Enabling Growth through Culture Transformation

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The BluePrint Toolset®

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Getting change to stick in an organization is a tough battle. Initiatives to implement new technology, shifting strategies or expansion through mergers and acquisitions, all fail at a rate of around 70% [1]. Only 30% of change initiatives realize the original objectives of their plan. Why? While there has been much written on the why, in all these areas the common theme is culture. This paper explores why culture holds back positive change and outlines how leaders can use culture to grow their organization and realize their goals.

People seek comfort zones because it creates a sense of predictability – we know what is going to happen next, what is expected of us, and where we fit in. Because of this predictability, people self-regulate to maintain that comfort zone. Organizational culture is the shared beliefs and values that drive behavior and sets the expectation of what we need to do in order to fit into an organization. In essence, culture is a comfort zone for the organization, and it will self-regulate to maintain the current set of behaviors to create the predictability that we seek. This is how culture acts as an obstruction to change.

Now, comfort zones are not necessarily good or bad, they just are. What is stressful for one person can be a comfort zone for another. So, we can be in a comfort zone of ineffective behaviors. When you see someone who continues to engage in self-destructive behaviors, you often wonder why they do that. In that same way, many organizations reinforce behaviors that are not helpful in the long run. This is where we as leaders get frustrated. We develop a great, rational plan for a positive change, and it does not happen. Bottom line: The plan assumed that the culture was rational, and everyone would adopt new behaviors because it was obvious. The implementation failed to consider the culture and the ineffective behaviors that keep the organization stuck in the way they have always done things.

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1 Technology 75% or higher - https://www.forbes.com/sites/steveandriole/2021/03/25/3-main-reasons-why-big-technology-projects-fail---why-many-companies-should-just-never-do-them/?sh=c0b4be257cc4

Mergers and Acquisitions 70 – 90 % - https://hbr.org/2020/03/dont-make-this-common-ma-mistake

Strategic Plans 67% - https://www.inc.com/tanya-prive/why-67-percent-of-strategic-plans-fail.html

What about the 30% of change that works? In these organizations, the comfort zone is growth. Sometimes referred to as an agile organization, more broadly, it's a culture that reinforces more rational behavior and has let go of limiting beliefs of the past. These organizations outperform their competitors while also being a great place to work. Specifically, these organizations have a culture that establishes trust, creates a sense of belonging, with an aligned purpose that builds engagement, all the while driving bottom line performance.

The difference between good organizations and great organizations is very nuanced. Small differences in how goals are set, expressed and what we pay attention to, have a huge impact on performance. The first of these nuances is that the culture is focused on growth, not change. Change is a very binary concept where we are either doing this or that, one or the other. Growth is a process of shedding old behaviors (frequency and intensity are reduced) and adopting new behaviors (frequency and intensity increased). People do not change so much as they grow. Organizations are the same. They grow into new strategies. While this may seem too subtle, it ends up being a completely different approach to leading through the transition. If you are looking for change, you will be frustrated when the old behavior happens again. If you are looking for growth, you will encourage the new behavior when you see it.

This leads to the next nuance, the difference between leading and managing. Managing is focused on the "what" — what needs to be done and by when. Many of our software systems help us with the "what" as they track and manage workflow. These are important, but they are not the same as leadership.

Leadership is focused on the "why" — why something needs to be done. Many organizations are over-managed and under-led. When you lead and provide the "why" it enables your team to put their own energy into the process.

There are five key culture-building tools that effective leaders use to connect people to their organization's success: Mission, Vision, Values, Strategy and Sense of Belonging. Since the publication of *In Search of Excellence* (1982), most organizations are sure to have Mission and Vision statements and a set of values. But with a management focus, it is a "Check the box, post on the wall and web site, and mention them to new hires." Done!

When you lead, these tools form the why for every decision. So, if a decision does not fit the strategy, values, vision, or mission, it is not a good decision. That takes discipline, but it also drives clarity for the organization. This clarity allows decision-making to move down the organizational structure to the appropriate level. When the day-to-day tactical decisions are being handled at the right level, then the top leadership team can focus on more strategic issues. That is what it means to be truly agile in the marketplace.

