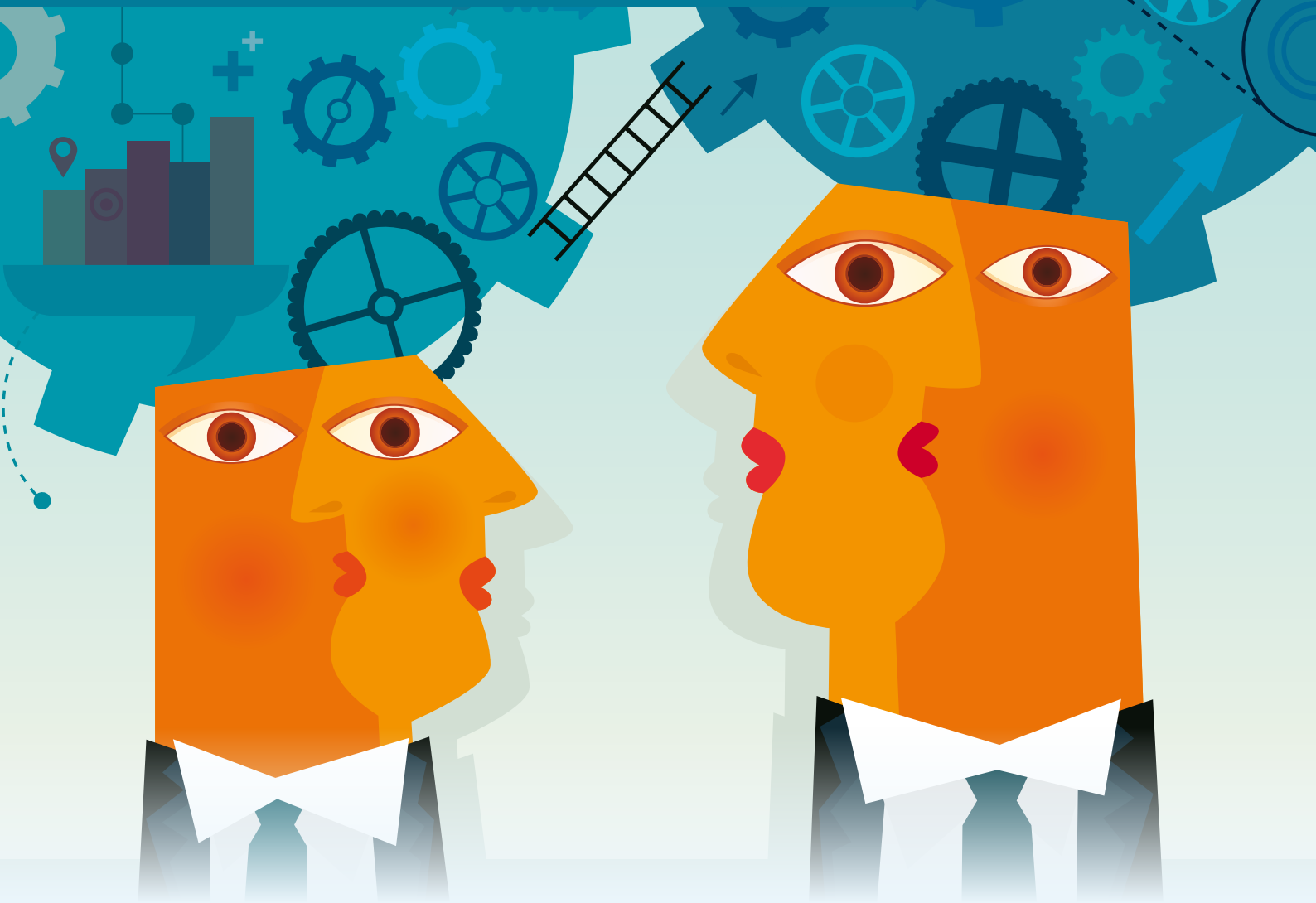


How to create culture change



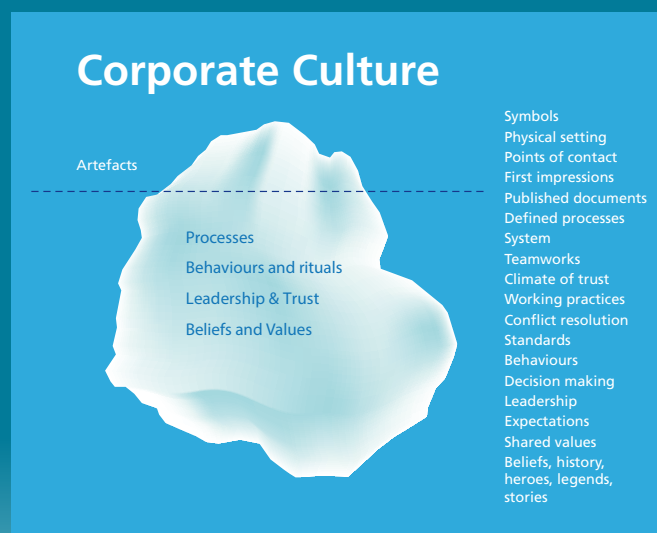
Top teams need to radically shape their business culture so that it is fit for purpose and delivers a superior performance. To do that, they need to understand the dynamics of designing and creating a positive and strong organisational culture, that supports and enables a business to achieve its objectives. [Philip E Atkinson](#).

The phrase 'The culture has to change' is almost a daily occurrence in the media but is anybody listening? In recent history you have to ask 'are the cultures that exist in many of today's organisations actually fit for purpose?'. We have heard it in the context of the uncontrolled demise of Carillion, BHS, RBS, and Worldwide Banking with austerity effects that are ongoing. In the UK, the British MP expenses scandal is still simmering and not fixed. In the auto industry, the disclosure of Volkswagen worldwide emission irregularities is only the tip of the iceberg in terms of unacceptable behaviour

in the sector. Sport is also a casualty. The Sky cycling team are under investigation for the use of the apparently non-regulated and documented use of TUEs (therapeutic use exceptions of certain drugs) in the Giro de Italia and the Tour de France in 2017. The culture of organisations such as football is still in the limelight as is International Athletics. FIFA's culture is under a cloud and investigation for corrupt practices around vote rigging associated with the hosting of the upcoming World Cup. Pressure on the IAAF for 'inconsistency' and failing to maintain 'standards on drug use' resulting in the disclosure of widespread

Organisational culture is vital to delivering the outcomes for which the organisation exists.

Strong Culture	Weak Culture
<ul style="list-style-type: none"> • Culture is deliberate and planned – there is clarity of direction • Right Leadership tone at the top – long term thinking • Focus on business and customer priorities • Core values and behaviour defined understood and adopted • In a crisis people pull together • Positive communication supports the culture • Breeds high achievers • Strong ethical position • Change and innovation are valued 	<ul style="list-style-type: none"> • Culture exists by default & is undefined • Leadership positions change frequently – short term thinking • Internal focus rather than paying attention to clients and users • Bad news is stifled and hidden • Absence of positive role models • Rewards not reflection in actions • Confusion in acceptable behaviour • Vague performance Management • Transactional • Control trumps empowerment • Negative attitude to change



doping by Russian athletes has led to withdrawals in the Olympics, Paralympics and 2018 Winter Olympics. Investigation into the 'bullying culture' of Police and failing NHS Trusts and local authorities is almost a monthly occurrence, as well as poor performance in our wider educational system. It seems that the cultures that operate in many of our institutions, businesses and even charities such as Oxfam, are just not fit for purpose..

How important is culture in the scheme of things?

