LEADING A
CULTURE
TRANSFORMATION

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Leading an organization through change can be an emotional and challenging experience. It's exciting to envision a shinier, stronger, more successful business and to know that it's within your grasp, but stressful when you consider the high rate of failure for most organizational changes—and the hefty investment of resources they require.

Despite extensive literature on change management, many authorities on this subject overlook the root causes of failure. The reasons why organizations are not as successful with transformation efforts as desired (despite having hundreds of thousands of dollars invested in the cause) are the challenges of changing the many actions, decisions, and behaviors of every single employee in an organization. If the transformation initiative does not address change at this granular level, it will not succeed.

While this seems like a near-impossible task (how are you supposed to control the actions of every individual in your company?), it's not. With the right approach, you can lead team members to independently develop new behaviors and skills that, when put together, will transform your organization into the forward-thinking, high-performing business you've been envisioning.

LET'S GET STARTED

UNDERSTANDING ORGANIZATIONAL CULTURE TRANSFORMATION

Change initiatives are typically put in motion in order to address a business problem or seize a new opportunity. Perhaps it's the lackluster performance of the sales staff, or maybe it's a chance to go after a new market. Maybe an organization is downsizing or merging with another company, or perhaps a company's leadership just wishes employees were more accountable for results. Whatever the reason for the change, its success or failure is determined by the individual behaviors of everyone at the organization.

How individuals within an organization behave—how they solve problems, communicate, and get things done—is essentially what makes up the culture of an organization. Culture is expressed in the words that individuals use in order to describe their peers, the leadership, and what it's like to work there. If these descriptions are positive, chances are that individuals are behaving in ways that will enhance the organization's success. If not, it's likely that employees' behaviors are detrimental to the organization's success.

An organization's culture can be a leading factor in success—or a derailment.

A culture transformation doesn't necessarily mean an overhaul of the entire organization. If the goal of the change, for example, is to shift the sales team's approach from selling to consultative partnering, then the focus will be on changing behaviors within the sales team. If the change is something that affects the entire organization, then the focus of the cultural transformation will be on changing the sum total of everyone's behaviors.

IS CULTURE TRANSFORMATION NEEDED IN OUR ORGANIZATION IN THE FIRST PLACE?

An organization's leadership, its Board of Directors, or the results from customer or employee surveys may clearly indicate the need for a change in the culture. Although the words "culture transformation" may not have been spoken yet by anyone involved, there is an acknowledged desire to change individuals' behaviors so that the organization benefits in some way as a result. These benefits can—and should—be expressed using the metrics that typically matter most to an organization: improved customer feedback, increased sales revenue, fewer safety incidents, or decreased turnover, for example. If those benefits are deemed critical to the success—or the survival—of an organization, then culture transformation is necessary.

Sometimes an organization's pain points are clearly in evidence, at other times a specific opportunity presents itself. In these cases, the reason for the change, and what needs to happen in order to achieve the desired outcome can all be clearly articulated. Having this kind of clarity increases the chances of a successful transformation. However, when (as often happens) organizations are a blend of many cultures, clarity on which behaviors are desired and then rewarded is very difficult to achieve. This is especially common in large, geographically dispersed organizations or those that have recently acquired other businesses, gone through massive hiring rounds, or struggle with siloed departments.

> When an organization's culture is poorly defined, there is no common direction, there is no common language, and there are no clearly defined standards.

This can result in wasted efforts and energy, wasted resources, and wasted opportunities. In any case, a disciplined approach to culture transformation needs to be implemented. This disciplined approach has a single objective: aligning every employee and every leader in terms of what to do and how to do it, in order to achieve a specific outcome. This kind of strong, well-defined culture not only solves pain points, but it also translates to a more efficient, effective workforce.

WHEN AND WHERE LEADERS SHOULD START

Often, leaders will acknowledge a need for culture transformation within their organization, but then delay that initiative, to be tackled after apparently more pressing priorities have been crossed off their to-do list. When this is done, whether it's just in one department or all across the organization, individuals are applying methods already identified as substandard (given the identified need for culture transformation) to tackle these "more pressing" priorities—which means the results are less than they could have been had the culture transformation been started earlier.

As soon as the need for change has been recognized, that is the time to start. Don't be delayed by other priorities or concerns that employees are overworked. If you are going to change the way people do things, and this change is for the better, then the sooner they can learn the desired behaviors, the greater impact they will have—and the easier their jobs will become. If handled correctly, the behaviors introduced as part of the change initiative will feel seamless, complementary, and helpful to team members.

Once all stakeholders have agreed that the time for action is now, everyone begins looking around for the starting line. That starting line is a clear understanding of the current culture, described in specific terms that are supported by concrete examples. Once this has been established, you're ready to chart a path to the desired outcome of the change initiative.

There are several tools you can use in order to build a complete picture of your current culture:

- 360° or 180° surveys, which capture the impact that the leadership style is having on your organization
- Focus groups, which gather input from employees at all levels and across all functions of an organization
- Meetings with high-potential employees, who typically are key influencers in an organization, and as such can offer valuable insight into any current dysfunction or opportunities
- One-on-one meetings with executives, who have the most impact on the culture
- Surveys, which are useful for gathering feedback in large organizations where team members are spread across multiple locations

Once these data sets are collected, you should be able to codify the behaviors exhibited by leaders and team members that have forged the current culture. The next step is to begin setting measurable objectives for changing those behaviors. Many people think culture transformation can only be described in "soft" terms, but those terms can be tied to hard metrics—like those that the CFO cares about. For example, if the change that needs to occur is an improvement in customer service, customer service ratings can be utilized as the metrics for success.

Those metrics will serve as indicators
that the change is working.

