01

What is organizational culture?

High-performing cultures where people are given autonomy to do their work, a clear path to succeed, and a common purpose to do amazing work… all out-perform their competition. Study after study has shown that great cultures get great results. They also get higher profits, if you want that sort of thing.

CHRIS DYER, PERFORMANCE CONSULTANT, BESTSELLING AUTHOR AND CEO AT PEOPLEG2

What's your why?

We like to define your why as your purpose, which is where it all begins. Often people jump right into the 'what' (the journey) without first stopping to get clear about their own why and create stakeholder buy-in to bring people along with them on the journey. This buy-in starts with you and the leadership team. *Why* did you pick up this book? What do you hope to change or create?

If we had to guess, one reason is because you want to be successful as an individual leader and you want to build a high-performing organization that is well positioned for success into the future – so well positioned that your competitors are looking to you for advice and talent is knocking at your door to be part of your team. It may be that you have a sense of either an opportunity to make things even better than they are or a need to make some shifts to correct things that seem off track.

In this book, you will learn to work as a collective unit within your organization to create *one* roadmap – that's right, *one*. With your why in hand, you can start focusing on the 'what', or the actual journey. Discover ways to engage others on the journey regardless of what your starting point is. Together, you will be speaking the same language, driving to the same outcome, and holding each other accountable along the way.

What is culture anyway?

When you think about designing exceptional organizational culture, what comes to mind? Culture has become such a common word we toss around; a buzzword for reasons to join or leave an organization. Culture is much more meaningful than just a word, yet we often build culture as we go. We do not set the foundation or clear intention first because we don't have time. We hire and fire, we pivot, and we lose a lot of time and money in the process, not realizing that we are setting the culture unintentionally as we go.

Whether you have already built your ship and it is running (mostly) smoothly, or if it's time to reimagine your culture, looking through various lenses is going to be vital. We're going to suggest three different lenses to look at culture:

- yourself as leader;
- your team as example;
- your organization as a whole.

All three of these points are instrumental and interconnected. The organization does not exist without teams, and teams do not exist without you. Each of these components needs to be solid and aligned to ensure the ultimate outcome. Looking through these lenses will inform you as you determine your path to your desired organizational culture.

CULTURE QUOTE

'My advice to business leaders is that culture is not a purely collective or organizational concept. It is a collection of specific multiple dimensions done well or poorly, and conscious choices and tradeoffs must be made to shape and prioritize cultural dimensions such as shared beliefs, norms, artifacts, who has power, how failure is handled, etc. Culture is also best understood and most powerful at the local team level, not at the broader companywide level, since that is where performance actually happens.

Ian Ziskin, President of EXec Excel Group LLC

First, let's look at what organizational culture even means. And we promise, it is not as simple as ping pong tables, kegs in the break-room, an inspirational quote posted on a wall, an employee hand-book, or an idea defined by any one person. Then what is it? Our definition revolves around values and accepted behaviours that are demonstrated through everyone's actions. These are what drive a company's culture. *Culture* is demonstrated in the answer to the question, 'What's it really like to work there?' Without a reasonable definition, you cannot see the critical links to other key elements in an organization, like leadership, structure, decision making, and incentives.

While people might have their own definitions, the two elements people can agree on are that (1) it exists and (2) it plays a crucial role in shaping behaviours in an organization.

Your culture is what creates that special sauce that makes your organization unique; it's the DNA that makes you special and stand out from the rest; it's what makes you attractive (or unattractive, if you have a bad or unhealthy culture). Good culture doesn't happen by accident. Culture is formed by the interactions people have with one another. Culture is what happens when actions, behaviours, and values intersect, as seen in Figure 1.1. In other words, it is the ecosystem of any organization.

