Corporate culture: strategies for telling the ceo his baby is ugly

Brana Lišić wrestles with the knotty issue of changing corporate culture.

What is corporate culture?

The easiest way to introduce this term is by taking you back into the past for a moment. Remember the day when you first stepped into your organisation or school? Everything you saw, felt, sensed and experienced that day was in fact your first encounter with the company's culture. However, if you're at a loss to define it all, don't worry, since this is one of the slipperiest and vaguest concepts to define anyway. One definition is: "The moral, social and behavioural norms of an organisation based on the beliefs, attitudes and priorities of its members". At its most basic, it's the *personality of an organisation*, or simply: "How things are done around here". Corporate culture is a broad term used to define the unique personality or character of a particular company or organisation and includes such elements as core values and beliefs, corporate ethics and rules of behaviour. One of the critical factors in understanding it is the degree to which it is leader-centric. The company is likely to reflect the leader's personality, including his/her neurosis, but this will be discussed later on.

How is it expressed?

Mission statements and other communication

This is usually the first thing an organisation does – defines its purpose via written documents. Nowadays we can see mission statements online, or see that an organisation doesn't have one and never had one. Also, all written documents that leave the organisation convey an image of it – in other words, they are clear indicators of its culture.

Organisational processes and structures

Every organisation chooses the structure that suits it best and decides how the processes within it will be organised. This is a part of its culture, although people rarely think about it. However, we can say that an organisation is professional or less professional judging by the time something was processed or the quality of work within it.

How people address each other

We can learn a lot only by observing this little fact – the degree of formality is clearly defined by the way people address each other. How far do they stand from each other while communicating? What is their body language like?

Architectural style and interior office décor

We can see whether the company is clean or not, whether its employees walk around proudly or somewhat uncomfortably because of the place they work at – we can also see whether the place is pleasant to be in or we would like to get out of it as soon as possible. Whichever the conclusion we came to, it's the atmosphere that helped create it.

Most visible parts – artefacts: titles, symbols

This is also interesting since it's so visible: the doors – are they open or closed? Any plates on them? Any titles? Are there any framed certificates on the walls? Any trophies? Do you have an impression it's a friendly or a rather stand offish organisation? Are there any special offices that clearly indicate that the person who works there has the most power in the organisation? Think about it. I've recently visited an office with a very interesting carpet placed centrally on the floor – there was a pentagram on it – any associations connected with the manager?

Rituals and celebrations

Every organisation has at least some kind of a party or celebration. How it is organised, who is invited, where it is organised... all this can tell us a lot about the company itself and its culture. Rituals – who makes coffee for whom? Maybe not so important, but it can tell you a lot about the culture you've just visited. Are there any special rituals for certain employees – maybe a morning coffee in some of the offices where only a number of people have access to? Or for instance – breakfast – who makes it or gets it for whom? Who socializes with whom? In

company that I visited, there is a ritual called salad breakfast where all the employees gather in the kitchen and eat the freshly prepared salads for that day. They do it in turns and they enjoy it.

Dress code

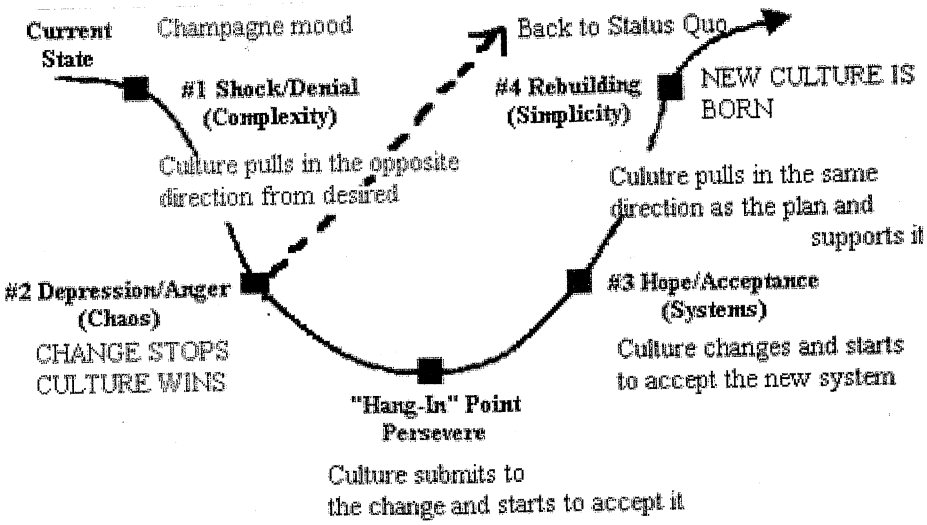
Even if nobody spoke to you when you entered an organisation, you already have a picture about its culture – just by noticing what people wear to work. Is it something very formal? Or casual? Or semi-formal? Do they look approachable or not? What are their clothes telling you about the organisation? Certainly if the clothes were not appropriate from the management's point of view, nobody would wear them … so, they are verbally or non verbally approved.