THE ROLE OF THE LEADER, HR, AND INDIVIDUAL EMPLOYEES

Let's start with the role of the leader in any organizational transformation. In a word, it is critical. Without active, visible support from leadership—from the CEO to frontline managers—organizational change will fail. Leaders do not have to be involved in every tactical aspect of the change, but they are responsible for the final outcome.

Leaders are also responsible for modeling the behaviors that are required for the change to be a success. Before any kind of organizational transformation, leaders can be just as uncertain as employees as to which behaviors are desired and which are unproductive or even detrimental to their culture. But because leaders' actions are highly visible, and can impact everyone else, they must be the first to know which behaviors need to change and how. Then they need to model those behaviors they want to see in others.

HR, meanwhile, is "in the weeds" of the change process. They are the ones designing the communication strategy, training individuals, tracking their progress, and offering feedback. They'll be providing tactical guidance to leaders on how they can best support the transformation—for example, taking part in a video that explains the goals for the change or speaking at an employee training session.

HR must also do the valuable work of linking the culture transformation to the HR cycle. In order to sustain the behaviors adopted as part of the transformation, they must be reinforced during recruiting, performance management, career planning, succession planning, and promotion.

Together, HR and the leadership team chart the course of transformation. With valuable input from each individual on the team, they identify opportunities to change and then teach the behaviors necessary in order to seize those opportunities. Gathering this input helps gain commitment from team members.

Employees make the change happen by choosing to adopt the new behaviors. Each individual will do this at his or her own pace, which depends on the employee's ability and willingness. If leadership has made a convincing case for the change, employees will come to support it with their daily actions—and that's when results will begin to be realized.

KEYS TO LEADING A SUCCESSFUL CULTURE TRANSFORMATION

The process of culture transformation looks different in every organization. However, there are a few common principles that every organization should follow in order to make the change a success.

Executives are seen to be leading the change.

It cannot be stressed enough how important leadership's role in organizational change is. If executives seem to be delegating everything related to the transformation, or if they are mostly silent on the subject, it sends the message to individuals that the initiative is not a high priority. Even worse, if leaders' behaviors are not those being promoted as having to change, individuals will believe leadership considers itself to be above the whole process and will resent the effort to ask them to change. Leaders must support the transformation with both their words and actions.

There is a clear "line of sight."

In order to be motivated to change, all team members must understand the tangible benefits that will occur as a result of the transformation. They must also understand the current state of the organization. As the transformation unfolds, they should be able to see clearly how the organization is progressing toward those benefits. Having this "line of sight" creates an excellent framework for leaders to regularly communicate with employees about progress, and the anticipated benefits. Frequent communication such as this sustains momentum across the organization or team. Typically, leaders start out strong in their communications and then grow increasingly less focused as the process wears on, which causes individuals to lose sight of the desired outcome and their motivation to flag. By providing regular "trail markers," leaders can make sure everyone gets from point A to point B.

There is clarity on behavior.

It's easy to describe organizational transformation in grand, sweeping terms. But while this language might inspire employees, it doesn't necessarily instruct them. Individuals need to know, in very practical terms, how the change should affect day-to-day priorities, decisions, and relationships. This needs to be clearly spelled out for each function by supervisors and line managers, who are then responsible for coaching their direct reports in adopting those new behaviors.

The change captures employees' hearts and minds.

People may intellectually understand the need for change, but still be reluctant to alter their habits and the old ways of doing things. Driving employees to action requires first building their emotional conviction that what's being tackled is the right thing to do. All individuals go about their work with certain convictions in place—hopefully, that the work they do is good and valuable to society, that it is fulfilling, and that it enables them to provide a comfortable living for their families. These convictions are vital to an organization.

They motivate individuals to do good work and contribute in meaningful ways to the organization's mission.

When change is needed in an organization, leaders must build conviction that the change is necessary and good to ensure a sustained and successful future —in other words, they must garner an emotional commitment to the change. Fortunately, leaders do not have to be trained motivational speakers in order to inspire this kind of passion in people. Even more effective than a rousing speech are activities (for example, training or simulations) that allow employees to viscerally experience the effects of the foreseen transformation. If they can experience the positive impact the change will produce, they will be deeply invested in its success.

New skills and knowledge are sustained through experiential learning.

People learn (and remember what they learned) by doing, by being engaged and involved, not merely by being talked at—no matter how inspirational the message. Leaders at each level of the organization should build in opportunities for their teams to actively learn new skills associated with the transformation and apply them on the job. Leaders should make it clear that, during this learning phase, not getting it entirely right the first time is ok. It is important to create a supportive environment in which individuals feel safe in acquiring new behaviors—whether it's actually on the job or in a simulated environment. This approach has the added benefit of allowing people to physically experience the benefits of adopting the new behaviors, which adds to their conviction that the process is necessary and rewarding.

SUSTAINING A CHANGED CULTURE

Like any well-defined goal, the process of organizational change should have a finish line. Once its objectives have been accomplished, the process draws to a close. However, this doesn't guarantee that team members (and leaders) won't relapse into their old ways.

As the outside world shifts and evolves, and as new things continue to occur within your organization, employees need to know how to behave in their changing circumstances. An organization's culture can only be maintained if the new, and now practiced behavior continues to be a focal point of leadership and HR. Pride in the results from the transformation and a continued commitment to modeling the new behaviors, and better ways of doing things, are necessary for sustaining the new culture. A lot of work has gone into creating it, and leaders are responsible for keeping it alive. However, when leaders move on, they don't take the culture with them. The truest indicator of a strong culture is one that outlasts the management team that initiated it.

Eagle's Flight is a recognized expert in Culture Transformation and has partnered with organizations across many industries to successfully guide sustained culture change. Contact our team to speak with an expert about your goals and strategy, and the tools and training your organization needs to complete a successful culture transformation.

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