FIGURE 1.1   The intersection of culture
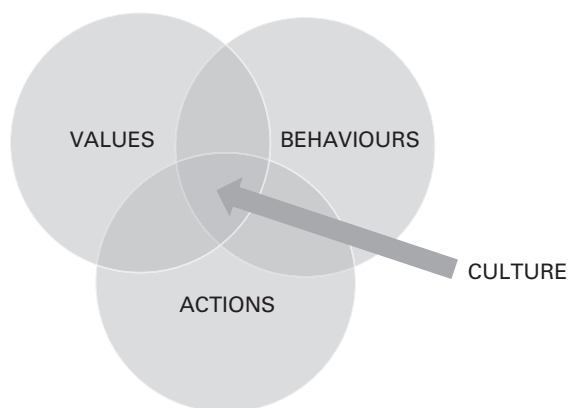
This intersection is influenced by leadership, team dynamics and incentives (what people are incentivized to do, whether monetarily or non-monetarily). In addition, the intersection of actions, behaviours and values helps define reality within a specific organization; a common set of jointly held beliefs and principles shared by all employees. These beliefs and principles are unique to each organization. Leaders and employees are the ones who give these beliefs and principles meaning and these meanings shift over time.

How culture is viewed can differ based on your lens, as we mentioned previously. Let's take a deeper dive into you, your team, and your organization as a whole.

Yourself as leader

Before you can get a handle on your team, organization, or products, you need to gain self-awareness of yourself as a leader. Because your culture starts with you.

We could share many stories about business failures (of which there are quite a few), leading organizational change (which we've built our careers on), or building rockstar teams (we have won awards for building amazing HR teams, just sayin'). However, we chose to start with something personal because without our personal 'aha' moments, we never would have created those award-winning teams and we would not have been able to lead our various organizations through change.

CASE STUDY

Early in her career, Jamie worked for a leader in a large, highly matrixed, global company. Her leader had dual reporting lines, one to a functional corporate leader and the other to a regional president. The dynamics between the two managing executives were contentious and made it extremely difficult to please both. The leader tried to please both of the other leaders, which was basically impossible. Jamie observed her go between them and as she went back and forth, she continued to lose the respect of each as she did not meet their expectations and failed to assert her own leadership point of view. Not long after, she was removed from that role and was eventually replaced with a new leader. This new leader came into the same situation but had a very different approach. She was very grounded in doing what she felt was right. She would make decisions and lead her team based on this and equally disregarded the agendas of her two bosses unless it was aligned with what was right for the business and the team. An example of how this showed up was that she would get up and leave a meeting if she felt that she did not need to be there. The value was time management and team empowerment; it wasn't that she was rude, but she protected her time and the time of others. She would make recommendations and business plans and tell her managers what the plan was for areas within her responsibility rather than trying to get them to agree on an approach. The way that each of these leaders responded to this situation could not have differed more and the results they achieved differed dramatically. One was clearly more effective than the other. Having the benefit of observing this lesson early allowed Jamie to contrast the difference between the two and try to integrate that into her own leadership style. Establishing your leadership values and integrating them into your leadership style and brand is critical to being an effective leader.

Taking an honest inventory of ourselves is a great place to start, Let's walk through a series of questions that will help you reflect on your current leadership effectiveness and leadership brand. Answer the following questions honestly for yourself:

1 As a leader, how do you currently show up? How would others describe you? (If you have trouble answering this one, consider asking some trusted colleagues for feedback.)

2 As a leader, how do you wish you showed up? (Hint here, reflect on the best leader you've had; what made them a strong leader?)

3 What prevents you from being this type of leader already?

4 Have you defined your own leadership values? Are you in alignment with them? Do others know what you are all about? How do you demonstrate them in your daily routine, actions and behaviours?

5 Do you have a defined set of leadership principles you live by? Are you consistent? When are you not consistent?

6 What are your unique strengths as a leader?

In reflecting on your answers, is there a difference between how you show up and who you desire to be? Are there things that you can identify that are barriers to your effectiveness? This assessment will help you create a meaningful action plan for yourself.

With this information and reflection, take a moment to identify two or three actions you would like to commit to in order to improve your personal alignment with your leadership values and desired organizational culture. This dedicated energy that you are bringing to this self-assessment will no doubt make a significant difference in how you show up and connect with others. Imagine if all the leaders on your team demonstrated a similar commitment to self-reflection, growth, and impact.