Every organisation has its own, unique culture or value set. It is typically created unconsciously, based on the values of the top management or the founders of the organisation. However, it is important to remember that there is no generically good or bad culture; there are only generic patterns of health and pathology in it.
It is also important to remember that culture drives the organisation and its actions. It is somewhat like the 'operating system' of the organisation. It guides how employees think, act and feel and it's always dynamic and fluid. That is why a culture may be effective at one time, under a given set of circumstances and ineffective at another time. The important thing is to recognize the patterns when we want to implement any change in the organisation.

Why is it important to determine it?

Here are some hard facts:

- A resistant or inappropriate culture is the most frequent cause of failure for major strategic initiatives taken by companies.
- 70% of changes fail because the culture undermines and derails the implementation of the plan.
- If the culture is not pulling in the same direction as the plan, the culture will win.



What we can see in ***Picture 1*** is the curved line that resembles the rollercoaster and that's why Stephen Haines the author of *Strategic and Systems Thinking*, from San Diego, CA called it that. The Rollercoaster presented is adapted to show and explain the change process in schools.

Phase 0 is the **current state** or as I call it, Champagne mood. The change is talked about, everyone is happy about it because it sounds promising and of course the company is heading towards better future. However, at this, initial phase, people don't think that it will **really** happen.

After a short period of time, the change starts and the culture resists it. The trough is deep. People are shocked it started so suddenly, (however, whichever date the CEO chose it would be too soon) and the employees are still in denial. This phase is called the complexity phase because here culture pulls strongly in the opposite direction of the change we planned.

Phase II is the crucial one –**chaos** at its height. Anger sets in and depression is all around, if the CEO didn't prepare the employees in the proper manner. Even with careful preparation, this phase is critical, but this is the point when culture can really win if the CEO is not ready to face the problems and deal with them. If that happens, we have a rapid 'back to status quo' and the culture proves itself to be 'change resistant' at this point.

If the culture didn't win, we have **hang in point** which is the lowest of the low possible in the organisation, but the anger is not there anymore and people who wanted to leave the organisation, have already left. Those employees who stayed are not too happy to be there, but they are there and the old culture lost this battle.

Phase IV is finally a happy beginning of a real change. Culture changes and starts to accept the new system and the employees see the meaning in all the processes and work tasks they are doing again. The processes and the systems might have changed significantly, but they have all got a grip of it now and the culture starts to pull in the same direction as the CEO's plan.

The last, Phase V, is called **Simplicity** because the structures, systems and procedures are known and the new culture is born to support and protect them. In this phase we have rebuilding

of values and strengthening of the new culture.

Reality check test

Think for a minute about the organisation in which you work and answer the following questions.

1. Does your management encourage or discourage innovation and risk taking?
2. Does your management reward or ignore/punish employees for coming up with new ideas and challenging old ways of doing things?
3. Do mavericks fit in or get pushed out?
4. What is the norm in your organisation change or status quo?
5. Does the organisation truly value excellence or is the mentality simply "just ship it"?
6. Does management pay attention to the well-being of its employees or is it completely focused on task performance and profit.
7. Does a high level of employee participation characterise the culture or does senior management make most decisions?
8. Does your management practice what it preaches or not?
9. Now think for a moment of any written mission statements, set of values or "who we are" in your company – does it match the results you've just obtained or not?

If you have "ticked" the first part of at least five questions, you have a *lovely baby* – if you did the opposite, the *baby* needs immediate 'plastic surgery'.

Three main cultures and six main players

Perhaps this next chart, **the Culture Matrix**, could help you pinpoint the problem – there are three main cultures and six main players described. You might recognise some of them, since in every company there are all types of players, but they are not equally influential. Needless to say, the cultures and the players are not so 'black and white' as they are presented in this matrix.

