

Towards a New 'Culture Model'

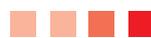
Shalini Singh explains what organisational culture really means, and why it is so important

Culture makes people understand each other better. And if they understand each other better in their soul, it is easier to overcome the economic and political barriers. But first they must understand that their neighbour is, in the end, just like them, with the same problems, the same questions

– Paulo Coelho

Organisations depend on their top performers for their year-on-year growth – but what happens if the brightest stars decide to leave? When people want to move on for monetary benefits, perks, or for better growth/learning opportunities, such situations can be managed, at least temporarily. Very few, however, move on for reasons of money – and more often, it is

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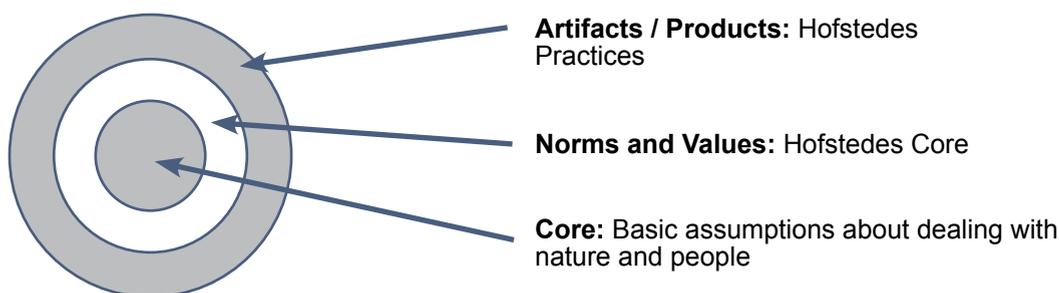


the organisational culture that has the biggest role to play in retaining people, or causing them to leave. It is vital, therefore, to ponder over the type of culture one is building, and how that helps maintain a delicate 'balance' within the workforce.

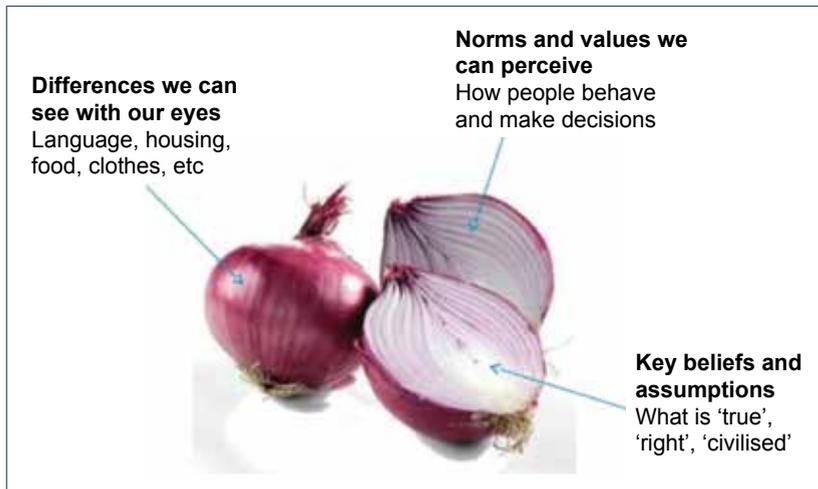
(Re)defining culture

There are multiple definitions of the word, but at a broad level, 'culture' refers to the cumulative deposit of knowledge, experience, beliefs, values, attitudes, meanings, hierarchies, religion, notions of time, roles, spatial relations, concepts of the universe, and material objects and possessions acquired by a group of people over generations, through both individual and group striving. A more interesting definition comes from Dr Fons Trompenaars, the well-known Dutch organisational theorist, management consultant, and author of several books on cross-cultural management perspectives, who I recently met at a human resources conference in Gurgaon. Dr Trompenaars puts it rather simply. 'Culture to me is very functional,' he

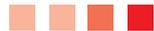
2.3 Dimensions of Culture - Trompenaars' Onion



Trompenaars adds to Hofstede's onion a new core which contains the basic assumptions about nature and mankind. These are derived from Kluckhohn's and Strodtbeck's value orientation.



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says, adding that it is fundamentally the result of people organising themselves to overcome survival issues, which has a great deal to do with the environment around them. According to him, culture is the set of values, behaviours, and norms that one accumulates in a group to survive.

Dr Trompenaars elaborates on the 'culture model' he has developed. Using the metaphor of an onion, he compares it with Edgar Schein's idea of culture having three different layers. The outer-most layer – or 'artefacts of culture' – is how one perceives the onion. Artefacts include the way people dress, what they eat, and what they write about. It also includes art, which is culture with a big 'C'. This first layer covers a second, deeper layer, which consists of norms and values. Norms mean what one should do – and norms become values when people start liking what they should do. The third, inner-most layer of the onion consists of the basic assumptions shared by the members of a culture. Therefore, besides being functional, culture is also multi layered. At its core are the basic assumptions, which are expressed on the outside with behaviours and artefacts.

Taking this comparison slightly deeper, at its core, an organisation's true culture is how employees – at all levels – behave when nobody is

looking. A high-performing culture creates value for the organisation by driving employees to engage in the right behaviours for the right reasons – that is, in a self-driven and self-sustaining way.

