

A photograph of several surfers riding a large, breaking wave. The image is overlaid with a dark blue and green gradient. In the top right corner, there is a large, stylized graphic of a compass rose or star shape, also in a gradient of green and blue.

Catching Waves.

GETTING CULTURE RIGHT



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Rob has extensive experience leading large HR teams across the world and influencing the national HR Agenda through his roles as Chief People Officer and on the board of Australian Human Resources Institute (AHRI). He is so passionate about the role of culture in organisations that he left corporate work late 2018 to launch a boutique consultancy connecting companies to their people by dealing with problems worth solving.

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Corinne has over 25 years experience leading teams both locally and globally in a variety of organisations and sectors including banking and finance, telecommunications and technology. She is passionate about helping leaders unlock growth in their organisations and is a published author on leadership and culture, with a number of her articles appearing in publications such as Business Insider and the Australian Financial Review.

About the Research Sponsors

Human Synergistics Australia and The Australian HR Institute have been partners for seven years. Both organisations seek to have a positive impact on people and organisations, and see that one of the best opportunities for doing that is through improving culture.

Catching Waves.

LESSONS LEARNT FROM 'GETTING CULTURE RIGHT'

The Crisis of Culture.

Brexit, border walls & Royal Commissions.
Has trust ever been more important?

If you live in Australia, it takes only one Royal Commission or one 'Sandpaper gate' to see what can happen when behaviours widely seen as inappropriate, unacceptable and unethical become the norm.

People are asking the big questions. Can we still trust large organisations? Can we believe what they say? Do they care about their customers, their people, their stakeholders or the communities in which they do business?

Many organisations forget they are operating with an implicit social licence to trade. They serve customers' needs and exist within a society. This licence requires a balance be struck between high performance and appropriate behaviour. Organisations who ignore or dismiss the need for this balance, do so at their own peril putting their credibility on the line.

The new world of minute-by-minute posting on social media has turned the question of trust on its head. Corporate spin is out, radical transparency is in. Organisations, whatever their form, are having to take a fresh and more sustainable approach to cultivating a healthy and productive culture for their employees, customers, stakeholders and communities.

In what has become a low-trust climate, one critical factor continues to be heralded as both the core problem and the critical solution. Culture.

We're in an age where investment in culture represents an enormous opportunity. "Strategy off-sites" are still the norm but they would be better balanced with rich and important discussions about Company culture. This must become the norm. It's no longer a question but a reality: culture must eat strategy for breakfast, day after day.

So what is culture?

Part of the difficulty with culture is its mercurial nature – it's not tangible; it can't be seen or touched. If choice is the invisible hand in the marketplace, culture is the invisible hand in the organisation.

We define 'culture' as:

- the identity and values of an organisation in action
- the expectations, values and norms that govern behaviour in the organisation
- a leading indicator that gets us ahead of issues, enabling us to move quickly through complexity and ambiguity.

Culture can accelerate or brake the execution of strategy, motivate high performance and ethical behaviour. However, it can also create unintended collateral damage that no organisation wants to be associated with.

Why this paper?

This article has been written for anyone interested in changing their organisation's culture. Board members, CEOs, executive teams, middle managers and the front line. We think everyone has a role to play in culture. If you need to understand who our target audience is... it's you.

We decided to write this paper because, based on our combined five decades of experience in organisational development and transformation, we've concluded that organisations often lack some critical components of a great culture: day-to-day rituals that sustain and support culture, a commitment to measuring the 'success' of culture, and broader aspects of the organisational approach.

In a climate where organisations are under pressure to deliver culture change, there is a very real risk that culture will be treated as a point-in-time programme and therefore be likely to fail. A new mindset for culture change is needed.

An aerial photograph of a surfer riding a wave, overlaid with a blue and green color gradient. The surfer is positioned in the lower right quadrant, riding a white wave face. The text "Read the conditions. Choose your wave." is written in white, sans-serif font across the upper left portion of the image.

Read the
conditions.
Choose
your wave.

“You can’t stop the waves but you can learn to surf.”

Jon Kabat-Zan

The Oceanic Connection.

The title of this paper, **Catching Waves**, reflects our realisation that culture shares many characteristics with the ocean:

- Both are environments that should be nurtured – they’re hard to control, but with regular care and diligence they can be kept clean and healthy.
- When the tide’s right, you can catch a wave that propels you forward with speed and a momentum that’s both uplifting and on the edge.
- They’re shared by everyone, not just a few.
- They can be as scary as they are beautiful.
- They can inspire pride as well as inspire great courage.

What’s more, they connect through their environment; they’re both home to a wide variety of species. Each has its place and all are shaped by, and in turn shape, that environment.

Like the ocean, culture is ever present – the only question is whether it is flowing with you or against you. Organisations ignore it at their own risk – those that don’t respect and consciously attend to their culture may realise too late that it was working against them all along.

Drilling down to the organisational level, culture connects all things:

- It both infuses and determines the basis for organisations’ operating models.
- It influences the decisions that leaders make.
- It underpins the systems and processes that shape organisations’ day-to-day operations.
- It determines how organisations monitor and track their performance and how management systems are determined – whether they’re recruitment systems, organisational structures, communication processes or meeting agendas. All are influenced by the organisation’s values and thus its culture.

The challenges of working on culture.

It can be difficult to explain to a CEO and CFO what they’re buying when they invest in culture. There are no distinct tasks, and no tangible products that will save time, automate processes or be picked up and bought by a customer. It’s an emergent process, and it doesn’t come with a money-back guarantee and so unsurprisingly perhaps it is a difficult agenda to ‘sell’ to leaders who want proof up front of impact.

Our proposition in this paper is that leaders must make their culture at least as important as their digital strategy. According to a recent survey on investment in digital strategy for example, of the 554 participating companies, 35% reported spending between \$1 million to \$15 million, and another 29% invested \$15 million to \$50 million¹. Based on our research and experience, organisations generally do not have a distinct budget for culture, yet it is a lead indicator versus financial lag indicator of the health of the business. The costs of not factoring culture into transformation plans can lead to lost opportunities for synergies and cost efficiencies, lost customers, lost employees and increased injuries to name just a few.