Three main cultures	Six main players	
CONTROL CULTURE Highly competitive culture. "Market is a battle zone and staff members are soldiers". Based on power and position this culture values dominant personalities and rewards them.	**Power Players** regard the organisation as a battleground with control viewed as 'winning'. They see most interactions with others as a win-lose situation and naturally try to maximize their wins by controlling the flow of information. They compromise only if they see their victory in the future - otherwise they don't.	**Gatekeepers** see the organisation as a perfect place for exchanges of information and intrigues. He or she who gathers and channels the most of both is in control. They are usually very friendly but can also be leaders of informal groups and harm the organisation by selectively releasing information.
COMMUNICATIONS CULTURE Fosters personal growth and readily accepts the need for change – 21st century culture with the ideas exchanged easily and effectively. Downplays job titles and job descriptions in favour of open communications.	**Mentors** like to take others under their wings and share information about the organisation. They are always willing to teach new members how to work within the structure and maximize results. They create very good team players and encourage people to turn to them for help.	**Peers** perceive all members of an organisation as being equal. From top to the bottom of the structure, they see everyone as being in the same boat and succeeding or failing together. As a result, they are also free with their flow of information and make no distinctions about who should be involved in the decision-making.
CONTENTMENT CULTURE "We are doing just fine and we don't have to change". Playing safe and maintaining the status quo is the main objective.	**Workers** schedule their daily output based upon what they know will come across their desks or into their realms of responsibility. Their comfort is in routines they have learned and within which they perform extremely well. No organisation has ever been hurt by a true worker.	**Gliders** do enough to get by and little else. They consider the organisation to be something which must be endured to make it through life, but don't want to rock the boat let alone to put themselves into a position in which more may be required of them. They simply don't want to get involved.

How will we change our corporate culture?

There are three simple questions – your answers are more complex.
1. What are the key elements of the new culture that you must have in place to be successful?
2. What are the key elements of your old culture?
3. What are the new habits you need to create in your organisation to switch from the old to the new?

This is a complex task when we try to organise our thoughts about how to align our culture with our strategic initiatives. We want to generate many detailed, practical answers to each of these questions since we are looking for something that is a fit between our strategy and culture. In any case, our cultural blueprint should support our strategy.

As you progress through your implementation of a major change, keep looking back at these questions and expanding your answers. Changing a culture is an evolution in most cases, unless you are willing to fire your entire staff and throw out all your old systems to start from scratch. The speed with which we would be able to change the culture would depend upon how many answers to these three questions we can implement and how fast we can do it. Speed of change will come from hundreds of small answers to these questions that are implemented quickly.

Simple tips for changing the ugly duckling into a swan

With the generous permission of Peg C. Neuhauser, the author of *Building a Corporate Culture in the Connected Workplace*, here are some tips with additional explanations that might help the CEO who decided to start with the change, so that he or she does not have to do it ' Russian Front' way (offering two bad solutions to choose from).

1. Determine 3-4 key 'personality' traits you want the new organisation to have.

Imagine that you have a new employee waiting in your office. He or she should be able to hear these phrases from you and easily understand the implications for his behaviour. That is why you should use everyday language to describe them. For instance:
We are a very **friendly** school, **teamwork** and good atmosphere are very important because only that way we can provide the **best quality** and **care** to all - our students and teachers.

2. Flowery vision or mission statements are never as effective as punchy, simple phrases.

Top school for top people is the logo of one well-known school. I found it an excellent phrase to use since it's broad, promising and obliging enough for every employee, including the manager or the principal.

3. Use stories to bring the key traits alive in people's minds.

Tell your own stories and get everyone else to tell theirs. Reliability is one of the key traits in a school. The easiest way to communicate what this means is to tell a story about the efforts to live up to the task of being reliable when it was much easier not to be. Or, use stories about what you did to show you cared for the customer or whatever your priority is in the new structure. Stories instruct more effectively and are remembered longer than any other form of communication. The ideal time for telling them is an informal gathering or at the end of a meeting. Pick your key traits and then pump as many stories as you can out into the organisation.

4. Make sure the CEO is the impassioned champion of the key traits.

If the leader is not known for being obsessed with them, no one else will be either. People need to know that the CEO is thrilled when anyone succeeds in carrying out these traits and crushed when the organisation fails.

5. Do not go on witch-hunts to punish mistakes.

Tackle them in the spirit of learning from them and making sure they do not happen again. Don't pretend you're perfect as an organisation – you aren't and everybody knows that. If you have a long term problem with individuals who will not change their behaviour, you will eventually have to isolate them or fire them. Your day-to-day efforts, however, should focus on constant improvement.

