though organisational systems and processes on their own are not key levers to any sustained organisational culture transformation process (as can be evidenced in many of the 75% of failed culture projects that had this as their main focus), their importance cannot be downplayed. To effectively entrench culture you need to ensure that processes like recruitment, performance management, talent management and development, communication, remuneration and reward are fully aligned and supportive of required behaviour shifts.

14 Journey leadership and management need to focus on driving results while containing the

concomitant anxiety and uncertainty that goes hand in hand with that. It's a balance between no compromise on results and caring for the people.

Being 'hard' on what behaviours are required together with being 'soft' on supporting the people to achieve these shifts is one of the key polarities that needs to be managed during the process. While executive leadership needs to provide the necessary opportunity for senior leadership, middle management and staff to 'be part' of the journey, they also need to hold people accountable, manage performance and apply consequence management should the desired shifts not materialise.

15 Be aware that how you manage the culture change process sends more powerful messages about what the future culture will be than what is said.

Even though 'the way we do things around here' is an oversimplified description of culture, it's very useful to point to the fact that people will take their cue more from what you do as a leader rather than what you say. If you want to transform your culture to a more empowering client centric culture, it would be advisable to structure your transformation process in such a way that your staff be heard and feel that they are truly able to impact the final outcome.

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16 Keep in mind that the culture will change and develop over time. If the process is not consciously steered, it may drift in an undesirable direction.

It would be naïve to think that culture exists and develops in a vacuum. Organisational culture is developed and shaped by a number of variables, including socio-political environment, economic conditions, technology advancements, competitor pressures, business process and operating model changes, changes in leadership and physical office environment, etc. All of the above – and many more external and internal forces of change – continually impact your culture and as with any behavioural contract, organisational culture requires constant assessment, review and redefinition to remain relevant and appropriate. **EM**



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