Is Your Culture Driving Your Success—or Tanking It?

Companies that treat culture as an accelerator of their strategy reach their goals faster than those that treat it as an afterthought. Your organization's culture is created intentionally or by happenstance. It will either support your success or slow you down. A careful analysis will reveal where it helps and where it hurts—and where change will make a difference. Here are the steps you can then take to get intentional in evolving your organization's culture to deliver lasting impact and accelerate your strategic direction.

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The jarring effects of the global pandemic and the ensuing economic and sociopolitical turmoil revealed disconnects and dysfunction just below the surface of many organizations. Leaders are realizing that their culture may no longer support their business goals. When a company goes through some form of a seismic shift— whether it be a dramatic new business plan, a change in leadership, or a disruption in the marketplace—its management team typically examines the strategy and processes in place to make sure they align with changes in direction. **Too often, though, companies address culture as an afterthought when the desired outcomes stall, fizzle, or fail. That's a costly mistake— while strategy and processes are critically important, they will be undermined, hindered, or simply blocked by a culture that is no longer fit for purpose.**

When it comes to redefining and resetting culture, a flawed approach often unfolds that is strikingly similar to the one that hobbles many efforts to implement new strategies. At first, everyone in senior management has great intentions and wants to be involved. The executive team and other key leaders get together to talk about what the culture should look like. They need to move fast, but they are also very busy—and, unfortunately, they often don't have the same understanding of what they mean by "culture," so the discussion stays very high level. They may land on generalizations like "we need to innovate more" or "we need to be more agile." Initially, there is often excitement and signs of progress, but overall, little changes. On the surface, the organization appears to welcome the evolved culture. But, beneath the facade, tenets of the prior culture continue to pull people in unwanted directions, hindering momentum and halting progress. Frustration replaces excitement, with cynicism not far behind.

So what goes wrong? With strategy implementation, the basic flaw is that strategy creation and execution are seen as separate activities, rather than the single

iterative process that it needs to be. (See "[Why companies fail to execute on great strategies](#).") With culture, which itself is a big factor in strategy implementation, a different disconnect is the culprit. In their haste to create something new and inspiring, senior leaders skip over crucial core elements that we know make the difference in evolving to the culture they now need.

Three ingredients are necessary to redefine culture successfully, and if they are overlooked your future progress will be short lived:

1. **Approach your culture as a strategy accelerator**
2. **Go beneath the surface to understand your current state**
3. **Co-author your future by intentionally engaging with the organization**

The 3 ingredients to successfully redefine your culture

Redefine your culture
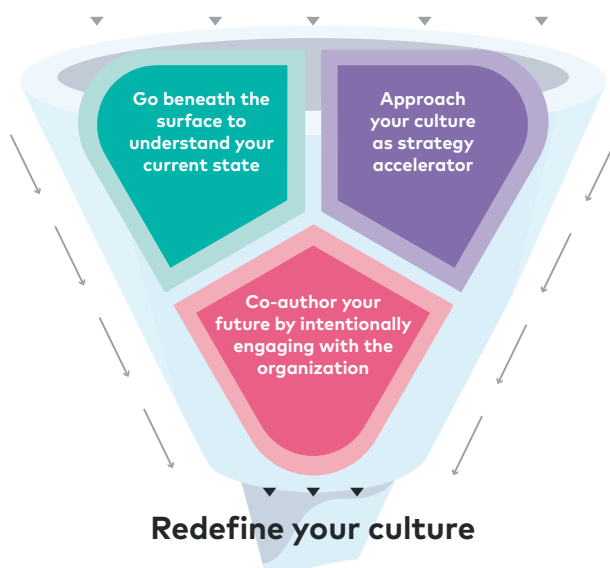
Ingredient #1: Approach your culture as a strategy accelerator

How you think about culture is the largest factor in getting it right. In our experience, culture and strategy are mutually reinforcing or simultaneously defeating, as shown in the figure below. **Culture should be viewed as a strategy accelerator that is tightly knitted with the business strategy**—from company purpose (why the organization is pursuing certain goals) to **direction** (where those goals are taking it), to action (how to get there). Without this linkage, there is no business case for change and no way to prioritize what's important to address first.

Your current culture was created—or emerged—for valid business reasons that served the organization in the past but might not serve the future. Anchoring the culture in the business context builds understanding of why things are the way they are and provides clarity about what the culture will need to look like to support the future business. Put another way, **the business context makes the case for why the culture needs to change, helps validate what has to change, and shows the way to reach that change.**

For example, say your organization is rooted in its reputation as a market-definer, and made its mark as a first-adopter-best-in-class solution. To get to this market position required a rigorous culture of quality, testing, and zero tolerance for mistakes: "perfect before public." It also meant little flexibility for trying new things or incorporating customer feedback. Now, the landscape has changed dramatically, with new disruptors taking share by operating more flexibly, co-creating solutions with your customers, and delighting them in new ways. You need to re-imagine how you go to market and work with your customers—as "customer-first," rather than "market dominator."