Organisational culture is vital to delivering the outcomes for which the organisation exists. The culture should match and facilitate the direction, business plan, strategies and operations of the business or organisation, no matter where and when it operates. If direction and goals change, the culture needs to do so first and provide a light towards the behaviours and values that will support the achievement of objectives, also defining those values and behaviours that are no longer helpful or inhibit the achievement of objectives.

Cultures can be weak or strong, negative or positive, forcefully shaped or cast and blown about like a paper bag in the wind – unsure of focus, intention and purpose. Ask the question - 'For what purpose do you wish to shape your culture?' and 'What culture will promote these end goals and outcomes?' Starting with the end in mind is the sole criterion for development at the early stages of culture change.

What is corporate culture and how important is it?

It might be a good idea to clarify what organisational culture actually is and how it can be built, shaped, installed and nurtured. There is much confusion about 'organisational culture' and how to change it for the better.

So, what is culture? It is the infrastructure, the glue that binds together people and processes to generate results. The culture maps tangible processes and activities that permeate the organisation, which should be geared to improved performance. The culture should become the major force that unites and propels the organisation onward.

The culture is founded upon a simple model of the 'cultural Iceberg' which evolved from my book *The Iceberg Agenda* which details and documents the core components of developing a high performance business culture (see diagram).

Most organisations focus on changing those elements of the 'culture' which are easily visible (using the Iceberg analogy above water) but which have little impact on performance. Tinkering with logos, branding, and changing the physical work environment does not lead to performance improvement. However, working on the deeper element of the culture requires instigating serious research into how positive corporate beliefs and values can be installed in the organisation and manifest in significant corporate performance. To create a culture that reaps tangible financial results requires a thorough analysis leveraging causal relationships and creating significant performance improvement.

Measuring cultural change has to be specific and precise

Behaviour change is central to any meaningful cultural change. The secret is to focus on specificity and precision in shaping the culture, to promote and reward precise behaviours. You have to measure progress and positively

Anyone who manages others has leadership responsibility and is accountable for the culture in which they operate.

correlate corporate values to generate specific behaviours.

My big criticism of many practitioners in the field is that they prefer to work on warm generalities that are no more than platitudes offering little actual change. There must be specific or measurable goals achieved through specific behaviours.

Tracking the impact of beliefs on specific corporate values, values on precision of management style and defined behaviours, is central to bringing about meaningful change that can be measured and monitored.

Espoused vs real values

Paramount to the organisation is a 'wake-up call' between real and espoused values. Real values are what drive behaviour in the organisation. 'Espoused values' are what the organisation says it stands for. Research indicates that there can be a real disconnect between 'what is vital' and 'what the organisation says is important'.

To measure change you need an accurate system for tracking and implementing 'best practise' and tangible improvement. Working on corporate values drives leadership and management style, shapes and changes actual individual and team behaviours and performance. Until behaviour changes, nothing changes.

Typical business cultures evolve by accident rather than design

In the majority of cases, the typical business culture that evolves is largely a matter of accident or luck, rather than the result of a planned intervention. Our research in a large variety of organisations tells us that in many instances, the 'culture' does not fit the business model, the strategy or business plan. We have encountered instances where the culture operates counter to the intention of the organisation and inhibits the actual achievement of objectives. There is a negative correlation between 'what we want to achieve' and 'how we manage ourselves to achieve our objectives'.

There is one instance when we worked for a membership organisation that thought it was externally focused on its members. In actual fact, it was driving all but the most loyal away because it was too internally, rather than externally, focused on 'command and control in internal processes' rather than listening to the service user.

Guardians of the culture

Ultimately, culture is the responsibility of the management or leadership team. It is within their control but not all choose to exercise it or know how to do so.

The actions or inactions of the 'top team' culture will impact on the achievement of organisational goals and objectives and will either aid or hinder your organisational outcomes.