The Five Culture-Building Tools

1 MISSION
Why do we exist?

The mission for an organization, for the most part, does not change. It defines why the organization exists, as well as the purpose and value that it brings to the community at large. It is something that all stakeholders can see. The brand of the organization should be aligned with the mission. This provides the internal stakeholders with meaning.

2 VISION
How do we know we are on track to accomplish our mission?

The vision is a 3 to 5-year goal that is specific enough to be accountable, but broad enough to provide optimal space for many ways to get there. A vision tends to be focused on internal stakeholders to know if the organization is on track for realizing its mission. This provides internal stakeholders with direction.

3 STRATEGY
How are we going to achieve our vision?

This is the cause-and-effect plan that is set to realize the vision. Strategy is a broad-brush plan that enables departments, teams, and individuals to choose tactics that achieve goals which support the vision. A strategy is effectively a hypothesis: if we do" X" we will achieve our vision. Like any hypothesis, it should be tested, which means that while the intention might be to utilize the strategy for the same 3 to 5-year term as the vision, leadership needs to review and adjust the strategy regularly, based on what is working.

4 VALUES
What behaviors can you expect to experience with every member of the organization?

In the values, you are defining the very character of the organization. These values tend to mirror the leadership philosophy of the founder or current CEO, of the organization. The number of values should be limited to five, but more importantly, there should be specific behavioral expectations for each value.

These expressed values are shared with all stakeholders. When your external stakeholders interact with the company, they interact with the actual culture. They expect to see consistency between the values expressed and the actual culture to determine the true value of the brand. Internally, the consistency to which all organizational members are held accountable to the values has a direct impact on the trust and ethics of the organization.

5 BELONGING
Who are the members of the organization?

This fifth tool is a specific extension on the values, which is to build a psychologically safe workplace that maximizes all individuals' contributions to the success of the organization. If you are effectively leading with the first four, this adds the nuance of holding people accountable for their performance in a fair and equitable way that prevents the establishment of in-groups and out-groups. Ignoring members of your team is worse than firing them. You are building a culture where people are given high regard for being a person, but held accountable for their behavior. This establishes an environment where healthy conflict exists to create better solutions in order to achieve the vision and deliver on the mission.

If you are at the top of the organization, you have a lot of flexibility when defining and refining these five tools. If you are in the middle, they are most likely defined for you. In this case, as a leader you need to be sure to align the organization's definitions with your own leadership philosophy so that when you use these tools, it is second nature to you and comes across as authentic. Although the overall mission, vision, values, and strategy are set, you can define your department's contribution to the overall organization by defining a departmental mission, vision, and strategy. Why the values are important and building a sense of belonging will stay consistent so the context within your department becomes important. The key to these tools is to provide your team members with clarity so they can act with confidence that they are on the same page as the department and organization.

The Process of Leading Growth

With the five culture-building tools in hand, we need to add the process of leading growth. Individuals and organizations go through four stages when they grow, and as leaders, there are three strategies to keep the process on track.

Many individuals are very action-oriented and constantly look for that silver bullet – what is the one thing I need to do to fix this! While there is no shortage of people selling silver bullets – they tend not to work (70% failure rate). As a leader, your job is to ensure sustainable growth by recognizing the four stages of growth and the effective strategies to drive the successful outcome.

Figure 1 provides both the stages of growth and the leadership strategies.

Figure 1

1. Awareness
This is the state of being aware that the current situation is not leading to the desired goal or vision, and is generally brought about by data, both quantitative and qualitative. This requires both clarity of the goal and clarity of the current reality.

2. Acceptance
This is the key stage, truly accepting the reality of the situation and taking accountability to make choices to adjust the approach to achieve the desired goal. The stronger the acceptance the more likely desired outcomes are achieved.

