



good
morning!

HARRT *at* UCLA

HUMAN RESOURCES ROUND TABLE
Since 1986

Culture

April 2018

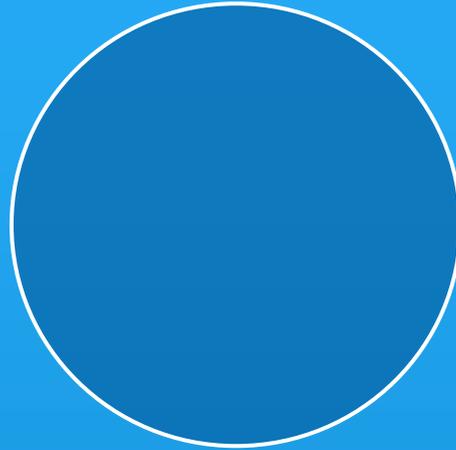
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HEIDRICK & STRUGGLES

Name, Company - Role

Why does getting even better at working
on culture hold meaning for you?



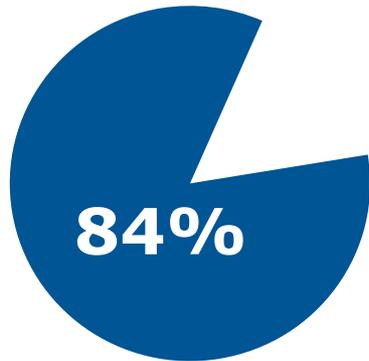
The origin of culture shaping

culture has hit the tipping point

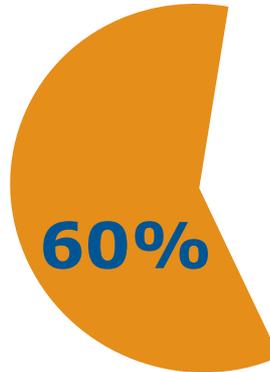
As Malcolm Gladwell, author of the book *The Tipping Point* said in a recent blog:

“I’ve become convinced that culture is the most important predictor of where a company is going.”

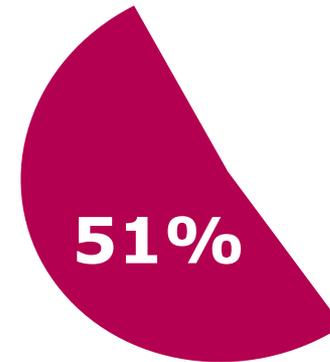
“culture eats strategy for breakfast”*



agree that their organization's culture is critical to business success



say culture is more important than strategy or operating model



think their organization's culture is in need of a major overhaul

Source of data: Strategy & Global Culture and Change Management Survey

* Peter Drucker – Father of Modern Management

the urgency of culture

According to the Deloitte **Global Human Capital Trends study**, culture is the most important issue that companies face around the world.

- Among the findings: 87% of organizations cite culture as one of their top challenges
- More than half the leaders surveyed rate this issue “urgent”

quote from the CEO Conference Board Challenge Report

“Gaining better alignment between strategy, culture and organizational structure is the number one strategy globally”

align these three and you win





SOUTHWESTSM



**SOUTHWEST has been a winner,
TED died, and United hasn't done well.**

why?



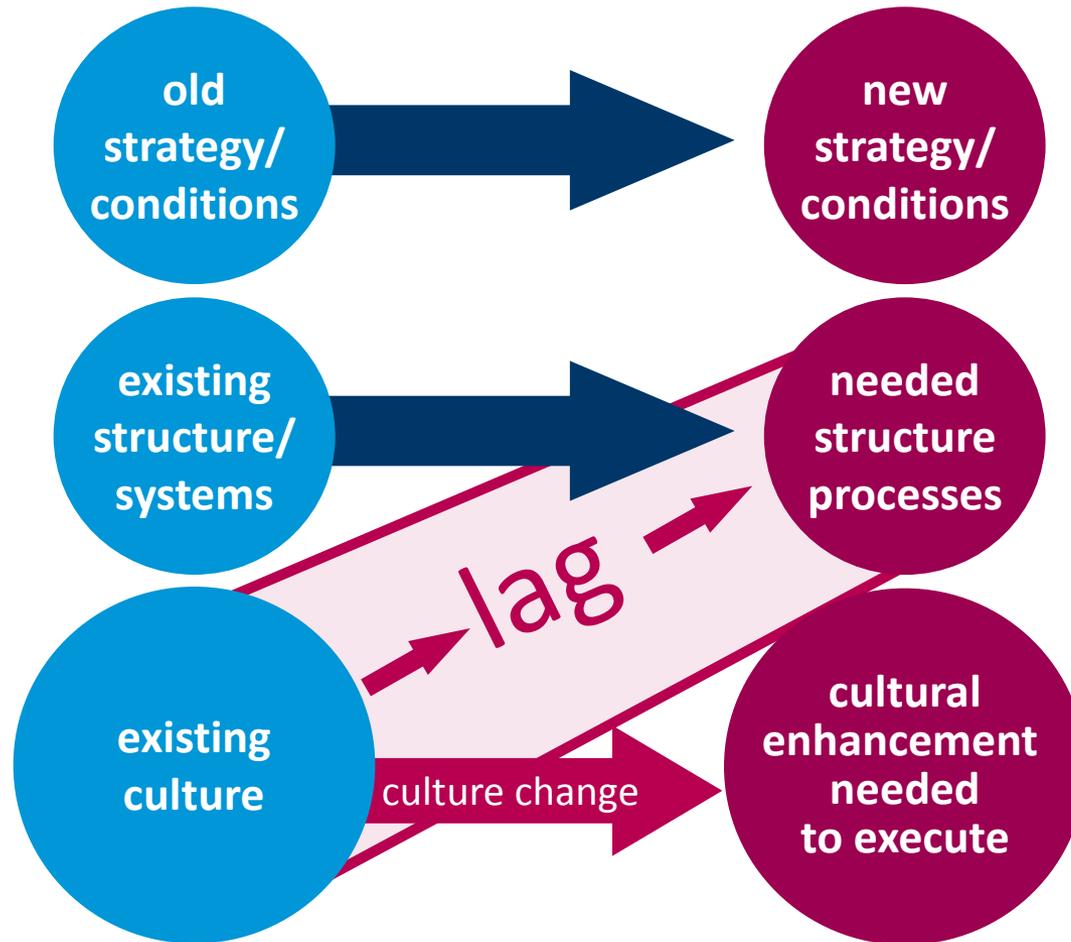
same strategy: **low cost, point-to-point service**

