

# Developing Productive Workplace Culture



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## The Leading Culture Approach

There are several factors that must co-exist for an organisation to successfully make the transition from current state to desired state workplace culture. The Leading Culture approach addresses each of these factors in a holistic program, which maximises the likelihood of successful transition.

In the absence of any of these factors, each a program of work in itself, the risk of derailment of the program is heightened significantly. Ultimately, this is why most change programs fail. It is usually not because of the lack of foresight on the part of the leaders of the program, but more often because some of the interventions described in this overview are ignored, under-appreciated or simply too confronting and therefore removed.

This program does not obsess about change theory. Leading Culture appreciates that leaders who desire cultural change are astute enough not to need academic theory drummed into them. The elements of the Leading Culture approach have been shaped over time by proven results and are supported by solid culture and change theory.

There are eight factors which are evident in a successful culture program. Some of these will be obvious. Some of these elements are not so obvious and are never mentioned in the design stages of most programs.



In the following pages, each of these eight factors are described. These factors are fundamental to the Leading Culture Approach and critical to your successful cultural change.

This overview does not represent Leading Culture's full culture change model, but highlights several critical components that provide the reader with an appreciation of the Leading Culture Approach to the design of culture change.

## Leadership Team Buy-In

A culture change program either has a chance of success or is doomed to certain failure depending on the decisions made at this early stage.

For the leadership team to buy in, the CEO must be completely committed to change. In the absence of total CEO commitment at this point, the rest of the team will instinctively understand that if they dig in, then other, more urgent matters will arise, and this fad will also pass.

Unless the CEO is new (appointed within the last 12 months) then (s)he will need to accept some of the responsibility for the way things are around here. Indeed, this is generally a very constructive way for the CEO to start the conversation.

It may also be necessary for the CEO to bring in an external facilitator to get the culture conversations started. Management teams are inherently conflicted in these situations. There is a power imbalance with the CEO sitting at the table. Inevitably, whatever the CEO says carries far more weight than any other person in the room. Once the CEO speaks, boundaries are created around what is discussed and emphasised from that point onward.

Critical aspects of leadership team buy-in:

- Analysis of available data to reveal the current state
- Clarity on desired future state



organisational values are not deeply behaviourally based.

Teams that experience facilitated behaviour discussions in the context of culture change generally achieve healthy and grounded outcomes. Across teams, these can be converted to an organisational set of 'signature behaviours' which are owned by the front line.

Critical aspects of macro and micro measurement:

- Bottom up approach
- Team based workshops to create the signature behaviours, which also introduce the organisational view of culture
- Leaders overtly adopting the staff designed behaviours
- Overt support and recognition based on the new behaviours

### Corporate Services Make-Over

This factor is the most surprising inclusion for many leaders and can be confronting. This is because in many organisations, an abundance of organisational sacred cows exist in the corporate support teams. These may be work practices or people.

Leading Culture has found, notwithstanding the best intentions of a constructive CEO and an energised leadership team, if a poorly performing or disconnected corporate support group operate inside an organisation, then culture change grinds to a halt.

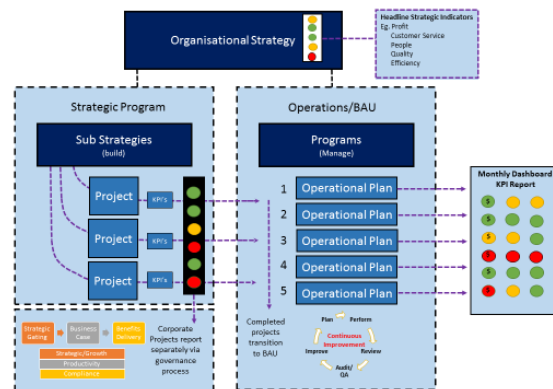
Most critical is a top to bottom overhaul of the HR program. With more than 25 years as an HR Leader, I am disappointed to say that sub-standard HR teams are the single greatest inhibitor of achieving desired cultural change.

If we assume the CEO and Executive team are on board, then the HR practices must support the desired culture. This may require an overhaul of:

- HR Policies and procedures
- Performance management programs

- Remuneration systems
- Reward and recognition programs
- Learning and development activities

A targeted set of corporate reports must be produced by the corporate support group in each reporting cycle (typically monthly) that combine targeted strategic and operational reporting, which balances lead and lag indicators.



Critical aspects of Corporate Services Make-Overs:

- HR is the primary focus and must operate in a way that represents the desired future culture
- Leadership teams must emerge with a clear understanding of its risk appetite and be prepared to discuss this with the Board.
- Targeted, accurate reporting that is produced on time is a minimum expectation
- Typically corporate support staff engage with other teams across the entire business, so their commitment to signature behaviours must be absolute

### Accountability Strengthening

Many organisational culture problems are exacerbated by front line controls that are poorly designed, inappropriately applied or in some cases, non-existent.

At its simplest, supervisors/team leaders must supervise. This includes checking the work produced by front line employees. This may be required in 100% of cases or by random or targeted sampling. The checking

regime will vary depending on the type of business but it must be in place and staff must believe that their work is likely to be checked and that there will be consequences for sub-standard work output. To this end, the organisation's performance management program must support the control framework.