The culture can be an enabler but is usually a blocker

The culture may stop you introducing change quickly or, alternatively, it may be the defining factor that enables changes to be introduced with ease, without fuss, confusion or panic. Most importantly, the leadership team have to understand that their responsibility and behaviour is vital in shaping the culture to deliver results.

Key individuals shape the performance of an organisation

Whether the management team commits wholeheartedly or does nothing at all, your business will have a corporate culture. It could be the result of key people impacting the organisation either through their 'joining' and or 'leaving' the business. In many businesses, the sheer presence of one charismatic individual will positively shift the organisation forward. Their 'charisma' is good for the business. Everything they touch, influence and design, has far reaching consequences and creates improvement, growth, profitability and desired and measurable outcomes.

Conversely, in other organisations the presence of key individuals (with the wrong intent and personal leadership chemistry) can be the kiss of death. The impact on the culture of key people is a major issue. For good or bad, the positive and effective leadership of an organisation and its key operations are paramount in shaping the business culture.

Undertaking 'soft due diligence' through a cultural review, is vital to get a realistic view on the relative health of your organisation. All businesses undertaking this process will note significant improvement in their operations when implementing the business plan that evolves from the research.

Success leaves behind clues

Successful organisations focus their attention on creating the culture that will generate the desired outcomes. This is what should be the norm for all businesses, yet too many either fail to see the need to develop performance of the 'culture' or have little idea how this could be achieved.

The relative health of your business culture will either support you in achieving results in difficult times or act as a barrier, a hindrance and obstacle that denies innovation or change. A strong and vibrant culture will enable new initiatives to flourish and grow, as well as attract the best people.

Deflated organisational cultures and poor performance

A mediocre culture will not blossom at the same speed as a healthy business culture. It will have difficulty growing because of inconsistencies and ambiguity in its core values and what behaviours it rewards through its performance management system. Many organisations that fall into this category do not have a performance management system. It's likely that organisations in this category achieve lacklustre results, have difficulty retaining 'high flyers', and key vacancies will be difficult to fill. Even worse, a poor or negatively based culture sends out conflicting messages to clients, customers, service users, staff, investors, key stakeholders and regulators.

In this type of organisation, there will be no central rallying theme to provide any real focus, guidance or energy. Not surprisingly, these businesses will usually generate, at best, average to poor performance. These organisations attract

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'deadwood' which will not be improved with less than motivated and talented staff to work through difficult times. You will be aware of organisations that fit into this category – just ensure you never become employed by them.

Creating a focused, performance driven culture

Less than 10% of organisational cultures have been created. Most have been shaped by accident, bad luck and indecision or poor leadership.

Those that are positive, vibrant, healthy and focused, have been shaped by key personalities with laser-like focus moving through the business. Those that are great performers have a clear understanding and have identified with precision, the core factors that shape their culture, performance and outcomes, and have orchestrated these to best effect.

Leadership teams in these organisations devote their time to their core competence – producing services or products for existing customers. They invest their time thinking about how they can shape a culture to better deliver business results. Culture is not left to chance.

De-mystifying culture change

Experience tells us that 'culture can be de-mystified' very quickly and should be led by the top team, and implemented and nourished by team leaders and managers at all levels.

The design and shaping of the initial culture resides with the most senior. The installation, care, maintenance and renewal has to be with those who manage and work the operations, whether the business is IT, finance, professional services, legal, manufacturing, engineering, logistics, sales, marketing, R&D etc.

The development of the culture should reside with those who actually manage the people and business processes. Never hand ownership over to HR or to others lower down in the hierarchy without top level commitment. Invest in the line and in your teams. The top team provides direction and resource to create a tangible and high performing organisational culture, and those who manage operations and teams should nurture, feed and promote innovation and improvement.

Leadership is critical in creating culture change

Leadership is an interesting issue for most organisations. We consider leadership to be the single most important issue defining whether organisations will survive and prosper. Leadership is critical to shaping a culture.