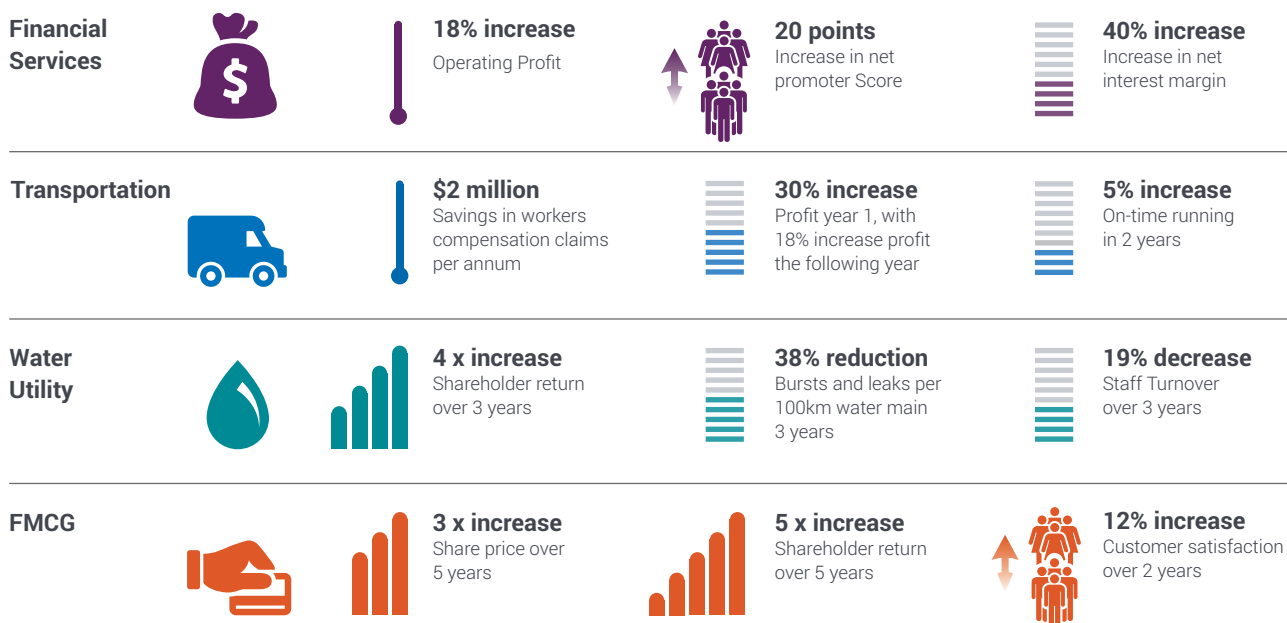
¹ Altimeter @ Prophet’s State of the Digital Transformation Report 2018-2019

In our experience enterprise transformation tends to leave cultural turbulence in its wake, and if this isn't addressed the hoped-for benefits are seriously at risk. The often-quoted "70% of change efforts fail" reflects the fact that organisations don't consider whether their culture is an asset or a liability in executing their strategy. Even organisations that are shamed for their poor culture often respond by spending significantly more time and money on regulatory compliance and structural change than on transforming their culture.

Ready to rock your own boat?

We can't assure you that your journey of cultural transformation will be free of upheaval or that it won't leave a significant wake. It's a fact that if you're doing it right you'll definitely create some disturbance to the status quo. It will take courage, time, discipline, patience, a plan and a commitment to stay the course – but the payback on your efforts will be more than worthwhile.

Figure 1: Return on Investment of working on organisational culture
(source: Human Synergistics Australia)



The above graphic shows the returns on investment for just a few industry organisations that are successfully riding the benefits of their investment in culture. No matter what their industry or their size, enabling a more constructive culture has helped these organisations to become healthier in every sense: profit, operational expenditure, employee engagement, consumer satisfaction, customer retention, risk management and ethical behaviour.

Through this paper we aim to help you understand how you can boost your organisation's performance by harnessing the power of your culture – whether you seek to evolve it, transform it or reinvigorate it.

“ Choosing the wave you’ll be riding involves observation, and it will open a wide new world of advantages... You’ll be catching the best waves more often; you’ll experience less wipe-outs, get less tired and, above all, you’ll surely have more fun.”

Surfer Today

Read the conditions. Decide where you’ll ride.

There are inherent dangers in navigating the ocean. If you’re a surfer or an open-water swimmer, one of the first things you learn, is to read the conditions and understand the beach you’re on – the impact of the wind on the ocean, the direction of the currents, and where the sand breaks and rips are. The more you learn about the terrain, the more successful you’ll be in catching and enjoying the waves. Without that knowledge, you could be in serious trouble.

This is also true for leaders who want to work on their culture.

All too often while they have the right idea, they’re after a silver bullet or a quick fix. This pressure for a quick fix puts those assigned to find a solution in a “threat” state, whereby in seeking to appease and please their leader, they settle for a solution that looks good rather than being good. The pressure to find a solution quickly can pull organisations away from what may be the longer, more difficult but ultimately right solution.

For example, when such leaders and their HR teams research others who’ve successfully created culture change, their first instinct is to replicate their approach. While this is a natural reaction, it’s like trying to ride a three-metre wave because it looked so easy when Kelly Slater did it!

While learning from others’ experiences is a good start, you also need to consider the characteristics and conditions unique to your organisation.

Look to the horizon. Where do you want to be?

The first thing any organisation should do is identify and define the desired future state (the ‘vision’). This means asking and answering questions such as:

- What does our future state look like?
- What are people doing in that future world that they’re not doing in this one?
- What positive effects will this future state have on the organisation
- What value will it create or capture?
- What signals will let you know that you’ve ‘arrived’?

Read the conditions. Choose your wave.

For a long time, CEOs and executive teams have been responsible for coming up with the answers to these questions. But the world is changing, and organisations should now 'crowdsource' this 'visioning' by involving their people in the process.