6. Face the truth about what needs to be left behind from the old set of values.

Avoiding it will only make the situation worse. Those key traits from the old culture which fit into the new one that you're trying to create should be considered as the company's core values. But ... let's assume that you're trying to move toward a more goal-driven, faster-paced culture. This situation may mean that the emphasis on 'family culture' with its safe, comfort zones may not fit in anymore. This is a painful change to make, but if you're trying to avoid facing the issue or making the necessary changes, you will end up with a culture with the key traits that include cynicism and that is the last thing you need.

7. Learn from the world's greatest change agent – Moses.

Close the "Red Sea" so that nobody can run back when the going gets rough. One tip you might take from Moses has to do with the Red Sea. That part of the story usually emphasizes the miracle of the Red Sea as it opened for the Hebrews. But for a change agent, the more important part of the story may be that the Red Sea closed, so that the Hebrews could not go running back to Egypt when the going got rough in the Sinai desert. Find some way to make the Red Sea close so that there is no retreat. Physical moves, pulling out old equipment, a change in key personnel, and a change in structure are a few examples of actions that signal the employees that this is really going to happen. The most important thing here is that you have to stick to your decisions, no matter what 'mess' they might create at the beginning of the process.

8. Have a funeral.

Every culture ever studied has had some form of funeral ritual. Your organisation has to bury the old set of values, says goodbye and needs some time to grieve. Make it easier for everyone if you recognize this need – throw a " goodbye old ways" party, a meeting dedicated to saying goodbye to the old ways, making a scrapbook or a bulletin board with mementos from the past life of the company.

9. Be respectful of the past.

People are sensitive to the 'good old ways' because they were part of the "good old ways". Don't say that the old way of doing things was not good – people are sensitive to this because they were part of the 'old ways' and the implication is that they were not good in doing things. Even if the employees hated some 'old ways' don't be surprised if they suddenly grow a fondness towards them – it's natural – those were the situations when they felt safe, because they were known to them. They have to let go of the old ways, but the memories do not have to be destroyed or discounted.

10. Change as many outward symbols as you can.

Change the artefacts: titles, colours, logos, dress codes, rewards etc. Tangible symbols are visible and send powerful messages.

Tribal cultures are not as different from the organisational cultures as we might think. Every tribe has its own colours, specific clothing, way they perform rituals, special objects ... they mark their territory this way. If you as an organisation want to 'mark a new territory' then you have to make it visible to everyone. And what is more visible, tangible and powerful than the company artefacts?

11. Change your language.

This is one of the most powerful elements of culture. Coin a new set of words that represent the new traits but avoid corny or trendy terms. Changing the language always gets people's attention. Since you know exactly what you want, it would not be hard to use appropriate words or phrases that support your new direction towards a new culture.

12. Create new rituals that reinforce the new traits.

Change your meeting formats, add celebrations of the new success and involve everyone. The form exists in order to preserve the substance. If you want a new substance to be preserved it is only natural that you change the 'packaging' as well. These new formats will enhance the change and give your colleagues a chance to feel the change in a very non-aggressive way.

13. Finally, create new 'ruts'.

Habits take repetition to sink in. Find dozens of ways to repeat and repeat the new behaviours.

Remember this sequence:
1. State what is important
2. Act on it
3. Point it out
4. Reward it

If teamwork between departments is a key trait you wish to create in the new culture, say so. Find any pair or group of people who team up on anything – large or small, point out that they did it, and reward them with praise, recognition or whatever you have available to use as a reward. Then do it again and again and again. Don't forget that the best spiritual vitamin you can get is praise, so use it.
Each round of this sequence earns you one point toward your goal. And remember: a few glitzy events are not as effective as one hundred little actions that are noticed and rewarded. Employees need a consistent pattern of behaviours to realize that you're serious about what you're doing. One glitzy event will earn you only one point, no matter how much it cost. A hundred little ones may be very simple and inexpensive, but every one is a point worth.

Instead of a conclusion

In ELT Management, awakening the emperor, in our case a CEO, to the fact that he has no clothes is often a risky and delicate first step in closing the gap between the real and the ideal corporate culture. So, "emperors", be gentle to yourselves but get down to work "and get dressed properly" as soon as possible. Arm yourselves with patience and do not forget that changing culture anywhere, especially in schools. is a process and not a surgical cut.

Be creative and involve everyone because people support what they help create;
Celebrate every step, no matter how little it seems;
Be tolerant first and foremost towards yourself when things don't go as planned and don't forget that at this moment, hundreds of CEOs are doing the same thing as you do.
Good Luck!

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