Research tells us that two factors are critical in shaping the corporate culture. 'To what Leaders pay most attention' and 'How they respond to critical incidents'. People are 'Boss Watchers' – they pay attention to where their leaders focus their attention. If key people extol innovation and engagement with the customer, yet fail to do either, this highlights the mismatch in what they say and what they do. If, however, leaders 'walk their talk', and action results from debate, staff recognise that their leaders are serious, consistent and committed.

Who is a leader?

Leadership does not reside solely at the top of the hierarchy. Anyone who manages others has leadership responsibility and is accountable for the culture in which they operate. Even technical specialists are leaders, as long as they have a role in the internal supply chain and have responsibility to internal



customers and those who provide them with resources, input data and product - they constantly interact and shape events and deliverables across the organisation. They lead that aspect of the process and are responsible for the culture in which that process operates.

Responsible for the culture where you work

We reject the traditional view that managers and team leaders are 'transactional' in their role. They may be accountable for results, but they also have responsibility for being transformational in nature and shaping new horizons. Ideas are not administered or managed into existence – they are created by people and transformed with personal vision, imagination and initiative. Our role (no matter where we reside in the organisation) should be focusing on enabling people to liberate their ability to 'transform' and shape and nurture their culture more effectively.

Change champions

Identifying those in the organisation (at all levels) who are to lead this process locally is critical as a qualifying step in building a culture right through the business. Working with the 'movers and shakers' who convert 'early adapters' to emulate their behaviours is one sure way to increase the global spread and acceptance of cultural change. Those who adopt a 'sit and wait' attitude need to think again. Their continued role in the organisation is based on their commitment to engage and shape the culture towards desired outcomes.

It is the role of leadership at every level to transform and convert indifference, apathy and cynicism into action for improvement. Staff need an example to follow, before they in turn model their intentions to win over those who are less than willing to lead the process.

Thinking vs doing organisations

For every organisation that prevaricates in bringing about the desired change in culture, there comes a time when the thinking stops and action begins. Assess your organisation commitment to 'thinking - doing'. After careful and thoughtful analysis characterised by 'thinking', commit to 'doing' and making the business culture live, breathe and perform. Create a culture that focuses on preventing problems arising by working together across boundaries. The organisation becomes a hotbed for innovation and improvement.

Precisely what do you want the organisational culture to achieve?

For what purpose do you wish to shape your culture? and what culture will promote these end goals and outcomes? Start with the end in mind is the sole criterion for development at the early stages of culture change. Talking through what the culture needs to deliver and how this fits with the business plan is critical. Surprisingly, few leadership teams realise how easy it is to take an apparently intangible concept and make it live. If a culture is not tangible and concrete in its basic design, how could you possibly measure cause-effect relationships that lead to deliverables in terms of profitability, customer retention and new business growth?

The purpose of an organisational culture is to shape people and processes to deliver business results and customer

Successful organisations focus their attention on creating the culture that will generate the desired outcomes.

satisfaction, retention and make any new business acquisitions work, to develop a competitive edge so that your organisation becomes the obvious, and preferably the best supplier, to the market. (In the public sector this should be defined as delivering best quality at an economically efficient cost.) The creation of such a culture should ensure that your business is perceived as the natural partner in any potential business venture and, more importantly, the way your organisation does business is admired, valued and a role model or benchmark for continuous improvement.

Shaping a resilient high performance culture

After developing the diagnostic phase, the core activity is building the culture for the future. This process has been devised to act as a major building block in developing a high performance business culture. The content inherent in each stage can help support building a resilient corporate culture, supporting many functions and processes including different locations and geographies.

The culture is the infrastructure, the fabric that binds together people and processes to generate results. The purpose of the culture change process is to enable much faster generation of a business culture that enables people to achieve results. If you are adopting a logical approach to this process as you progress, you will create 'small successes' that act as milestones along the way.