same structure: **one size plane, same processes**

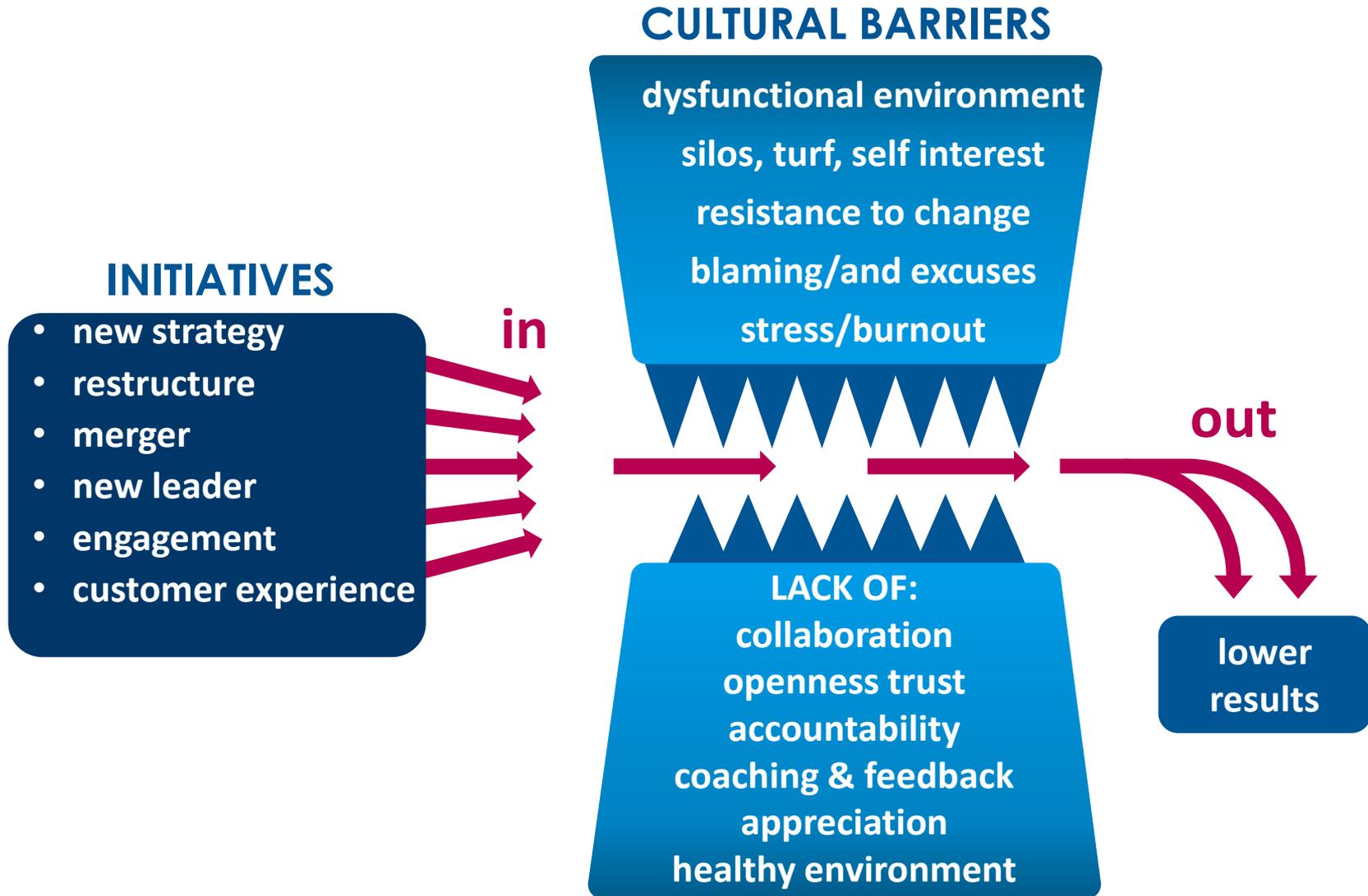
culture: customer-centered
positive/energetic
fast/responsive
flexible/adaptable
team-based, trusting
highly accountable

self-centered
stressed/negative
slow/bureaucratic
resistant to change
poor trust/teaming
blaming/“not my job”

culture as an imperative in times of disruption



the jaws of culture



culture is not another initiative—it enables all initiatives

INITIATIVES

- new strategy
- restructure
- merger
- new leader
- engagement
- customer experience