CULTURE QUOTE

Figure out how to become self-aware – that will help you understand your strengths, your gaps and how others best complement you; embrace them and create an open-minded, diverse and inclusive team and an honest process for decision making that is rigorous and accessible. That will create a strong culture, where input is valued, candour is expected, and best team/company outcomes are preferred vs individual heroics. This culture will create a natural magnet to attract and retain the best talent.

Carey Ransom, Founder and President at OC4 Venture Studio

Team dynamics: set the example

You have already started to look at your own leadership reputation or brand; now we are looking at that of your team. The culture of your team is a result of what each of the members decides to bring to the team every single day. Keeping an accurate pulse on your team's culture and team effectiveness is part of your role as the leader.

Let's do a similar exercise to assess the current state of your team. When looking at your team, if you are honest, you may see a really healthy, high-performing team. You also might see a mix of strong performers and some who appear disengaged. You might even be hit with a reality of some dysfunction or poor performance that you have been avoiding or unaware of. The challenge here is to take a real inventory. We recognize that this can be difficult because at the end of the day you as the leader are responsible. It might even feel overwhelming. How do you eat an elephant? One bite at a time. What we can guarantee is that if you don't look at it, you might miss opportunities to keep the great things working great and opportunities to improve the things that aren't working. Again, answer these questions honestly:

- Is your team clear about the team and organization's vision?
- What is the current emotional state of your team? Consider this both through the lens of the collective team and also of each individual member of the team.
- What is the desired emotional state of your team?
- What does your team's body language say?
- How do you motivate your team?
- Do you know what drives each member of the team?
- How inclusive is your team? In meetings, is everyone's voice heard? Are there some people who stay quiet? Is there anyone that the team is working around or not including? If so, why?
- How does your team exhibit the organization's values? Do they consistently model them?
- What do other leaders say about your team?

- Do you know what each person's strengths are? Are they being leveraged within the team dynamics?

- Does everyone on the team know what they are responsible for?

- Is there anyone on the team that people avoid, or you do not have confidence in to do their job well?

Thinking about team health is important. How functional or dysfunctional is your team? Do people trust each other? Is there room for healthy conflict in an inclusive way... meaning everyone? Our tendency as leaders is to want people to all be adults and just get along. Be professional. Get things done. We get it. That said, it is our job as leaders to ensure that these things are happening as we expect and to intervene when needed. It is this intervention that many leaders are uncomfortable with, but if we do not address it, the problem will not fix itself.

Sometimes, within teams, a member is either underperforming or can become disconnected from the current priorities of the team. We tend to see examples of this in growing, start-up organizations where someone may have been an early leader and key to the organization. As the organization grows, they may not have the experience and skills necessary to lead at an enterprise level or lead large teams. How this is handled will both be an example of, and have an impact on, the organization's culture. Do you avoid the uncomfortable conversation but begin to marginalize their impact and access to driving key decisions and strategy? Do you find the right role for them whether that means moving to an advisory board or a different organizational role? Do you separate in a healthy way? Can you leverage their strengths and personal magic in a mutually impactful way? The goal is to set them and the rest of the team up for continued success. Avoiding the situation will not make it go away, and it's important both for their personal circumstances, and for the team and organization, that you find a resolution.

That might seem like an extreme example. In considering your team, look for examples or early indicators of tensions within the team so that you can bring the dialogue to the forefront, find solutions, and process those tensions before they disrupt your team and your culture.

Some common missteps that happen within teams include people reading into things that may not exist and/or making meanings based on their own experience and feelings. If this is happening to your team, assess if the reactions are consistent with the magnitude of the event or situation. This may be an early indicator that things seem fine on the surface, but there are things your team members aren't saying. Or that communication is an issue during and after decision making.

Organizational culture

Finally, let's examine your organizational culture. Without you or your team, there is no organization (we don't literally mean *you*, although it could be the case based on your circumstances).