It doesn't have to be expensive. Through a well targeted approach that blends face-to-face workshops and technology, organisations can hear the diverse views of their people fairly easily. In this early stage it's important to generate positive energy and build the momentum for change – and that means providing your people with the 'why'. Identifying the need will make work on your organisation's culture more effective. Explain 'why' and help people understand where you want to go.

Creating a shared vision – one that's owned as much by employees as by leaders – is crucial to successful culture change. If you're looking for fast and sustained change, you need to involve everyone.

Where are you now? Measure your culture to understand your current state.

We measure the health of the ocean; we measure the winds and tidal forces; so we must measure our culture. Peter Drucker said "what gets measured, gets managed", we agree and believe that it is virtually impossible to change something you can't measure. Establishing a baseline for where you are now is critical.

Most organisations measure employee engagement in the belief that they're working on their culture. They are not. Engagement is actually an outcome of culture.

In a world where we like to reduce complex issues to a single percentage score, measuring culture requires you to think differently. You need to accept a 'grey' point of view; it's not so precise that you can pin it down, but you can measure it at a point in time while accepting that it's nuanced and ever-changing.

Many tools purport to measure culture, but not all are equal to the task. If they don't measure norms of behaviour, they're more likely to be climate or engagement surveys – which do have a place, but reflect outputs of culture rather than culture itself.

Adding to the confusion around culture is the new trend of promising fast, real-time data, based on 'customised' or bespoke questions giving the impression that all questions are equally valid (i.e. that all data has value). But not all survey information leads to wisdom or actionable insights that can deliver the results an organisation seeks – and most of the platform-based 'culture' surveys measure engagement, not culture.

Understand that everyone's fingerprints are on your culture.

You need to accept that culture is relative to everyone in your organisation. So if you have 10 people working in a group, there will likely be 10 different individual experiences of culture.

You can't ignore one person's view while accepting another's; instead, you must find a way to 'normalise' the collective view to ensure that you're respectful and inclusive. At the same time, it's important not to homogenise the collective so that average looks good. This is a sure step towards mediocrity.

“Culture does not change because we desire to change it. Culture changes when the organization is transformed; the culture reflects the realities of people working together every day.”

Frances Hesselbein

HCF Case study



Creating a compelling story.

Private health insurance is arguably one of today's most competitive and complex industries. In this landscape HCF is the largest not-for-profit health fund in Australia.

In 2016 HCF began an ambitious programme of transformation, one that included working on its culture to ensure it would support the organisation's ambitions. HCF wanted to ignite the pride of its people and leverage their passion for HCF members while evolving the culture to another level.

In developing its culture strategy, HCF established a cross-functional group who, worked in collaboration with the executive team, and the marketing team to develop an internal brand for the culture project. This internal programme identity aligned to the HCF masterbrand to be consistent with HCF's external branding, conveying a positive message about the culture HCF wanted to build with its people, and reflect the desired future state.

The result was 'I'M HCF: Go further together'. The branding has been used as a symbol of people-focused initiatives and represents where HCF wants to be and is moving towards. The underlying message is clear: it's a journey in which individuals can apply their strengths and potential within and for the organisation in service to its members. The prototype of this booklet was tested with about 30% of HCF employees who participated in a short workshop called 'Ambition' sessions. The pictures represent the final product based on their feedback.

A bonus by-product of the ambition sessions was that participants left, enthused about the culture work, spreading the word and sharing their excitement with their colleagues, acting as a kind of social proof and validation of the organisation's genuine intent with regard to working on culture.

Finally, steer clear of including the term 'culture change' in your project's name; it's often thought to be a code for 'restructure'.

Reduce confusion and develop an identity and brand that describes your aspiration or ambition and exemplifies the future state.

It should remind people of the project's purpose and destination and why it's important that 'we' stay the course.



Paddle out.



Paddle out.

In our experience, leaders are often unaware of what is involved in the scale and scope of culture change, it seems to be a bit of mystery.

Many factors contribute to a 'successful' culture. While some are well documented, some are only learnt through the trial and error of experience. In this section we provide an overview of some of the less documented but all important factors we have learned through trial and error.

There is only one culture – but there are many outcomes.

'Culture confusion' is exacerbated by the fact that 'culture' is referred to in a wide variety of ways; examples include safety culture, inclusive culture, results orientated culture, innovation culture and, most recently, risk culture (since the Australian Prudential Regulation Authority began to realise the impacts of culture on poor decision-making). However, separating culture into identities like these is misguided and unhelpful.

There is only one 'culture', and if it's healthy & constructive that culture will deliver outstanding results – keeping people safe while delivering innovation by including diverse perspectives and managing risks effectively.

What changes culture is the environment or structures in which it exists. To go back to our analogy, in this world of multiple shades of grey you can see the tide and you can feel its pull, but the sand constantly shifts beneath the surface. Who knows what may be swimming under the water?

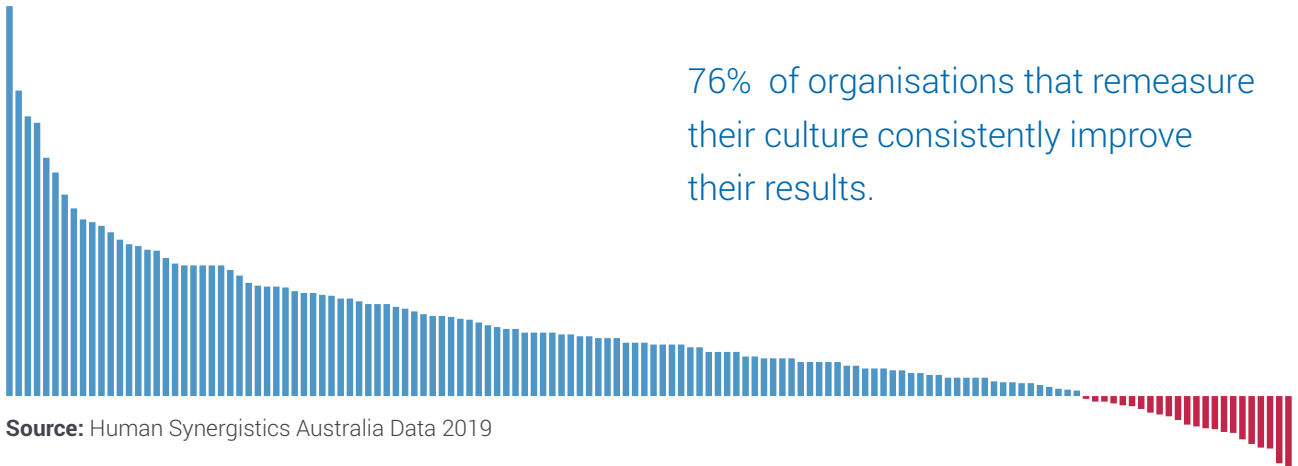
The experience can be unsettling. Be prepared for uncertainty.