accountability
teamwork/respect
coaching

collaboration
openness & trust
positive spirit

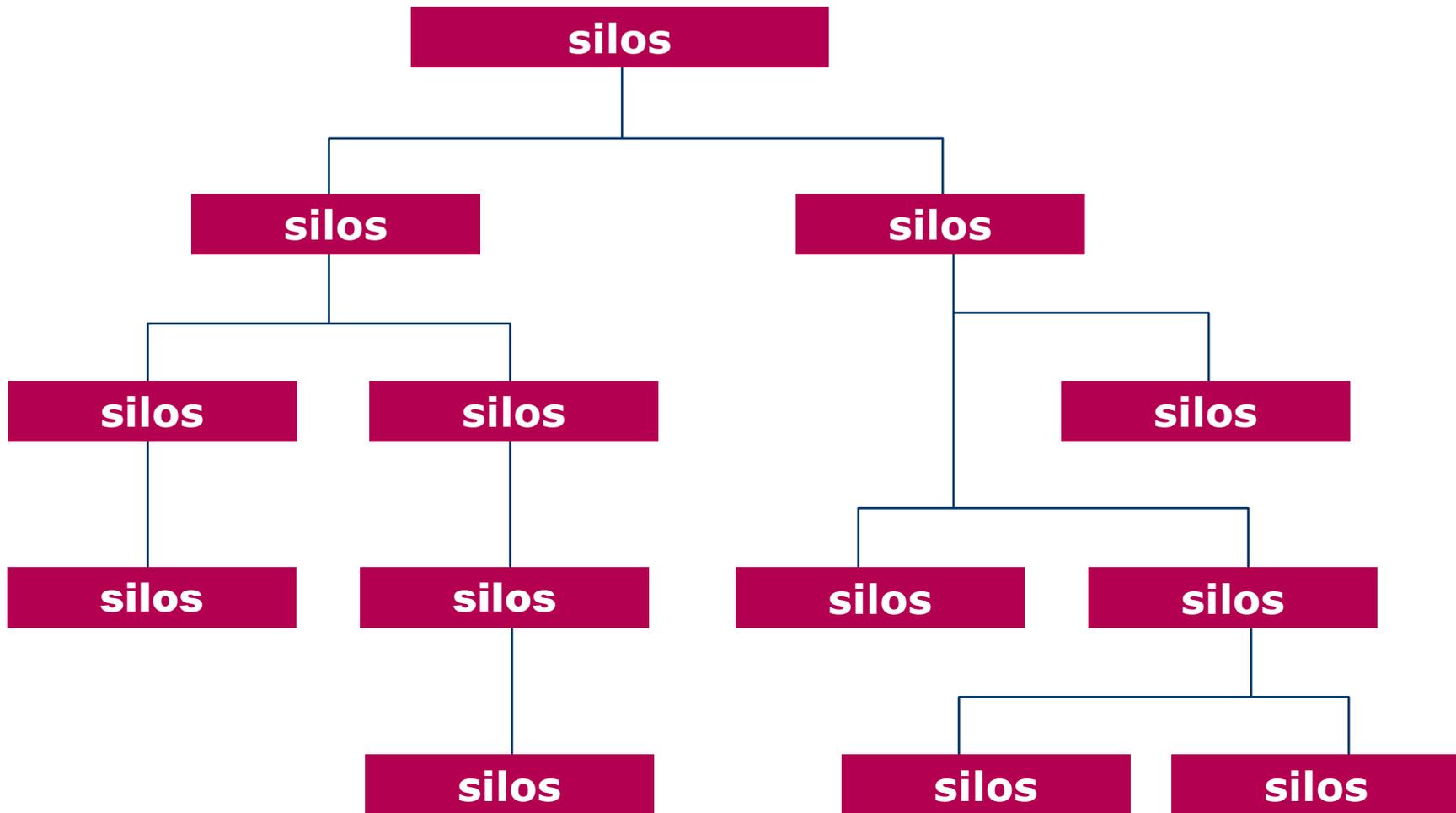
HIGH-PERFORMANCE VALUES AND CULTURE

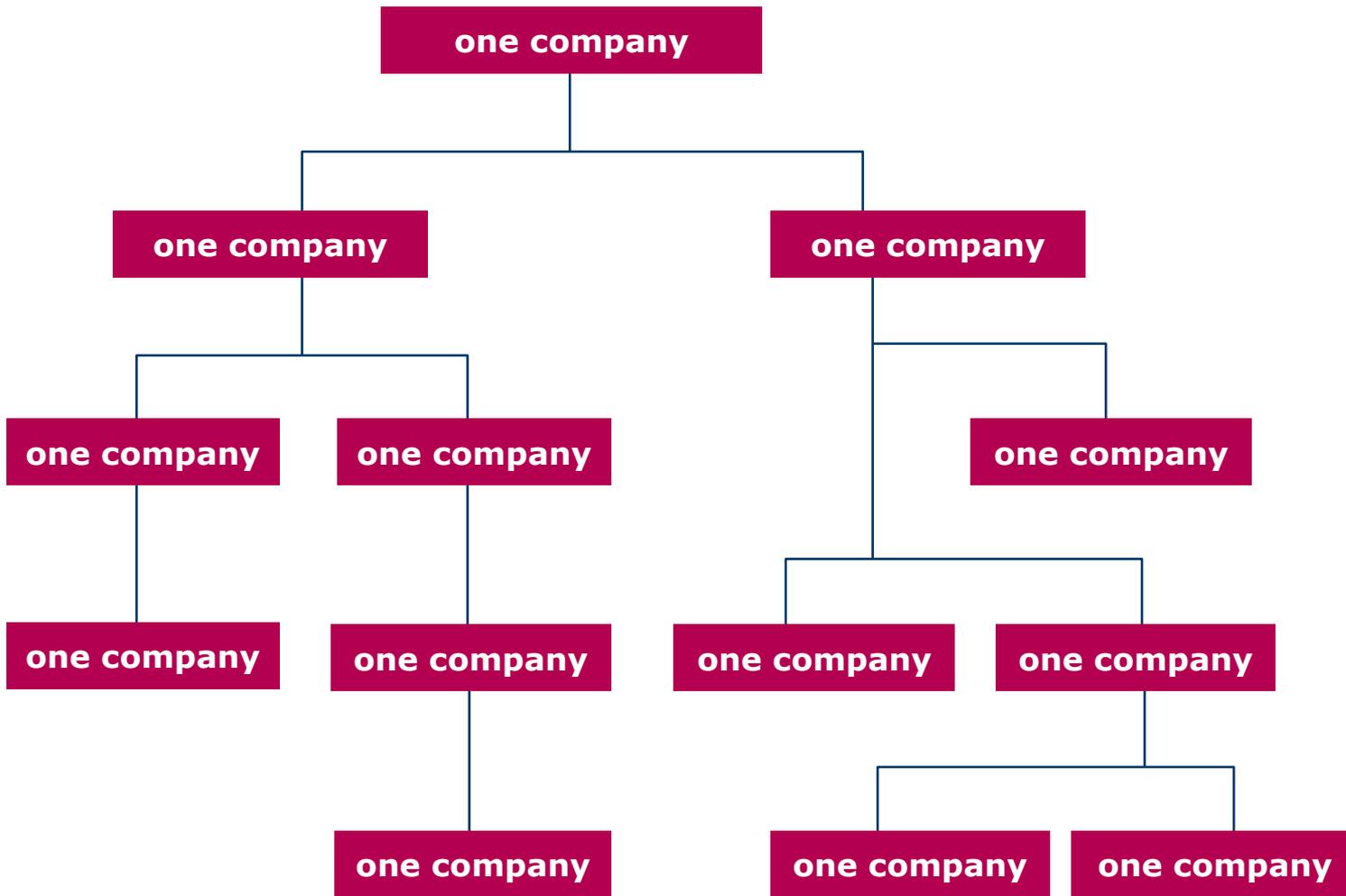
higher
results

So where do you start?

Over time, all organizations tend to become shadows of their leaders.







the **4** how cultures shift principles of culture shaping

Purposeful Leadership

01

The senior leaders must own and lead the culture-shaping process.

Personal Change

02

People need to unfreeze existing habits. That needs to be done in teams

Broad Engagement

03

The faster the organization engages in the process the more culture will shift

Focused Sustainability

04

Systematic reinforcement occurs at individual, team and organization level.

change model to shape culture—DURAM



What you get from each element:

diagnose: to understand current culture's strengths and challenges

define: to be clear about desired end state culture and needed "keep/from-to's"

unfreeze: to create insights which shift "thought habits" and behaviors

reinforce: to bring the behaviors to life and sustain the changes

apply: to use the behaviors to improve the spirit and performance top to front line

measure: to quantify the impact on business results, customers and employees

the Corporate Culture Profile™:

Essential Behavior - Points out of 100	85					65					What you might experience...
We have high levels of feedback and coaching	■	■	■	■	■	■	■	■	■	■	We have infrequent feedback and coaching.
We have two-way, frequent and open communications.	■	■	■	■	■	■	■	■	■	■	We have top down, inadequate communications.
There is a high level of openness and trust among people.	■	■	■	■	■	■	■	■	■	■	There is low trust and openness between people.
High performance is recognized and rewarded.	■	■	■	■	■	■	■	■	■	■	High performance is expected but not recognized or rewarded.
People feel appreciated and valued.	■	■	■	■	■	■	■	■	■	■	People do not feel appreciated and valued.
People are fun to be around.	■	■	■	■	■	■	■	■	■	■	Morale is low. People are depressed.
People are flexible.	■	■	■	■	■	■	■	■	■	■	People are rigid and inflexible.
People are willing to put in effort beyond what is normally expected.	■	■	■	■	■	■	■	■	■	■	People do enough to get by.
Teamwork, mutual support / cooperation is the norm.	■	■	■	■	■	■	■	■	■	■	Narrowly focused with turf issues is the norm.