The word *organization* actually means putting things together in a logical order. So, you need to organize your organization, starting with core values as the foundational building blocks. If you do not have them, create them. Then, build all HR programmes, processes, and policies using these core values as the foundation. This means that all components of your employee experience should be in alignment with these identified values. Often, people think that core values are for internal purposes only, but this could not be further from the truth. Consumers now expect that the customer brand and employer brand are in alignment, that a company's values set an expectation and commitment to both customers and employees alike.

A NOTE ON CORE VALUES

This is often a great opportunity to bring in a professional to help facilitate this process. If you don't have core values that really are alive in the organization and serve as the foundation for your culture, take the time to conduct a thoughtful process to develop them. Involve input from throughout the organization. It is not one or two people in a room making them up.

One way to evaluate the effectiveness of your core values is to look at how decisions get made. When it comes to a tough decision, is there a clear alignment to the values? Does your organization know what values to rely

on when making decisions? Are they empowered to prioritize customer service, or do they need to always only watch the bottom line? Do they know how to weigh differing priorities in those situations? Highly effective cultures define what is most important; the values guide people in feeling empowered to make decisions that will benefit the organization and they feel good doing so.

Another consideration is to reflect on this potential scenario. If you have a leader who is consistently behaving in ways that are not in alignment with the stated values, is it addressed? Even if they are an important salesperson? If the bad behaviour is allowed to persist, your core values are being undermined. People will not have confidence in them or take them seriously. You might even be looking hypocritical without even knowing it.

Done right, the result is values that people really identify with and see reflected in the day-to-day actions and behaviours of the culture. Ensure that you create an implementation plan that includes sustained communication and ways to integrate into various operational processes within your company. More on this in Chapter 4.

Once you have the core values and are creating the organization you want, then hold people accountable and be prepared to say goodbye to the ones who are not in consistent alignment with your core values. These people are ultimately undermining what you are working to build. The longer you keep them around, the more your purple unicorns, the ones who are high-performing rock stars, become disengaged, you will be perceived as less sincere, and the less credibility you will have.

The biggest challenges you face

You've no doubt read headlines touting, 'Be prepared for the future of work'. Or, 'The future of work will change jobs and talent'. If you are like us, the term 'future of work' makes you cringe. The pace of change means that it is not some distant possibility: it is *now*. What we outline here is what you need to do right now to keep up with the

shifting business landscape for the way work is changing. You need to have thoughtful strategies in place today, especially when it comes to culture. Do you feel like you are fully prepared to handle the challenges? Is your team prepared? Is your organization prepared?

This is not a 'one-size-fits-all' solution, and it does not eliminate your secret sauce or what makes you and your organization unique. However, it does provide a path that, if followed, can result in increased business results. In fact, there is an opportunity to lean even further into the uniqueness of your culture and leverage that as a competitive advantage.

Companies today are being challenged to evolve. Even when they have very intentional cultures, we are seeing organizations that want to become more inclusive, have better-performing teams, and adjust to new employee expectations related to remote work and remote teams. When you think about these 'tweaks' that you may want to make, think about them broader than an initiative or current event, such as adding diversity and inclusion. Consider what key components need to be infused into your culture at a root level and how they will show up in your culture. For example, if diversity, inclusion and belonging are important enough to be a company value, how can you weave them into either the existing values or make demonstrative examples to the organization to show what is different and set the new expectations?

Adjusting is important to stay relevant and not get blindsided by major shifts in the external talent market or customer and employee preferences. Sustaining changes and having long-term communication plans to maintain the message are critical to success. Otherwise, organizations, just like individuals, will often revert to what has become habit or default behaviours.

How do we avoid this? It's important to not underestimate the significance of some of these potential tweaks. These can lead to major change management campaigns and for many organizations, that journey can be painful. We know that 70 per cent of change management efforts fail, so what can you do to have a higher chance of success? We recommend treating this as a major initiative if the change magnitude justifies it. In Chapter 10 we will outline some

change management principles that will help you on your journey. Regardless of whether you are defining your culture for the first time or have recognized a need for the conscious evolution of your current culture, the components we'll walk through will help create a culture that weaves through the fabric of your organization, creating clarity, alignment, and all the benefits that a strong culture affords an organization. The result will be one of greater connection to your purpose within your organization.