3. Action
With awareness and acceptance in place, actions emerge more readily. The key is aligning the available actions to a broad strategy and focusing on one or two actions that are going to have the biggest impact. Strategy phrasing is vital, as it connects people to the future. Narrowing it down to one or two things makes it easier to act on, as it is no longer overwhelming.

4. Achievement
As actions start to take place, recognize the movement in the right direction and celebrate the wins along the way. The purpose of this stage is to ensure that people see how their effort makes a difference.

Leadership Strategies

Figure 1 also depicts the three strategies that leaders use to enable growth.

Connect
To achieve awareness and acceptance, as leaders, we connect data, context, and experience to provide insights. Being a facilitative leader in this space allows you to leverage what is working and create a shared sense of the journey to success. The five tools for building a culture come in handy as they become the touchstone against which the current reality is reflected. You are creating the "why" for the growth. This "why" then creates the energy to drive all four stages.

Energize
The goal of energizing action is to build a sense of what is possible and therefore reduce the sense of being overwhelmed. Connecting the experience of dealing with similar issues in the past creates a sense of possibility for the future. Working through all the possible actions facilitates a consensus to an overall strategy with one or two key actions. Be clear on expectations of who is involved as well as desired timelines. The use of cause-and-effect language helps create mental paths to the future.

Inspire/Nurture
In this strategy, you want to inspire thinking: critical, divergent and innovative. Leverage where there has been success and how that can be applied in new ways. This strategy is also about nurturing the character of your team members, through role-modeling and regular check-ins, to see what they are proud of and what concerns they have. These conversations allow you to recognize success along the way that sustains the energy to achieve the overall growth goals.

As an effective leader, you are utilizing these three strategies continuously to keep people connected to the future, ensure that they believe their effort makes a difference, and that they know they are part of something that is contributing to the community at large.

Cultural Transformation

When the culture-building tools and the leadership strategies are being used on a regular basis, they become foundational when you start a journey of addressing the current culture to transform it into a culture that enables your goals instead of keeping the organization stuck in the past.

Cultural Transformation utilizes the 4-stage growth model (Figure 1) in three levels. Each level builds on the work of the previous, aligning the entire organization around a new growth-focused culture. The three levels focus on the organization as a whole; leadership accountability for culture; and aligning teams and individuals into the culture. Effectively, there are eight broad steps to completing the transformation.

8. REMEASURE

7. SUSTAIN MOMENTUM

6. EMBED EXPECTATIONS

**Level 3
Teams
Individuals**

5. GUIDING COALITION

4. SENIOR LEADERSHIP IMPACT

**Level 2
Leadership**

3. SHARE THE DATA AND THE WHY

2. ALIGN THE SENIOR TEAM

1. COLLECT CULTURE DATA

**Level 1
Organization**

Level 1: The Organization

The goal of this level is to establish the current culture and its implications toward achieving the mission of the organization, as well as define the desired culture and the key results that will come from this overall transformation.

1. Collect Culture Data

Utilize *The Cultural BluePrint™* to assess the entire organization's view of what is expected of them to fit into the organization. Employing this data, along with the vitally important context, gains insights into the current reality of the culture: what is working for the organization and what is getting in the way. The overall data is examined, as well as subgroup data, organization level, locations, departments, job function, etc. These subgroups provide further context and insights into how the culture is impacting performance throughout the organization.

2. Align the Senior Team around the Clarity of Why

Once the Senior team has worked through the insights around the current culture, alignment needs to be achieved around why the organization is spending time and money on this transformation. The first step in this journey is to ascertain and verify that the team is fully aligned with the culture-building tools: mission, vision, values, strategy and belonging. These elements do not need to be changed unless there is no alignment around them, as they become a key part in building the new culture. The second step is answering the question "Why." What is the business reason for doing the transformation? How does it align and support the strategy and the vision? Where are the disconnects between espoused values and current culture? What concrete outcomes do we expect to achieve and by when?

