Corporate culture: the DNA of your company

*Your culture is your corporate DNA – it is composed of the inherent values and unspoken ways of behaving that binds your employees together. For this reason the delivery of a successful culture change is a task of an entirely different magnitude,* as Pro’s Inken Schäppi explains.

One week before he took up his role, the newly-appointed managing director of a specialist insurer received a phone call from the company’s facilities management team. “What would you like in your office?” the man from facilities wanted to know.

“Desk, chair, usual stuff,” responded the new MD, slightly taken aback by the call. But then he added: “Where is my office?”

“In the executive suite, of course.”

The new MD thought for a moment. “No. I want my office to be right in the middle of where the underwriters sit.”

That simple decision immediately created ripples in the organisation’s culture. The new MD clearly had plans and this, it seemed, was his way of starting that process of change. But, culturally speaking, was his decision to move his office the right way to begin the change?

**Why culture matters**
Organisational culture is hard to define, often difficult to describe, and extremely tough to change. Yet, in many respects, it is the strongest hallmark of a business. Two organisations may be engaged in exactly the same line of business based on precisely the same business model, but their culture cannot be identical because culture is the manifestation of what is going on inside staff members’ heads. Culture is the sum of vision, values, systems, symbols, language, assumptions, beliefs, and habits. It is a set of shared assumptions and behavioural norms. As Louis Gerstner, the former CEO of IBM once observed, culture is everything. But critically, it can help and it can hinder. Culture can kill a business.

Like the MD in the introduction to this piece, there are times when management decides that a shift in the organisation’s culture is required. This may be because of a structural change in the business, a new business model, changing customer expectations or a new management team’s vision. Whatever the reason – and they are numerous –the seismic importance of the change should never be underestimated. When you set about re-engineering an organisation’s culture, you are tinkering with its DNA.
Cultural change has to be a long-term objective, which can be exceptionally resource-heavy. It requires careful thought beforehand and importantly, management must recognise that they are reconfiguring the very fabric of their organisation. If the change programme yields unsatisfactory results, employees can find themselves emotionally and intellectually cut adrift from the business, without roots or any shared sense of mission. At this point employees will drift, leave or take advantage of the situation.

For these reasons, culture change should not be taken lightly, and – more so than any other type of change programme – it requires leadership backing, management support and employee buy-in. Get it wrong and the results can be devastating. Get it right and the rewards for all stakeholders are high.

Making the change: DRIVE
Take the example a company which has chosen to move from a product-based focus to a client-centric approach. Let us imagine that the company's new strategy includes the objective to increase customer value by 5%, with activities including client-based analysis and a more targeted service offering. Culturally, this might be translated as 'our customers come first', which then gives rise to a set of new desirable behaviours: taking pride in customer service, making every client interaction positive, building long-lasting client relationships. Having identified the behaviours, it is then possible to assess the current culture and develop a strategy to bridge the gap to the target culture. At Pro, the methodology we use to make this change is known by the acronym DRIVE.

Define
Step one is to define the new culture that is required based on the new business strategy. This is critical because if this first step is wrong, every step in the process that follows will exacerbate the error. Pro uses structured workshops as the platform upon which the new culture can be identified and agreed, the results of which are then tested across other groups of stakeholders.

Reality
A frank assessment of the true state of the organisation’s current culture is another fundamental building block of the change programme. We gather information and insight from all layers of the business using a variety of tools in order to develop the fullest possible picture.

Interpret
Having identified the current culture and the desired culture, we interpret the difference between the two and create a culture change strategy, which lays out the activities and initiatives required to bridge that gap between.

Values
In order to implement the new culture, the change strategy contains deliverables that provide personal and emotional experiences for staff, which will help them to live and breathe the new values. These include activities such as town hall meetings, video diaries, buddy systems and creating change champions.
Establish
Having established the new culture, our change radar will monitor its status and identify areas of resistance or weakness. Our sustain the change programme, led by an internal team, will continue the monitoring and implementation needed to ensure that change is deep and permanent.

Ready to change?
Which brings us back to the managing director who wanted his office moved to sit next to his underwriters. Is this the right manner in which to begin a process of cultural change? The answer is that, unless it is in line with a clear and thought-through change path, it cannot be. The MD’s decision is more likely to be perceived as an instinctive signal that cultural change is coming; in itself, it is not the change. Certainly a change of seat or office can be part of a culture change strategy – indeed, a very good part as it shows management commitment – but it has to be in-line with the new strategy and well understood by the underwriters so that they can relate to it.

Cultural change is possible – it can also be highly beneficial. The key is to approach it with the same degree of business discipline that one would the other major strategic initiatives. It is also vital to remember that culture is shaped by staff as well as management. Forced top-down change can be alienating as well as de-motivating.

Signaling a desire for change is relatively easy. Delivering that change in a sustainable and inclusive way demands an entirely different level of thinking.