There is an environment which is optimistic and forgiving.	■	■	■	■	■	■	■	■	■	■	There is an environment that is insecure, fearful, negative.
There is a sense of pride.	■	■	■	■	■	■	■	■	■	■	People do not care.
There is a healthy environment.	■	■	■	■	■	■	■	■	■	■	There is a dysfunctional environment.
People are encouraged to innovate, creativity is welcomed.	■	■	■	■	■	■	■	■	■	■	People do what they are told -- we're risk averse and do not support new ideas.
There is great openness to change.	■	■	■	■	■	■	■	■	■	■	There is great resistance to change.
There is a bias for action / urgency to move forward.	■	■	■	■	■	■	■	■	■	■	We are bureaucratic, indecisive and slow to respond.
People are empowered.	■	■	■	■	■	■	■	■	■	■	Things are hierarchical and boss driven.
There is a positive fast-paced environment.	■	■	■	■	■	■	■	■	■	■	There is a high stress, burnout pace.
People are continually improving/growing in positive ways.	■	■	■	■	■	■	■	■	■	■	People maintain the status quo.
There is a high level of customer service consciousness, customer focus.	■	■	■	■	■	■	■	■	■	■	There is low service consciousness or focus on the customer.
There is a high level of quality awareness, focus on quality.	■	■	■	■	■	■	■	■	■	■	Quality is not a priority.
Core values / ethics are very important.	■	■	■	■	■	■	■	■	■	■	Core values and ethics are not stressed - tend to be ignored.
There is a sense of honesty.	■	■	■	■	■	■	■	■	■	■	Honesty is in question.
There is a high level of integrity when dealing with employees.	■	■	■	■	■	■	■	■	■	■	There are different standards of behaviour for different levels of employees.
We respect diversity - healthy differences are a strength.	■	■	■	■	■	■	■	■	■	■	There is a lack of respect for diversity of ideas and people.
Decisions are made for the greater good of the overall organization.	■	■	■	■	■	■	■	■	■	■	Decisions are made in group or individual self interest.
There are high expectations for performance.	■	■	■	■	■	■	■	■	■	■	There are low performance expectations.
Our people are highly accountable for their actions and results.	■	■	■	■	■	■	■	■	■	■	People find excuses, blame others, feel victimized.
We have an environment where people are self starters with high initiative.	■	■	■	■	■	■	■	■	■	■	We have an environment where people need direction/have low initiative.