To support this change in strategy, you need to shift the culture from "perfect before public" to one that rewards and supports taking risks, testing, and learning. If you find a deeply rooted fear in the organization of making mistakes, because people worry about being "sidelined," then just saying it is now OK to take risks is not going to work. You need to address the underlying organizational fear before people will take action. Positioning culture in the context of your business strategy answers the questions "why this?" and "why now?" In the absence of a valid business reason to change, a cultural remake feels like a fluffy side project instead of a critical initiative.

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Where people get stuck	The impact	What to do instead
• Addressing culture separate from strategy	• The business case for culture change is not clear and people don't prioritize it • You miss an opportunity to more deeply understand why things are the way they are • No clarity on where to start	• View culture as an accelerator of your strategy • Identify the biggest cultural shifts required to achieve your strategy • Prioritize what to address first, based on the strategy

Strategy made personal

Ingredient #2: Go beneath the surface to understand your current state

There are two key elements to getting this ingredient right. The first is why you need to understand the current state. The second is why you need to look deeper than you might think to gain this understanding.

To begin with, many organizations spend a disproportionate amount of time defining a compelling cultural evolution without pausing first to fully understand their starting point. **If you don't deeply understand your existing culture, you may miss recognizing and addressing major cultural roadblocks that will hinder or hobble your future state. Or you might overlook key cultural strengths you could leverage to offset those roadblocks and propel you forward.**

As an organization works to get a clear understanding of where it is today, leaders must look beyond conventional wisdom and tap into what defines the culture and creates behaviors that fuel it. **We would argue that engagement surveys and organizational health measures—"go-to" ways to assess the state of culture—are not sufficient alone. They do not give you a deep enough understanding of your existing culture because they miss the root cause, an omission that stymies the right kind of change.**

It is not enough, for example, to know that your organization is siloed and that company wide surveys show a low score for "ease of getting things done." At best, that knowledge points to areas you need to dig into to unearth the causes of such behavior. What are the beliefs that people hold that make them act in a siloed way? What are the structures that reinforce the silos? What strategies, assumptions, and mindsets contribute to patterns of siloed behavior?

What to do differently? Focus on organizational mindsets

We define culture as a collective body of beliefs, deeply held organizational mindsets that shape who we are and how we do things. "Deeply held" culture is often instinctual, unspoken, or second nature and bigger than any individual in the organization. It is the reason people can recite a story from the company's past that happened before they got there. Organizational mindsets drive purpose, values, and identity in a company. They determine the actions we take as individuals, and in groups and teams, as well as the accepted practices and structures that support those actions.

In any serious effort at culture change, it is essential to understand these deeply held belief systems, including why they exist and how they determine what we do. After all, **if you can identify and reveal the underlying mindsets, you can start to make intentional changes to them.**

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For example, an organization we've worked with had grown through acquisitions, buying 14 companies in a dozen years. One of these companies resisted integrating into its new parent organization for a decade, going so far as refusing to change the signage on its building to reflect its new name! In exploring the situation, we discovered that the acquired company's identity was deeply tied to the story of its innovative founder—he had literally started the business in his garage. We then understood why the company's managers were so resistant: they believed the new owners didn't value this heritage. Once we were able to identify this issue as the crux of the problem, leaders from both the parent and the acquired company took steps to overtly honor that heritage and move ahead with the integration.

To get a holistic picture of an existing culture, we look at the mindsets that are operating on four levels: those involving the individual, the team, the organization, and the environment in which the company does business. Any one of these provides insight—together, they constitute the root cause, or driving force, of a deeply held culture. Understanding these elements together allows you to identify strengths that can be amplified as well as the biggest roadblocks to change. And then it allows you to decide where to focus first.

The four levels of organizational mindsets that together define "deeply held" culture

The Individual – how we interact at with one another at an interpersonal level such as building trust and navigating conflict

The Organization – what are the norms and structures in place that drive action in the organization

The Team – how we work together in teams, across teams, as leaders of teams, particularly how we make decisions and how we hold people accountable

The Environment – how the organization deals with the environment around them, how we collectively deal with uncertainty and complexity

Where people get stuck	The impact	What to do instead
• Not going deep enough into the current culture to understand what is driving it	• Overlook cultural roadblocks that will impede progress and levers that can speed it • Risk focusing on the wrong things that need to change • Miss the opportunity to prioritize what is most critical to address	• Work to surface the root cause by looking at all four levels of organizational mindsets that drive who we are and how we do things • Identify what is critical to tackle first

Ingredient #3: Co-author your future by intentionally engaging with the organization

As you move to define your aspirational culture, **"how" you go about creating that definition really matters: the effort needs to be intentional and inclusive. Taking a unilateral and esoteric approach will prove fatal to your culture change effort.**

Why? Because people who are engaged in fashioning a new culture are more likely to implement it, especially if you define it in a way that makes words on a page tangible and real. Additionally, revealing how different levels and different parts of the organization experience culture exposes the real obstacles.