3. Share the data and the why with the organization

Employees are asked to fill out surveys about their organization all the time, and rarely do they get to see the results of their efforts. This step has three goals: to provide the feedback to every employee on what the survey said; to communicate the why and direction of the culture transformation; and to gather more qualitative data around the culture to gain even more insights, targeted at enhancing the process. To facilitate this, leadership works with their own departments to share their department results and to dialogue on what is working and what is getting in the way. The discussion on what is working is a key step, ensuring that celebration of success is a part of the new culture. The insights gathered at these meeting will be used in Step 5 under Level 2.
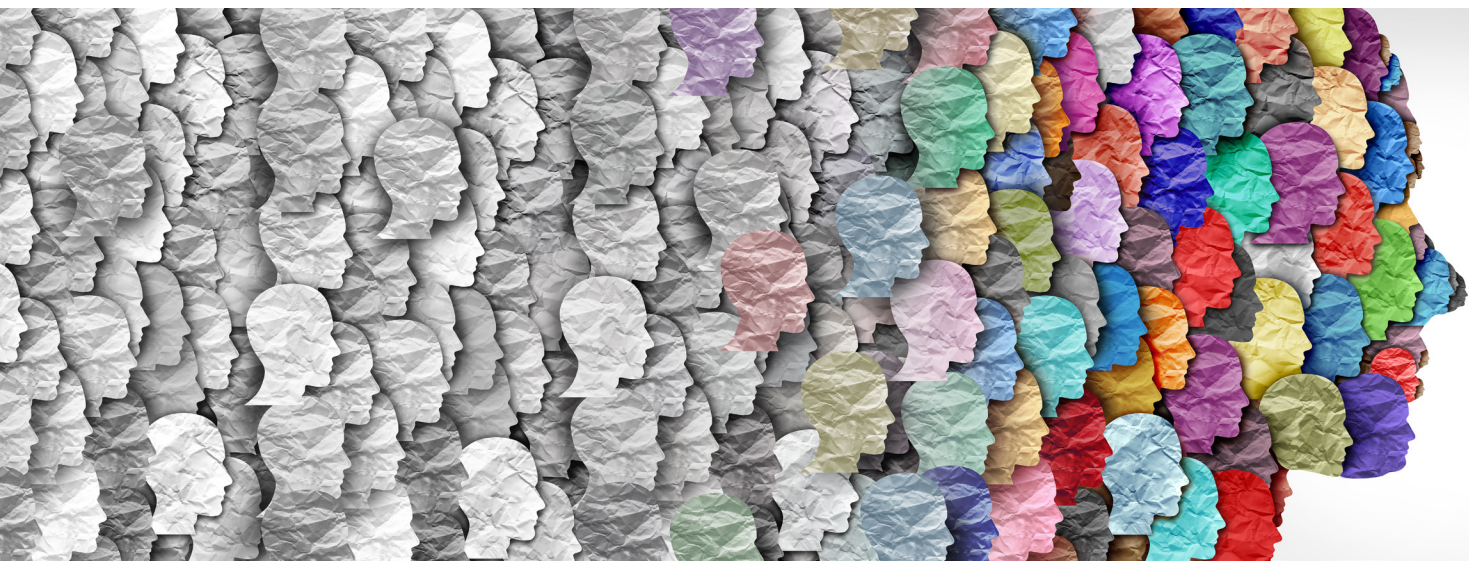
Level 2: Leadership

Research has shown that between 30-40% of the variance in culture can be explained by leadership. Therefore, to effectively transform culture, leaders need to lead differently. This level provides the formal leaders with feedback on how they are impacting the culture. It also establishes a group of informal leaders to provide feedback to the organization regarding other areas that impact culture: communication, structure, systems, job design and daily employee experience.

4. Senior Leadership Impact
Utilize *The Leadership BluePrint™* to provide the senior leaders with insights into how they are impacting the culture directly. Connecting the data, along with one-on-one coaching, builds individual accountability and provides tools for each of the senior leaders.