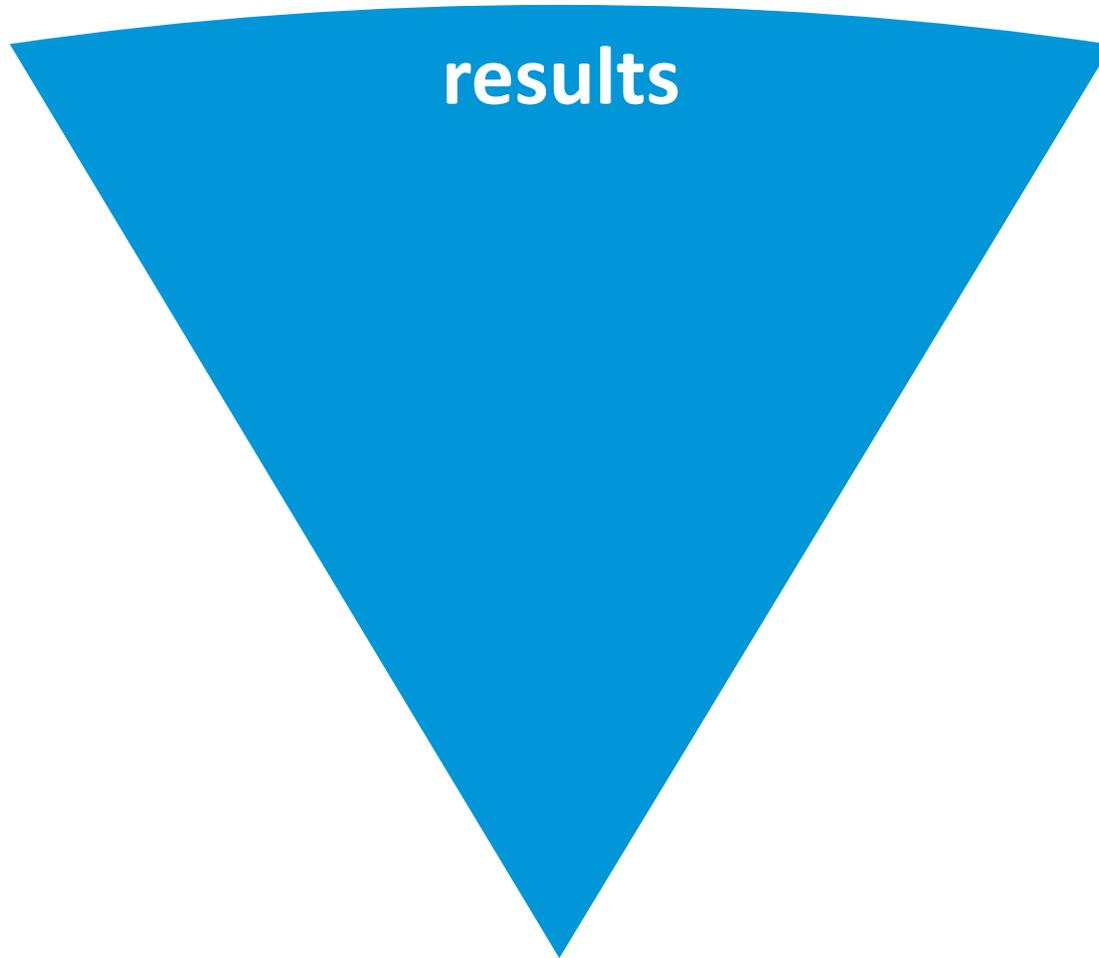
diagnostic tool—the Corporate Culture Profile™