Let's say, for instance, that you sit in a business unit that is a profit engine for the enterprise, where resources are abundant and investments to fuel future growth are apparent. Your peer might sit in another unit, where the market has made it challenging to hit recent quarterly targets. As a result, resources are scarce, cost cutting is in place, and stress over

next quarter's financials are top of mind. You both work for the same organization, but you are experiencing two disparate cultures. This is why the "how" matters. Because there is no singular experience of the culture, there can't be a singular approach to define it.

Follow these three pillars to help guide you to engage the organization.

- **Take a multi-pronged top-down and bottom-up approach to engagement.** When organizations take the path of defining culture in an ivory tower, or with a single lens—by using, for instance, the executive leadership team alone—they capture only a piece of the cultural pie. What works to engage people in your part of the culture might not in others, so it is important to be deliberate and efficient based on your organization's nuances and reality. To get a true understanding of your company's culture, engage at multiple levels, from top executives to individual contributors. Get to the nitty-gritty examples of where culture shows up in daily work. Through the top-down and bottom-up approach to culture definition, organizations are able to gain buy-in from various levels early on.

- **Adopt the principle that authorship is ownership.** Broader organization engagement is critical because authorship is ownership. People lower in the organization not only can help contribute to shaping the "what," they are often in a better position to say "where" and "how" the new culture will show up in the daily rhythm of the business and to identify which daily structures need to shift first. **This approach doesn't need to be time consuming or inefficient, and we aren't saying you need bottom-up and top-down input on everything. It's about identifying critical areas to quickly gather input to enable progress,** not stall it. The goal is to draw from a representative sample of the company. Through engaging a "diagonal slice" of your organization—employees across business units, functions, tenure, roles, levels, and geographies—you can begin to generate an understanding of your cultural nuances. And to achieve scale efficiently, surveys, focus groups, or just existing meetings provide excellent leverage to pressure-test ideas and gather input.

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- **Uncover and tackle resistance.** This approach also gives organizations the opportunity to gauge where in the company resistance can be found. Knowing where these resistors sit gives you a chance to engage them early on to understand what they specifically feel is putting them at risk, or perhaps what it is they are trying to protect. Unaddressed, resistance can fester, as we have seen, sometimes for years.

One example that underscores the value of these three pillars involves a client with whom we recently partnered. This organization had a new strategy in place and created a new purpose statement to support its future aspirations and determine the direction to get there. But just six months into "rolling out" the strategy and purpose, some big problems became clear. People were adhering to their old ways of working—and vice presidents across the organization still could not articulate the new strategy nor understand what the new purpose statement meant in terms of daily actions. We partnered with them to get clear on their current culture and identify pivotal organization-wide shifts that needed to occur to improve ways of working and to drive the desired results.

We started by building a process to create engagement, asking representatives throughout the organization to describe what an evolving strategy would look like from their individual perspectives. We leveraged their insights to develop a plan to gather wider input from surveys and team interviews. We helped the client to build a continuous feedback loop, to identify key cultural barriers that were getting in the way of the new strategy's adoption. We used this organization-wide engagement to make employees the authors of the desired aspirational culture and what it would look like in practice.

By combining these two pillars—using broad engagement to spread a sense of authorship and thus ownership—we were able to deliver on the third pillar, uncovering and tackling resistance. We discovered that highly tenured employees were one key source of profound opposition. Why were they so resistant? Because they hadn't been able to envision how their long-time roles would fit into what they anticipated would be a very different organization. By exposing this fear, we were able to address it directly, explaining how existing roles could be transformed into new ones.

Where people get stuck	The impact	What to do instead
• Top-down, single-lens approach to defining culture with a big-bang reveal • Esoteric culture definition	• Miss critical opportunities, roadblocks, and resistance that need to be addressed • Lack of ownership for new culture • Culture is just words on a page—it doesn't feel real	• Intentionally engage all levels of the organization in understanding the current state and defining the future • Getting to tangible examples of where the culture shows up in the rhythm of the business to make it feel real

Conclusion

As your organization grows and shifts with your strategy and your business, your culture must also shift. It may be stable now, but it can't, and shouldn't, remain that way forever. Culture must be strategically responsive to its environment. Organizations have to constantly, and carefully, monitor what is working and what is not so that they can reshape their culture as needed to continue to succeed.

As you begin to examine your organization's existing culture, remember that the assessment starts with understanding what is below the surface, in the context of both your strategy and your business. From there, it matters how you engage the organization in the process of change—and that engagement needs to come much earlier than you may think.

By taking the right approach in *how* you engage in redefining your culture, you can foster deeper and more committed ownership of *what* matters for your organization—enabling your new culture to propel your new strategy, possibly with far more force than ever before.