While all organisations have access to the same tools and resources to re-energise, reset or transform their culture, not all of them get there. This can often be put down to uncertainty and anxiety among leaders and employees – two of the least discussed aspects of change, in general and in culture change specifically.

Uncertainty and anxiety can show up in a variety of ways:

- Leaders agreeing to commitments but stalling at action;
- Constant requests for clarification (and reclarification) of what seem simple actions;
- Re-stating of what needs to be done; and
- Compromising on initial ideas until they become so vanilla they lose their change velocity.
- Resistance and opposition to the smallest of changes.

The most common tactic used to delay an initiative is, "It's not the right time". While this can sometimes be true, it can often actually mask the uncertainty about what culture change will actually mean for all involved. Leaders often have a fear that this work will 'unleash' demands from employees that they cannot manage or meet.



Even when it's working, culture change won't always feel smooth and enjoyable. To use our analogy, the paddle out can be long and it can be hard to see if you're still on track, immersed in water as you are. Many organisations start out well, only to paddle back when things get bumpy. But what do you do when you reach the beach? Work out a way to get back out there!

It is tough to paddle out again when the effort seems so immense. Take heart in knowing that Human Synergistics Australia's data shows that 76% of organisations that remeasure their culture consistently improve their results. This shows that organisations that stay the course, do improve.

Culture change comes with doubt; it's normal. Think of those doubting moments as a time to:

- breathe and take stock
- remember where you're heading and trust in your ability to achieve a positive outcome
- hold on to your vision and be clear about the desired culture.

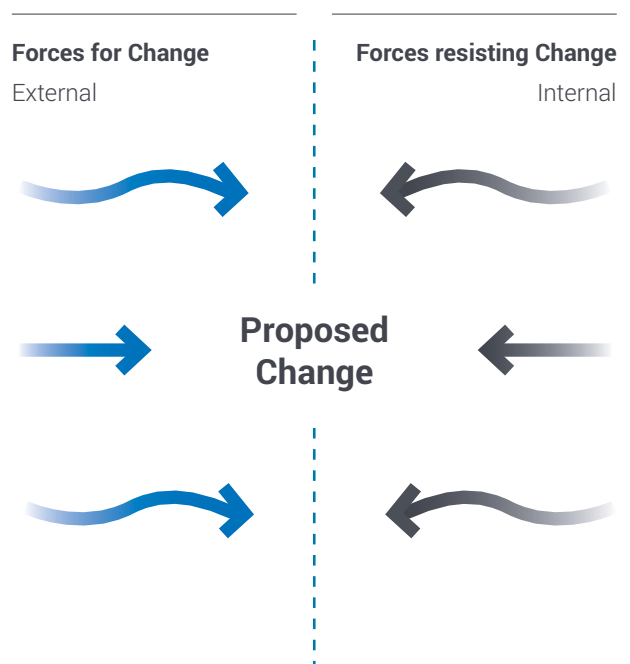
Share this clarity with others; in doing so you'll share the resilience. And don't be the lone hero: get people involved and active early.

You may be swimming against the tide.

Your commitment to change must be stronger than the current of the existing culture.

Culture change won't happen in all parts of your organisation at once – people and business units will be at different stages of readiness, and some will resist the change. It's natural, and it happens everywhere.

Albert Einstein said, "Every action has an equal and opposite reaction." The drive towards a new culture must be stronger than the force of the 'old' culture.



Clarity of vision, resilience and patience are critical, as is your ability to be agile and pivot at points when necessary. While your desired future state is unlikely to change, the path towards it may – and several times along the way. Be open to change, while keeping your head above water to sight the markers of your journey and the distance to your destination. Your ability to tack at the right time in the right place will be critical.

Last but not least, check yourself...

Lastly, there's you. Culture change is the result of a series of individual changes. If everyone behaves more constructively more often, your culture will improve.

Gandhi said, "Be the change you want to see" – and that goes for every member of your organisation, most obviously the senior leaders and the key protagonists. If your board of directors supports culture change they must demonstrate it; otherwise, those delegated to 'create the movement' will be left in a precarious position, treading water and without a paddle.

In our experience, most leaders approve a 'culture programme' thinking that they're 'OK' and that it's everyone else who needs to change. Ironically, those at the top often have the most work to do because they have successfully navigated the existing culture to achieve a position of authority.

Leaders who are effective in creating culture change know that there's no free ride and that they need to change first. Be the change you want to see.

"Be the change you want to see"

Gandhi



Catch the
wave.

Catch the wave.

“A wave isn’t like a skate ramp or mountain; everything’s moving around, and you have to time how to move along with it.”

Kelly Slater

To catch the right wave, you need to understand timing. Launch too early and the wave is uncatchable; launch too late and you’ll get dumped.

The same applies to culture change. Timing is everything.

Where to start? You should be very clear on who wants change and who’s asking for it.

- **Uncommitted:** if the CEO isn’t aligned, change won’t happen.
- **Committed but too busy:** if the CEO is aligned but too busy, it probably won’t happen.
- **Committed:** if the CEO can see the benefits, trust the method and become personally and passionately involved, it stands a chance.

If your CEO is committed, you’re ready to seek commitment from the executive team, the board or whoever makes decisions in your organisation. Note this can take time, and there’s no shortcut.

Who owns culture?