Essential Behavior - Points out of 100	85		65		What you might experience...
	85	85	65	65	
We have high levels of feedback and coaching	Green	Green	Yellow	Red	We have infrequent feedback and coaching.
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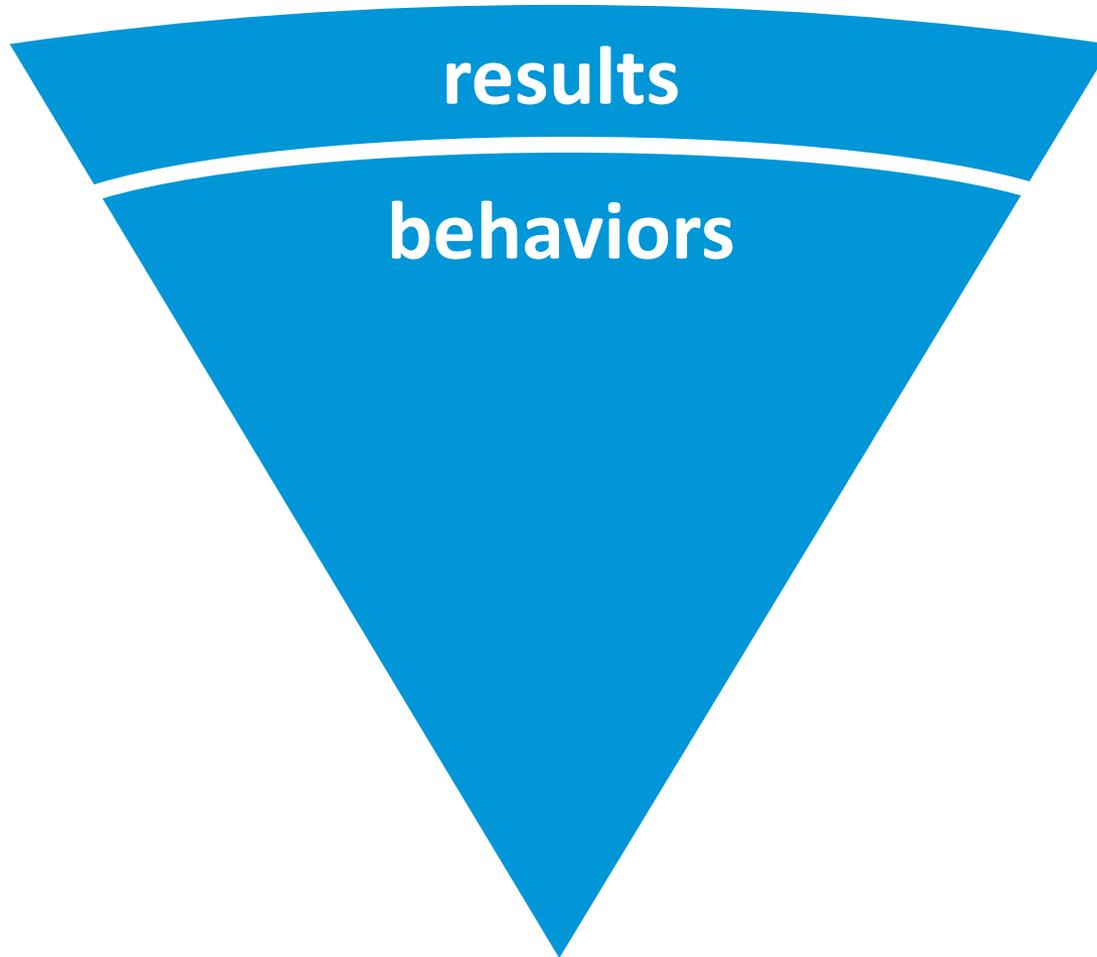


How do you move the line?
How do you change habits of adults?

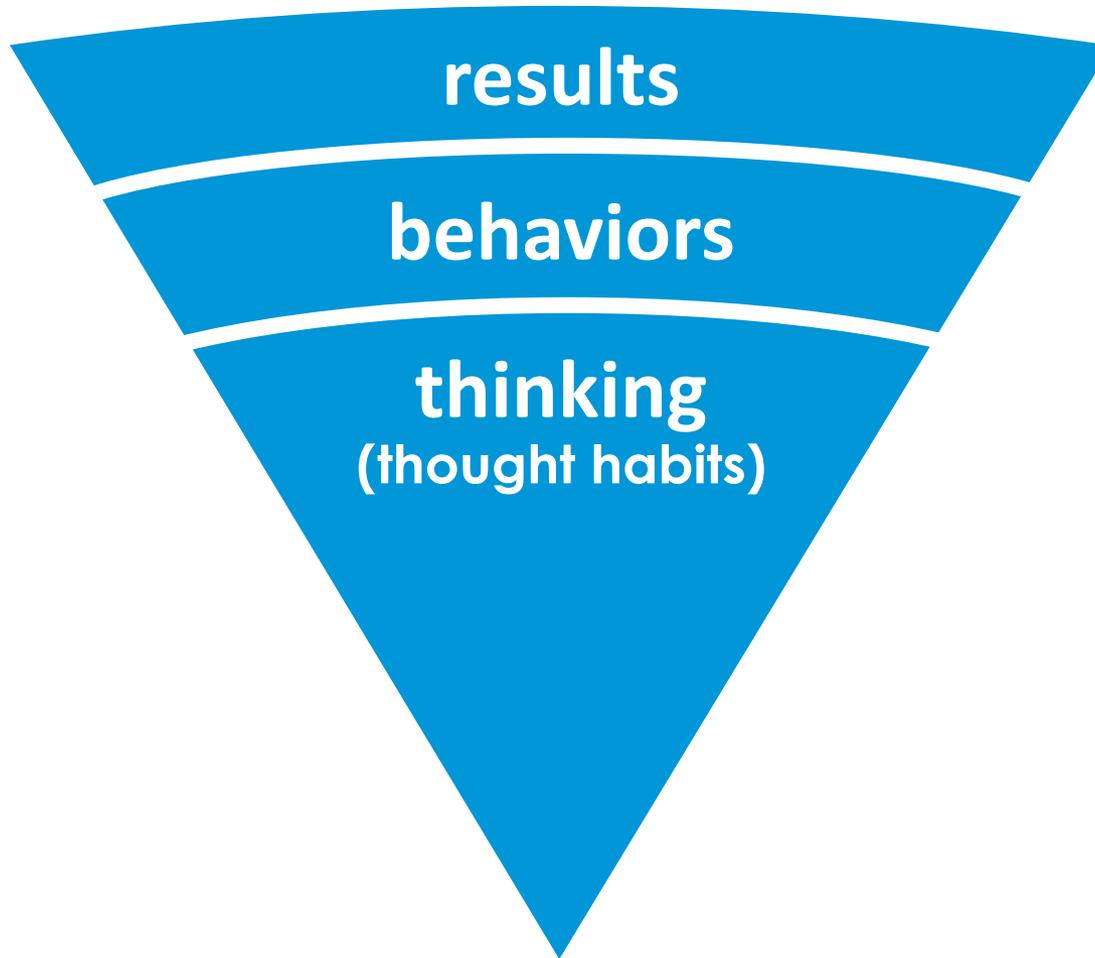
results cone



results cone



results cone



results cone



how do you change habits of adults?