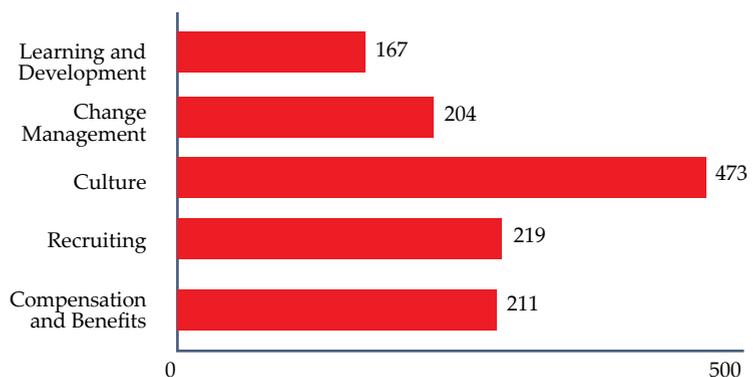
A rising focus on culture

A 2017 CEB article, 'Creating a Culture That Performs', reveals that CEOs increasingly focus on culture as a competitive advantage for their organisations. In fact, an Investor Talent Monitor report reveals that culture is, by far, the most commonly discussed talent-related issue during earnings

calls (see Figure 1).

This rising focus on culture has translated into heightened pressure on CHROs, 80 per cent of whom now consider managing culture to be fundamental to their role. At the same time, disruptive workforce trends have contributed

Figure 1: Top 5 talent-related topics discussed during 2016 earnings calls (number of companies)



Source: CEB analysis, AlphaSense; Note: Searches were limited to the use of the terms in a talent management context and included synonyms and synonymous phrases of the terms. Search parameters were limited to earnings calls released from January 1, 2010 to December 31, 2016, from publicly-listed companies in the S&P Global 1200 and S&P MidCap 400 indices as of December 31, 2016

to greater social instability within organisations, making the effective management of culture increasingly difficult.

How are organisations responding?

According to the CEB study, many organisations rely heavily on activating key influencers in an employee's network to make the right behaviours 'go viral'. They use senior leader influence to ensure that the organisational culture stays aligned with strategy and values amidst all this volatility and dispersion. Specifically, they prioritise the following:

- Communication cascades to drive urgency and send out a consistent message;
- Individual leader role modelling and storytelling to signal commitment; and
- Culture champions to clarify desired behaviours and reinforce their importance.

In theory, this approach makes sense. In an environment where strategy is continuously evolving and employee experiences are inconsistent, senior leaders and culture champions should be best positioned to cut through the noise and communicate the desired culture, signal the organisation's commitment to it, and enforce behavioural change where needed.

In practice, however, the approach does not seem to be working very well. A strategy focused on key influencers fails to drive quick and consistent behaviour adoption because it is incomplete, devoting as it does most of the organisation's resources to only a fraction of what drives employee behaviour.

More specifically, we see these key influencer-based approaches falling short in several important ways:

- Messages from culture champions and senior leaders inform employees of desired behaviours and signal permission for employees to engage in

Tell employees what they must stop doing to live the values. Employees often struggle to translate cultural values into day-to-day behaviour...



those behaviours. However, the messages are not relevant or credible enough to supplant the cues already embedded in employees' immediate workflow, which might trigger misaligned behaviour.

- Role modelling and storytelling provide examples and signal permission to engage in desired behaviours, but they do not make those behaviours easy or routine to pursue, especially if legacy processes, structures, and resource distribution policies get in the way.
- Leaders have the most power to reward and punish behaviour, but focusing on those forms of motivation may crowd out the intrinsic motivation needed for behaviour to reflect shared values rather than mere compliance.

A Better Way Forward

Leading organisations realise that they can create an aligned culture faster and more cost-effectively by aligning key processes in employees' workflows in addition to or before aligning influential people in employee networks. They do this by making three key shifts in how they measure, translate, and embed their desired cultures:

1. Measure how the culture performs, not just whether it is engaging. Many companies tell us engagement scores are the best

metric for evaluating cultural health and effectiveness. However, this provides a limited (and often inaccurate) view of culture, increasing the risk of making bad decisions about how the culture needs to evolve. Instead, the best organisations evaluate whether the culture is driving critical behaviours. This requires fully understanding the culture as it truly exists in the organisation, not just the extent to which specific values.

2. Tell employees what they must stop doing to live the values. Employees often struggle to translate cultural values into day-to-day behaviour because the values are too high level ('we are innovative'), overwhelming ('we must be exceptionally inclusive and exceptionally innovative'), or contradictory ('we are exceptionally efficient and exceptionally innovative'). To help employees translate values into behaviours, the best organisations communicate the trade-offs they expect employees to make, not just the behaviours they expect them to demonstrate.

3. Update key business processes, and not just talent processes, to reflect the stated values. Talent processes are important but not sufficient to embed cultural values. Most barriers to making behaviour routine lie in the systems that determine work processes, and not in individual skills or motivation. Rather than holding senior leaders accountable for personally modelling the values, the best organisations hold them accountable for updating key business processes and structures to remove financial, structural, or governance barriers to desired behaviours. ■



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