This book will create a step-by-step system for you, your team, and your organization to facilitate change management, change agents, routines, and getting real. Your organizational culture will be transformed, aligned, and intentional.

Does this sound like a lot of work? Hell yes, it does. Will it be worth it? The answer depends on you. Do you want to build and sustain an organization where people want to work while achieving business results in an ever-changing work environment? If the answer is yes, then this journey will be worth it.

Just like the Yellow Brick Road to the Emerald City in *The Wizard of Oz*, there will be roadblocks and obstacles along the way. After all, what construction project is without its hiccups? But our systematic processes will overcome those roadblocks, provide questions to ask along the journey, and include assessments to gauge where you are today and how you get to where you want to be as an individual, team, and an organization.

We will provide tools to audit your current state, shape your desired thoughts, and operationalize an agile system that will support the sustainment of an aligned, high-performing culture.

However, this journey does not end once you close the book. You will need to check in with yourself, your team, and your organization to ensure there is still alignment (and if there isn't, determine how to course correct). Your culture will constantly be under construction if you want to build a sustainable organization. You will be adjusting and pivoting continuously and listening to internal and external inputs. Our aim is to help you feel confident and empowered with the tools to do so.

Common pitfalls

'I'm the Leader.' It is natural for leaders to think that just because they have said something that it should be. That people should just do it, without question. While we'd love to say this works, it often doesn't. Our role as leaders is to bring people along and be a 'leader' that others *want* to follow. This requires to you check yourself and your own behaviour; this is the pathway to getting others to do what you want them to do… start by looking within.

People should just do their work. Of course we want people to come to work and just get it done. We expect people to be professional and mature in the workplace. Some of that is reasonable, but organizations and teams are much more complicated than that. We need leaders who create a vision and who help people course correct when needed. The accountability piece is critical. Especially when you are an executive at the very top, if you don't hold someone accountable and ensure that things are happening the way they should or stand up when there is a leader behaving badly, who will? We've coached CEOs who don't want to be 'that guy (or gal)', but guess what…? You are. Even if you try to delegate to a Head of HR or a Chief of Staff, it won't work. People are looking to the leader themselves to set the standard of what is acceptable, what is expected and what isn't.

This is about work, not me personally. Why are we talking so much about you as a leader? Isn't this about work and about people being professional? Yes, we are. Gone are the days (at least in most organizational cultures) where people would do things just because their leader asked or told them to. Positional power is no longer generally respected in itself, and especially is not impactful to inspire or motivate others to do things. Think about the best leader you have experienced in your career. What made them great? What was impactful about them? We can pretty much guarantee it was not their title. It is about the leader and their ability to be both authentic and vulnerable. It is about their ability to connect and inspire others. That is *all* about work and how work gets done.

Questions to ask

Gaining insight into the type of culture you want to create and your role in that culture is key before starting on the culture change journey. Below are some questions to ask yourself to develop a starting point.

QUESTIONS TO ASK – WHERE TO START WITH REGARDS
TO YOUR CULTURE

- What is your organizational culture today? (This is for your eyes only. Be honest with yourself.)
- What is your desired organizational culture?
- How would you like people to communicate with one another?
- How would you like to see decisions made?
- What behaviours would you like people to demonstrate?
- Do all employees know the organizational values?
- Do people believe everyone lives the values in a consistent fashion?
- What happens if someone does not live up to a value (or behaves in a way that violates your core values)?
- How are decisions tied to your values both in decision making and in communication?
- What are the pillars of culture that are important to your organization?