Everyone’s fingerprints are on culture, but who is best to lead and own culture is a different question and in many respects depends on your specific context.

Typically large scale culture programmes should be sponsored and lead by the Board & the CEO. The Executive team are important catalysts and leaders in the change however and need to be visible leaders in creating momentum and supporting the change.

Our experience has been that when a business leader takes responsibility for the culture change it is more likely to be successful, these odds increase greatly of course if the Chief Executive is also its chief advocate. The truth is every leader at every level plays a specific role in creating this cultural shift. Never forget that it is your people that will power it up.

A specific mention for your HR team, they should provide the subject matter, expertise and leadership depending on their seniority in your organisation. HR leaders should be co-collaborators, co-pilots, internal coaches and architects of the change. Culture work provides the HR team with the opportunity to partner with business leaders to leverage their people know-how to maximum effect.

From then on, everyone is responsible for bringing the project to life.

Building momentum to catch the wave.

Some executives take the 'big bang' approach and jump straight into announcing a culture change programme – and they're surprised when, after working hard in the background to come up with the best way forward, their announcement falls flat. Why the lacklustre reaction?

You have to remember that while you've been hard at work devising the grand plan, the rest of your people are hard at "BAU" and oblivious to your initiative. Internal public relations, great communications, videos supported by images of happy-looking employees might help, but they won't be enough.

You can also leave things too late, especially if your organisation is experiencing high levels of disengagement and disillusionment owing to what's already perceived as a poor culture. In this case, a wrongly timed big-bang launch without any local face-to-face follow-up could cause more harm than good.

If your people are cynical, you need to build some goodwill before you can reasonably expect them to want to change or go on the journey with you. Otherwise they'll feel it's too little, too late and find ways to pick at the flaws in your plan.

Just as out in the surf you must build up momentum to get on the wave, if you're serious about culture change you need to 'warm up' the organisation as part of the launch. Get people involved early and often as you build momentum. Culture change is a team sport – the idea that leaders can alone develop the way forward is outdated in our fast-paced world.

IBM Case study



Create. Lead. Become.
#anewibm

Building Momentum for change.

How IBM Australia & New Zealand crowd-sourced its vision and aspirational culture.

When IBM Australia & New Zealand decided to evolve its culture, it knew it had to involve those who were most invested and had the most to gain – IBMers.

With 5,000 employees in Australia and New Zealand it was not an easy undertaking. The goal was to involve at least 20% of IBMers in a series of two-hour, face-to-face workshops called 'vision sprints' whereby IBMers envisioned the kind of culture that would get the best out of them and create a new IBM.

Designed by Human Synergistics, these sprints were led by IBMers for IBMers – with the IBM executive and HR teams were trained to facilitate the vision sprints. A number of critical questions were asked of all participants in the sprints:

1. What excites you about IBM A/NZ? Describe the kind of culture that would get the best out of you?
2. Thinking about IBM culture 2020 – ideally, how much of each of these behaviours would you want? (as part of the HS OCI Ideal Survey)
3. What do we need to do differently to get there? What should we keep, stop and start doing?

The result? The vision sprints were infectious, especially as no-one expected them to be as enjoyable or as meaningful as they were. IBMers were soon telling their colleagues to attend, saying it was "worth it", and a positive energy began to show across the organisation. What's more, IBMers had a clear and shared vision of what their culture could look like and why it was important.

"Don't wait. Do something.
You can't break anything."

David La Rose
Former Managing Director
Australia / New Zealand



The wave you need...

The failure of a culture change project can rarely be put down to it being a 'bad idea'. Failures tend to happen when organisations are unrealistic about the scope and scale of the journey they're asking their people to undertake or leaders "bail out" and jump off the wave for fear of being dumped.

How do you inspire an organisation that everyone in it should change? Consider these questions:

- If I gave you the tools and opportunity to be a better worker or a better husband/wife, son/daughter, parent or friend, and at the same time said you'd share the journey with others – would you want to do it?
- If I told you I could give you a language that allowed your views to be respected (not necessarily acted on) and considered, would you want it?
- If I told your leaders that their people would let go of their cynicism and really talk, would they want it?
- And if I told you your job would be easier because your people would want to do theirs, would you be interested?

We suspect your answers to all four questions would be 'yes'. Most people would say 'yes' too, especially when they believe the offer is genuine.

These examples give you an inkling of what a good culture can look like. But caveat emptor, it's not perfect, it's not easy, and it takes courage and time.

Ultimately, culture change begins with a positive change in mindset and behaviour – and as that change progresses you'll see increasingly positive results at an organisational level. If you measure these collective behaviours and norms you can also measure how individuals contribute through their own behaviours. You'll then have a neat ecosystem of leadership behaviour and cultural performance. Let's call it a tail wind that allows you to paddle faster and more efficiently as a team.

Make it easy to get on board... reduce friction

You may accept that culture means everyone, but that doesn't mean everyone accepts culture. If Jane from Accounts finds culture change too complicated or that it gets in the way of her job, you'll get bumps in your analogous ocean – and you'll end up taking two strokes back for every one that takes you forward.

Equally if Mary, the Finance Manager, isn't confident enough to support her team of 15 in the culture change project – and she doesn't see any upside to it anyway – how can you expect her to commit? And if Pete the field supervisor doesn't see how it will help him to manage his tradies and considers it another case of 'corporate BS', how can you expect him to want to give it any of his time?

Make it simple. Jane, Mary, Pete and all your people will come on the ride if you explain clearly and simply that:

- "these are our ideal behaviours and this is why they matter (to you, to the business and to customers)"
- "this is why you should care about our culture (for you, for us and for our customers)"
- "this is how we measure your behaviours"
- "here is what our culture looks like as an organisation."

Repeat, repeat, repeat. Jane, Mary and Pete can have confidence that if they commit to the change project the organisation won't change the rules down the track. They'll understand where their effort, energy and time will make the greatest difference.

Remember, keep the message clear and simple – it's the key to traction and stickability.

Ride the wave.



“ Everything we do, even the slightest thing we do, can have a ripple effect and repercussions that emanate. If you throw a pebble into the water on one side of the ocean, it can create a tidal wave on the other side.”