**“When we are young
we are like a flowing river—
and then we freeze”**

- Kurt Lewin

role of “unfreezing”

outside-in approach

- external input driving change
- intellectual



Our inside-out approach

- individual insight
- our own realizations and commitments
- heartfelt



realization and commitments about:

- unconscious habits
- beliefs
- thought habits
- impact of moods
- life assumptions
- behavior patterns

McKinsey's seven S framework (optional)

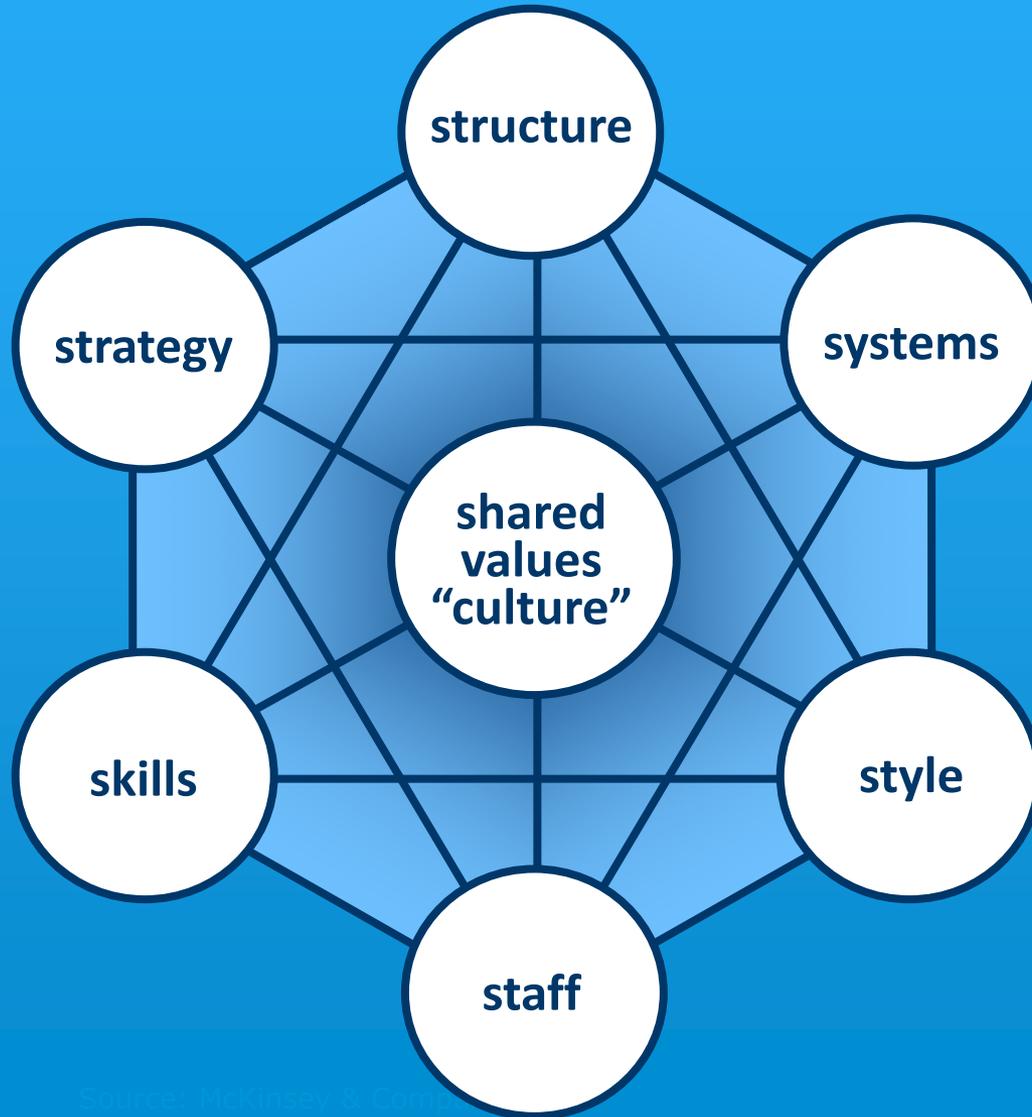
three objective s's (hard)

- strategy..... mission and strategies
- structure..... organizational chart
- systems..... processes/procedures