QUESTIONS TO ASK – WHERE TO START WITH REGARDS TO YOUR
ROLE IN CULTURE

- Have I set a clear vision about the culture I want to create within my team or organization?
- If I am clear about it, have I communicated it effectively to my key partners and stakeholders?
- How do I reinforce my commitment and vision of our culture?
- What bold examples do I have where my leadership behaviours or practices reinforce messages aligned with the desired culture?

- How can I get more information and feedback about my leadership impact and my impact on our team or organizational culture?
- Who are the other leaders that are key stakeholders in driving our organizational culture?
- How can I enroll them in this journey? (A SWOT analysis might help here to identify key supporters and even identify people who may resist your efforts; then create specific plans to engage them as appropriate. Avoiding resisters will not make them go away.)

Moving to action: what you can do next

Below are some actionable steps you can take today to begin thinking about understanding the complexity of your current organizational culture and how you may want to approach the journey ahead of you to create and sustain the culture you desire. Pick and choose which steps work for you. Some may be important now and others may need to wait. Come back to these next steps frequently to ensure you are making progress and moving in the right direction.

Involve others. Now that you have run through these questions, a picture may be starting to take form. Leverage these questions to have some meaningful discussions with other key stakeholders as you work to understand what is really happening in your culture today.

Look for themes and low-hanging fruit. Between your own answers and the information you gain from others, look for key areas and themes. While we will take you on a journey covering a comprehensive look at the building blocks of culture, there may be some things that you can do now (or stop doing) that will have an immediate impact on your culture.

Start listening more. With your focus turned towards culture, you will start to hear things differently if you listen more. Listen in the hallway, the cafeteria, create opportunities to connect with people even if virtually. You may notice that you hear little indicators that relate to your company culture. These inputs are valuable clues that you might have missed previously. Ask more questions in meetings. Then be quiet and listen. Listen to what is said and what is not said.

Start to gather your thoughts, observations and insights from others that will help you as you continue on this journey.

Resist being a meaning maker. As you tune into these new channels, it will be tempting to make meaning of the various inputs you hear and observe. Use caution to not jump too quickly to root causes or simple resolutions. The key to a great culture is the way that all of these components work together. Solving a symptom might cause issues elsewhere. Work with a core team to thoughtfully design an approach to achieve the culture of your wildest dreams.

Lessons from the real world

What do your best leaders do to drive company culture?

The word 'drive' doesn't seem to fit what our leaders strive to do. Maybe the better term is 'reveal'. Our leaders try to do their best daily, and even sometimes succeed, to emulate what we say we want leaders to behave like. That includes demonstrating a willingness to learn, to acknowledge those learning moments no matter the outcome and to be transparent in motivations. If our leaders reveal these characteristics, which means they are a fundamental part of that leader, then the chosen culture grows in kind.

Stan Sewitch, Vice President, Global Organization Development at WD-40 Company

How do you integrate culture into your leadership operating model?

We created a leadership competency model several years back, and 'builds culture' is one of the key tenets. We have integrated this model into our performance reviews and our leadership 360 process, so that culture remains top of mind for leaders, and so we're able to measure it year after year. Some of the specific items we look at are 'fosters open dialogue and collaboration,' 'provides the information people need to feel good about being a member of the team and organization,' and 'creates a feeling of belonging.

Laurie Miller, Executive Vice President, Human Resources, Marketing and Communications at Alliance Healthcare Services

Final thoughts

Our goal is that you feel empowered to set the direction of your own organizational culture. Identifying the role that you, your team, and the entire organization play in that is a first step. Getting real with yourself to assess your starting and desired points will magnify the results of your efforts.

Learning to identify indicators of both desirable and less than desirable cultures at a team and organizational level will increase your leadership impact. It will arm you with the foresight to take early action to course correct and coach others to do the same. Harnessing this collective power helps to operationalize this as a natural part of culture in itself.

It is not yours, or any one person's role to own culture. There has to be shared ownership and accountability to creating and maintaining the desired culture in alignment with the shared values. If you are looking to create momentum for a change, who will be your collaborators or your early adopters? Consider all groups of stakeholders. It would be great to identify them now and extend an invitation for them to join you on this journey.