Victor Webster

Catching an ocean wave is one thing, riding it is something else again. You need focus, a line of sight to your destination, balance, commitment, training and practice.

This is also true of culture. In this section we share our perspectives on the tools you could use – but you know your organisation best, so in making your choice you'll need to understand and consider your organisational context.

We suggest you start by thinking of your culture change project as one of the largest change management projects you've ever done. Consider the stakeholders, the champions and the detractors and plan carefully how to move forward.

We have described here some of the essential factors.

Leadership:

Know how you behave and how you'd like to behave, and keep moving towards that goal. Self-awareness is important, but action and impact make the difference.

It's not about your personality, it's about how you behave. If leaders make the journey, so to can the rest of the organisation. This is where the notion of smooth sailing comes in. If you want to help your leaders, simplify the message, use constructive behaviours as an individual compass, then use those same behaviours as an organisational compass. Think about how you take key leaders in your organisation on a journey, then spread the net as widely as possible.

Storytelling:

The CEO should lead the journey. They're a powerful beacon, particularly if they're prepared to share the journey in appropriate settings. Imagine them standing in front of senior leaders (or others), authentically sharing their life journey while demonstrating how they've spent time and energy on gaining insights into and improving their behaviour.

Behaviour like this shows others that it's important to engage and, importantly, safe to do so. Others will then share; trust and authenticity will build; behaviours will be more consistent; and culture will improve. We're fortunate to live in an age where vulnerability demonstrated authentically and appropriately is seen as a strength.

Line of sight:

As we've already commented, culture is hard to pin down but you can always measure a point in time. Positive changes in individual behaviours (that are measured) lead to positive movements in culture when they happen on a broad scale. Continual measurement gives a line of sight into improvement and can be correlated to business improvement. Measurement should be done as regularly as the organisation finds appropriate, and not stopped. Whether it's yearly or two-yearly, you must check and re-check to ensure that improvements continue. Remember, culture never stops; it's an ecosystem that ebbs and flows with or without action. It's like keeping the ocean clean.

Shape Case study



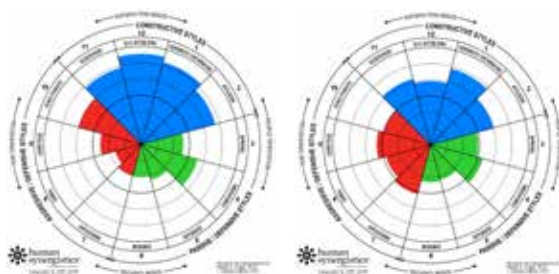
Getting into Shape:
the leadership-culture connection.

“Although we build things, the single most important thing we will ever build is a great place to work.”

SHAPE is Australia's leading commercial and fit-out refurbishment specialist. For more than 30 years it's been bringing spaces to life around the country.

SHAPE's vision of a highly constructive culture is being lived every day as 'the way we do things around here'. Excellence and performance are critical aspects of SHAPE's culture and success and their journey has involved making tough choices, increasing people's accountability and building strong leadership capabilities. Its focus on performance has led it to track and monitor the impacts of leadership and culture on its performance. The results below speak for themselves...

State 1: Individual Leaders 360 profiles & Culture Results

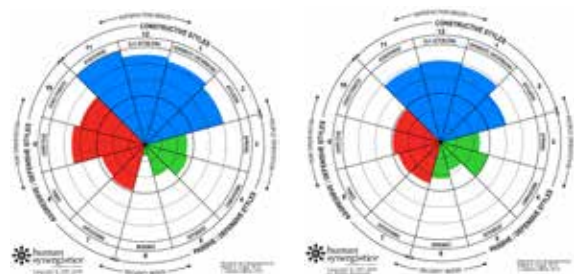


State 1
Leaders Profile

State 1
Balanced Scorecard result
99.5%

Constructive leaders (blue) create Constructive cultures that deliver results.

State 2: Individual Leaders 360 profiles & Culture Results



State 2
Leaders Profile

State 2
Balanced Scorecard result
94.4%

Balance:

Given the extent of the task, you must consider the extent to which you apply control versus enablement and empowerment. You'll know you're in a good place when stakeholders ask why they're not included yet, or suggest ideas for escalating the process or communicating better with others in the organisation.

While a culture change project is likely to start with sponsorship from a committee or project team, the ultimate outcome is an organisation that brings agreed behaviours to life through undertaking business projects and initiatives in a free-flowing and natural fashion. You may be tempted to try controlling each detail of the project, but you also need to be strong enough to know when to step back. Be the architect, the engineer and the leader instead.

Manage those who are swimming against the wave.

Your people aren't stupid. 'Feel good' rhetoric is cheap and means nothing until it is verified by experience. If you are seeking to create a high performing constructive culture, you need high-performing constructive leaders energizing their teams and role-modelling what 'good' looks like. People don't expect their leaders to be perfect just congruent.

So when any of your leaders are not aligned with your message, your biggest barrier to culture change is white-anting your efforts from the sidelines. So how can you tell? Many times your people may not speak up if they perceive that the leader is a 'protected species'. So what are the signs of white-anting leaders ?

- They say one thing but do the opposite.
- While they seem to agree with the decisions and initiatives around culture at the executive table, they are slow to deliver, if they deliver at all.
- Their people learn about what is going on from their colleagues in other divisions, not from them.

- They will tend to describe efforts at culture change as 'warm and fuzzy', 'fluffy' and argue that they have more pressing priorities. This can show up as the more passive aggressive version where they couch their opposition in terms of " you know I think this is important but..."

Any of these signs (certainly all) require a frank conversation with them to call out your concerns, explore their position, understand their resistance and discuss if there is a way forward (where they are willingly prepared to behave differently). Most importantly set very clear expectations about what you need to see from them moving forward. Once you have defined clear organisational values and the behaviours that align to them, no one should be exempt from being expected to demonstrate them no matter how close they are to you or to the CEO, nor how great they are at delivering results, there will be a cost to these results by the way. It should not be a "one strike and you're out!" policy, but a clear and unambiguous process outlining your expectations and actively managing them to that. We cannot stress enough that allowing these leaders or so called 'high performers' to continue unchecked or unchanged will absolutely lead your efforts in culture work to fail. Worse it will destroy your credibility too.