De-mystifying culture change

Using the model (see boxed text, page 28) it is relatively simple to examine the major components that contribute to creating the desired business culture. In effect, the diagnostics undertaken are central in driving the design and building of a culture. Without doubt, the vision for the business must be stated and clearly articulated because around this, will be created the eventual strategy. Vision articulates why the organisation is in existence and its key role in the scheme of things.

Measuring culture change



Business culture drives performance

Vision

- What does the organisation want to become, do and have as a legal entity and is it shared across the business?

Values and leadership style

- Which values, when inherent in our management style, will optimise performance improvement?
- What is our ideal Leadership style and how well are we doing in achieving this?
- What are our core values in delivering results to our clients and customers?

Priorities and goals

- What are our real priorities for the business?
- Where should we be investing our time in the short and the longer term?
- What critical goals do we need to achieve?

Strategies and goals

- Are we displaying a high degree of confidence that our strategic vision, priorities and goals are encapsulated and achieved through our core values?

Behaviours

- What behaviours are consistent with our values in how we transact business?
- What specific behaviours, if practised consistently will move us closer to achieve our vision, priorities, goals and strategies?

Processes

- What core processes can be optimised to unite all operations and functions?
- How can we instil and reward cross organisational working?
- How can we create a positive working style supporting business units and locations?

Structure and roles

- How can we best organise ourselves and engage with staff to achieve our strategies and goals?

Key performance measures

- To what precise actions, processes and metrics should we commit, which strongly indicate our achievement of our strategies and goals?
- What are our KPM/Is in each of our processes, functions and locations
- Are we using KPIs to promote action to improve business performance, rather than just mapping historical progress?



Cultural and behavioural KPMs or KPIs are easy to manage and process when the rest of the picture is clear. Best practice would suggest we start developing measures and metrics that highly correlate to the achievement of the strategic goals, or the application of the latest business planning process. Precise measures can be identified that are far removed from traditional cost and efficiency measures associated with the old business cultures of 'command and control'.

Time to change and conclusion

Top team leaders who use this model will benefit significantly and shape the culture they want for their business. Adherence to and tailoring this model to suit your special circumstances, will shape and build a strong and positive organisational culture, whether it is a business requiring improvement or a public sector enterprise needing to deliver exemplary service efficiently and effectively to their users and consumers.

Openness to explore the strengths and limitations of the current culture is critical – that's why we emphasised the important role of undertaking a cultural survey and diagnostic at the beginning of this article. Progress in shaping the culture can be achieved quickly, if the organisation adopts a staged approach to employee engagement in the process. It takes as long as you want it to take. It is possible, with an average business, to create significant shift within a period of three-six months, and working with the top team creates far more leverage and traction in change terms than working on initiatives at the lower levels of the organisation.

Building a culture requires a realistic approach. It requires working with the culture as it exists currently – not how you would like it to be. It requires a down to earth attitude. It works on the premise that the corporate culture is central in delivering organisational performance. Be confident in knowing that a strong positive culture will deliver stronger performance figures than a culture which is indifferent, haphazard and not shared across key processes and boundaries, and it is quicker to install than common business mythology suggests.

You can change the culture and see tangible progress, but first you have to decide what culture you want and get an accurate picture of what the culture is like currently. Then it's simple, you build strategies to traverse that gap.

About the author

Philip Atkinson specialises in strategic cultural and behavioural change. For the last 25 years he has been engaged as a consultant supporting organisations in strategic development, leadership, organisational design, post-acquisition integration, lean six-sigma, quality management and culture change. He has partnered with a variety of blue-chip companies in industries ranging from pharmaceutical to genetics, the automotive industry to finance and banking and from NHS bodies to local authorities. He regularly presents at conferences and workshop sessions and has written seven books on change management and his articles and books accessed on www.philipatkinson.com Philip is also Director Learning Strategies and of Transformation and Change with Scott-Moncrieff. Email philip@philipatkinson.com or T: 0131 346 1276 M: 07999 799286