5. Guiding Coalition
Pull together informal leaders throughout the organization who are both skilled at and interested in helping to impact the organization. The role of the guiding coalition is to provide communication and insights to the senior team on what is working and what is still getting in the way, as well as to work on the systemic issues that emerged in Step 3. These systemic issues can deal with structure, systems and processes, job designs as well as communication. Specifically, you are looking at which of these systemic issues are keeping the old culture in place, and what needs to be adjusted to ensure that the systems are aligned with the vision, culture, and goals of the organization.

Level 3: Teams and Individuals

This level of the transformation is designed to provide clarity of expectations for each member of the organization. By taking the process throughout the organization, we increase two-way communication around the transformation as well as build accountability for the culture in every element of the organization.

6. Embed Cultural Expectations
The culture of the organization should reflect the espoused values of the organization, so the point of this step is to ensure that each member of the organization understands the values and how each impacts their role. Through a series of lunch and learn-type workshops, the members of the guiding coalition and senior leaders facilitate discussions around the meaning of a value and the behavioral expectations. This structured process enables every individual to get clarity on how they and the other members of their team are expected to demonstrate the values. The workshops provide another opportunity to listen to potential barriers to success that can be collected and prioritized by the guiding coalition. Since this is a shared experience, it not only provides clarity of expectations but helps create more collaboration and belonging.

7. Sustain Momentum
As the transformation continues and insights emerge, many new opportunities to sustain the momentum will surface. There are two common processes that have been used in many clients:

- Extend the leadership development work outward through the organization to include high potentials and middle management. Providing these individuals with insights from their own *The Leadership BluePrint™,* as well as coaching, prepares them to lead more effectively.

- *The Power of One™* is a single-day program for individual contributors that can be facilitated by members of the guiding coalition. The program allows individual contributors to examine their own mindset using *The Personal BluePrint™*, how it has been impacted by the old culture, and what mindset they want to adopt to help transition into the new culture.

8. Remeasure the culture

While tangible outcomes will emerge as quickly as a few weeks' time, showing a measurable change in the culture requires a remeasure at 18 to 24 months into the transformation. The results of the remeasure allow fine tuning of the plans and strategies that have been implemented, so far.

In Conclusion

The 70% fail rate of change initiatives has been consistent over the last four or five decades. Because of this, it's easy to become jaded that change just isn't going to happen and we are just going to have to get used to never performing at the levels we want.

The "Great Resignation" organizations now face a scarcity of employees and need to prove that they are good place to work – and it isn't just solved by higher pay, vacation time or flexible work schedules. By shifting our perspective away from the idea of "change" and more toward the foundational concept of "growth," we give ourselves far more opportunities to shift organizational cultures, driven by effective leadership, and achieve true break through success.

The BluePrint Toolset®

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Since 1985, Michael's diverse background in finance, economics and human behavior has organizations around the world seeking his ability to bring the seemingly intangible aspects of organizational culture and performance to light. His consulting expertise has enabled hundreds of organizations to achieve their goals through transforming their culture. He has one-on-one coached over 4,000 senior executives on six continents on how to improve their leadership to drive those culture transformations.

Michael has worked with an extensive and diverse group of clients. These client successes include a $3 Billion dollar increase in production in a single manufacturing facility, a successful merger of petrochemical companies, achieving the best place to work in a regional hospital, increased engagement in a professional sports franchise, and increasing the graduation rate from 30% to 115% of national average in a secondary school.

One of Michael's biggest joys is sharing his experience with fellow consultants and developing lifelong collaborations. He has had the pleasure of working with thousands of internal and independent consultants across the globe.

Michael is the co-creator of The BluePrint Toolset® — a suite of products used in the measurement and development of organizational cultures, leaders, teams, and individuals. He also co-authored "ThinkBanking & Corporate Webbing — 50 Secrets to Success in the Digital Age."

Michael is married with three adult children. He was raised in Canada and now resides in Houston, Texas with his wife Angela and their dog.