Culture change programs fail quickly if front line management is expected to hold employees to account, only to be undermined by slow, bureaucratic and misaligned performance management programs.

Critical aspects of Accountability Strengthening:

- Role descriptions of supervisors must reflect their requirement to check and sign off work of front line employees
- Supervisors must be trained in effective controls management
- Organisational work systems must re-enforce accountability
- Performance scorecards must be outcome focused, not input or activity focused
- Culture programs must include accountability as a central principle
- Accountability must be embedded into capability frameworks and learning programs
- 2<sup>nd</sup> and 3<sup>rd</sup> lines of defence must be embedded into control frameworks as the accountability environment matures.

## Services Re-Engineering

Organisations that run successful culture improvement programs, channel their actions through a program of front line business performance improvement. This may include process re-engineering or productivity improvement programs. Culture does not change simply because we commit to behave in more courteous and constructive ways with each other. Culture only changes if our day jobs change to reflect such things as:

- Greater focus on client outcomes
- More efficient delivery of services

- Improved controls to reduce errors and increase compliance
- Greater focus on quality, or speed of service

An organisation seeking to change, cannot focus on all of these things. Its leaders must isolate those interventions that will produce the greatest benefit.

Defining VALUE through COST/QUALITY/SPEED trade off



Critical aspects of Services Re-Engineering:

- An overall benefit target must be identified
- No activity is undertaken unless a business case is developed and signed off by a governance group
- Cost cutting is often pursued, but this must be very sensitively managed if headcount reduction is incorporated
- Benefit to the customer is a constructive focus, as this removes much of the controversy, particularly if headcount reduction is included
- Changes must be designed in conjunction with front line staff – not just done to them

## Clear Communications

Important culture change communications are done face to face and supported with multimedia messaging.

The CEO must be the chief communicator of 'big' change. An absent CEO, or one who delegates responsibility for communicating major news is often seen as weak and can become distrusted.

The CEO can communicate many key messages via other organisational leaders,

but needs to avoid the problem of 'Chinese Whispers', particularly if the organisation has multiple layers of management. Every message is slightly adjusted when others pass it on, so key messages must be clear and unambiguous.

Culture change (or any change for that matter) via email, newsletters or message boards in lunch rooms must be avoided at all costs. There are many contemporary communications tools available in corporate organisations today, and these need to be embraced.

Culture change programs which include services re-engineering often require headcount reductions. These must be communicated in a way that reserves the dignity of those leaving. It is vital that the reductions be communicated and not avoided.

Critical aspects of Clear Communications:

- The CEO is the most active and visible communicator, particularly in the early stages of the program
- Face to face communications are compulsory in the early stages
- Leaders at all levels must be trained in effective communications and presentation skills
- A communications plan is critical and must embrace multi-media message distribution
- A change champions program will make communicating change much smoother
- Desired culture messages must be embedded into all messaging
- Recognition programs must be overhauled to reflect desired culture
- Never assume that the message has been conveyed. Communicate the message again and again and again.

## Program Governance

Even leadership teams with the best of intentions will take short steps when the going gets tough in culture change programs. This is why a governance group must oversee the change program and act independently holding organisational leaders to account for the changes implemented.

The Board is best placed to play this role, but must be skilled in culture change, or else they run the risk of perpetuating poorly informed practices and can often declare victory too quickly and bring a culture change program to a premature close.

Business cases must be gated by governance groups, with progress reported to the governance committee.

In the absence of an independent governance committee, the CEO and leadership team may not hold themselves to account in the same way that they do to others. When this occurs, it becomes obvious to the workforce, and the culture change inevitably stalls.

Critical aspects of Program Governance:

- Independence is vital
- Regular transparent reporting must occur
- Each project that is undertaken must conform to an accepted design, with benefits calculated and tabled in advance. The governance committee must then ensure those benefits are delivered
- Signature behaviours adopted as part of the culture program must be demonstrated inside the governance committee



## About Leading Culture

Leading Culture is owned and operated by John Brennan. Leading Culture is the trusted partner to businesses who understand that extraordinary results are achieved when authentic leadership, constructive workplace culture and innovative HR solutions align.



Spanning a career of more than 20 years professional practice at senior management and executive level, John is an expert in human resources, organisational dynamics, performance and transformational change.

John is sought out as coach and trusted partner to develop the skills of existing and emerging leaders who seek to build more constructive workplace cultures.

Across the spectrum of human resources and organisational development, John designs, implements and executes solutions that drive superior and sustained performance. John contributes to the HR profession as a mentor and coach and regularly writes on topics such as workplace diversity, emotional intelligence, neuroscience and the changing world of work.

Leading Culture:

- Delivers HR solutions to suit a range of client circumstances across corporate, government, Not For Profit and small business
- Maximises leadership potential by measuring impact, reflective learning and behavioural coaching
- Develops constructive workplace culture by working with and across teams, facilitating better understanding of the inputs, behaviours and control systems required to optimise performance
- Gets to the heart of workplace disputes through mediation and negotiation, enabling parties to re-establish productive performance relationships



For more information on Leading Culture, please visit the website:

<http://www.leadingculture.com.au>