Training:

The concepts and language around 'culture' are new and unfamiliar, and the debate around what culture is can be long and ferocious. You need to equip your people with the skills and information they need. If they experience something personal through their own behaviours, it's a great start – but it's only a start.

Set plans to review progress. Ensure that line managers get the training they need both to build culture into their coaching conversations and to train others. Find the right time to repeat the training until you know the message has sunk in. Include new staff in training as part of their inductions. Regular training and messaging will ensure success.

Common language:

One of the great things about a constructive culture is that it builds 'kinship' – patterns and networks of social relationships that shape people's experiences of an organisation. Kinship is associated with the idea of 'affinity', or bonding, which comes from sharing common ground in purpose, values and how we interact with one another.

Without question, having a common language is one of the best ways to build and reinforce kinship in culture. It provides a shortcut to mutual understanding about 'how we do things around here'. In the early phase of change, one of the most tangible building blocks is a sticky, consistent, simple, common language.

Systems:

Review your current systems and be certain that they support the desired behaviours you want to achieve. Where these are at odds you should change them. If you leave the systems as they are and don't change them you will re-enforce your old culture and indirectly undermine your change efforts.

Daily use:

What skill have you mastered lately? Let's say surfing. Did you jump on the board and let rip? It's more likely that you paddled out, got scared and somehow made it back to solid ground. You took a deep breath, thought about how much you wanted to try it, and started again. You picked up tips from friends, kept practising and found yourself enjoying the ride more and more. Soon you were trying new manoeuvres, and found you could spot the right conditions to catch a wave. You might even have started a collection of boards.

It's impossible to master any skill without using it continually; it's a bit like getting fit. The same goes for mastering different behaviours – it's about using daily rituals to build small practice sessions and improve understanding and behaviour.

A tip: Start each meeting – whether it involves the whole organisation, a team or an individual – with a small culture-building exercise. Keep it brief (just 10 minutes a day will help) and include some fun if you can. Try to find other opportunities too. You might even find creative souls 'practising' independently.

It's so easy to move on to the next shiny thing, but in our experience it's critical to stay the course.

KFC Case study



A KFC story –
enshrining positive behaviours.

KFC has a strong
commitment to, and
enviable reputation
for, its constructive
culture.



Many years ago, its Australian team of 35,000 began a culture change journey that helped them to create one of KFC worldwide's most respected business units, with an impressive and sustained performance. One of the keys to its success was 'spreading the message' – empowering every outlet manager to make a difference in their part of the business. They built the commitment by starting each outlet manager on a personal journey that was tailored for them. A "culture off-site" that felt like a leadership development programme. Followed by a commitment to continue this personal investment.

Aware that the managers would require training for this role, KFC Australia chose its tools wisely. The managers received consistent training on the language of positive behaviours, and took part in interactive and sometimes fun sessions that helped them to learn. The training didn't stop there – leaders in other parts of the business also learned to bring consistent content to life. And they never stopped building culture; having delivered results that were the envy of other business units, they maintained their efforts and continued to build the language of positive behaviours.

Reflect on the ride.



“ My passion for surfing was more than my fear of sharks.”

Bethany Hamilton

How do you know it's working?

You've involved your people early, bit by bit and often.
How do you know you've caught the wave?

You'll see it in many ways:

- People will start talking about culture, joking about it rather than deriding it.
- You'll hear a common language peppering conversations at all levels.
- Team members will be encouraging each other to show up at 'culture sessions'.
- You'll get unsolicited feedback about positive reactions to the project.
- People will volunteer to get involved and help out. They'll start calling out their peers – the naysayers and hecklers on the side-line who are blocking progress by behaving in an unhelpful or defensive ways.
- People will start to initiate new ways of working, and processes will become more efficient.

In short, you'll notice that people are tapping in to pride, passion and purpose – three powerful levers for culture change.

Changing culture is all about creating a **felt** need to act, a **desire** to be part of something different, bigger and wonderful. Inspiring the perhaps dormant aspirations of your people creates a compelling pull towards change.

People in the corporate world like to emphasise the mind, yet the fastest route to culture change is unlocking and harnessing passion. To change culture successfully you need to involve people's hearts – use emotion to **move** them and create a felt need to act. Talk to the heart, not just the mind.

There's a close, symbiotic relationship between the changes taking place at an individual level and those happening at a system level. Research by Human Synergistics into why organisations succeed in creating culture change found that:

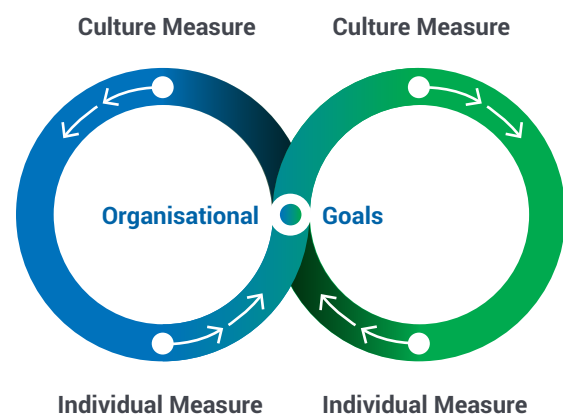
- individual change precedes organisational change
- increased awareness improves individuals' ability to think differently about not just how they personally operate but how their teams could function differently and how they could streamline processes to accelerate outcomes through increased collaboration.

This kind of ripple effect can only happen if an organisation has a strong vision and its culture has been operationalised in a way that makes sense to everyone.

Measure – and measure again.

Remember, measurement is a constant: individuals measure their improvements in behaviour and the organisation measures its impact against its culture. The measuring should show progress – and that progress can be mapped against broader organisational goals.

Find the parts of your organisation that are doing well and learn about what they've done to achieve this. Refine your plans based on what you have learnt, then measure again – and regularly. Culture initiatives can't be 'set and forget', they're an ongoing driver to your operational rhythm.