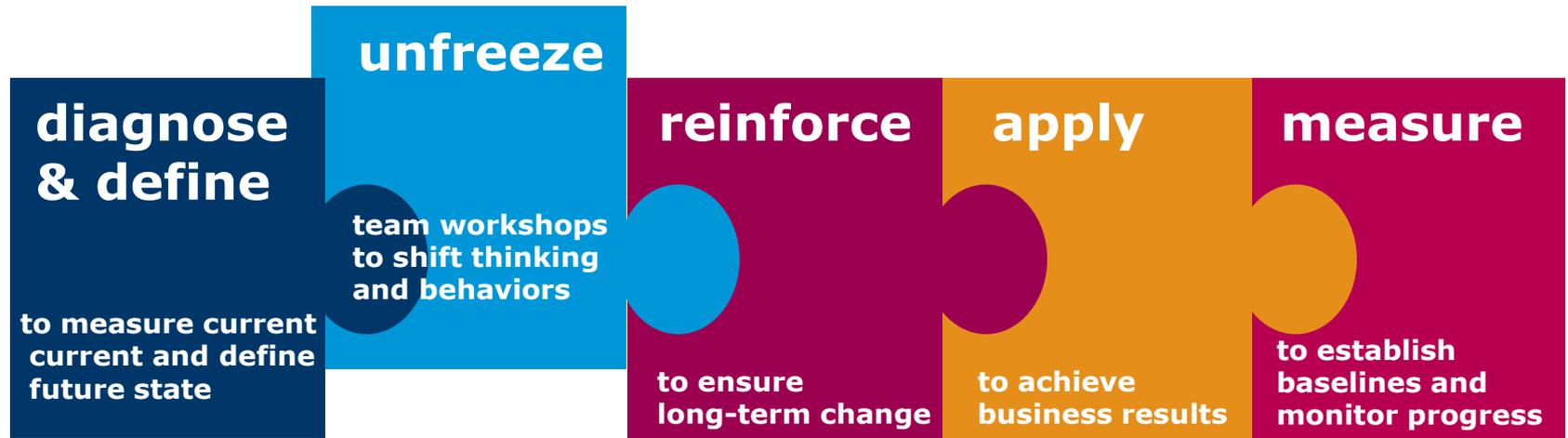
four subjective s's (soft)

- staff..... type of personnel
- style..... style of interaction
- skills..... interpersonal
- shared values..... guiding behaviors
cultural norms

culture is at the heart of it



change model to shape culture—DURAM



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A view from the inside

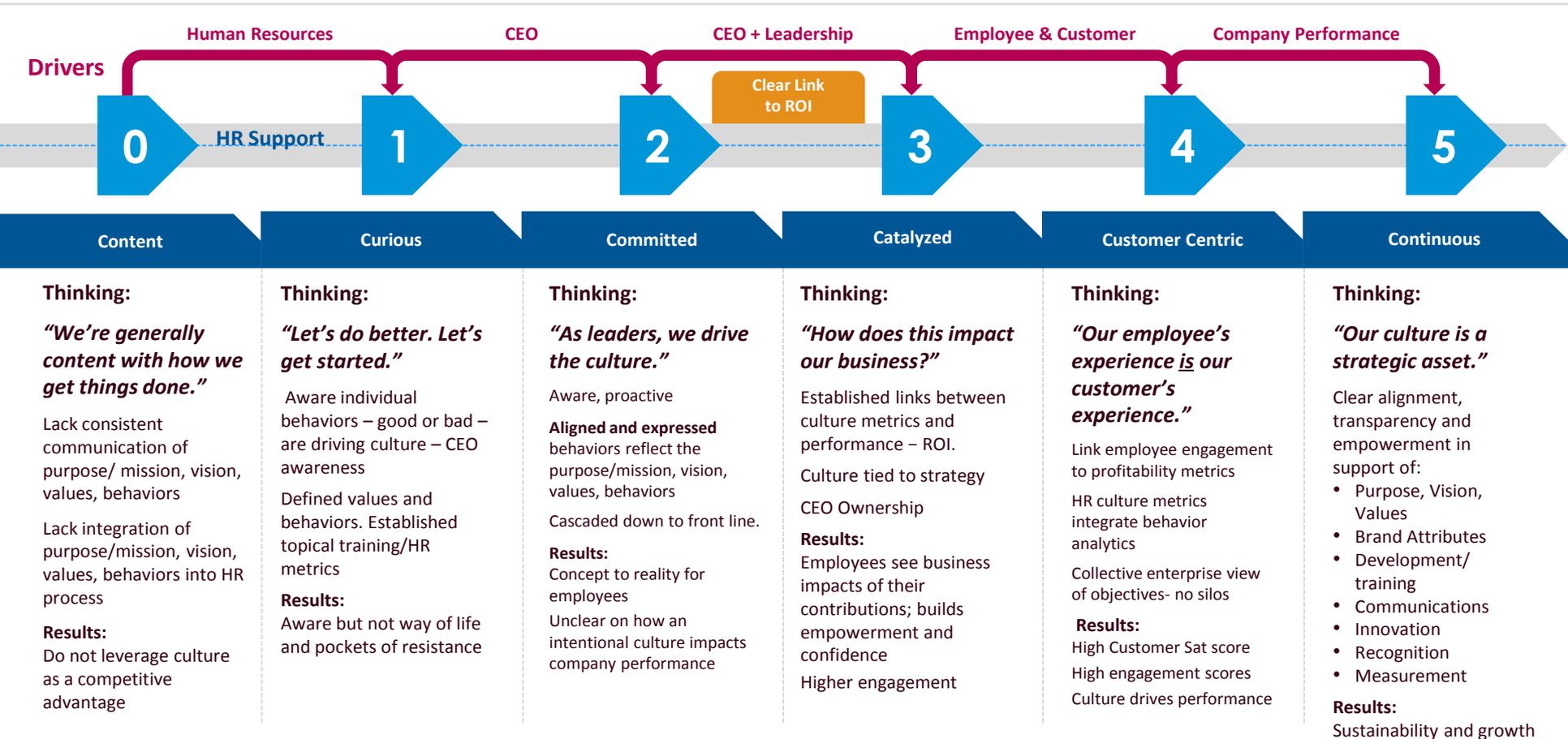
Takeaways and questions

culture and your organization

How much of a priority is culture in your organization and to your Senior Leaders?

Where are you on the cultural continuum?

where are you on the culture continuum?



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the mood elevator

our feelings
when we're at
our best

our feelings
when we're
not our best self





thank you!