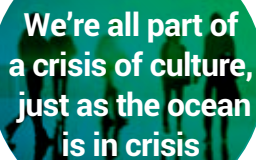




Catching waves: conclusion

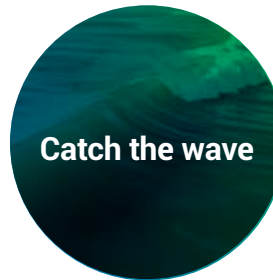
“ I could not help concluding this man had the most supreme pleasure while he was driven so fast and so smoothly by the sea.” Captain James Cook

What a feeling it is to achieve something great.



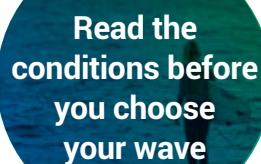
We're all part of a crisis of culture, just as the ocean is in crisis

- Everyone wants a great culture
- Change is scary
- But it's so rewarding



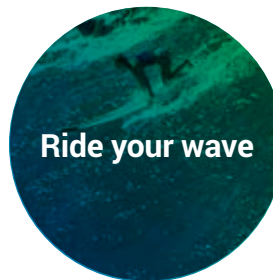
Catch the wave

- Build momentum
- It's a big change
- Stay focussed and adapt as needed
- Simplicity helps



Read the conditions before you choose your wave

- Understand your organisation's context
- Consider the many ways to start
- Choose your way



Ride your wave

- Pick the tools you need
- Storytelling is powerful
- Vulnerability is essential
- A common language builds bonds



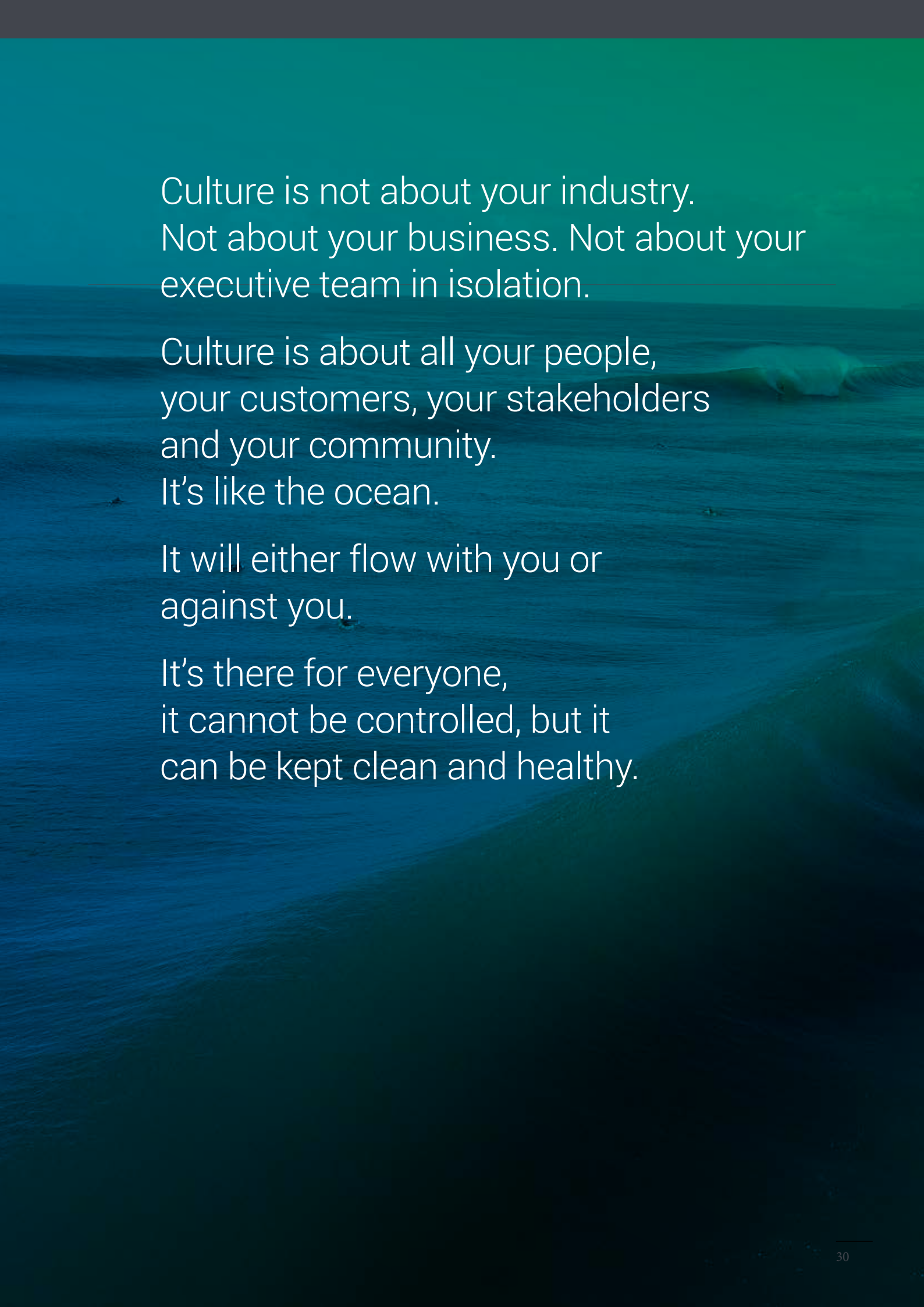
Paddle out

- It is not us and them. There's only us
- Sometimes you need several attempts
- Your 'force' must be strong
- You're part of the change



Reflect on your ride

- Measure, measure, measure
- Iterate all the way
- Accept that it's a long road to success



Culture is not about your industry.
Not about your business. Not about your
executive team in isolation.

Culture is about all your people,
your customers, your stakeholders
and your community.
It's like the ocean.

It will either flow with you or
against you.

It's there for everyone,
it cannot be controlled, but it
can be kept clean and healthy.



Human Synergistics

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www.hsnz.co.nz

AHRI

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